

NEW ISSUE**BOOK-ENTRY-ONLY**RATING ⁽¹⁾ S&P Global Ratings Services: "AA"
(See "RATING INFORMATION" herein)

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.

The Bonds will not 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.

\$4,100,000*

**CHARTER TOWNSHIP OF FENTON
COUNTY OF GENESEE, STATE OF MICHIGAN
2025 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)**

OFFICIAL STATEMENT

The 2025 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"), and a resolution adopted by the Board of Trustees of the Township on April 1, 2025 (the "Resolution").

The Bonds are being issued to defray part of the costs of acquiring, constructing, furnishing and equipping municipal water system infrastructure, together with all the necessary interests in land, and all related sites, structures, equipment, appurtenances and attachments thereto (the "Project").

The Township has pledged the full faith and credit and the limited taxing power of the Township for the payment of the principal of and interest thereon and the Bonds will be payable from lawfully available monies of the Township including ad valorem taxes, which may be levied in an amount sufficient to pay the annual principal of and interest on the Bonds. SUCH TAXES ARE SUBJECT TO APPLICABLE CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE 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 May and November of each year, commencing November 1, 2025. Principal and interest will be paid by the Township to U.S. Bank Trust Company, National Association, Detroit, 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.

Certain of the Bonds are subject to redemption prior to maturity. See "REDEMPTION PROVISIONS" herein.

BIDS RECEIVED UNTIL: May 12, 2025, 1:00 P.M. Eastern Time

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: May 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
	2026	\$145,000				2033	\$180,000				2040	\$235,000		
	2027	150,000				2034	185,000				2041	245,000		
	2028	155,000				2035	195,000				2042	255,000		
	2029	155,000				2036	200,000				2043	265,000		
	2030	165,000				2037	210,000				2044	280,000		
	2031	170,000				2038	215,000				2045	295,000		
	2032	175,000				2039	225,000							

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 , 2025.

* Preliminary, subject to change.

⁽¹⁾ As of Date of Delivery.

⁽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© 2025 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.)

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).

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

\$4,100,000*
CHARTER TOWNSHIP OF FENTON
COUNTY OF GENESEE, STATE OF MICHIGAN
2025 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

INFORMATION FOR BIDDERS

Date of Sale: May 12, 2025
 Time of Sale: 1:00 p.m. Eastern Time
 Place of Sale: Info@bendzinski.com or Electronically via PARITY

Dated: Date of Delivery Maximum Interest Rate: 6%
 (expected June 5, 2025)
 Principal Due: May 1, Serially Maximum Discount Allowed: 1.00%
 Denominations: \$5,000 or multiples thereof up to Multiples: Any
 the amount of a single maturity
 Registration: Book-Entry-Only Qualified Tax-Exempt Obligations: NO

ADJUSTMENT TO MATURITY *

The Township reserves the right to 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>	<u>Year</u>	<u>Amount</u>
2026	\$145,000	2031	\$170,000	2036	\$200,000	2041	\$245,000
2027	150,000	2032	175,000	2037	210,000	2042	255,000
2028	155,000	2033	180,000	2038	215,000	2043	265,000
2029	155,000	2034	185,000	2039	225,000	2044	280,000
2030	165,000	2035	195,000	2040	235,000	2045	295,000

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 the Date of Delivery and will bear interest from that date. Interest on the Bonds shall be payable on November 1, 2025, and semiannually each May 1 and November 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.

The US Bank Trust Company National Association, Detroit, Michigan, or its successor will serve as transfer agent (the "Transfer Agent") and also as bond registrar and paying 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 adjustment

REDEMPTION PROVISIONS

OPTIONAL REDEMPTION

Bonds maturing in the years 2026 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 and thereafter, 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 May 1, 2035, at par and accrued interest to the date fixed for redemption.

TERM BONDS

Bidders shall have the option of designating bonds maturing in the years 2026 through 2045, inclusive, as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2026 through 2045, inclusive, represent a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2026 through 2045, 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 redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities herein before set forth. The Term Bonds or portions of Term Bonds to be redeemed shall be selected by lot.

<u>Term Bond Maturing</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Term Bond Maturing</u>	<u>Year</u>	<u>Principal Amount</u>
May 1, 20__	20__	\$__	May 1, 20__	20__	\$__
	20__	__		20__	__
	20__	__		20__	__

The principal amounts of the Term Bonds to be redeemed each year as set forth in the preceding tables may be redeemed through the earlier purchase or optional redemption thereof by the Township, with any partial purchase or optional redemptions of such Term Bonds credited against such future redemption requirements as the Township shall determine.

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 2.2 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 of ("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 of either issue 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 a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity 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 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 Transfer Agent on 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.

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 Transfer Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; 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.

THE PROJECT

DESCRIPTION

The Bonds are being issued for the costs of acquiring, constructing, furnishing and equipping municipal water system infrastructure, together with all the necessary interests in land, and all related sites, structures, equipment, appurtenances and attachments thereto (the "Project") and costs of issuance incurred with respect to the Bonds.

USE OF BOND PROCEEDS

The estimated project cost is as follows:

Deposit to Construction Fund	\$	3,998,572
Estimated Costs of Issuance		
Bond Counsel	\$	21,900
Registered Municipal Advisor		20,850
Official Statement Printing		750
Newspaper Printing		1,500
Rating Fees		12,608
Notice of Sale Printing		2,000
Michigan Treasury Fee (.02% of par \$1,000 max)		820
Total Estimated Bond Costs of Issuance	\$	60,428
Plus: Underwriter's Discount (max 1.0% of par allowance)		41,000
Total Bond Costs of Issuance plus Underwriter's Discount	\$	101,428
Total Project Allocation	\$	4,100,000

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 duly adopted by the Township Board of Trustees of the Township on April 1, 2025 (the "Resolution").

MUNICIPAL FINANCE QUALIFYING STATEMENT

The Township has filed a Qualifying Statement for the fiscal year ended December 31, 2023. The Michigan Department of Treasury has determined that the Township is in material compliance with the criteria identified in Section 303(3) of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The Township may therefore proceed to issue the Bonds without further approval from 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, statutory, and charter 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.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will not 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 (the "Code").

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. 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 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 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.

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 approval of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. A copy of the opinion of Bond Counsel will be provided with the Bonds, which opinion will be in substantially the form 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 H 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 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, Okemos 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 Statement 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 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 Registered 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.

The Township has not failed to comply in any material respect with the requirements as described in subsection (b)(5) of the Rule of any continuing disclosure undertaking made by the Township within the past five (5) years.

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.

PRINTING AND DELIVERY

The Township will furnish 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 CERTAIN LITIGATION

According to the Township Attorney, there is no litigation to his 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 is subject, in all respects, to the complete body of information contained in the original sources thereof. 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 May 1, 2025. 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.

CHARTER TOWNSHIP OF FENTON

/s/

Thomas Broecker, Operations Manager/Deputy Clerk

CHARTER TOWNSHIP OF FENTON
GENERAL DESCRIPTION AND STATISTICAL INFORMATION

CHARTER TOWNSHIP OF FENTON

LOCATION AND DESCRIPTION

The Charter Township of Fenton is located in the southeast portion of Genesee County, approximately 14 miles from the City of Flint. The Township encompasses approximately 27.5 square miles. The Cities of Fenton and Linden are located within the Township boundaries.

FORM OF GOVERNMENT

The Township is governed by a Board of Trustees which is composed of Supervisor, Clerk, Treasurer and four Trustees.

POPULATION

2020 U.S. Census	16,843
2010 U.S. Census	15,552
2000 U.S. Census	12,958

FISCAL YEAR

January 1 to December 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." Beginning in 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 all 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.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable 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.

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 Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") is recorded on a separate tax roll 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) for 2024.

INDUSTRIAL FACILITIES TAX

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 has four (4) IFT exemption certificates currently outstanding, aggregating \$10,855,900 in 2024 Equivalent Taxable Value.

HISTORY OF PROPERTY VALUATIONS

Year	State Equalized Valuation	Taxable Value
2024	1,658,164,100	1,215,498,680
2023	1,478,735,800	1,116,469,002
2022	1,296,461,800	1,027,375,709
2021	1,220,842,100	956,074,349
2020	1,145,059,200	910,771,458
2019	1,061,980,200	860,446,408
2018	965,263,300	803,463,226
2017	926,782,900	760,411,796
2016	859,848,000	728,053,558
2015	813,067,700	714,588,286

Source: Charter Township of Fenton

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 may 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 \$6,106.29 from the Local Community Stabilization Authority to replace personal property tax revenues during the fiscal year ended December 31, 2024.

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 Valuation** is as follows:

BY CLASS						
	2024	% of Total	2023	% of Total	2022	% of Total
Real Property	1,636,061,600	98.67%	1,457,639,900	98.57%	1,274,752,300	98.33%
Personal Property	22,102,500	1.33%	21,095,900	1.43%	21,709,500	1.67%
TOTAL	<u>1,658,164,100</u>	<u>100.00%</u>	<u>1,478,735,800</u>	<u>100.00%</u>	<u>1,296,461,800</u>	<u>100.00%</u>

BY USE						
	2024	% of Total	2023	% of Total	2022	% of Total
Agricultural	19,352,700	1.17%	916,600	0.06%	916,600	0.07%
Residential	1,526,340,400	92.05%	1,384,084,700	93.60%	1,206,915,700	93.09%
Commercial	68,718,900	4.14%	59,795,800	4.04%	53,731,400	4.14%
Industrial	21,649,600	1.31%	12,842,800	0.87%	13,188,600	1.02%
Personal Property	22,102,500	1.33%	21,095,900	1.43%	21,709,500	1.67%
TOTAL	<u>1,658,164,100</u>	<u>100.00%</u>	<u>1,478,735,800</u>	<u>100.00%</u>	<u>1,296,461,800</u>	<u>100.00%</u>

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

BY CLASS						
	2024	% of Total	2023	% of Total	2022	% of Total
Real Property	1,193,396,180	98.18%	1,095,373,102	98.11%	1,005,666,209	97.89%
Personal Property	22,102,500	1.82%	21,095,900	1.89%	21,709,500	2.11%
TOTAL	<u>1,215,498,680</u>	<u>100.00%</u>	<u>1,116,469,002</u>	<u>100.00%</u>	<u>1,027,375,709</u>	<u>100.00%</u>

BY USE						
	2024	% of Total	2023	% of Total	2022	% of Total
Agricultural	10,416,110	0.86%	762,811	0.07%	726,488	0.07%
Residential	1,105,927,056	90.99%	1,033,547,376	92.57%	947,631,210	92.24%
Commercial	57,347,757	4.72%	49,349,603	4.42%	45,582,671	4.44%
Industrial	19,705,257	1.62%	11,713,312	1.05%	11,725,840	1.14%
Personal Property	22,102,500	1.82%	21,095,900	1.89%	21,709,500	2.11%
TOTAL	<u>1,215,498,680</u>	<u>100.00%</u>	<u>1,116,469,002</u>	<u>100.00%</u>	<u>1,027,375,709</u>	<u>100.00%</u>

Source: Charter Township of Fenton

MAJOR TAXPAYERS

According to Township officials, the 2024 Taxable Value of each of the Township's major taxpayers is as follows:

Taxpayer	2024 Taxable Value
Consumers Energy Company	\$17,968,431
Vicinia Independent Living, LLC	6,511,600
Linden Senior Partners, LLC	5,667,195
Bug Family Farm Trust	3,947,189
WCG Pheasant Run, LLC	3,903,402
Performance Fabricating, LLC	3,168,900
Webasto Product North America, Inc	3,458,040
Matthew Serra	2,702,335
Philip R Hagerman	2,493,930
Ryan P & Wendi L LaFontaine	2,374,432

Source: Charter Township of Fenton

TAX RATES ⁽¹⁾

(Per \$1,000 of Taxable Value)

	2024		2023		2022	
	Principal <u>Residence</u>	Non Principal <u>Residence</u>	Principal <u>Residence</u>	Non Principal <u>Residence</u>	Principal <u>Residence</u>	Non Principal <u>Residence</u>
Charter Township of Fenton						
Operating	\$0.6576	\$0.6576	\$0.6576	\$0.6576	\$0.6576	\$0.6576
County of Genesee	10.4918	10.4918	8.5563	8.5563	8.5563	8.5563
Bishop Airport Authority	0.4725	0.4725	0.4743	0.4743	0.4743	0.4743
Genesee District Library	0.9653	0.9653	0.9692	0.9692	0.9692	0.9692
Lake Fenton School District						
Local	0.0000	16.9720	0.0000	16.9720	0.0000	16.9720
Debt	2.6400	2.6400	2.6400	2.6400	5.0000	5.0000
Building & Sinking Fund	0.9608	0.9608	0.9715	0.9715	0.9715	0.9715
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Genesee County ISD	3.6810	3.6810	3.6950	3.6950	3.6950	3.6950
Mott Community College	2.5365	2.5365	2.5438	2.5438	2.6638	2.6638
Southern Lakes Metro Parks & Rec.	0.3384	0.3384	0.3418	0.3418	0.3418	0.3418
Mass Transportation Authority	1.2051	1.2051	1.2095	1.2095	1.2095	1.2095
Total All Jurisdictions	<u>\$29.9490</u>	<u>\$46.9210</u>	<u>\$28.0590</u>	<u>\$45.0310</u>	<u>\$30.5390</u>	<u>\$47.5110</u>

⁽¹⁾ 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.

Source: County of Genesee Equalization Department and Charter Township of Fenton

TAX RATE LIMITATIONS

The Charter Township of Fenton is authorized pursuant to Act 359, Public Acts of Michigan 1947, as amended (the Charter Township Act) to levy the following tax rates:

<u>Purpose</u>	<u>Maximum Millage Authorized</u>	<u>Maximum Millage to be Levied ⁽¹⁾</u>	<u>Expiration Date of Millage</u>
General Operating	\$5.0000	\$3.0763	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 of State Equalized Valuation)</u>
Refuse Collection and Disposal	Act 298, P.A. of Michigan 1917, as amended	\$3.00
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 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 the State law.

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 reversed by a vote of the electorate of the local taxing unit.

TAX LEVIES AND COLLECTIONS*

<u>Year of Levy</u>	<u>Tax Levy</u>	<u>Collections to March 1 of Following Year</u>
2024	\$ 795,461	\$ 762,804 95.89%
2023	731,444	700,976 95.83%
2022	674,222	646,731 95.92%
2021	627,631	599,926 95.59%
2020	605,691	574,149 94.79%
2019	578,884	548,170 94.69%
2018	552,099	526,904 95.44%
2017	528,483	501,384 94.87%
2016	512,193	487,177 95.12%
2015	503,719	477,186 94.73%

* Operating levy

Source: Charter Township of Fenton

The Township's taxes are due and payable and a lien is created upon the assessed property on December 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.

Genesee 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. 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 are collected by the Township and are negligible.

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 July 24, 2024, Governor Whitmer signed into law the budget for fiscal year 2025. The budget includes a constitutional revenue sharing distribution to cities, villages and townships of approximately \$1.073 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.

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 for the fiscal years ended December 31, 2020 through December 31, 2024.

Fiscal Year Ended December 31,	Constitutional Payments	CVTRS Payments	Total
2024	\$ 1,793,223	\$ 76,658	\$ 1,869,881
2023	1,819,156	60,937	1,880,093
2022	2,005,828	57,770	2,063,598
2021	1,599,358	55,536	1,654,894
2020	1,376,640	45,820	1,422,460

Source: State of Michigan Department of Treasury Website and Charter Township of Fenton

LABOR AGREEMENTS

The Township has a negotiated comprehensive salary, wage, fringe benefit and working conditions contract with the AFSCME, which covers ten (10) employees. The expiration date of the contract is June 30, 2025, and is currently in negotiations.

Source: Charter Township of Fenton

RETIREMENT PLAN *

The Township sponsors a defined contribution pension plan (the "Charter Township of Fenton Group Pension Plan") covering all eligible employees who wish to participate. The plan is administered by John Hancock Life Insurance Company. By township ordinance, the Township contributes 5 percent or 10 percent depending on hire date and employees contribute 5 percent of wages to the plan. The employee may voluntarily contribute in excess of that amount. Benefits are fully vested after 20 months of service with the benefit payable at age 55, or retirement, if later. Employees between the ages of 18 and 65 with at least 90 days of service who wish to participate may elect coverage. Total payroll and covered payroll for the year were \$1,026,279 and \$809,159, respectively. The Township's 2023 contributions were \$66,863. Employees contributed \$54,873 during 2023.

* For further information, see Note 7 in the Township's audited Annual Financial Report for fiscal year ended December 31, 2023.

OTHER POST EMPLOYMENT BENEFITS **

Plan Description

The Township provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the Charter Township of Fenton Retiree Medical Plan (the "Plan"), a single employer defined benefit plan administered by the Township.

The financial statements of the OPEB plan are included in the Township's financial statements as the Retiree Health Care Fund (a fiduciary fund).

Management of the Plan is vested in the Township Board, which consists of seven elected members.

Benefits Provided

The Plan provides health care benefits for eligible retirees. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan. The benefits are defined under collective bargaining agreements. As December 31, 2017, the Plan was closed to new entrants.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

<u>Date of Member Count</u>	<u>December 31, 2023</u>
Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	1
Total employees covered	<u>4</u>

** For further information, see Note 8 in the Township's audited Annual Financial Report for fiscal year ended December 31, 2023.

Schedule of Changes in the Township's Net OPEB Liability (Asset) and Related Ratios:

<u>Fiscal Year Ended December 31</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability				
Service cost	\$ 876	\$ 1,969	\$ 2,417	\$ 2,419
Interest	39,156	35,684	31,297	30,779
Differences between expected and actual experience	3,963	(2,706)	90,071	978
Changes in assumptions	30,781	(142,517)	89,593	(3,668)
Benefit payments, including refunds	(20,472)	(19,743)	(21,127)	(19,947)
Net change in total pension liability	54,304	(127,313)	192,251	10,561
Total pension liability - Beginning of year	524,705	652,018	459,767	449,206
Total pension liability - End of year	<u>\$ 579,009</u>	<u>\$ 524,705</u>	<u>\$ 652,018</u>	<u>\$ 459,767</u>
Plan Fiduciary Net Position				
Contributions - Employer				
Net Investment income	85,103	(75,692)	67,615	61,393
Administrative expenses	(2,778)	(2,663)	(3,045)	(2,483)
Benefit payments, including refunds	(20,472)	(19,743)	(21,127)	(19,947)
Net change in plan fiduciary net position	61,853	(98,098)	43,443	38,963
Plan fiduciary net position - Beginning of year	510,797	608,895	565,452	526,489
Plan fiduciary net position - End of year	<u>572,650</u>	<u>510,797</u>	<u>608,895</u>	<u>565,452</u>
Township's net pension liability - Ending	<u>\$ 6,359</u>	<u>\$ 13,908</u>	<u>\$ 43,123</u>	<u>\$ (105,685)</u>
Plan Fiduciary Net position as a Percentage of Total Pension Liability	98.90%	97.35%	93.39%	122.99%
Covered Employee Payroll	\$ 102,600	\$ 101,482	\$ 138,516	\$ 149,971
Net Pension Liability as a Percentage of Covered Employee Payroll	6.20%	13.70%	31.13%	-70.47%

Schedule of Funding Progress

<u>Fiscal Year Ended December 31</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 102,600	\$ 101,482	\$ 138,516	\$ 149,971
Contributions as a % of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%

Source: Charter Township of Fenton audited Annual Financial Reports

GENERAL FUND-FUND BALANCE

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

<u>Fiscal Year Ending December 31,</u>	<u>Fund Balance</u>
2023	\$ 10,570,465
2022	5,320,201
2021	4,466,705
2020	3,358,709
2019	2,640,362

Source: Charter Township of Fenton audited Annual Financial Reports

DEBT STATEMENT*
(As of June 5, 2025, including the Bonds)

DIRECT DEBT

General Obligation Bonds			
	04/12/2016	Capital Improvement Refunding, LT	2,125,000
	03/02/2017	Capital Improvement, LT	375,000
	06/28/2018	Capital Improvement, LT	574,000
	09/20/2018	Capital Improvement Refunding, LT	451,000
	09/20/2018	Capital Improvement Refunding, LT	362,000
	Date of Delivery	Capital Improvement Bonds, 2025	4,100,000
			<u>\$ 7,987,000</u>
Special Assessment Bonds			
	08/25/2016	Special Assessment, LT	\$ 330,000
	09/19/2017	Road (Liberty Shs Condos), LT (Taxable)	56,000
	07/09/2019	Roads (#2019-02), LT	268,000
	05/30/2020	Roads (Margaret Dr)	920,000
	05/02/2023	Special Assessment, LT	459,000
	06/12/2024	Special Assessment Bonds, Series 2024	203,000
	Date of Delivery	Special Assessment Bonds, Series 2025	2,355,000
			<u>4,591,000</u>
County Issued Drain Bonds			
	11/08/2023	Orchard Park Intercounty Drain	501,168
			<u>\$ 13,079,168</u>
TOTAL DIRECT DEBT			
Less:		Special Assessment Bonds	4,591,000
NET DIRECT DEBT			
			<u><u>\$ 8,488,168</u></u>

	Total Debt	Overlapping Debt Portion
OVERLAPPING DEBT		
16.42% Fenton School District	\$ 49,835,000	\$ 8,182,907
79.64% Lake Fenton School District	6,030,000	4,802,292
34.01% Linden School District	55,100,000	18,739,510
9.43% Genesee County @ Large	470,114,846	44,331,830
8.85% Genesee Intermediate School District	14,385,000	1,273,073
8.86% Mott Community College	71,785,000	6,360,151
9.43% Bishop Airport Authority	-	-
TOTAL OVERLAPPING DEBT		<u>\$ 83,689,763</u>
NET DIRECT AND OVERLAPPING DEBT		<u><u>\$ 96,768,931</u></u>

Source: Municipal Advisory Council of Michigan

DEBT RATIOS:

Per Capita 2024 State Equalized Valuation	\$ 97,299
Per Capita 2024 True Cash Value	\$ 194,599
Per Capita Net Direct Debt	\$ 504
Per Capita Combined Net Direct and Overlapping Debt	\$ 5,745
Percent of Net Direct Debt of 2024 State Equalized Valuation	0.80%
Percent of Net Direct and Overlapping Debt of 2024 State Equalized Valuation	5.90%
Percent of Net Direct Debt of 2024 True Cash Value	0.40%
Percent of Net Direct and Overlapping Debt of 2024 True Cash Value	2.95%

* Preliminary, subject to change

SCHEDULE OF BOND MATURITIES*

(As of June 5, 2025, including the Bonds)

Year	General Obligation Bonds	Special Assessment Bonds	County Issued Drain Bonds
2025	\$ 901,000	\$ -	\$ -
2026	1,354,000	303,000	28,077
2027	1,400,000	304,000	28,077
2028	491,000	278,000	28,077
2029	346,000	280,000	28,077
2030	165,000	215,000	28,077
2031	170,000	215,000	28,077
2032	175,000	162,000	28,077
2033	180,000	165,000	28,077
2034	185,000	167,000	28,077
2035	195,000	147,000	26,673
2036	200,000	-	25,269
2037	210,000	-	25,269
2038	215,000	-	25,269
2039	225,000	-	25,269
2040	235,000	-	25,269
2041	245,000	-	23,865
2042	255,000	-	23,865
2043	265,000	-	23,865
2044	280,000	-	23,865
2045	295,000	-	-
	<u>\$ 7,987,000</u>	<u>\$ 2,236,000</u>	<u>\$ 501,168</u>

DEBT HISTORY: There is no record of default.

FUTURE BONDING: The Township anticipates issuing \$2,355,000 in Special Assessment Bonds in the next month. In addition, the Township anticipates an additional \$4,000,000 bond issue within the next year for sewer capital improvements.

* Preliminary, subject to change

STATEMENT OF LEGAL DEBT MARGIN*

(As of June 5, 2025, including the Bonds)

2024 State Equalized Valuation	\$ 1,638,811,400
Plus	
2024 Taxable Equivalent Valuation of Act 198 specific tax levies	10,855,900
Total Valuation	<u>\$ 1,649,667,300</u>
Debt Limit (10% of State Equalized Valuation) (1)	\$ 164,966,730
Amount of Outstanding Debt (2)	13,079,168
Less: (2-a) Special Assessment Bonds	<u>4,591,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 156,478,562</u></u>

(1) Act 359, Public Acts of Michigan, 1947, as amended (the "Charter Township Act"), provides that the net indebtedness of the Township shall not exceed 10% of all assessed real and personal property in the Township.

(2) Bonds which are not included in the computation of legal debt margin according to the Charter Township Act are:

- (a) Special Assessment Bonds;
- (b) Revenue Bonds;
- (c) Bonds issued, or contract or assessment obligations incurred, to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction.
- (d) Bonds issued, or contract or assessment obligations incurred, for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution;
- (e) Bonds issued, or contract or assessment obligations incurred, for the construction, improvement or replacement of a combined sewer overflow abatement facility;
- (f) Bonds issued to pay premiums or establish self-insurance contracts in accordance with Act 34, Public Acts of Michigan, 2001, as amended.

* Preliminary, subject to change

CAPITAL IMPROVEMENT BONDS STATEMENT OF LEGAL DEBT MARGIN*

(As of June 5, 2025, including the Bonds)

2024 State Equalized Valuation		<u>\$1,638,811,400</u>
Debt Limit (5% of State Equalized Valuation) (1), (2)	\$	81,940,570
Less Outstanding Capital Improvement Bonds		
Capital Improvement Refunding, LT	\$	2,125,000
Capital Improvement, LT		375,000
Capital Improvement, LT		574,000
Capital Improvement Refunding, LT		451,000
Capital Improvement Refunding, LT		362,000
Capital Improvement Bonds, 2025		4,100,000
		<u>7,987,000</u>
LEGAL DEBT MARGIN		<u><u>\$73,953,570</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 assessed 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

MAJOR EMPLOYERS

According to Township officials, major employers in the Township are as follows:

<u>Firm Name</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Lake Fenton Community Schools	Public School District	316
LaFontanie Chrysler, Jeep Dodge Ram	Auto Dealer	180
Miller Industries	Manufacturing	149
Thompson IG, LLC	Manufacturing	122
Webasto Product North America, Inc.	Manufacturing	120
Allied Industries	Manufacturing	120
Domico Med-Device, LLC	Manufacturing	100
Trelleborg Sealing	Manufacturing	60
McDonald's	Restaurant	50
Sagebrush Cantina	Restaurant	50

Source: Charter Township Fenton

LABOR CHARACTERISTICS

The U.S. Census 2023 American Community Survey Five 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	3,508
Service occupations	923
Sales and office occupations	1,699
Natural resources, construction, and maintenance occupations	431
Production, transportation, and material moving occupations	647
Total	<u>7,208</u>
 <u>By Industry</u>	
Agriculture, forestry, fishing and hunting and mining	21
Construction	361
Manufacturing	1,467
Wholesale trade	342
Retail trade	660
Transportation and warehousing, and utilities	257
Information	51
Finance, insurance, real estate, and rental and leasing services	776 557
Educational, health and social services	1,625
Arts, entertainment, recreation, accomodation and food services	520
Other services (except professional administration)	296
Public administration	275
Total	<u><u>7,208</u></u>

UNEMPLOYMENT DATA ⁽¹⁾

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

	2025		2024		2023		2022	
	County of <u>Genesee</u>	State of <u>Michigan</u>	County of <u>Genesee</u>	State of <u>Michigan</u>	County of <u>Genesee</u>	State of <u>Michigan</u>	County of <u>Genesee</u>	State of <u>Michigan</u>
January	7.30%	5.9%	5.20%	4.0%	5.8%	4.5%	6.6%	5.0%
February			5.60%	4.2%	5.8%	4.4%	6.0%	4.9%
March			5.40%	3.9%	5.5%	4.0%	5.7%	4.5%
April			5.20%	3.8%	4.4%	3.1%	5.2%	4.0%
May			5.30%	4.1%	4.9%	3.8%	5.4%	4.1%
June			6.20%	5.0%	5.1%	4.1%	5.7%	4.4%
July			6.70%	5.8%	5.4%	4.3%	6.1%	4.5%
August			6.20%	4.5%	5.1%	4.2%	5.6%	4.3%
September			5.50%	4.2%	4.7%	3.8%	4.9%	3.8%
October			5.50%	4.6%	4.5%	3.8%	4.8%	3.7%
November			5.50%	4.8%	4.0%	3.3%	4.5%	3.5%
December			6.10%	5.0%	4.4%	3.5%	4.8%	3.8%
Annual Average			5.7%	4.5%	5.0%	3.9%	5.4%	4.2%

⁽¹⁾ Unemployment data is not collected for units with populations under 27,000. Accordingly, there are no unemployment statistics available for the Township as a separate unit.

INCOME CHARACTERISTICS

There were 6,693 households in the Township according to the U.S. Census- 2023 American Community Survey Five Year Estimates, which had a median household income of \$108,526. 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	180
\$10,000 to \$14,999	55
\$15,000 to \$24,999	159
\$25,000 to \$34,999	166
\$35,000 to \$49,999	774
\$50,000 to \$74,999	852
\$75,000 to \$99,999	849
\$100,000 to \$149,999	1,386
\$150,000 or more	2,272

The per capita income for the Township was \$63,109 according to the U.S. Census- 2023 American Community Survey Five Year Estimates.

**CHARTER TOWNSHIP OF FENTON
GENERAL FUND BUDGET SUMMARY
FOR FISCAL YEAR ENDING DECEMBER 31, 2025**

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

		2023	2024	2025	
		Actual	Actual	Original	YTD Actual
Acct #	Account Title		(Unaudited)	Budget	3/31/25
Revenues					
Dept.	000				
402.000	Property Taxes	673,039.67	738,928.82	791,000.00	762,804.85
412.000	Delinquent Personal Property Tax	969.88	194.21	1,000.00	89.91
434.000	Mobile Home Fees	1,668.50	1,652.00	1,500.00	404.50
447.000	Property Tax Administration Fees	414,599.58	342,983.12	420,000.00	174,036.54
448.000	Tax Collection Fees - Schools	15,063.00	16,099.50	16,000.00	0.00
476.001	Business License Fees	650.00	1,100.00	500.00	250.00
476.002	Sewer Contractor License Permits	1,800.00	1,250.00	1,500.00	750.00
476.003	Fertilizer Applicator Permits	350.00	450.00	500.00	300.00
476.004	Short Term Rental Permit Fees	0.00	0.00	0.00	700.00
477.002	Video Franchise Fees	273,170.58	247,042.49	250,000.00	62,271.30
478.000	Video PEG Fees	109,268.14	98,816.95	100,000.00	24,908.47
490.001	Building Permits	220,537.38	416,779.20	300,000.00	92,399.10
490.002	Soil Fill/Removal Permits	0.00	0.00	100.00	0.00
490.003	Sign Permits	0.00	0.00	500.00	0.00
522.000	Federal Grants - CDBG	0.00	0.00	0.00	0.00
528.000	Federal Grants - Other	4,640.31	4,251.27	0.00	0.00
546.000	State Grants - Highway & Streets	5,000,000.00	0.00	0.00	0.00
569.000	State Revenue-Other	4,486.76	6,106.29	5,000.00	2,457.36
572.000	State Reimbursement-Summer Taxes	11,080.00	11,035.00	11,000.00	0.00
573.000	State Revenue-PRE Reimbursement	0.00	0.00	500.00	0.00
573.001	State Revenue-METRO Act	13,816.84	10,736.33	13,000.00	500.00
574.001	State Revenue - Statutory/CVTRS	60,937.00	76,658.00	65,000.00	0.00
574.002	State Revenue Sharing-Constitutional	1,819,156.00	1,793,223.00	1,800,000.00	0.00
574.003	State Revenue-Liquor License	6,329.40	6,514.75	6,000.00	110.00
576.000	Election Expense Reimbursement	18,856.99	37,906.09	0.00	0.00
581.000	Dog Park Revenue	0.00	0.00	0.00	0.00
607.001	Zoning Board of Appeals Fees	8,450.00	11,690.00	10,000.00	3,520.00
607.002	Planning Commission App Fee	1,890.00	500.00	8,000.00	125.00
607.003	Tall Grass Ord Admin Fee	0.00	300.00	500.00	0.00
607.004	Vehicle Impound Fee	300.00	2,920.00	4,500.00	2,800.00
613.000	Sundry Income	817.17	626.65	1,000.00	227.62
619.000	Election Filing Fees	0.00	900.00	0.00	0.00
620.000	Lot Split Fees	3,900.00	3,175.00	2,000.00	100.00
630.000	Sewer Administration & Operation	190,000.00	190,000.00	190,000.00	0.00
631.000	Special Revenue Fund Admin	21,000.00	21,500.00	21,500.00	0.00
643.000	Ordinance Book Sales	0.00	30.00	100.00	0.00
644.000	Master Plan Sales	0.00	0.00	0.00	0.00
645.000	Cemetery Plot Sales	1,600.00	800.00	6,000.00	1,100.00
645.001	Grave Opening/Closing Fees	0.00	100.00	600.00	0.00
658.000	Forfeits, Fines & Fees	6,376.50	5,914.17	8,000.00	1,519.68
659.000	Property Transfer Filing Penalty	0.00	0.00	0.00	0.00
665.000	Interest on Investments	426,236.78	541,776.68	300,000.00	50,628.47
667.000	Community Hall Rental	8,050.00	23,150.00	25,000.00	10,500.00
670.000	Interest Revenue - SAD	17,048.21	14,056.19	15,000.00	12,996.15
673.000	Proceeds from Sale of Assets	3,375.00	0.00	0.00	0.00
673.001	Gain-Property Held for Resale	0.00	0.00	0.00	0.00
675.000	Other Grant Revenue	0.00	18,000.01	0.00	0.00
677.001	SAD Revenue - Dartmouth Paving	0.00	0.00	0.00	0.00

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
677.002	SAD Revenue - North Shore Paving	6,301.42	9,863.10	6,800.00	0.00
677.003	SAD Revenue - Eleanor Paving	7,703.55	453.15	0.00	0.00
677.004	SAD Revenue - Audubon Meadows	7,949.45	7,320.64	0.00	0.00
677.005	SAD Revenue - Loon Harbor Drain	0.00	0.00	0.00	0.00
677.006	SAD Revenue - Cottage Cove Seawall	13,545.43	13,545.40	13,500.00	0.00
677.007	SAD Revenue - Stony Brook Drain	32,807.79	22,161.54	20,000.00	0.00
677.008	SAD Revenue - Curtwood Drive Drain	0.00	0.00	0.00	0.00
677.009	SAD Revenue - Enid Paving	112,201.91	14,516.50	14,500.00	0.00
677.010	SAD Revenue - Ponemah Channel	0.00	84,240.64	0.00	0.00
696.000	Proceeds from Sale of Bonds	0.00	0.00	0.00	0.00
699.000	Operating Transfers In	0.00	0.00	0.00	0.00
TOTAL REVENUES		9,519,973.24	4,799,266.69	4,430,100.00	1,205,498.95

Expenses

Dept. 101-Township Board

702.026	Salary - Township Trustees	15,510.00	19,438.00	33,000.00	6,000.00
715.000	FICA-Employer	1,186.54	1,486.99	2,600.00	459.00
826.000	Legal Fees	33,333.40	57,468.33	40,000.00	5,679.84
826.001	Legal Fees-Prosecution	26,513.25	27,761.25	30,000.00	6,975.80
861.000	Staff Mileage	0.00	0.00	500.00	0.00
863.000	Travel Expense	0.00	0.00	1,000.00	0.00
883.000	CDBG Projects	0.00	0.00	0.00	0.00
884.000	Meeting Broadcast Expense	4,050.00	3,150.00	4,000.00	0.00
885.000	PEG Administration Services	6,085.37	6,179.46	6,500.00	0.00
900.000	Printing & Publishing	0.00	0.00	2,000.00	0.00
955.000	Sundry	0.00	0.00	2,000.00	0.00
958.000	Dues & Subscriptions	11,542.92	11,613.92	12,000.00	2,165.00
959.000	Other Expenditures	5,883.40	0.00	0.00	0.00
960.000	Education & Training	0.00	244.50	2,000.00	0.00
Total Township Board		104,104.88	127,342.45	135,600.00	21,279.64

Dept. 171-Supervisor

702.019	Salary-Township Supervisor	33,333.12	42,013.72	75,000.00	18,750.00
715.000	FICA-Employer	2,964.24	3,685.44	6,500.00	1,606.50
860.000	Vehicle Use	5,414.40	6,161.40	9,000.00	2,250.00
861.000	Staff Mileage	555.46	305.80	600.00	0.00
863.000	Travel Expense	1,528.96	973.93	2,000.00	1,628.20
955.000	Sundry	947.98	447.51	1,000.00	110.04
958.000	Dues & Subscriptions	0.00	0.00	100.00	55.00
960.000	Education & Training	980.00	565.00	2,000.00	800.00
Total Supervisor		45,724.16	54,152.80	96,200.00	25,199.74

Dept. 215-Clerk & General Admin.

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
702.002	Salaries-Office Staff	499,149.25	570,361.01	585,000.00	131,225.24
702.003	Salary Reimbursements	(900.00)	(2,450.00)	(1,200.00)	0.00
702.004	Salary-Temporary Services	0.00	0.00	1,000.00	0.00
702.020	Salary-Township Clerk	12,100.08	13,329.23	18,000.00	4,500.00
703.000	Overtime	4,022.38	12,649.32	14,000.00	2,694.00
715.000	FICA-Employer	36,888.61	42,842.49	47,000.00	9,907.54
720.000	Unemployment	7,240.00	0.00	0.00	0.00
727.000	Supplies	4,218.06	4,222.69	11,000.00	684.00
807.000	Audit	40,430.00	56,000.00	56,000.00	5,700.00
818.000	Contracted Services	59,587.28	64,903.51	70,000.00	14,987.16
818.019	Contracted Serv-Web Development	4,000.00	5,150.00	8,000.00	7,779.25
860.000	Vehicle Use	1,452.00	1,524.50	1,800.00	450.00
861.000	Staff Mileage	849.96	1,346.08	2,000.00	8.12
863.000	Travel Expense	1,306.66	1,655.09	2,000.00	514.50
900.000	Printing & Publishing	14,102.41	17,521.14	16,000.00	2,320.50
930.000	Equipment Repair/Maint/Replace	255.00	0.00	1,500.00	0.00
955.000	Sundry	782.08	404.42	1,200.00	177.09
957.000	Postage	7,099.44	10,460.46	15,000.00	6,748.27
958.000	Dues & Memberships	450.00	810.00	600.00	75.00
960.000	Education & Training	1,983.00	2,074.00	3,000.00	750.00
977.001	Computer Equipment	1,565.94	149.99	10,000.00	48.36

Total Clerk & General Admin.	696,582.15	802,953.93	861,900.00	188,569.03
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Dept. 247-Board of Review

702.000	Salary	2,440.00	2,550.00	3,500.00	0.00
715.000	FICA-Employer	186.66	195.08	300.00	0.00
900.000	Printing & Publishing	643.50	760.50	1,800.00	273.00
955.000	Sundry	311.60	331.41	300.00	285.48
960.000	Education & Training	0.00	0.00	400.00	475.40

Total Board of Review	3,581.76	3,836.99	6,300.00	1,033.88
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Dept. 253-Treasurer

702.023	Salary-Treasurer	12,100.08	13,329.23	18,000.00	4,500.00
715.000	FICA-Employer	1,102.45	1,200.16	1,600.00	415.38
727.000	Supplies	59.33	0.00	1,000.00	0.00
803.000	Tax Roll Statement Preparation	2,476.04	2,504.66	3,800.00	0.00
818.000	Contracted Services	3,788.50	3,982.75	6,000.00	0.00
860.000	Vehicle Use	1,452.00	1,524.50	1,800.00	450.00
861.000	Staff Mileage	434.27	448.23	500.00	0.00
863.000	Travel Expense	1,157.19	1,114.80	1,200.00	0.00
900.000	Printing & Publishing	0.00	0.00	100.00	0.00
955.000	Sundry	45.53	17.95	400.00	0.00
957.000	Postage	6,186.75	6,501.91	7,500.00	94.97
958.000	Dues & Subscriptions	147.00	147.00	100.00	0.00
960.000	Education & Training	1,267.00	1,495.00	2,000.00	897.00
977.001	Computer Equipment	0.00	0.00	0.00	0.00

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
	Total Treasurer	30,216.14	32,266.19	44,000.00	6,357.35
Dept.	257-Assessor				
702.000	Salary	191,259.28	209,716.84	274,000.00	48,018.65
703.000	Overtime	2,182.00	2,749.99	3,500.00	963.54
715.000	FICA-Employer	14,328.07	15,756.91	21,300.00	3,603.79
727.000	Supplies	2,804.72	1,493.40	2,500.00	606.89
802.000	Assessment Stmt Preparation	0.00	0.00	500.00	2,262.03
818.000	Contracted Services	7,657.30	9,007.55	9,000.00	260.00
861.000	Staff Mileage	688.43	686.35	800.00	0.00
862.000	Gas & Oil	683.44	645.87	900.00	81.72
863.000	Travel Expense	1,498.93	517.82	1,600.00	0.00
900.000	Printing & Publishing	0.00	0.00	800.00	0.00
930.000	Equipment Repair/Maint/Replace	173.76	64.49	3,000.00	0.00
955.000	Sundry	233.61	75.00	700.00	0.00
957.000	Postage	4,783.53	5,478.53	5,300.00	5,662.65
958.000	Dues & Subscriptions	30.00	577.14	1,000.00	0.00
960.000	Education & Training	1,425.64	902.88	1,600.00	0.00
977.000	Equipment	392.96	0.00	500.00	0.00
977.001	Computer Equipment	1,833.16	0.00	3,000.00	0.00
977.008	New Vehicles	0.00	0.00	0.00	0.00
	Total Assessor	229,974.83	247,672.77	330,000.00	61,459.27
Dept.	261- Benefits & Insurance				
710.000	Medical Insurance	179,722.94	213,372.86	275,000.00	140,379.17
711.000	Health Care Savings Plan	6,960.79	7,543.57	7,500.00	2,064.33
712.000	Pension/Retirement	60,112.72	67,546.60	82,300.00	19,310.76
713.000	Life Insurance	7,317.46	7,738.92	8,500.00	2,709.23
714.000	Disability Insurance	21,748.47	24,398.16	26,000.00	8,331.67
716.000	Workers Compensation Insurance	4,697.76	1,726.90	6,000.00	2,831.81
717.000	OPEB Expense Allocation	0.00	0.00	25,000.00	0.00
965.000	Claims & Settlements	0.00	0.00	0.00	0.00
969.000	Property & Liability Insurance	15,806.99	16,140.25	25,000.00	17,012.06
	Total Benefits & Insurance	296,367.13	338,467.26	455,300.00	192,639.03
Dept.	262-Elections				
702.000	Salary	5,450.00	43,104.00	0.00	0.00
727.000	Supplies	1,136.22	8,282.16	0.00	0.00
809.000	Administration Allocation	0.00	0.00	0.00	0.00
900.000	Printing & Publishing	1,716.88	2,292.57	0.00	0.00
930.000	Equipment Repair/Maint/Replace	4,576.00	4,616.00	5,000.00	0.00
955.000	Sundry	2,707.25	6,130.88	2,000.00	0.00
957.000	Postage	8,377.38	19,824.41	1,000.00	42.00
977.000	New Equipment	0.00	15,997.46	0.00	0.00
	Total Elections	23,963.73	100,247.48	8,000.00	42.00

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
Dept.	265- Building & Grounds				
727.006	Janitorial Supplies	2,332.95	2,335.63	2,500.00	444.56
818.000	Contracted Services	16,357.89	11,960.93	17,000.00	2,613.85
818.003	Contracted Services-Alarm System	3,073.08	1,708.87	4,000.00	434.80
821.000	Cleaning-Upper Level	10,816.08	10,708.08	12,500.00	5,234.68
822.000	Grounds Maintenance	14,966.89	19,350.22	25,000.00	0.00
823.000	Snow Removal	4,229.00	4,865.00	5,500.00	4,985.00
851.000	Telephone-Township Office	7,860.84	6,855.00	10,000.00	1,750.32
853.000	Internet Service	2,875.48	2,879.76	5,500.00	719.95
921.000	Utilities/Electric-Civic Center	20,519.16	22,291.83	28,000.00	4,445.54
921.001	Utilities/Electric - Other	0.00	0.00	0.00	0.00
923.000	Utilities/Gas-Civic Center	6,394.46	4,612.80	6,500.00	2,690.70
923.001	Utilities/Gas - Other	0.00	0.00	0.00	0.00
930.000	Equipment Repair/Maint/Replace	0.00	1,469.76	10,000.00	280.00
955.000	Sundry	4,276.62	2,423.61	5,000.00	1,366.35
974.000	Land Purchase	0.00	0.00	0.00	0.00
975.000	Building Addition/Improvement	256,792.90	26,650.00	10,000.00	0.00
975.001	Community Development	0.00	0.00	0.00	0.00
975.002	Civic Center Repairs & Maint.	9,655.02	7,872.00	10,000.00	3,394.30
977.000	New Equipment	4,175.81	4,647.87	5,000.00	0.00
980.000	Office Equipment & Furniture	49,135.37	2,024.93	5,000.00	894.38
991.000	Loan Principal Payments	12,750.00	13,500.00	13,500.00	13,500.00
993.000	Loan Interest Payments	1,167.84	705.35	500.00	411.75
	Total Building & Grounds	427,379.39	146,861.64	175,500.00	43,166.18
Dept.	301-Law Enforcement				
818.000	Contracted Services	810,997.96	830,942.32	855,000.00	128,189.64
821.002	Cleaning - GCSD	624.00	624.00	600.00	202.00
851.002	Telephone - GCSD	1,671.86	1,480.48	1,500.00	338.68
862.000	Gas & Oil	0.00	0.00	1,000.00	0.00
882.000	Disaster Relief	0.00	0.00	1,000.00	0.00
930.000	Equipment Repair/Maint/Replace	0.00	0.00	3,000.00	0.00
977.000	New Equipment	0.00	0.00	2,000.00	0.00
	Total Law Enforcement	813,293.82	833,046.80	864,100.00	128,730.32
Dept.	336-Fire Department				
995.001	Operating Transfers Out	0.00	0.00	0.00	0.00
	Total Fire Department	0.00	0.00	0.00	0.00
Dept.	371-Inspection/Ord Enforcement				
702.000	Salary	82,316.09	113,676.44	118,000.00	27,032.85
702.030	Salary-DB Hearing Officer	0.00	0.00	0.00	0.00

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
703.000	Overtime	0.00	0.00	1,200.00	88.29
715.000	FICA-Employer	6,043.14	8,212.13	9,200.00	1,957.20
727.000	Supplies	816.44	1,198.62	1,000.00	386.81
818.000	Contracted Services	51,956.87	83,428.77	110,000.00	32,689.07
861.000	Staff Mileage	0.00	0.00	200.00	0.00
862.000	Gas & Oil	960.16	917.05	1,500.00	97.56
863.000	Travel Expense	10.00	0.00	500.00	0.00
930.000	Equipment Repair/Maint/Replace	435.72	414.24	1,000.00	32.00
955.000	Sundry	69.63	0.00	500.00	0.00
958.000	Dues & Subscriptions	145.00	215.00	500.00	0.00
960.000	Education & Training	666.68	1,236.50	1,500.00	0.00
977.000	New Equipment	0.00	0.00	1,000.00	0.00
977.001	Computer Equipment	63.52	839.08	0.00	0.00
977.008	New Vehicles	29,046.00	0.00	0.00	0.00

Total Inspection/Ord Enforcement	172,529.25	210,137.83	246,100.00	62,283.78
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Dept. 445-Drains at Large

817.000	Engineering Services	14,200.08	13,603.71	14,300.00	3,552.00
825.005	SAD Drain Project - Loon Harbor	0.00	0.00	0.00	0.00
825.007	SAD Drain Project - Stony Brook	89,500.00	123,500.00	0.00	0.00
825.008	SAD Drain Project - Curtwood Drive	0.00	0.00	0.00	0.00
932.000	Drain Repair & Maint.	14,730.47	95,036.37	95,000.00	0.90
933.000	Storm Water Management	5,552.00	5,420.00	10,000.00	1,719.00
934.000	Drain Data Line	0.00	0.00	0.00	0.00

Total Drains at Large	123,982.55	237,560.08	119,300.00	5,271.90
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Dept. 446-Highways, Roads & Bridges

817.000	Engineering Services	28,599.84	29,923.58	31,300.00	7,812.00
818.000	Contracted Services	600,849.48	219,654.56	500,000.00	0.00
818.001	Chloride Contract	38,313.35	36,997.79	40,000.00	0.00
818.020	Paving Projects	0.00	0.00	0.00	0.00
818.021	Contract Serv-Thompson Rd Project	157,042.58	468,405.95	400,000.00	76,989.29
824.000	Paving-Community Development	0.00	0.00	0.00	0.00
825.000	At-Large SAD - GCRC	0.00	0.00	0.00	0.00
825.002	SAD Paving Project - North Shore	0.00	0.00	0.00	0.00
825.003	SAD Paving Project - Eleanor St	0.00	0.00	0.00	0.00
825.004	SAD Paving Project - Audubon	0.00	0.00	0.00	0.00
825.009	SAD Paving Project - Enid Blvd	212,403.23	30,949.72	0.00	0.00
925.000	Street Lights	13,678.28	20,280.50	25,000.00	5,296.37
926.000	Traffic Lights	1,334.06	1,206.91	1,500.00	194.70
955.000	Sundry	0.00	0.00	3,000.00	0.00
991.000	Loan/Bond Principal Payments	72,250.00	76,500.00	76,500.00	76,500.00
993.000	Loan/Bond Interest Payments	6,617.76	3,996.99	2,400.00	2,333.25

Total Highways, Roads & Bridges	1,131,088.58	887,916.00	1,079,700.00	169,125.61
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Dept. 567-Cemetery

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
801.000	GIS Services	0.00	0.00	0.00	0.00
818.000	Contracted Services	172.54	0.00	5,000.00	0.00
822.000	Grounds Maintenance	8,895.40	8,791.49	8,000.00	0.00
823.000	Snow Removal	0.00	0.00	300.00	0.00
	Total Cemetery	9,067.94	8,791.49	13,300.00	0.00
Dept.	570-Lake Improvements				
825.006	Seawall SAD - Cottage Cove	0.00	0.00	0.00	0.00
825.010	Channel SAD - Lk Ponemah	0.00	52,000.00	0.00	0.00
	Total Lake Improvements	0.00	52,000.00	0.00	0.00
Dept.	701-Planning & Zoning Admin				
702.000	Salary	6,618.00	7,974.00	15,500.00	3,120.00
715.000	FICA-Employer	440.64	546.21	1,200.00	201.96
801.000	GIS Consulting Services	14,960.00	14,640.00	16,000.00	3,120.00
817.000	Engineering Services	7,800.00	8,160.00	10,000.00	2,130.00
818.000	Contracted Services	37,648.75	59,276.27	67,000.00	5,519.88
863.000	Travel Expense	727.52	418.70	800.00	0.00
900.000	Printing & Publishing	3,373.50	5,830.50	4,500.00	741.00
955.000	Sundry	0.00	261.60	300.00	0.00
958.000	Dues & Subscriptions	1,194.00	1,164.50	1,200.00	692.00
960.000	Education & Training	940.00	660.00	1,000.00	190.00
	Total Planning & Zoning Admin	73,702.41	98,931.78	117,500.00	15,714.84
Dept.	702-Zoning Board of Appeals				
702.000	Salary	3,936.00	3,618.00	10,500.00	1,680.00
715.000	FICA-Employer	301.11	276.78	900.00	128.52
863.000	Travel Expense	0.00	0.00	200.00	0.00
900.000	Printing & Publishing	4,894.50	3,646.50	4,000.00	721.50
958.000	Dues & Subscriptions	355.00	472.50	500.00	0.00
960.000	Education & Training	300.00	0.00	1,000.00	0.00
	Total Zoning Board of Appeals	9,786.61	8,013.78	17,100.00	2,530.02
Dept.	756-Parks & Recreation				
818.000	Contracted Services	9,655.00	0.00	0.00	0.00
883.000	CDBG Projects	0.00	0.00	0.00	0.00
977.000	New Equipment	0.00	0.00	0.00	2,006.34
	Total Parks & Recreation	9,655.00	0.00	0.00	2,006.34
Dept.	756.001-Dog Park				

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
818.000	Contracted Services	0.00	0.00	0.00	0.00
822.000	Grounds Maintenance	0.00	0.00	0.00	0.00
955.000	Sundry	0.00	0.00	0.00	0.00
	Total Dog Park	0.00	0.00	0.00	0.00
Dept.	801-PEG Programming				
881.000	PEG Grants/Expenditures	51,406.95	40,497.16	100,000.00	0.00
	Total PEG Programming	51,406.95	40,497.16	100,000.00	0.00
Dept.	804-Museums				
818.000	Contracted Services	1,108.00	140.00	1,500.00	0.00
822.000	Grounds Maintenance	2,050.00	2,377.00	6,000.00	0.00
823.000	Snow Removal	0.00	0.00	200.00	0.00
920.000	Utilities	492.18	567.59	2,000.00	89.13
975.004	Building Repairs/Maintenance	1,075.82	0.00	25,000.00	0.00
	Total Museum	4,726.00	3,084.59	34,700.00	89.13
Dept.	805-Auditorium-Civic Center				
727.000	Supplies	0.00	0.00	200.00	0.00
827.000	Cleaning-Lower Level	7,607.92	8,953.92	8,500.00	3,150.66
930.000	Equipment Repairs & Maint.	2,087.84	978.88	2,500.00	168.00
931.000	Building Repairs	0.00	135.00	1,500.00	0.00
955.000	Sundry	773.60	642.37	1,000.00	129.48
977.000	New Equipment	109.96	0.00	2,000.00	0.00
	Total Auditorium-Civic Center	10,579.32	10,710.17	15,700.00	3,448.14
Dept.	965-Transfers Out				
995.001	Operating Transfers Out	2,000.00	17,000.00	2,000.00	0.00
	TOTAL EXPENDITURES	4,269,712.60	4,261,491.19	4,722,300.00	928,946.20
	Increase/(Decrease) to Fund Balance - Current Year	5,250,260.64	537,775.50	(292,200.00)	276,552.75
	Fund Balance - Prior Year	5,320,203.86	10,570,464.50	11,108,240.00	
	Fund Balance - Current Year	10,570,464.50	11,108,240.00	10,816,040.00	
	Restricted Fund Balance - PEG Fees	854,855.82	913,175.61	913,175.61	

2025 CHARTER TOWNSHIP OF FENTON
101 General Fund Budget

Acct #	Account Title	2023 Actual	2024 Actual (Unaudited)	2025 Original Budget	YTD Actual 3/31/25
	Restricted Fund Balance -				
	MEDC Grant - Thompson Rd	4,842,957.42	4,374,551.47	3,974,551.47	
	Unrestricted Fund Balance -				
	Current Year	4,872,651.26	5,820,512.92	5,928,312.92	

**CHARTER TOWNSHIP OF FENTON
FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

Charter Township of Fenton

**Financial Report
with Supplementary Information
December 31, 2023**

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Fenton

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 the Charter Township of Fenton (the "Township") as of and for the year ended December 31, 2023 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 December 31, 2023 and the respective changes in its financial position and, where applicable, cash flows 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.

To the Board of Trustees
Charter Township of Fenton

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 Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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 supplementary 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

May 29, 2024

Charter Township of Fenton

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Fenton's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the Charter Township of Fenton's financial statements.

Using This Annual Report

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. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year and how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Overall Financial Analysis

The following table shows, in a condensed format, the current year's net position and changes in net position, compared to the prior year:

The Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets:						
Cash and investments	\$14,354,251	\$ 7,818,300	\$ 6,200,493	\$ 5,475,631	\$20,554,744	\$13,293,931
Receivables	4,198,266	4,755,048	557,426	1,041,282	4,755,692	5,796,330
Other assets:						
Prepaid expenses	1,286,246	1,270,544	19,015	28,475	1,305,261	1,299,019
Land held for resale	62,233	50,322	-	-	62,233	50,322
Capital assets	6,372,028	5,140,323	32,224,114	32,115,240	38,596,142	37,255,563
Total assets	26,273,024	19,034,537	39,001,048	38,660,628	65,274,072	57,695,165
Deferred Outflows of Resources	10,175	49,636	71,055	96,651	81,230	146,287
Liabilities						
Current liabilities:						
Accounts payable	299,985	431,582	1,154,247	172,342	1,454,232	603,924
Accrued interest payable	6,718	6,718	47,722	65,887	54,440	72,605
Due to other governmental units	126,516	-	-	-	126,516	-
Deposits payable	74,945	94,119	-	-	74,945	94,119
Accrued liabilities and other	21,188	16,454	-	-	21,188	16,454
Unearned revenue	-	-	493,190	1,609,164	493,190	1,609,164
Noncurrent liabilities:						
Due within one year:						
Compensated absences	46,673	42,442	-	-	46,673	42,442
Current portion of long-term debt	531,000	486,000	2,520,906	2,435,906	3,051,906	2,921,906
Due in more than one year:						
Net OPEB liability	6,359	13,908	-	-	6,359	13,908
Bonds and contracts payable - Net of current portion	2,857,000	2,858,000	4,316,619	6,837,522	7,173,619	9,695,522
Total liabilities	3,970,384	3,949,223	8,532,684	11,120,821	12,503,068	15,070,044

Charter Township of Fenton

Management's Discussion and Analysis (Continued)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Deferred Inflows of Resources	\$ 3,223,174	\$ 3,203,295	\$ -	\$ -	\$ 3,223,174	\$ 3,203,295
Net Position						
Net investment in capital assets	4,474,028	3,553,323	24,396,725	22,938,463	28,870,753	26,491,786
Restricted:						
Fire operations	1,197,650	926,708	-	-	1,197,650	926,708
Waste collection	240,982	140,260	-	-	240,982	140,260
Mosquito control	99,571	77,507	-	-	99,571	77,507
Debt service	2,677,118	2,370,626	-	-	2,677,118	2,370,626
Public access programming	858,277	800,416	-	-	858,277	800,416
Dog park donations	18,152	19,268	-	-	18,152	19,268
Roads	5,512,542	533,509	-	-	5,512,542	533,509
Street lighting	10,461	17,895	-	-	10,461	17,895
Lake improvements	128,204	76,790	-	-	128,204	76,790
Unrestricted	3,872,656	3,415,353	6,142,694	4,697,995	10,015,350	8,113,348
Total net position	\$19,089,641	\$11,931,655	\$30,539,419	\$27,636,458	\$49,629,060	\$39,568,113

The Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenue:						
Charges for services	\$ 614,507	\$ 565,060	\$ 6,782,867	\$ 6,712,518	\$ 7,397,374	\$ 7,277,578
Operating grants	80,129	43,588	-	-	80,129	43,588
Capital grants	5,303,938	123,032	1,533,093	822,106	6,837,031	945,138
General revenue:						
Taxes - Property taxes	1,103,673	939,050	-	-	1,103,673	939,050
Intergovernmental	1,895,660	1,934,420	-	-	1,895,660	1,934,420
Investment earnings	546,910	100,585	184,493	34,053	731,403	134,638
Other revenue:						
Cable franchise fees	382,439	405,524	-	-	382,439	405,524
Special assessment revenue	3,071,527	2,390,373	-	-	3,071,527	2,390,373
Other miscellaneous income	9,053	18,142	-	-	9,053	18,142
Total revenue	13,007,836	6,519,774	8,500,453	7,568,677	21,508,289	14,088,451
Expenses						
General government	1,563,020	1,252,385	-	-	1,563,020	1,252,385
Legislative - District court costs	98,019	93,597	-	-	98,019	93,597
Public safety	1,520,296	1,438,118	-	-	1,520,296	1,438,118
Public works	2,403,577	2,390,346	-	-	2,403,577	2,390,346
Community and economic development	83,491	49,320	-	-	83,491	49,320
Recreation and culture	84,510	149,511	-	-	84,510	149,511
Debt service	96,937	63,627	-	-	96,937	63,627
Sewer expenses	-	-	5,597,492	5,429,193	5,597,492	5,429,193
Total expenses	5,849,850	5,436,904	5,597,492	5,429,193	11,447,342	10,866,097
Change in Net Position	\$ 7,157,986	\$ 1,082,870	\$ 2,902,961	\$ 2,139,484	\$10,060,947	\$ 3,222,354

The governmental net position increased by 60.0 percent from a year ago from \$11,931,655 to \$19,089,641. Last year's net position increased by 10.1 percent. Assets were \$7,238,487 higher than 2022 due primarily to the receipt of a \$5,000,000 MEDC grant for Thompson Road improvements. Liabilities changed only slightly, totaling \$21,161 higher than last year.

Charter Township of Fenton

Management's Discussion and Analysis (Continued)

Unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased by \$457,303 for the governmental activities. This represents a decrease of approximately 13.4 percent. The current level of unrestricted net position for our governmental activities stands at \$3,872,656. Increased investment earnings were the primary reason for the increase to unrestricted net position.

The Township's business-type activities consist of the Sewer Fund and the Water Fund. The net position of business-type activities increased by 10.5 percent. Last year's net position increased by 8.4 percent. Unrestricted net position of the business-type activities increased by \$1,444,699, or 30.8 percent. The increase in the business-type net position was related to continued economic development and new connections to the sewer system.

General Fund Budgetary Highlights

As the Township completed the year, its General Fund reported a fund balance of \$10,570,465. This represents an increase of \$5,250,264 from the prior year, \$4,842,957 of which was due to the MEDC grant and is restricted to the Thompson Road improvement project. Unassigned fund balance in the General Fund totaled \$4,726,562, an increase of \$469,605, or 11 percent. The Township's General Fund revenue, excluding the MEDC grant and other financing sources, totaled \$4.677 million. Property taxes were \$1.104 million, or 24 percent of total revenue. State revenue sharing made up \$1.885 million, or 40 percent of total revenue.

Capital Assets and Debt Administration

At the end of 2023, the Township had invested \$4.5 million and \$24.4 million in capital assets, net of related debt, in governmental activities and business-type activities, respectively. These amounts comply with methods established by the Governmental Accounting Standards Board. Capital asset activity is disclosed in Note 4.

At year end, the Township had \$3.4 million in governmental long-term debt. In the Sewer Fund, the Township has \$6.8 million in bonds outstanding. Long-term debt activity is disclosed in Note 5.

Economic Factors and Next Year's Budgets and Rates

The budget for 2023 was amended, as required by state law. Both the original and amended budgets have been shown in this document for 2023. The Township has again produced a timely budget for 2024.

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 the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Fenton Township office.

Charter Township of Fenton

Statement of Net Position

December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 14,354,251	\$ 6,200,493	\$ 20,554,744
Receivables	4,198,266	557,426	4,755,692
Prepaid expenses	1,286,246	19,015	1,305,261
Land held for resale	62,233	-	62,233
Capital assets: (Note 4)			
Assets not subject to depreciation	250,323	1,531,193	1,781,516
Assets subject to depreciation	6,121,705	30,692,921	36,814,626
Total assets	26,273,024	39,001,048	65,274,072
Deferred Outflows of Resources			
Bond refunding loss being amortized	-	71,055	71,055
Deferred OPEB costs (Note 8)	10,175	-	10,175
Total deferred outflows of resources	10,175	71,055	81,230
Liabilities			
Accounts payable	299,985	1,154,247	1,454,232
Accrued interest payable	6,718	47,722	54,440
Due to other governmental units	126,516	-	126,516
Deposits payable	74,945	-	74,945
Accrued liabilities and other	21,188	-	21,188
Unearned revenue	-	493,190	493,190
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	46,673	-	46,673
Current portion of long-term debt (Note 5)	531,000	2,520,906	3,051,906
Due in more than one year:			
Net OPEB liability (Note 8)	6,359	-	6,359
Long-term debt (Note 5)	2,857,000	4,316,619	7,173,619
Total liabilities	3,970,384	8,532,684	12,503,068
Deferred Inflows of Resources			
Property taxes levied for the following year	731,764	-	731,764
Special assessments levied for the following year	2,491,410	-	2,491,410
Total deferred inflows of resources	3,223,174	-	3,223,174
Net Position			
Net investment in capital assets	4,474,028	24,396,725	28,870,753
Restricted:			
Fire operations	1,197,650	-	1,197,650
Waste collection	240,982	-	240,982
Mosquito control	99,571	-	99,571
Debt service	2,677,118	-	2,677,118
Public access programming	858,277	-	858,277
Dog park donations	18,152	-	18,152
Roads	5,512,542	-	5,512,542
Street lighting	10,461	-	10,461
Lake improvements	128,204	-	128,204
Unrestricted	3,872,656	6,142,694	10,015,350
Total net position	\$ 19,089,641	\$ 30,539,419	\$ 49,629,060

Charter Township of Fenton

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,563,020	\$ 255,174	\$ 4,640	\$ -
Legislative	98,019	-	-	-
Public safety	1,520,296	359,333	100	-
Public works	2,403,577	-	64,315	5,303,938
Community and economic development	83,491	-	-	-
Recreation and culture	84,510	-	11,074	-
Interest on long-term debt	96,937	-	-	-
Total governmental activities	5,849,850	614,507	80,129	5,303,938
Business-type activities:				
Sewer Fund	5,597,492	6,782,867	-	472,174
Water Fund	-	-	-	1,060,919
Total business-type activities	5,597,492	6,782,867	-	1,533,093
Total primary government	\$ 11,447,342	\$ 7,397,374	\$ 80,129	\$ 6,837,031
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Special assessment revenue				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended December 31, 2023

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,303,206)	\$ -	\$ (1,303,206)
(98,019)	-	(98,019)
(1,160,863)	-	(1,160,863)
2,964,676	-	2,964,676
(83,491)	-	(83,491)
(73,436)	-	(73,436)
(96,937)	-	(96,937)
148,724	-	148,724
-	1,657,549	1,657,549
-	1,060,919	1,060,919
-	2,718,468	2,718,468
148,724	2,718,468	2,867,192
1,103,673	-	1,103,673
1,895,660	-	1,895,660
546,910	184,493	731,403
382,439	-	382,439
3,071,527	-	3,071,527
9,053	-	9,053
7,009,262	184,493	7,193,755
7,157,986	2,902,961	10,060,947
11,931,655	27,636,458	39,568,113
\$ 19,089,641	\$ 30,539,419	\$ 49,629,060

Charter Township of Fenton

Governmental Funds Balance Sheet

December 31, 2023

	General Fund	Waste Collection Fund	Fire Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 10,746,522	\$ 1,114,127	\$ 775,108	\$ 1,718,494	\$ 14,354,251
Receivables:					
Property taxes receivable	375,655	-	-	-	375,655
Special assessments receivable	520,106	600,838	262,376	1,997,865	3,381,185
Cable revenue receivables	91,351	-	-	-	91,351
Other receivables	467	508	-	-	975
Due from other governmental units	315,152	-	33,948	-	349,100
Due from other funds	83	-	-	-	83
Prepaid expenses	80,436	-	1,204,310	1,500	1,286,246
Land held for resale	62,233	-	-	-	62,233
Total assets	\$ 12,192,005	\$ 1,715,473	\$ 2,275,742	\$ 3,717,859	\$ 19,901,079
Liabilities					
Accounts payable	\$ 185,752	\$ 105,921	\$ 532	\$ 7,780	\$ 299,985
Due to other governmental units	126,516	-	-	-	126,516
Due to other funds	-	-	-	83	83
Deposits payable	74,945	-	-	-	74,945
Accrued liabilities and other	21,188	-	-	-	21,188
Total liabilities	408,401	105,921	532	7,863	522,717
Deferred Inflows of Resources					
Unavailable revenue	481,375	-	-	1,619,608	2,100,983
Property taxes levied for the following year	731,764	-	-	-	731,764
Special assessments levied for the following year	-	1,368,570	534,560	588,280	2,491,410
Total deferred inflows of resources	1,213,139	1,368,570	534,560	2,207,888	5,324,157
Fund Balances					
Nonspendable:					
Land held for resale	62,233	-	-	-	62,233
Prepays	80,436	-	1,204,310	1,500	1,286,246
Restricted:					
Roads	4,842,957	-	-	188,210	5,031,167
Fire	-	-	536,340	-	536,340
Debt service	-	-	-	1,057,510	1,057,510
Public access programming	858,277	-	-	-	858,277
Waste collection	-	240,982	-	-	240,982
Mosquito control	-	-	-	99,571	99,571
Dog park donations	-	-	-	18,152	18,152
Street lighting	-	-	-	10,461	10,461
Lake improvements	-	-	-	126,704	126,704
Unassigned	4,726,562	-	-	-	4,726,562
Total fund balances	10,570,465	240,982	1,740,650	1,502,108	14,054,205
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,192,005	\$ 1,715,473	\$ 2,275,742	\$ 3,717,859	\$ 19,901,079

Charter Township of Fenton

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2023

Fund Balances Reported in Governmental Funds	\$ 14,054,205
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (including right-to-use assets) are not financial resources and are not reported in the funds	6,372,028
Special assessment receivables and other receivables that are not collected soon after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	2,100,983
Bonds payable are not due and payable in the current period and are not reported in the funds	(3,388,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(6,718)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(46,673)
Other postemployment benefits	(6,359)
Deferred outflows related to OPEB are not recorded in the funds	10,175
Net Position of Governmental Activities	<u>\$ 19,089,641</u>

Charter Township of Fenton

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2023

	General Fund	Waste Collection Fund	Fire Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 1,103,673	\$ -	\$ -	\$ -	\$ 1,103,673
Special assessments	180,511	1,354,271	530,465	963,321	3,028,568
Intergovernmental:					
Federal grants	4,640	-	-	-	4,640
State-shared revenue and grants:					
State-shared revenue	1,884,580	-	-	-	1,884,580
Other state grants	5,000,000	-	-	-	5,000,000
Other state revenue	31,226	-	-	-	31,226
Local contributions	-	-	-	11,074	11,074
Charges for services	245,697	-	131,198	-	376,895
Fines and forfeitures	6,677	-	-	-	6,677
Licenses and permits	225,006	-	-	-	225,006
Investment income	443,285	25,300	21,262	107,561	597,408
Other revenue:					
Cable franchise fees	382,439	-	-	-	382,439
Other miscellaneous income	12,242	-	-	-	12,242
Total revenue	9,519,976	1,379,571	682,925	1,081,956	12,664,428
Expenditures					
Current:					
General government	1,752,452	-	-	-	1,752,452
Legislative	98,019	-	-	-	98,019
Public safety	985,821	-	386,174	-	1,371,995
Public works	1,185,270	1,278,849	-	1,097,378	3,561,497
Community and economic development	83,491	-	-	-	83,491
Recreation and culture	71,873	-	-	12,637	84,510
Debt service:					
Principal	85,000	-	123,000	278,000	486,000
Interest and other debt service	7,786	-	25,809	63,342	96,937
Total expenditures	4,269,712	1,278,849	534,983	1,451,357	7,534,901
Other Financing Sources - Proceeds from the issuance of debt	-	-	-	530,000	530,000
Net Change in Fund Balances	5,250,264	100,722	147,942	160,599	5,659,527
Fund Balances - Beginning of year	5,320,201	140,260	1,592,708	1,341,509	8,394,678
Fund Balances - End of year	\$ 10,570,465	\$ 240,982	\$ 1,740,650	\$ 1,502,108	\$ 14,054,205

Charter Township of Fenton

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2023

Net Change in Fund Balances Reported in Governmental Funds	\$ 5,659,527
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,789,457
Depreciation expense	(557,752)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	346,897
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(530,000)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	486,000
Some employee costs (OPEB and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(36,143)
Change in Net Position of Governmental Activities	<u>\$ 7,157,986</u>

Charter Township of Fenton

Proprietary Funds Statement of Net Position

December 31, 2023

	Enterprise Funds		
	Sewer Fund	Water Fund	Total
Assets			
Current assets:			
Cash and investments (Note 3)	\$ 5,070,036	\$ 1,130,457	\$ 6,200,493
Receivables:			
User fees	297,074	-	297,074
Delinquent usage receivable	260,352	-	260,352
Prepaid expenses	19,015	-	19,015
Total current assets	5,646,477	1,130,457	6,776,934
Noncurrent assets - Capital assets: (Note 4)			
Assets not subject to depreciation	151,494	1,379,699	1,531,193
Assets subject to depreciation	30,692,921	-	30,692,921
Total noncurrent assets	30,844,415	1,379,699	32,224,114
Total assets	36,490,892	2,510,156	39,001,048
Deferred Outflows of Resources - Bond refunding loss being amortized	71,055	-	71,055
Liabilities			
Current liabilities:			
Accounts payable	93,328	1,060,919	1,154,247
Accrued interest payable	47,722	-	47,722
Unearned revenue	459,257	33,933	493,190
Current portion of long-term debt (Note 5)	2,520,906	-	2,520,906
Total current liabilities	3,121,213	1,094,852	4,216,065
Noncurrent liabilities - Long-term debt (Note 5)	4,316,619	-	4,316,619
Total liabilities	7,437,832	1,094,852	8,532,684
Net Position			
Net investment in capital assets	24,077,945	318,780	24,396,725
Unrestricted	5,046,170	1,096,524	6,142,694
Total net position	<u>\$ 29,124,115</u>	<u>\$ 1,415,304</u>	<u>\$ 30,539,419</u>

Charter Township of Fenton

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2023

	Enterprise Funds		
	Sewer Fund	Water Fund	Total
Operating Revenue - Charges for services	\$ 6,782,867	\$ -	\$ 6,782,867
Operating Expenses			
Sewer treatment fees	2,829,542	-	2,829,542
Other contractual services	916,283	-	916,283
Insurance	32,516	-	32,516
Billing fees and postage	11,643	-	11,643
Administrative expense	190,000	-	190,000
Utilities	129,639	-	129,639
Miscellaneous	24,433	-	24,433
Depreciation	1,283,464	-	1,283,464
Total operating expenses	5,417,520	-	5,417,520
Operating Income	1,365,347	-	1,365,347
Nonoperating Revenue (Expense)			
Investment income	151,315	33,178	184,493
Bond interest expense	(179,972)	-	(179,972)
Total nonoperating (expense) revenue	(28,657)	33,178	4,521
Income - Before capital contributions	1,336,690	33,178	1,369,868
Capital Contributions			
Capital grants	59,474	1,060,919	1,120,393
Tap-in fees	412,700	-	412,700
Total capital contributions	472,174	1,060,919	1,533,093
Change in Net Position	1,808,864	1,094,097	2,902,961
Net Position - Beginning of year	27,315,251	321,207	27,636,458
Net Position - End of year	\$ 29,124,115	\$ 1,415,304	\$ 30,539,419

Charter Township of Fenton

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2023

	Enterprise Funds		
	Sewer Fund	Water Fund	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 7,271,142	\$ -	\$ 7,271,142
Payments to suppliers	(4,013,610)	-	(4,013,610)
Internal activity - Payments to other funds	(190,000)	-	(190,000)
Net cash provided by operating activities	3,067,532	-	3,067,532
Cash Flows from Capital and Related Financing Activities			
Tap-in fees	412,700	-	412,700
Purchase of capital assets	(331,419)	-	(331,419)
Principal and interest paid on capital debt	(2,608,444)	-	(2,608,444)
Net cash used in capital and related financing activities	(2,527,163)	-	(2,527,163)
Cash Flows Provided by Investing Activities - Interest received on investments	151,315	33,178	184,493
Net Increase in Cash and Cash Equivalents	691,684	33,178	724,862
Cash and Cash Equivalents - Beginning of year	4,378,352	1,097,279	5,475,631
Cash and Cash Equivalents - End of year	<u>\$ 5,070,036</u>	<u>\$ 1,130,457</u>	<u>\$ 6,200,493</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 5,070,036</u>	<u>\$ 1,130,457</u>	<u>\$ 6,200,493</u>
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 1,365,347	\$ -	\$ 1,365,347
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	1,283,464	-	1,283,464
Changes in assets and liabilities:			
Receivables	488,275	-	488,275
Prepaid and other assets	9,460	-	9,460
Accounts payable	(79,014)	-	(79,014)
Net cash provided by operating activities	<u>\$ 3,067,532</u>	<u>\$ -</u>	<u>\$ 3,067,532</u>
Significant Noncash Transactions - Capital assets included in accounts payable - Construction	\$ -	\$ 1,060,919	\$ 1,060,919

Charter Township of Fenton

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2023

	Retiree Health Care Fund	Custodial Fund - Current Tax Collection
Assets		
Cash and investments	\$ -	\$ 7,589,726
Investments - Mutual funds	572,650	-
Receivables - Property taxes	-	11,930,276
Total assets	572,650	19,520,002
Liabilities - Due to other governmental units	-	7,589,726
Deferred Inflows of Resources - Property taxes levied for the following year	-	11,930,276
Total liabilities and deferred inflows of resources	-	19,520,002
Net Position - Restricted - Postemployment benefits other than pension	<u>\$ 572,650</u>	<u>\$ -</u>

Charter Township of Fenton

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2023

	Retiree Health Care Fund	Custodial Fund - Current Tax Collection
Additions		
Investment income - Net of administrative expenses	\$ 82,325	\$ -
Property tax collections for other governments	-	39,373,343
Total additions	82,325	39,373,343
Deductions		
Benefit payments	20,472	-
Tax payments to other governments	-	39,373,343
Total deductions	20,472	39,373,343
Net Increase in Restricted Net Position	61,853	-
Net Position Restricted for Other Employee Benefits - Beginning of year	510,797	-
Net Position Restricted for Other Employee Benefits - End of year	<u><u>\$ 572,650</u></u>	<u><u>\$ -</u></u>

December 31, 2023

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The Charter Township of Fenton (the "Township") is a municipality in the state of Michigan. The Township follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Charter Township of Fenton is governed by an elected seven-member board. In accordance with governmental accounting principles, the reporting entity of the Township consists solely of the primary government and its component unit.

Fiduciary Component Unit

Although legally separate from the Township, the Retiree Health Care Fund is reported as a fiduciary component unit because it is governed by the Township's board and imposes a financial burden on the Township.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the General Fund and the Township's sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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 separate columns in the fund financial statements.

December 31, 2023

Note 1 - Significant Accounting Policies (Continued)

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Waste Collection Fund is used to account for the customer charges that are to be used to pay contracted services for rubbish collection and disposal.
- The Fire Fund is used to account for the revenue and expenditures related to fire protection and emergency medical services.

Additionally, the Township reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Township reports the following fund as a major enterprise fund:

- The Sewer Fund is a separate fund maintained for the operations of the sanitary sewer collection system that transports sewage to the treatment plant operated by Genesee County, Michigan.
- The Water Fund is a separate fund maintained for the operation, maintenance, and distribution of the water system.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The Retiree Health Care Fund accumulates resources for postemployment benefit payments for township retired employees.
- The custodial fund accounts for assets held by the Township as an agent for individuals, private organizations, and other governments. The custodial fund is reported as a fiduciary fund and is not included in the government-wide statement of net position and statement of activities.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

December 31, 2023**Note 1 - Significant Accounting Policies (Continued)**

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, capital special assessments, and interest associated with the current fiscal period. Conversely, operating special assessments and property taxes will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value.

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 referred to 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.

Prepaid Items

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

Capital Assets

Capital assets, which include property, building, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 the assets' lives are not capitalized.

December 31, 2023

Note 1 - Significant Accounting Policies (Continued)

Infrastructure, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Roads	10-20
Sewer system infrastructure	50
Machinery and equipment	3-15
Furniture and fixtures	5
Land improvements	15

Unearned Revenue

Unearned revenue consists of grant proceeds, which are not considered earned until they have been spent on eligible expenditures, as well as sewer usage fees that have been prebilled.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt, and the Sewer Fund is generally used to liquidate business-type debt. For the year ended December 31, 2023, the Fire Fund was also used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Township reports a deferred outflow in the Sewer Fund and government-wide statements related to bond refunding loss that is being amortized. The Township also reports deferred outflows in the government-wide statements related to deferred OPEB costs, as detailed in Note 8.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

December 31, 2023

Note 1 - Significant Accounting Policies (Continued)

The Township reports deferred inflows in the governmental funds and in the government-wide statements related to property taxes and special assessments that have been levied by the Township prior to year end but are used to fund 2024 operations. In addition, there are deferred inflows in the governmental funds related to special assessments that have been completed during or prior to 2023, but the revenue is unavailable at year end and is expected to be received in future periods.

Net Position

Net position of the Township is classified in three components. Net investment in capital assets, net of related debt, consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is further classified as expendable and nonexpendable. Expendable restricted net position has been limited for use by donors and is held in trust for debt service and self-insured professional liability. Nonexpendable restricted net position has been restricted by donors to be maintained in perpetuity. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Township will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, 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 to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable: Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- Restricted: Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- Committed: Amounts that have been formally set aside by the Township for use for specific purposes. Commitments are made and can be rescinded only via resolutions of the township board.

December 31, 2023**Note 1 - Significant Accounting Policies (Continued)**

- Assigned: Intent to spend resources on specific purposes expressed by the governing body. Assignments must be authorized by resolution and approved by the governing body.
- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

Property Tax Revenue

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2022 property tax revenue was levied and collectible on December 1, 2022 and is recognized as revenue in the year ended December 31, 2023 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the Township totaled \$1,023 million, on which taxes levied consisted of 0.6576 mills for operating purposes. This resulted in \$673,040 for operations. These amounts are recognized in the respective General Fund financial statements as tax revenue.

Other Postemployment Benefit Costs

The Township offers retiree health care benefits to retirees. The Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund is used to liquidate any OPEB liabilities.

Compensated Absences (Paid Time Off)

It is the Township's policy to permit employees to earn a certain number of paid time off hours on a monthly basis, based on years of service. An amount is accrued for the estimated amount that the Township will pay upon employment termination. This liability is reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the fund that reports each employee's compensation is used to liquidate the obligations.

Proprietary Funds Operating Classification

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 Sewer Fund is charges to customers for sewer services. Operating expenses for enterprise funds include the cost of providing services, maintaining the system, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2024.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires a government to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2025.

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The Township did not have any expenditure budget variances.

Construction Code Fees

The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at January 1, 2023		\$	(306,181)
Current year permit revenue			220,537
Related expenses:			
Direct costs	\$	87,243	
Estimated indirect costs		98,522	185,765
Current year surplus			34,772
Cumulative shortfall at December 31, 2023		\$	(271,409)

December 31, 2023

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Retiree Health Care Fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificate of deposit but not the remainder of state statutory authority, as listed above. The Township's deposits and investment policies are in accordance with statutory authority.

The Township's cash and investments are subject to custodial credit risk, which is examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township did not have any bank deposits that were uninsured and uncollateralized.

Fair Value Measurements

The Township categorizes its fair value measurements within 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 asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Township has the following recurring fair value measurements as of December 31, 2023. The equity securities are classified as Level 1 and are valued using prices quoted in active markets for those securities:

- Equity securities in mutual funds of \$572,650 are valued using quoted marketed prices (Level 1 inputs).

December 31, 2023

Note 4 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

Governmental Activities

	Balance January 1, 2023	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets not being depreciated:				
Land	\$ 93,280	\$ -	\$ -	\$ 93,280
Construction in progress	-	157,043	-	157,043
Subtotal	93,280	157,043	-	250,323
Capital assets being depreciated:				
Buildings and improvements	2,297,344	192,704	(7,811)	2,482,237
Machinery and equipment	3,354,155	29,048	(203,887)	3,179,316
Furniture and fixtures	32,285	19,225	-	51,510
Land improvements	401,281	71,000	-	472,281
Road improvements	4,861,145	1,323,926	-	6,185,071
Subtotal	10,946,210	1,635,903	(211,698)	12,370,415
Accumulated depreciation:				
Buildings and improvements	1,338,478	65,525	(4,322)	1,399,681
Machinery and equipment	2,163,176	152,679	(203,887)	2,111,968
Furniture and fixtures	20,705	1,766	-	22,471
Land improvements	374,883	14,731	-	389,614
Road improvements	2,001,925	323,051	-	2,324,976
Subtotal	5,899,167	557,752	(208,209)	6,248,710
Net capital assets being depreciated	5,047,043	1,078,151	(3,489)	6,121,705
Net governmental activities capital assets	\$ 5,140,323	\$ 1,235,194	\$ (3,489)	\$ 6,372,028

December 31, 2023

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2023	Reclassifications	Additions	Balance December 31, 2023
Capital assets not being depreciated:				
Land	\$ 5,485	\$ -	\$ -	\$ 5,485
Construction in progress	503,306	(263,683)	1,286,085	1,525,708
Subtotal	508,791	(263,683)	1,286,085	1,531,193
Capital assets being depreciated:				
Buildings	520,171	-	-	520,171
Sewer system infrastructure	62,039,381	263,683	106,253	62,409,317
Subtotal	62,559,552	263,683	106,253	62,929,488
Accumulated depreciation:				
Buildings	143,033	-	13,404	156,437
Sewer system infrastructure	30,810,070	-	1,270,060	32,080,130
Subtotal	30,953,103	-	1,283,464	32,236,567
Net capital assets being depreciated	31,606,449	263,683	(1,177,211)	30,692,921
Net business-type activities capital assets	<u>\$ 32,115,240</u>	<u>\$ -</u>	<u>\$ 108,874</u>	<u>\$ 32,224,114</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 78,900
Public works	323,051
Public safety	155,801
Total governmental activities	<u>\$ 557,752</u>
Business-type activities - Sewer	<u>\$ 1,283,464</u>

Construction Commitments

The Township has active construction projects at year end. The projects include the water line extension and the sewer extension. At year end, the Township's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Water line extension	<u>\$ 1,379,699</u>	<u>\$ 6,053,356</u>

December 31, 2023

Note 5 - Long-term Debt

Significant details regarding the Township's long-term liabilities for the year ended December 31, 2023 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -					
Direct borrowings and direct					
placements:					
General Obligation Limited Tax					
Bonds	\$ 265,000	\$ -	\$ (85,000)	\$ 180,000	\$ 90,000
Installment obligations:					
Lake Valley SAD	495,000	-	(55,000)	440,000	55,000
Liberty Shores SAD	137,000	-	(27,000)	110,000	27,000
Four Lakes Improvement					
SAD	459,000	-	(62,000)	397,000	62,000
Silver Ridge and Margaret					
SAD	1,322,000	-	(134,000)	1,188,000	134,000
Fire Truck IPA	666,000	-	(123,000)	543,000	128,000
Golden Shores SAD	-	530,000	-	530,000	35,000
Total direct borrowings					
and direct placements					
principal outstanding	3,344,000	530,000	(486,000)	3,388,000	531,000
Accumulated sick and vacation					
time	42,442	42,714	(38,483)	46,673	46,673
Total governmental					
activities long-term					
debt	\$ 3,386,442	\$ 572,714	\$ (524,483)	\$ 3,434,673	\$ 577,673

December 31, 2023

Note 5 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings and direct placements:					
Refunded General Obligation Capital Improvement Bonds 2018	\$ 1,216,000	\$ -	\$ (157,000)	\$ 1,059,000	\$ 163,000
General Obligation Capital Improvement Bonds 2017	900,000	-	(170,000)	730,000	175,000
General Obligation Capital Improvement Bonds 2018	832,000	-	(127,000)	705,000	131,000
Total direct borrowings and direct placements principal outstanding	2,948,000	-	(454,000)	2,494,000	469,000
Other debt:					
2016 Refunded General Obligation Capital Improvement Bonds Series 2007	3,410,000	-	(630,000)	2,780,000	655,000
Bond refunding premium	277,699	-	(55,540)	222,159	55,540
2013 Refunded Sewage Disposal System No. 3 2004 B and Improvement Projects Series 2004A	2,030,000	-	(990,000)	1,040,000	1,040,000
Bond refunding premium	126,036	-	(63,020)	63,016	63,020
2014 Refunded Sewage Disposal System No. 3 Series 2003A	465,000	-	(235,000)	230,000	230,000
Bond refunding premium	16,693	-	(8,343)	8,350	8,346
Total other debt principal outstanding	6,325,428	-	(1,981,903)	4,343,525	2,051,906
Total business-type activities long-term debt	<u>\$ 9,273,428</u>	<u>\$ -</u>	<u>\$ (2,435,903)</u>	<u>\$ 6,837,525</u>	<u>\$ 2,520,906</u>

December 31, 2023

Note 5 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities				
	Direct Borrowings and Direct Placements			Direct Borrowings and Direct Placements		Other Debt		
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total
2024	\$ 531,000	\$ 98,542	\$ 629,542	\$ 469,000	\$ 65,508	\$ 1,925,000	\$ 141,200	\$ 2,600,708
2025	542,000	71,937	613,937	484,000	52,719	680,000	85,000	1,301,719
2026	418,000	57,659	475,659	499,000	39,505	710,000	57,800	1,306,305
2027	425,000	44,885	469,885	515,000	58,267	735,000	29,400	1,337,667
2028	255,000	33,681	288,681	336,000	14,091	-	-	350,091
2029-2033	925,000	87,288	1,012,288	191,000	4,190	-	-	195,190
2034-2035	292,000	7,416	299,416	-	-	-	-	-
Total	\$ 3,388,000	\$ 401,408	\$ 3,789,408	\$ 2,494,000	\$ 234,280	\$ 4,050,000	\$ 313,400	\$ 7,091,680

Revenue Pledged in Debt Payment

The Township has pledged substantially all revenue of the General Fund to repay the above obligations related to the 2016 Refunded General Obligation Capital Improvement Bonds Series 2007, 2013 Refunded Sewage Disposal System No. 3 Series 2004, and 2014 Refunded Sewage Disposal System No. 3 Series 2003 bonds. The Township has pledged special assessment collections to repay the above obligations related to the Lake Valley SAD, Liberty Shores SAD, Four Lakes Improvement SAD, Silver Ridge and Margaret SAD, and Golden Shores SAD. In addition, the Township has pledged to raise property taxes, to the extent permitted by law, if necessary, to fund the repayment of the bonds.

Bond Refunding

In previous years, the Township defeased advance refundings. As of December 31, 2023, there is still \$5,465,000 of bonds outstanding that is considered defeased.

Orchard Park Intercounty Drain Bonds, Series 2023

In November 2023, the Orchard Park Intercounty Drain Drainage District, Counties of Genesee and Livingston, Michigan, executed an agreement for work to be done on an intercounty drain. The project will begin in 2024. The Township's portion of the project is estimated to be \$550,304.

Note 6 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for employee injuries and medical benefit claims and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, errors and omissions, and sewer discharge claims; the Township is uninsured for unemployment claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority's State Pool program (the "Authority") operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

Note 6 - Risk Management (Continued)

The Township estimates the liability for unemployment and sewer discharge claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. There is no unpaid claim balance at the beginning or end of the year for unemployment claims.

Note 7 - Defined Contribution Pension Plan

The Township sponsors a defined contribution pension plan (the "Charter Township of Fenton Group Pension Plan") covering all eligible employees who wish to participate. The plan is administered by John Hancock Life Insurance Company. By township ordinance, the Township contributes 5 percent or 10 percent depending on hire date and employees contribute 5 percent of wages to the plan. The employee may voluntarily contribute in excess of that amount. Benefits are fully vested after 20 months of service with the benefit payable at age 55, or retirement, if later. Employees between the ages of 18 and 65 with at least 90 days of service who wish to participate may elect coverage. Total payroll and covered payroll for the year were \$1,026,279 and \$809,159, respectively. The Township's 2023 contributions were \$66,863. Employees contributed \$54,873 during 2023.

Note 8 - Other Postemployment Benefit Plan

Plan Description

The Township provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the Charter Township of Fenton Retiree Medical Plan (the "Plan"), a single-employer defined benefit plan administered by the Township.

The financial statements of the OPEB plan are included in these financial statements as the Retiree Health Care Fund (a fiduciary fund).

Management of the Plan is vested in the township board, which consists of seven elected members.

Benefits Provided

The Plan provides health care benefits for eligible retirees. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan. The benefits are defined under collective bargaining agreements. As of December 31, 2017, the Plan was closed to new entrants.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2023
Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	1
	<hr/>
Total plan members	4
	<hr/>

Contributions

Retiree health care costs are paid by the Township on a pay-as-you-go basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. The Township made no contributions during 2023.

December 31, 2023

Note 8 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The Township has chosen to use December 31 as its measurement date for the net OPEB liability. The December 31, 2023 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2023 measurement date. The December 31, 2023 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2023.

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2022	\$ 524,705	\$ 510,797	\$ 13,908
Changes for the year:			
Service cost	876	-	876
Interest	39,156	-	39,156
Differences between expected and actual experience	3,963	-	3,963
Changes in assumptions	30,781	-	30,781
Net investment income	-	85,103	(85,103)
Benefit payments, including refunds	(20,472)	(20,472)	-
Administrative expenses	-	(2,778)	2,778
Net changes	54,304	61,853	(7,549)
Balance at December 31, 2023	<u>\$ 579,009</u>	<u>\$ 572,650</u>	<u>\$ 6,359</u>

The plan's fiduciary net position represents 98.9 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Township recognized OPEB expense of \$31,912.

At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 10,175	-

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

Years Ending December 31	Amount
2024	\$ 1,256
2025	6,324
2026	12,178
2027	(9,583)
Total	<u>\$ 10,175</u>

Note 8 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using assumed salary increases (including inflation) of 3.00 percent; an investment rate of return (net of investment expenses and including inflation) of 6.90 percent; a health care cost trend rate of 7.25 percent for 2023, decreasing by 0.25 percent per year to an ultimate rate of 4.5 percent for 2034 and later years; and the Public General 2010 Employee and Healthy Retiree mortality tables with the IRS 2024 Adjusted Scale MP-2021 improvement scale. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that township contributions will be made at rates equal to the difference between actuarially determined contribution rates.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	7.80 %
Global fixed income	4.80
Real assets	6.90
Diversifying strategies	6.30

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 6.90 percent, as well as what the Township's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.90%)	Current Discount Rate (6.90%)	1 Percentage Point Increase (7.90%)
Net OPEB liability (asset) of the Charter Township of Fenton Retiree Medical Plan	\$ 81,437	\$ 6,359	\$ (55,678)

December 31, 2023

Note 8 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Township, calculated using the health care cost trend rate of 7.25 percent, as well as what the Township's net OPEB (asset) liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Health Care Cost Trend Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net OPEB (asset) liability of the Charter Township of Fenton Retiree Medical Plan	\$ (58,665)	\$ 6,359	\$ 84,141

Assumption Changes

The discount rate of 6.90 percent used in the December 31, 2023 actuarial valuation has been updated from 7.45 percent, which was used in the December 31, 2022 actuarial valuation. The salary scale was updated from 3.5 percent to 3.0 percent and the mortality scale was updated from MP-2021 to the IRS 2024 Adjusted Scale MP-2021.

Investment Policy

The Township's policy in regard to the allocation of invested assets is established and may be amended by the township board by a majority vote of its members. It is the policy of the Township to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Township's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Township's adopted asset allocation policy for the Charter Township of Fenton Retiree Medical Plan as of December 31, 2023:

Asset Class	Target Allocation
Global equity	64.00 %
Global fixed income	26.00
Real assets	5.00
Diversifying strategies	5.00
Total	100.00 %

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 16.12 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 9 - Tax Abatements

The Township uses the industrial facilities tax exemption (Public Act 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Township grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years.

For the fiscal year ended December 31, 2023, the Township abated \$991 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Required Supplementary Information

Charter Township of Fenton

Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,029,500	\$ 1,029,500	\$ 1,103,673	\$ 74,173
Special assessments	65,500	165,300	180,511	15,211
Intergovernmental	1,893,100	2,898,600	6,920,446	4,021,846
Charges for services	225,500	272,000	245,697	(26,303)
Fines and forfeitures	16,500	16,500	6,677	(9,823)
Licenses and permits	254,600	279,600	225,006	(54,594)
Investment income	55,000	358,000	443,285	85,285
Other revenue	403,000	406,300	394,681	(11,619)
Total revenue	3,942,700	5,425,800	9,519,976	4,094,176
Expenditures				
Current services:				
General government	1,509,400	2,000,300	1,752,452	247,848
Legislative	105,900	113,900	98,019	15,881
Public safety	992,600	1,049,800	985,821	63,979
Public works	696,800	2,262,900	1,185,270	1,077,630
Community and economic development	94,700	111,200	83,491	27,709
Recreation and culture	141,300	147,200	71,873	75,327
Debt service	95,100	95,100	92,786	2,314
Total expenditures	3,635,800	5,780,400	4,269,712	1,510,688
Net Change in Fund Balance	306,900	(354,600)	5,250,264	5,604,864
Fund Balance - Beginning of year	5,320,201	5,320,201	5,320,201	-
Fund Balance - End of year	<u>\$ 5,627,101</u>	<u>\$ 4,965,601</u>	<u>\$ 10,570,465</u>	<u>\$ 5,604,864</u>

Charter Township of Fenton

Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds Waste Collection Fund

Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Special assessments	\$ 1,347,000	\$ 1,347,000	\$ 1,354,271	\$ 7,271
Investment income	1,000	20,000	25,300	5,300
Total revenue	1,348,000	1,367,000	1,379,571	12,571
Expenditures - Current services - Public works	1,290,300	1,291,000	1,278,849	12,151
Net Change in Fund Balance	57,700	76,000	100,722	24,722
Fund Balance - Beginning of year	140,260	140,260	140,260	-
Fund Balance - End of year	<u><u>\$ 197,960</u></u>	<u><u>\$ 216,260</u></u>	<u><u>\$ 240,982</u></u>	<u><u>\$ 24,722</u></u>

Charter Township of Fenton

Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Fire Fund

Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Special assessments	\$ 531,000	\$ 531,000	\$ 530,465	\$ (535)
Charges for services	127,100	127,100	131,198	4,098
Investment income	-	-	21,262	21,262
Total revenue	658,100	658,100	682,925	24,825
Expenditures - Current services - Public safety - Fire and EMS	612,500	769,000	534,983	234,017
Net Change in Fund Balance	45,600	(110,900)	147,942	258,842
Fund Balance - Beginning of year	1,592,708	1,592,708	1,592,708	-
Fund Balance - End of year	<u><u>\$ 1,638,308</u></u>	<u><u>\$ 1,481,808</u></u>	<u><u>\$ 1,740,650</u></u>	<u><u>\$ 258,842</u></u>

Charter Township of Fenton

Required Supplementary Information Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios

	Last Seven Fiscal Years						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 876	\$ 1,969	\$ 2,417	\$ 2,419	\$ 4,726	\$ 7,129	\$ 6,785
Interest	39,156	35,684	31,297	30,779	39,984	36,662	61,268
Changes in benefit terms	-	-	-	-	-	-	(542,826)
Differences between expected and actual experience	3,963	(2,706)	90,071	978	(183,647)	(422)	-
Changes in assumptions	30,781	(142,517)	89,593	(3,668)	29,684	(177,814)	-
Benefit payments, including refunds	(20,472)	(19,743)	(21,127)	(19,947)	(17,358)	(11,508)	(10,220)
Net Change in Total OPEB Liability	54,304	(127,313)	192,251	10,561	(126,611)	(145,953)	(484,993)
Total OPEB Liability - Beginning of year	524,705	652,018	459,767	449,206	575,817	721,770	1,206,763
Total OPEB Liability - End of year	\$ 579,009	\$ 524,705	\$ 652,018	\$ 459,767	\$ 449,206	\$ 575,817	\$ 721,770
Plan Fiduciary Net Position							
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ 67,358	\$ 86,508	\$ 35,220
Net investment income (loss)	85,103	(75,692)	67,615	61,393	78,198	(24,845)	43,558
Administrative expenses	(2,778)	(2,663)	(3,045)	(2,483)	(2,118)	(1,738)	(1,457)
Benefit payments, including refunds	(20,472)	(19,743)	(21,127)	(19,947)	(17,358)	(11,508)	(10,220)
Net Change in Plan Fiduciary Net Position	61,853	(98,098)	43,443	38,963	126,080	48,417	67,101
Plan Fiduciary Net Position - Beginning of year	510,797	608,895	565,452	526,489	400,409	351,992	284,891
Plan Fiduciary Net Position - End of year	\$ 572,650	\$ 510,797	\$ 608,895	\$ 565,452	\$ 526,489	\$ 400,409	\$ 351,992
Net OPEB Liability (Asset) - Ending	\$ 6,359	\$ 13,908	\$ 43,123	\$ (105,685)	\$ (77,283)	\$ 175,408	\$ 369,778
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	98.9 %	97.3 %	93.4 %	123.0 %	117.2 %	69.5 %	48.8 %
Covered-employee Payroll	\$ 102,600	\$ 101,482	\$ 138,516	\$ 149,971	\$ 154,363	\$ 191,325	\$ 182,016

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Charter Township of Fenton

Required Supplementary Information Schedule of OPEB Contributions

	Last Ten Fiscal Years									
	Years Ended December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 47,838	\$ 129,743	\$ 103,724	\$ 72,141	\$ 111,391	\$ 111,391
Contributions in relation to the actuarially determined contribution	-	-	-	-	67,358	86,508	35,220	34,926	33,328	32,870
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ 19,520	\$ (43,235)	\$ (68,504)	\$ (37,215)	\$ (78,063)	\$ (78,521)
Covered-employee Payroll	\$ 102,600	\$ 101,482	\$ 138,516	\$ 149,971	\$ 154,363	\$ 191,325	\$ 182,016	\$ 174,870	\$ 173,852	\$ 173,400
Contributions as a Percentage of Covered-employee Payroll	- %	- %	- %	- %	43.6 %	45.2 %	19.3 %	20.0 %	19.2 %	19.0 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Asset valuation method	Equal to market value of assets
Inflation	2.00 percent
Salary increase	3.50 percent
Investment rate of return	7.45 percent (net of investment expenses)
Mortality	Public General 2010 Employee and Healthy Retiree with the 2021 improvement scale

Charter Township of Fenton

Required Supplementary Information Schedule of OPEB Investment Returns

Last Seven Fiscal Years Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	16.12 %	(12.87)%	11.42 %	11.19 %	19.00 %	(7.55)%	14.89 %

This schedule is being built prospectively and will ultimately show 10 years of data.

December 31, 2023

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories, rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level (i.e., the level at which expenditures may not legally exceed appropriations).

The Township follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A public hearing is held in conjunction with a regular board meeting.
2. The township board adopts the budget on a departmental level at a regular board meeting.

OPEB Information

Benefit Changes

There were no changes of benefit terms in 2023, 2022, 2021, 2020, 2019, or 2018.

In 2017, benefit terms changed related to closing the plan and amending plan eligibility, resulting in a decrease of the total OPEB liability.

Changes in Assumptions

In 2023, assumptions changed related to the discount rate, salary scale, and mortality improvement scale, resulting in an increase in the total OPEB liability.

In 2022, assumptions changed related to the discount rate resulting in a decrease in the total OPEB liability.

In 2021, assumptions changed related to the discount rate, mortality tables and health care cost trend rate, resulting in an increase of the total OPEB liability.

In 2020, assumptions changed related to the discount rate, resulting in a decrease of the total OPEB liability.

In 2019, assumptions changed related to the discount rate and mortality tables, resulting in an increase of the total OPEB liability.

In 2018, assumptions changed related to the discount rate, health care cost trend rate, salary scale, and investment rate of return, resulting in a decrease of the total OPEB liability.

Other Supplementary Information

Charter Township of Fenton

	Special Revenue Funds				
	Mosquito	Dog Park	Private Roads SAD	Street Lighting SAD	Lake Improvements SAD
Assets					
Cash and investments	\$ 204,670	\$ 18,152	\$ 217,441	\$ 66,445	\$ 233,017
Receivables - Special assessments	102,601	-	36,459	51,303	109,153
Prepaid expenses	-	-	-	-	1,500
Total assets	<u>\$ 307,271</u>	<u>\$ 18,152</u>	<u>\$ 253,900</u>	<u>\$ 117,748</u>	<u>\$ 343,670</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1,155	\$ -	\$ 6,625
Due to other funds	-	-	-	-	83
Total liabilities	-	-	1,155	-	6,708
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	-
Special assessments levied for the following year	207,700	-	64,535	107,287	208,758
Total deferred inflows of resources	207,700	-	64,535	107,287	208,758
Total liabilities and deferred inflows of resources	207,700	-	65,690	107,287	215,466
Fund Balances					
Nonspendable - Prepaids	-	-	-	-	1,500
Restricted:					
Roads	-	-	188,210	-	-
Debt service	-	-	-	-	-
Mosquito control	99,571	-	-	-	-
Dog park donations	-	18,152	-	-	-
Street lighting	-	-	-	10,461	-
Lake improvements	-	-	-	-	126,704
Total fund balances	99,571	18,152	188,210	10,461	128,204
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 307,271</u>	<u>\$ 18,152</u>	<u>\$ 253,900</u>	<u>\$ 117,748</u>	<u>\$ 343,670</u>

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2023

Debt Service Funds						
Lake Valley SAD	Liberty Shores SAD	Four Lakes Improvement SAD	Margaret SAD	Silver Ridge SAD	Golden Shores SAD	Total
\$ 197,669	\$ 50,589	\$ 135,279	\$ 133,812	\$ 341,823	\$ 119,597	\$ 1,718,494
258,455	58,430	227,973	16,209	716,911	420,371	1,997,865
-	-	-	-	-	-	1,500
\$ 456,124	\$ 109,019	\$ 363,252	\$ 150,021	\$ 1,058,734	\$ 539,968	\$ 3,717,859
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,780
-	-	-	-	-	-	83
-	-	-	-	-	-	7,863
249,614	50,145	206,284	12,532	693,494	407,539	1,619,608
-	-	-	-	-	-	588,280
249,614	50,145	206,284	12,532	693,494	407,539	2,207,888
249,614	50,145	206,284	12,532	693,494	407,539	2,215,751
-	-	-	-	-	-	1,500
-	-	-	-	-	-	188,210
206,510	58,874	156,968	137,489	365,240	132,429	1,057,510
-	-	-	-	-	-	99,571
-	-	-	-	-	-	18,152
-	-	-	-	-	-	10,461
-	-	-	-	-	-	126,704
206,510	58,874	156,968	137,489	365,240	132,429	1,502,108
\$ 456,124	\$ 109,019	\$ 363,252	\$ 150,021	\$ 1,058,734	\$ 539,968	\$ 3,717,859

Charter Township of Fenton

	Special Revenue Funds				
	Mosquito	Dog Park	Private Roads SAD	Street Lighting SAD	Lake Improvements SAD
Revenue					
Special assessments	\$ 205,425	\$ -	\$ 60,585	\$ 97,947	\$ 297,896
Intergovernmental - Local contributions	-	11,074	-	-	-
Investment income	5,525	447	-	-	-
Total revenue	210,950	11,521	60,585	97,947	297,896
Expenditures					
Current services:					
Public works	188,886	-	41,907	105,381	246,482
Recreation and culture	-	12,637	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other debt service	-	-	-	-	-
Total expenditures	188,886	12,637	41,907	105,381	246,482
Other Financing Sources - Proceeds from the issuance of long-term debt	-	-	-	-	-
Net Change in Fund Balances	22,064	(1,116)	18,678	(7,434)	51,414
Fund Balances - Beginning of year	77,507	19,268	169,532	17,895	76,790
Fund Balances - End of year	<u>\$ 99,571</u>	<u>\$ 18,152</u>	<u>\$ 188,210</u>	<u>\$ 10,461</u>	<u>\$ 128,204</u>

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended December 31, 2023

Debt Service Funds						
Lake Valley SAD	Liberty Shores SAD	Four Lakes Improvement SAD	Margaret SAD	Silver Ridge SAD	Golden Shores SAD	Total
\$ 32,895	\$ 17,441	\$ 41,533	\$ 10,518	\$ 75,654	\$ 123,427	\$ 963,321
-	-	-	-	-	-	11,074
20,654	4,683	18,838	4,686	42,760	9,968	107,561
53,549	22,124	60,371	15,204	118,414	133,395	1,081,956
-	-	-	-	-	514,722	1,097,378
-	-	-	-	-	-	12,637
55,000	27,000	62,000	17,165	116,835	-	278,000
11,001	3,789	12,496	2,538	17,274	16,244	63,342
66,001	30,789	74,496	19,703	134,109	530,966	1,451,357
-	-	-	-	-	530,000	530,000
(12,452)	(8,665)	(14,125)	(4,499)	(15,695)	132,429	160,599
218,962	67,539	171,093	141,988	380,935	-	1,341,509
\$ 206,510	\$ 58,874	\$ 156,968	\$ 137,489	\$ 365,240	\$ 132,429	\$ 1,502,108

Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

Independent Accountant's Report

To the Board of Trustees

We have examined the Charter Township of Fenton's (the "Township") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2023. Management of the Township is responsible for the Township's compliance with the specified requirements. Our responsibility is to express an opinion on the Township's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Township complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Township complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Township's compliance with specified requirements.

In our opinion, the Township complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2023.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the Township's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the Township's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

To the Board of Trustees

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the Township complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2023. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

May 29, 2024

May 29, 2024

To the Board of Trustees and Management
Charter Township of Fenton

We have audited the financial statements of the Charter Township of Fenton (the "Township") as of and for the year ended December 31, 2023 and have issued our report thereon dated May 29, 2024. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Section III - Legislative Updates and Informational Items

Sections I and II include information that we are required to communicate to those individuals charged with governance of the Township. Section I communicates a deficiency we observed in the Township's internal control that we believe is a material weakness. Section II communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

Section III contains updated legislative and informational items that we believe will be of interest to you.

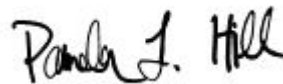
We would like to take this opportunity to thank the Township's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the board of trustees and management of the Charter Township of Fenton and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink that reads "Pamela L. Hill".

Pamela Hill, CPA
Partner

Section I - Internal Control Related Matters Identified in an Audit

In planning and performing our audit of the financial statements of the Charter Township of Fenton as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiency in the Township's internal control to be a material weakness:

Segregation of Duties and Control Procedures

In reviewing the Township's internal controls, we noted that two individuals have the ability to perform multiple key financial functions for the fiscal year independently. In an ideal control environment, the following duties would be segregated: bank reconciliation functions, cash disbursements (including adding vendors, changing vendor information, entering invoices into the system, cutting checks, and signing checks), and posting journal entries into the general ledger. We understand that in a small office setting it can be difficult to fully segregate these duties. We strongly recommend the Township seek to limit the access rights provided to staff to an appropriate level. We recognize it is unlikely the duties can be fully segregated. However, we feel the Township should consider whether there is one employee who can be fully or close to fully excluded from having the ability to perform bank reconciliations, process cash disbursements (including adding vendors, changing vendor information, entering invoices into the system, and cutting checks), and journal entry functions. This individual could then perform reviews of various items, such as review of bank reconciliations; review of final cash disbursement listing, including signing the checks and running and reviewing vendor change reports; review of journal entries; and overall general ledger activity. Without the appropriate segregation of duties or mitigating controls, there is a greater risk of inaccurate or inappropriate activity. After discussing this risk with Plante & Moran, PLLC, the Township began taking steps to adjust the access rights of one employee in the system to address this issue. Plante & Moran, PLLC obtained the May 28, 2024 user access report, noting that the rights of one employee has been adjusted. With this access now restricted, this individual would have the ability to independently perform review functions as a part of the internal control system.

In addition, in the current year when the bank reconciliation process was automated using BS&A, the bank reconciliation review was no longer being documented. As a result, we were unable to substantiate that the control, which is the review, was taking place. We did not note any discrepancies in the year-end reconciliations that we audited. However, without timely review throughout the year, there could be misappropriation of assets that is not detected timely. We encourage the Township to go back to its normal control of a second review over the bank reconciliation, performed timely each month, by a person without access to post journal entries.

**Section I - Internal Control Related Matters Identified in an Audit
(Continued)**

Control Procedures as Related to Capital Assets

Additionally, in reviewing the Township's internal controls, we noted one individual was responsible for preparing capital asset schedules with no secondary review or control in place to ensure property and equipment are included in the capital asset ledger with appropriate useful lives as well as the completeness and accuracy of the capital assets, accumulated depreciation and depreciation expense amounts calculations. Without a second review, there is a risk that capital assets may not be properly reported in the general ledger. The Township has considered and plans to add a secondary review to this process to add a control that would prevent misstatements as related to capital assets.

Section II - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 12, 2024, our responsibility, as described by professional standards, is to express an opinion 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. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on February 12, 2024.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the 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 2023.

We noted no transactions entered into by the Township 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.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

For the purpose 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.

Section II - Required Communications with Those Charged with Governance (Continued)

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. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Township, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 29, 2024.

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 the 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.

Section III - Legislative Updates and Informational Items

Monitoring Lease, SBITA, and PPP Activity

GASB Statements No. 87, *Leases*; No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs); and No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements*, were effective in fiscal years 2022 and 2023. Although significant analyses were performed to determine the applicability of the new standards and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease, SBITA, and PPP activity. When the Township enters into new leases, SBITAs, or PPPs; existing agreements are modified; or other facts and circumstances change, consideration must be given to the impact those changes will have on lease, SBITA, and PPP accounting. In order to do so, the Township must ensure there is a process in place to identify and appropriately account for new leases, SBITAs, or PPPs or changes to existing agreements on an ongoing basis or at least at the end of each year.

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessment of the system in order to verify that the control environment is working as intended is a key part of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

OMB Proposed Revisions to the Uniform Guidance

In October 2023, the Office of Management and Budget (OMB) posted proposed revisions for the Uniform Guidance for federal grants and agreements. The proposed guidance clarifies the applicability of requirements and terminology and includes some relaxation and clarification of certain requirements that required prior approval from federal regulators. A few key proposed changes include the following:

- Increase the audit threshold to \$1 million from \$750,000
- Increase the *de minimis* indirect cost rate from 10 percent to 15 percent
- Require the schedule of expenditures of federal awards (SEFA) to identify recipient of federal award for audits that cover multiple recipients

The proposed changes are included in more detail within the federal register at <https://www.federalregister.gov/documents/2023/10/05/2023-21078/guidance-for-grants-and-agreements>.

Plante & Moran, PLLC will continue to monitor any changes to the Uniform Guidance, and we encourage the Township to monitor developments in this area.

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the Township. In addition to the summaries below and to stay up to date, Plante & Moran, PLLC issues a biannual GASB accounting standard update. The most recent update and a link to previous fall and spring updates are available [here](#).

Section III - Legislative Updates and Informational Items (Continued)

GASB Statement No. 101 - Compensated Absences

This new accounting pronouncement will be effective for fiscal years ending December 31, 2024 and after. The statement requires all compensated absences be reported under a new unified model that provides recognition and measurement guidance for all compensated absences that meet certain criteria. This is a major shift from the prior standards that provided different recognition and measurement guidance for vacation leave versus sick leave. Under the new standard, all compensated absences (with some exceptions like parental leave and military leave) that meet three criteria are to be recognized (accrued). The three criteria are (1) the absence accumulates, (2) the absence is attributed to services already performed, and (3) the absence is more likely than not to be either paid or settled through other means.

A few of the more significant changes from prior guidance include the elimination of specific recognition criteria for sick leave (GASB 16's termination payment method and vesting method) in lieu of standard recognition criteria for all types of compensated absences that meet the criteria. In addition, the prior standards used the "probable criteria" as a measurement stick for recognition; GASB 101 lowers that threshold to more likely than not. More likely than not means a likelihood of more than 50 percent. Because GASB 101 does not prescribe the manner in which these leave liabilities are estimated once the criteria are met, organizations will have significant latitude in how these estimates are determined. Because of this, there may be additional reporting and additional disaggregation of historical employee leave usage information that may be required in order to come up with an accurate estimate of these liabilities. We strongly suggest organizations start thinking about these changes now, brainstorm estimation methodologies, and begin gathering the necessary information in order to successfully adopt this new standard.

GASB Statement No. 102 - Certain Risk Disclosures

This new accounting pronouncement will be effective for fiscal years ending June 30, 2025 and after. This statement requires a government to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements.

Significant GASB Proposals Worth Watching

The GASB is working on two comprehensive projects that result in changes to financial reporting for state and local governments.

The Financial Reporting Model exposure draft was issued in June 2020, and the final statement is expected to be released in mid-2024. This standard proposes changes to many aspects of the Township's financial statements, including the management's discussion and analysis (MD&A), proprietary fund financial statements, and budgetary comparisons. In August 2023, the GASB removed issues related to reporting of governmental funds from the scope of this project.

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. The GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step categorization process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions. The exposure draft for this project is expected sometime in 2025.

Plante & Moran, PLLC has spent significant time digesting these new proposed standards and recently testified to the GASB about our feedback. We strongly encourage the Township to monitor developments with these standards, as the potential impacts are significant.

**GENERAL FUND STATEMENTS OF THE CHARTER TOWNSHIP OF FENTON
FOR FISCAL YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

FINANCIAL INFORMATION

The following financial information has been compiled from information provided in the Charter Township of Fenton audited Financial Statements for the fiscal years ended December 31, 2023, 2022 and 2021. These audited annual Financial Statements 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 Financial Statements in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such audited Financial Statements or of the information presented in this Appendix.

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

CHARTER TOWNSHIP OF FENTON
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
FOR YEARS ENDED DECEMBER 31

	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES			
Property Taxes	\$1,103,673	\$939,050	\$950,783
Special Assessments	180,511	123,032	60,242
Intergovernmental:			
Federal Grants	4,640	4,258	300
State-Shared Revenue and Grants			
State-Shared Revenue and Grants	1,884,580	2,096,656	1,683,773
Other State Grants	5,000,000	-	-
Other State Revenue	31,226	-	-
Local Contributions			
Charges for services	245,697	224,385	226,861
Fines and forfeitures	6,677	10,817	13,093
Licenses and permits	225,006	210,823	229,280
Investment Income	443,285	66,148	10,656
Other revenue:			
Cable Franchise Fees	382,439	405,524	393,635
Other Miscellaneous Income	<u>12,242</u>	<u>18,022</u>	<u>404,943</u>
TOTAL REVENUES	<u>9,519,976</u>	<u>4,098,715</u>	<u>3,973,566</u>
EXPENDITURES			
Current:			
General government	1,752,452	1,347,520	1,281,466
Legislative	98,019	93,597	70,380
Public Safety	985,821	904,882	927,547
Public Works	1,185,270	633,483	341,563
Community and Economic Development	83,491	49,320	38,231
Recreation and Culture	71,873	125,707	117,951
Debt Service			
Principal	85,000	80,000	75,000
Interest and other debt service	<u>7,786</u>	<u>10,710</u>	<u>13,432</u>
TOTAL EXPENDITURES	<u>4,269,712</u>	<u>3,245,219</u>	<u>2,865,570</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,250,264	853,496	1,107,996
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,250,264	853,496	1,107,996
FUND BALANCE AT BEGINNING OF THE YEAR	5,320,201	4,466,705	3,358,709
FUND BALANCE AT END OF YEAR	<u><u>\$10,570,465</u></u>	<u><u>\$5,320,201</u></u>	<u><u>\$4,466,705</u></u>

Source: Charter Township of Fenton Financial Report

**CHARTER TOWNSHIP OF FENTON
GENERAL FUND - BALANCE SHEET
FOR YEARS ENDED DECEMBER 31**

ASSETS	2023	2022	2021
Cash and investments	\$10,746,522	\$5,262,899	\$5,636,543
Receivables:			
Property taxes receivable	375,655	489,562	285,072
Special assessments receivable	520,106	440,726	113,289
Cable revenue receivables	91,351	102,374	102,411
Other receivables	467	6,299	312
Due from other governmental units	315,152	318,770	429,889
Due from other funds	83	3,194	-
Prepaid expenses	80,436	62,506	63,891
Land held for resale	62,233	50,322	38,758
TOTAL ASSETS	\$12,192,005	\$6,736,652	\$6,670,165
 LIABILITIES, FUND EQUITY AND OTHER CREDITS			
LIABILITIES			
Accounts payable	185,752	267,679	283,434
Due to other governmental units	126,516	-	1,430
Due to other funds	-	94,119	202,201
Deposits payable	74,945	-	15,230
Accrued liabilities and other	\$21,188	\$16,454	\$821,020
	408,401	378,252	1,323,315
 Deferred Inflows of Resources			
Unavailble Assessment Revenue	481,375	363,977	252,514
Property taxes levied for the following year	731,764	674,222	627,631
	1,213,139	1,038,199	880,145
 FUND BALANCES			
Nonspendable:			
Land held for resale	62,233	50,322	38,758
Prepays	80,436	62,506	63,891
Roads	4,842,957	-	-
Public Access Programming	858,277	800,416	796,293
Street Lighting	-	-	100,000
Lake Improvements	-	150,000	-
Unassigned	4,726,562	4,256,957	3,467,763
TOTAL FUND BALANCES	10,570,465	5,320,201	4,466,705
TOTAL LIABILITIES AND FUND BALANCES	\$12,192,005	\$6,736,652	\$6,670,165

Source: Charter Township of Fenton Financial Report

APPENDIX E

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

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QATAR

FORM OF APPROVING OPINION

Charter Township of Fenton
County of Genesee
State of Michigan

We have acted as bond counsel to the Charter Township of Fenton, County of Genesee, State of Michigan (the "Issuer") in connection with the issuance by the Issuer of bonds in the aggregate principal sum of \$_____, designated 2025 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 _____, 2025, 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 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.

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

Charter Township of Fenton

-2-

_____, 2025

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,

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

By: _____
Steven D. Mann

43621510.1/125269.00011

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Charter Township of Fenton, County of Genesee, State of Michigan (the “Issuer”), in connection with the issuance of its 2025 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 ending December 31, 2024, 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 – update as of current year;
- b. State Equalized Valuation by Class and by Use- update as of current year;
- c. Taxable Value by Class and by Use- update as of current year;
- d. Major Taxpayers- update as of current year;
- e. Tax Rates- update as of current year;
- f. Tax Rate Limitations- update as of current year;
- g. Tax Levies and Collections- update as of current year;
- h. Revenues from the State of Michigan- update as of current year;
- i. Other Post Employment Benefits- update as of current year;
- j. General Fund – Fund Balance- update as of current year; and
- k. Debt Statement – Direct Debt- update as of current year.

(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

- (16) of the Issuer, any of which affect security holders, if material; or 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.

CHARTER TOWNSHIP OF FENTON
County of Genesee, State of Michigan

By _____

Its

Dated: _____, 2025

43621703.1/125269.00011

OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE
\$4,100,000*
CHARTER TOWNSHIP OF FENTON
COUNTY OF GENESEE, STATE OF MICHIGAN

2025 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)
**Subject to adjustment as set forth in this 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 May 12, 2025 until 1:00 p.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 initial delivery, numbered in order of registration, and will bear interest from their date payable on November 1, 2025 and semiannually thereafter.

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

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$145,000	2036	\$200,000
2027	150,000	2037	210,000
2028	155,000	2038	215,000
2029	155,000	2039	225,000
2030	165,000	2040	235,000
2031	170,000	2041	245,000
2032	175,000	2042	255,000
2033	180,000	2043	265,000
2034	185,000	2044	280,000
2035	195,000	2045	295,000

***ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES:** The Township reserves the right to decrease 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 decrease 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%) 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% of their par value will be considered.

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2026 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 May 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 May 1, 2026 through the final maturity as term bonds and the consecutive maturities on or after the year 2026 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 May 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 OPTION: Unless otherwise requested by the purchaser, 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. 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. In the alternative, the successful bidder may request bond certificates to be delivered to the purchaser as one fully registered bond per maturity.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, Detroit, 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.

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 November 1, 2025 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to June 5, 2025 (expected 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.

NOT “QUALIFIED TAX-EXEMPT OBLIGATIONS”: The Township has not designated 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, 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 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 Notice of Sale.

Any bid submitted pursuant to this 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:
 - i. the close of the fifth (5th) business day after the sale date; or
 - ii. 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.

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 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. Payment for the bonds shall be made in Federal Reserve Funds.

CUSIP NUMBERS: It is anticipated that CUSIP identification 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: An electronic copy of the 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. The Township 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 insurance. 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 sixth month after the end of each fiscal year commencing with the fiscal year ended December 31, 2024, 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 Michigan Public Acts of 2012, being MCL 129.311 et. seq.

REGISTERED MUNICIPAL ADVISORS: Bendzinski & Co. Municipal Finance Advisors, Okemos, MI (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, 2390 Woodlake Drive, Suite 300, Okemos, MI 48864. Telephone (517) 580-0277.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Robert E. Krug, Township Clerk
Charter Township of Fenton

43621913.2/125269.00011

APPENDIX H-1

FORM OF ISSUE PRICE CERTIFICATE

APPENDIX G-1
FORM OF ISSUE PRICE CERTIFICATE

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

\$[_____]
CHARTER TOWNSHIP OF FENTON
COUNTY OF GENESEE, STATE OF MICHIGAN
2025 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 Charter Township of Fenton, County of Genesee, 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).

(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

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.

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)

43621459.1/125269.00011

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.

\$[_____]
CHARTER TOWNSHIP OF FENTON
COUNTY OF GENESEE, STATE OF MICHIGAN
2025 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 Charter Township of Fenton, County of Genesee, 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)

43621465.1/125269.00011

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

CHARTER TOWNSHIP OF FENTON

ADMINISTRATION

ROBERT KRUG
Clerk

VINCE LORRAINE
Supervisor

JOHN TUCKER
Treasurer

TRUSTEES

WILLIAM CLARK
ROBERT KESLER

MARK GOUPIL
CHRISTINE REID

PROFESSIONAL SERVICES

REGISTRAR/PAYING

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
Detroit, Michigan

BOND COUNSEL

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

REGISTERED MUNICIPAL ADVISORS



2390 Woodlake Drive • Suite 300 • Okemos, Michigan 48864