



COUNTY OF OTTAWA, MICHIGAN

**FINANCIAL STATEMENTS**

**and**

**SINGLE AUDIT REPORTS**

***FOR THE YEAR ENDED DECEMBER 31, 2024***



Vredeveld Haefner LLC  
CPAs and Consultants

# Allendale Charter Township

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## INDEPENDENT AUDITORS' REPORT

April 21, 2025

Members of the Board of Trustees  
Allendale Charter Township  
Ottawa County, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Allendale Charter Township (the Township), as of and for the year ended December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 twelve 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 generally accepted auditing standards and *Government Auditing Standards* 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 on pages 5 through 10 and the budgetary comparison information on page 37 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 who 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.

#### ***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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.

*Oradaxeld Haefner LLC*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of Allendale Charter Township (the Township), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- The Downtown Development Authority purchased the property at 11147 60<sup>th</sup> Ave for \$1,550,342 in 2024. This is the corner of Lake Michigan Dr and 60<sup>th</sup> Ave. There are no concrete plans for this property yet. The Township is looking at the idea of using the property to create a town center similar to that of the City of Hudsonville.
- Along with the purchase at 11147 60<sup>th</sup> Ave, the DDA is also having Fleis & VanDenbrink perform a traffic study at this intersection.
- The Township contributed another \$1,000,000 to the Capital Improvement Fund in 2024.
- The Township purchased a new 2024 Ford F150 truck for the maintenance department for just under \$50,000 in 2024 and resigned the Township/park property costing roughly \$8,300.
- The Library launched their new website in 2024 and added roughly \$5,500 of new furniture to the teen space center.
- In 2024, the Water/Sewer Fund continued drawing on bond funds through the State Revolving Fund and continued construction on doubling the capacity of the Wastewater Treatment Plant. The total cost is expected to be just under \$35,000,000 with roughly \$24,000,000 being spent to date.
- Along with the doubling the capacity of the Wastewater Treatment Plant, construction continued on relocating the GVSU Trunk line. This is part of the State Revolving Fund bond with total cost expected to be in the \$12,000,000 range. Total spent to date is around \$9,200,000.
- A couple other semi-major projects the Water/Sewer Fund kicked off engineering on in 2024 is the Pierce/56<sup>th</sup> Lift Station and North/South Watermain loop project. The Township will extend the watermain under 60<sup>th</sup> Ave up to Lincoln St and connect the watermain between 68<sup>th</sup> Ave and 56<sup>th</sup> Ave under Pierce St. Total combined engineering costs in 2024 was about \$610,000.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Allendale Charter Township's financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences, accrued interest, etc.).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, and culture and recreation activities. The business-type activities of the Township include the water and sewer systems.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, American rescue plan act, fire station building, and WWTP building funds which are considered major funds.

Data is combined into a single aggregated presentation for the other governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements and schedules*.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules for the general and major special revenue funds have been provided herein to demonstrate compliance with those budgets.

**Proprietary funds.** The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund, which is considered to be a major fund of the Township.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$79,007,293 at the close of the most recent fiscal year.

A summary of net position is as follows:

### Net Position

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$18,979,804	\$14,000,994	\$12,214,272	\$11,574,743	\$31,194,076	\$25,575,737
Capital assets	15,807,048	14,619,549	72,381,263	39,924,228	88,188,311	54,543,777
Total assets	34,786,852	28,620,543	84,595,535	51,498,971	119,382,387	80,119,514
Current and other liabilities	6,864,684	3,786,936	939,342	422,715	7,804,026	4,209,651
Long-term liabilities outstanding	112,413	103,926	30,430,400	7,901,328	30,542,813	8,005,254
Total liabilities	6,977,097	3,890,862	31,369,742	8,324,043	38,346,839	12,214,905
Deferred inflows of resources	1,867,162	1,734,070	161,093	178,050	2,028,255	1,912,120
Net position:						
Net investment in capital assets	15,552,113	14,619,549	41,207,581	32,072,475	56,759,694	46,692,024
Restricted	224,357	148,870	-	-	224,357	148,870
Unrestricted	10,166,123	8,227,192	11,857,119	10,924,403	22,023,242	19,151,595
Total net position	\$25,942,593	\$22,995,611	\$53,064,700	\$42,996,878	\$79,007,293	\$65,992,489

A small portion of the Township's net position (28%) reflects unrestricted net position which is available for future operations while the largest portion of net position is invested in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The government's net position increased by \$13,014,804 during the current fiscal year.

### Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue:						
Program revenue:						
Charges for services	\$ 804,101	\$ 757,936	\$ 7,935,617	\$ 7,372,710	\$ 8,739,718	\$ 8,130,646
Operating grants and contributions	676,396	664,156	-	-	676,396	664,156
Capital grants and contributions	1,531,790	219,871	7,432,239	672,730	8,964,029	892,601
General revenue:						
Property taxes	2,043,788	1,870,312	-	-	2,043,788	1,870,312
State sources	3,107,063	3,122,493	-	-	3,107,063	3,122,493
Unrestricted investment earnings	384,397	304,266	348,596	287,843	732,993	592,109
Other	282,097	306,004	5,420	27,941	287,517	333,945
Total revenue	8,829,632	7,245,038	15,721,872	8,361,224	24,551,504	15,606,262

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Expenses:						
General government	\$1,823,696	\$1,658,057	\$ -	\$ -	\$1,823,696	\$1,658,057
Public safety	2,373,979	2,127,149	-	-	2,373,979	2,127,149
Public works	708,247	692,910	-	-	708,247	692,910
Community and economic Development	103,405	113,502	-	-	103,405	113,502
Culture and recreation	873,323	833,652	-	-	873,323	833,652
Water and sewer	-	-	5,654,050	5,372,782	5,654,050	5,372,782
Total expenses	5,882,650	5,425,270	5,654,050	5,372,782	11,536,700	10,798,052
Revenues over expenses	2,946,982	1,819,768	10,067,822	2,988,442	13,014,804	4,808,210
Transfers	-	-	-	-	-	-
Change in net position	2,946,982	1,819,768	10,067,822	2,988,442	13,014,804	4,808,210
Net position - beginning of year	22,995,611	21,175,843	42,996,878	40,008,436	65,992,489	61,184,279
Net position - end of year	<u>\$25,942,593</u>	<u>\$22,995,611</u>	<u>\$53,064,700</u>	<u>\$42,996,878</u>	<u>\$79,007,293</u>	<u>\$65,992,489</u>

**Governmental Activities.** During the year the Township invested \$2,373,979 or 40% of governmental activities expenses in public safety. General government expenses amounted to \$1,822,023 or 31% of governmental activities while culture and recreation, public works, and community and economic development made up the remaining 29% of governmental activities expenses.

## Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$10,418,098, an increase of \$2,049,725 in comparison with the prior year. Of the \$10,418,098, \$7,711,520 is reported in the general fund.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,652,622. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 138% of total general fund expenditures and transfers. The fund balance of the Township's general fund increased by \$1,016,404 during the current fiscal year.

**Proprietary funds.** The Township's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$11,857,119. The water and sewer fund had an increase in net position for the year of \$10,067,822.

## Capital Asset and Debt Administration

**Capital assets.** The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounted to \$87,646,338 (net of accumulated depreciation).

The Township's capital assets (net of depreciation) are summarized as follows:

	Governmental	Business-type	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
Land	\$3,495,113	\$ 257,304	\$3,752,417
Construction in progress	-	33,656,417	33,656,417
Land improvements	3,093,183	-	3,093,183
Buildings and improvements	10,126,095	192,380	10,318,475
Machinery and equipment	1,530,108	532,013	2,062,121
Furniture and equipment	229,210	-	229,210
Vehicles	1,708,881	317,905	2,026,786
Infrastructure	2,851,510	-	2,851,510
Utility systems	-	44,223,526	44,223,526
Sewer Treatment plan	-	17,047,504	17,047,504
Accumulated depreciation	(7,481,987)	(24,132,824)	(31,614,811)
<b>Total</b>	<b>\$15,552,113</b>	<b>\$72,094,225</b>	<b>\$87,646,338</b>

Additional information on the Township's capital assets can be found in the footnotes to the financial statements.

**Debt.** At the end of the current fiscal year, the Township had total debt outstanding as follows:

	Governmental	Business-type	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
Compensated absences	\$112,413	\$ 53,756	\$ 166,169
Bonds payable	-	30,673,212	30,673,212
<b>Total</b>	<b>\$112,413</b>	<b>\$30,726,968</b>	<b>\$30,839,381</b>

The Township made principal payments on bonds outstanding totaling \$4,437,500 during the year, which includes \$3,947,500 in loan forgiveness through the State Revolving Fund.

Additional information on the Township's long-term debt can be found in the footnotes to the financial statements.

## Budgetary Highlights

Significant budget adjustments were made for the following:

- Budgeted revenues were increased by roughly \$120,000 in the General Fund primarily due to a 5% Taxable Value increase AND the Township still earning significant interest comparatively.
- General Fund budgeted expenditures saw some adjustments primarily due to the following factors:
  - An additional police officer was brought on near the end of 2023
  - An additional full-time fire fighter was hired near the end of 2023
  - There were 3 elections in 2024 as opposed to none in 2023
  - Inflation skyrocketed in 2023 and into 2024 causing the cost of doing business to significantly increase
- Budgeted Building Permit revenue witnessed another healthy increase of almost 15% due to a construction and home improvement industry that still didn't seem to slow in 2024.

- The DDA received an increase of around \$180,000 in property tax capture and roughly \$20,000 in additional interest earnings from the Money Market account.
- DDA Capital improvement contributions were down in 2024 outside of purchasing the property at the corner of 60<sup>th</sup> Ave and Lake Michigan Dr.
- Budgeted water/sewer connections decreased in 2024 which could be signaling a potential building industry plateau.

## **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Township's budget for the 2025 fiscal year:

- The Taxable Value of the Township has increased by about 9.5%, or almost \$76 million, to the current estimated taxable value of roughly \$793.6 million.
- State Shared Revenues are estimated at \$2.9 million, which is on par with what was collected in 2024.
- Building permit revenues associated with construction are expected to decline b/c of high interest rates and the talk of a potential recession hitting the United States. We thought this would be the case in 2024 as well, but the construction industry did not slow down.
- The Township has budgeted \$750,000 for police services in 2025. This is roughly a 7.0% increase over 2024.
- Almost \$1.1 million is budgeted in 2025 for Fire & Emergency services needed to respond to medical emergencies, fires, vehicular accidents and other rescues.
- \$1.0 million is being transferred into the Township's Capital/One-time Projects Fund

## **Requests for Information**

This financial report is designed to provide a general overview of Allendale Charter Township's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Adam Elenbaas, Supervisor, Allendale Charter Township, 6676 Lake Michigan Drive, Allendale, Michigan, 49401, (616) 895-6295.

## **BASIC FINANCIAL STATEMENTS**

# ALLENDALE CHARTER TOWNSHIP

## STATEMENT OF NET POSITION

**DECEMBER 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>Assets</b>				
Cash and pooled investments	\$ 12,065,199	\$ 12,522,823	\$ 24,588,022	\$ 4,805,344
Receivables				
Accounts	91,087	1,580,207	1,671,294	11,551
Taxes	755,566	-	755,566	658,047
Internal balances	5,493,337	(5,493,337)	-	-
Due from other governments	515,717	3,460,221	3,975,938	197,650
Inventory	-	106,149	106,149	-
Prepaid items	58,898	38,209	97,107	75,000
Total current assets	<u>18,979,804</u>	<u>12,214,272</u>	<u>31,194,076</u>	<u>5,747,592</u>
Noncurrent assets				
Lease receivable	170,140	170,140	340,280	-
Special assessments receivable	84,795	116,898	201,693	-
Capital assets:				
Land	3,495,113	257,304	3,752,417	-
Construction in progress	-	33,656,417	33,656,417	-
Depreciable capital assets, net	12,057,000	38,180,504	50,237,504	-
Total noncurrent assets	<u>15,807,048</u>	<u>72,381,263</u>	<u>88,188,311</u>	<u>-</u>
<b>Total assets</b>	<u>34,786,852</u>	<u>84,595,535</u>	<u>119,382,387</u>	<u>5,747,592</u>
<b>Liabilities</b>				
Accounts payable	5,656,051	244,344	5,900,395	70,820
Accrued payroll and benefits	77,672	37,441	115,113	-
Accrued interest payable	-	147,557	147,557	-
Customer deposits	4,146	-	4,146	-
Unearned revenue	1,126,815	-	1,126,815	-
Current portion of bonds payable	-	510,000	510,000	-
Total current liabilities	<u>6,864,684</u>	<u>939,342</u>	<u>7,804,026</u>	<u>70,820</u>
Long-term liabilities				
Compensated absences	112,413	53,756	166,169	-
Unamortized bond premium	-	213,432	213,432	-
Bonds payable	-	30,163,212	30,163,212	-
Total long-term liabilities	<u>112,413</u>	<u>30,430,400</u>	<u>30,542,813</u>	<u>-</u>
<b>Total liabilities</b>	<u>6,977,097</u>	<u>31,369,742</u>	<u>38,346,839</u>	<u>70,820</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - taxes	1,706,069	-	1,706,069	1,196,120
Unavailable revenue - leases	161,093	161,093	322,186	-
<b>Total deferred inflows of resources</b>	<u>1,867,162</u>	<u>161,093</u>	<u>2,028,255</u>	<u>1,196,120</u>
<b>Net position</b>				
Net investment in capital assets	15,552,113	41,207,581	56,759,694	-
Restricted for				
Construction code activities	82,281	-	82,281	-
Cemetery improvements	142,076	-	142,076	-
Unrestricted	10,166,123	11,857,119	22,023,242	4,480,652
<b>Total net position</b>	<u>\$ 25,942,593</u>	<u>\$ 53,064,700</u>	<u>\$ 79,007,293</u>	<u>\$ 4,480,652</u>

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

# ALLENDALE CHARTER TOWNSHIP

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government</b>					
Governmental activities					
General government	\$ 1,823,696	\$ 180,794	\$ -	\$ -	\$ (1,642,902)
Public safety	2,373,979	609,149	676,396	-	(1,088,434)
Public works	708,247	-	-	1,531,790	823,543
Community and economic development	103,405	2,000	-	-	(101,405)
Culture and recreation	873,323	12,158	-	-	(861,165)
Total governmental activities	5,882,650	804,101	676,396	1,531,790	(2,870,363)
Business-type activities					
Water and sewer	5,654,050	7,935,617	-	7,432,239	9,713,806
Total business-type activities	5,654,050	7,935,617	-	7,432,239	9,713,806
<b>Total primary government</b>	<b>\$ 11,536,700</b>	<b>\$ 8,739,718</b>	<b>\$ 676,396</b>	<b>\$ 8,964,029</b>	<b>\$ 6,843,443</b>
<b>Component unit</b>					
Downtown Development Authority	\$ 1,777,707	\$ -	\$ -	\$ -	\$ (1,777,707)
<b>Total component unit</b>	<b>\$ 1,777,707</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,777,707)</b>

(Continued)

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

# ALLENDALE CHARTER TOWNSHIP

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net position</b>				
<b>Net (expense) revenue</b>	<u>\$ (2,870,363)</u>	<u>\$ 9,713,806</u>	<u>\$ 6,843,443</u>	<u>\$ (1,777,707)</u>
General revenues				
Property taxes				
General purpose	2,043,788	-	2,043,788	2,195,812
State shared revenues	3,107,063	-	3,107,063	103,499
Unrestricted investment income	384,397	348,596	732,993	113,156
Miscellaneous	282,097	5,420	287,517	500
Total general revenues	<u>5,817,345</u>	<u>354,016</u>	<u>6,171,361</u>	<u>2,412,967</u>
Change in net position	2,946,982	10,067,822	13,014,804	635,260
<b>Net position, beginning of year</b>	<u>22,995,611</u>	<u>42,996,878</u>	<u>65,992,489</u>	<u>3,845,392</u>
<b>Net position, end of year</b>	<u>\$ 25,942,593</u>	<u>\$ 53,064,700</u>	<u>\$ 79,007,293</u>	<u>\$ 4,480,652</u>

(Concluded)

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

# ALLENDALE CHARTER TOWNSHIP

## GOVERNMENTAL FUNDS BALANCE SHEET

**DECEMBER 31, 2024**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 8,222,180	\$ 3,843,019	\$ 12,065,199
Receivables			
Accounts	50,928	40,159	91,087
Taxes	755,211	355	755,566
Special assessments	-	84,795	84,795
Leases	170,140	-	170,140
Due from other governments	515,717	-	515,717
Prepaid items	58,898	-	58,898
<b>Total assets</b>	<u>\$ 9,773,074</u>	<u>\$ 3,968,328</u>	<u>\$ 13,741,402</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 114,617	\$ 48,097	\$ 162,714
Accrued payroll and benefits	75,629	2,043	77,672
Unearned revenue	-	1,126,815	1,126,815
Customer deposits	4,146	-	4,146
<b>Total liabilities</b>	<u>194,392</u>	<u>1,176,955</u>	<u>1,371,347</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - taxes	1,706,069	-	1,706,069
Unavailable revenue - special assessments	-	84,795	84,795
Unavailable revenue - leases	161,093	-	161,093
<b>Total deferred inflows of resources</b>	<u>1,867,162</u>	<u>84,795</u>	<u>1,951,957</u>
<b>Fund balances</b>			
Nonspendable			
Prepaid items	58,898	-	58,898
Restricted			
Cemetery improvements	-	142,076	142,076
Construction code activities	-	82,281	82,281
Assigned			
Special revenue funds	-	145,401	145,401
Capital project funds	-	2,336,820	2,336,820
Unassigned	7,652,622	-	7,652,622
<b>Total fund balances</b>	<u>7,711,520</u>	<u>2,706,578</u>	<u>10,418,098</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 9,773,074</u>	<u>\$ 3,968,328</u>	<u>\$ 13,741,402</u>

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

## ALLENDALE CHARTER TOWNSHIP

### RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

DECEMBER 31, 2024

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<b>Fund balances - total governmental funds</b>	\$ 10,418,098
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	3,495,113
Add - capital assets (net of accumulated depreciation)	12,057,000
Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.	
Add - unavailable revenue	84,795
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	<u>(112,413)</u>
<b>Net position of governmental activities</b>	<u>\$ 25,942,593</u>

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

# ALLENDALE CHARTER TOWNSHIP

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Formerly Major Funds					<b>Total</b>	
	<b>General</b>	<b>American Rescue Plan Act</b>	<b>Fire Station Building Fund</b>	<b>Nonmajor Governmental Funds</b>			
				<b>Revenues</b>			
Property taxes	\$ 2,043,788	\$ -	\$ -	\$ -	\$ 2,043,788		
Licenses and permits	145,244	-	-	523,339	668,583		
Federal	562,356	-	-	-	562,356		
State	3,107,063	-	-	-	3,107,063		
Local	114,040	-	-	-	114,040		
Charges for services	26,950	-	-	91,865	118,815		
Fines and forfeits	16,703	-	-	-	16,703		
Interest	259,846	-	-	124,551	384,397		
Miscellaneous	255,044	-	-	27,053	282,097		
<b>Total revenues</b>	<b>6,531,034</b>	<b>-</b>	<b>-</b>	<b>766,808</b>	<b>7,297,842</b>		
<b>Expenditures</b>							
Current							
General government	1,665,701	-	-	1,823	1,667,524		
Public safety	1,569,168	-	-	583,590	2,152,758		
Public works	499,068	-	-	885	499,953		
Community and economic development	103,405	-	-	-	103,405		
Culture and recreation	697,782	-	-	-	697,782		
Capital outlay	375	-	-	126,320	126,695		
<b>Total expenditures</b>	<b>4,535,499</b>	<b>-</b>	<b>-</b>	<b>712,618</b>	<b>5,248,117</b>		
Revenues over (under) expenditures	1,995,535	-	-	54,190	2,049,725		
Other financing sources (uses)							
Transfers in	45,869	-	-	1,025,000	1,070,869		
Transfers out	(1,025,000)	-	-	(45,869)	(1,070,869)		
Total other financing sources (uses)	(979,131)	-	-	979,131	-		
Net changes in fund balances	1,016,404	-	-	1,033,321	2,049,725		
<b>Fund balances, beginning of year, as previously presented</b>	<b>6,695,116</b>	<b>68,749</b>	<b>47,716</b>	<b>1,556,792</b>	<b>8,368,373</b>		
<b>Change within financial reporting entity</b>	<b>-</b>	<b>(68,749)</b>	<b>(47,716)</b>	<b>116,465</b>	<b>-</b>		
<b>Fund balances, beginning of year, as restated</b>	<b>6,695,116</b>	<b>-</b>	<b>-</b>	<b>1,673,257</b>	<b>8,368,373</b>		
<b>Fund balances, end of year</b>	<b>\$ 7,711,520</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,706,578</b>	<b>\$ 10,418,098</b>		

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

## ALLENDALE CHARTER TOWNSHIP

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

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<b>Net changes in fund balances - total governmental funds</b>	\$ 2,049,725
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	75,318
Add - contributed capital	1,558,610
Deduct - depreciation expense	(701,364)
Long-term receivables are collectable in the subsequent year however, only current receipts are reflected as revenues on the fund statements.	
Deduct - collection of long-term receivable	(26,820)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in compensated absences	<u>(8,487)</u>
<b>Change in net position of governmental activities</b>	<u>\$ 2,946,982</u>

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

# ALLENDALE CHARTER TOWNSHIP

## PROPRIETARY FUNDS STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Enterprise Fund
<b>Assets</b>	<b>Water and Sewer</b>
Current assets	
Cash and pooled investments	\$ 12,522,823
Receivables	
Accounts	1,580,207
Due from other governments	3,460,221
Inventory	106,149
Prepaid and other assets	<u>38,209</u>
 Total current assets	 <u>17,707,609</u>
 Noncurrent assets	
Lease receivable	170,140
Special assessments receivable	116,898
Capital assets:	
Land	257,304
Construction in progress	33,656,417
Depreciable capital assets, net	<u>38,180,504</u>
 Total noncurrent assets	 <u>72,381,263</u>
 <b>Total assets</b>	 <u>90,088,872</u>
 <b>Liabilities</b>	
Current liabilities	
Accounts payable	5,737,681
Accrued payroll and benefits	37,441
Accrued interest payable	147,557
Current portion of long-term liabilities	<u>510,000</u>
 Total current liabilities	 <u>6,432,679</u>
 Long-term liabilities	
Compensated absences	53,756
Unamortized bond premium	213,432
Bonds payable	<u>30,163,212</u>
 Total long-term liabilities	 <u>30,430,400</u>
 <b>Total liabilities</b>	 <u>36,863,079</u>
 <b>Deferred inflows of resources</b>	
Unavailable revenue - leases	<u>161,093</u>
 <b>Net position</b>	
Net investment in capital assets	41,207,581
Unrestricted	<u>11,857,119</u>
 <b>Total net position</b>	 <u>\$ 53,064,700</u>

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

# ALLENDALE CHARTER TOWNSHIP

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund
	<u>Water and Sewer</u>
<b>Operating revenue</b>	
Charges for services	
Water sales	\$ 3,196,666
Sewage treatment sales	3,906,838
Other charges	<u>140,060</u>
<b>Total operating revenue</b>	<u>7,243,564</u>
<b>Operating expense</b>	
Cost of water	1,380,146
Operation and maintenance - water	1,065,685
Operation and maintenance - sewer	1,497,256
Administration	213,099
Depreciation	<u>1,215,388</u>
<b>Total operating expense</b>	<u>5,371,574</u>
Operating income (loss)	<u>1,871,990</u>
Non-operating revenue (expense)	
Interest income	348,596
Lease income	22,269
Interest expense	<u>(282,476)</u>
Total non-operating revenue (expense)	<u>88,389</u>
Income (loss) before capital contributions	<u>1,960,379</u>
Capital contributions	
Connection fees and charges	675,204
Contribution from developer	3,484,739
Contributions from State	<u>3,947,500</u>
Total capital contributions	<u>8,107,443</u>
Changes in net position	<u>10,067,822</u>
<b>Net position, beginning of year</b>	<u>42,996,878</u>
<b>Net position, end of year</b>	<u>\$ 53,064,700</u>

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

# ALLENDALE CHARTER TOWNSHIP

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise Fund
	<u>Water and Sewer</u>
<b>Cash flows from operating activities</b>	
Receipts from customers and users	\$ 5,281,351
Payments to employees	(937,226)
Payments to suppliers	<u>(3,352,465)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>991,660</u>
<b>Cash flows from capital and related financing activities</b>	
Connection charges	675,204
Special assessments collected	14,421
Capital contributions	3,484,739
Lease payments received	17,946
Draws on bonds issued	27,486,015
Principal paid on bonds	(490,000)
Interest paid on bonds	(179,516)
Acquisition of capital assets	<u>(29,706,888)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>1,301,921</u>
<b>Cash flows from investing activities</b>	
Interest income	<u>348,596</u>
Net increase (decrease) in cash and pooled investments	2,642,177
<b>Cash and pooled investments, beginning of year</b>	<u>9,880,646</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 12,522,823</u>
<b>Cash flows from operating activities</b>	
Operating income (loss)	\$ 1,871,990
Adjustments to reconcile operating income (loss)	
to net cash provided by (used in) operating activities	
Depreciation	1,215,388
Change in operating assets and liabilities	
which provided (used) cash:	
Accounts receivable	(122,971)
Due from other governments	(1,839,242)
Inventory	(28,520)
Prepaid and other assets	791
Accounts payable	(114,947)
Accrued payroll and benefits	4,990
Compensated absences	<u>4,181</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 991,660</u>

**Non cash transaction** The Township received \$3,947,500 in principal forgiveness during the year.

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

# ALLENDALE CHARTER TOWNSHIP

## *FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION*

**DECEMBER 31, 2024**

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	<u>Tax Collection</u>
<b>Assets</b>	
Cash and pooled investments	<u>\$ 502,905</u>
<b>Total assets</b>	<u>502,905</u>
<b>Liabilities</b>	
Due to other governmental units	<u>502,905</u>
<b>Total liabilities</b>	<u>502,905</u>
<b>Net position</b>	
Restricted for other governments	<u>-</u>
<b>Total net position</b>	<u>\$ -</u>

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

# ALLENDALE CHARTER TOWNSHIP

## *FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION*

*FOR THE YEAR ENDED DECEMBER 31, 2024*

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	<u>Tax Collection</u>
<b>Additions</b>	
Contributions:	
Property taxes collected for other governments	\$ 31,124,177
<b>Deductions</b>	
Property taxes distributed to other governments	<u>31,124,177</u>
Net increase	-
<b>Net position, beginning of year</b>	<u> </u>
<b>Net position, end of year</b>	<u> </u>

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

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Allendale Charter Township (the “Township”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

#### ***Reporting Entity***

These financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township’s operations, so data from these units are combined with data of the primary government. The Township has no blended component units. Discretely presented component units are reported in separate columns in the financial statements to emphasize they are legally separate from the Township.

#### ***Discretely Presented Component Unit***

The Downtown Development Authority (the “DDA”) was created to finance improvements to the central business district of the Township. The DDA governing body consists of individuals that are appointed by the Township’s Board. The Township’s Board approves the DDA’s budget and has the ability to significantly influence operations of the DDA. Financial statements are not separately issued for the DDA.

This component unit provides services to the businesses located within the district. It is reported in a separate column to emphasize it is legally separate from the Township.

#### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for state shared revenue, reimbursement-based grants, and interest which use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 revenues of the enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation or amortization on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major governmental fund:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Township reports the following major proprietary fund:

The *Water and Sewer Enterprise Fund* is used to account for the operations of the Township's Water Department and Wastewater Department that provide water and sewer services on a user charge basis.

Additionally, the Township reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *Capital Project Funds* are used to account for the accumulation of resources that are restricted, committed, or assigned for expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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The *Custodial Funds* are used to account for the collection and disbursement of resources that are held on behalf of outside governments, entities and individuals.

#### **Budgets and Budgetary Accounting**

Comparisons to budgets are presented for the general fund and the American Rescue Plan Act special revenue fund. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Superintendent submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Supplemental appropriations, when required to provide for appropriate expenditures are matched by additional anticipated revenues or an appropriation of available fund balance and must be approved by the Township Board. All appropriations lapse at year-end.

The appropriated budget is prepared by fund, function and department. The Township Superintendent may make transfers of appropriations within an activity. Transfers of appropriations between activities or that increase the activities appropriations require the approval of the Township Board. The legal level of budgetary control is the activity level. Supplemental appropriations were made during the year.

#### **Cash and Pooled Investments**

For the purpose of the statement of cash flows, the Township's cash and pooled investments are considered to be cash equivalents because the balances are readily available similar to a demand deposit account.

#### **Investments**

Investments are stated at fair value at the balance sheet date.

State statutes and Township policy authorize the Township to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase that are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### ***Receivables***

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances are immaterial to the financial statements.

#### ***Special Assessments Receivable***

Special assessments receivable consists of long-term receivables from customers and benefited parties for various road improvement projects. Amounts in governmental funds not received within 60 days of year-end are recorded as unavailable revenue.

#### ***Inventory***

All inventories are valued at original cost using the first-in/first-out (FIFO) method. Inventory represents parts, materials, and supplies utilized in the water and sewer operations following the consumption method of reporting.

#### ***Prepaid Items***

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The Township follows the consumption method of accounting for prepaid items.

#### ***Capital Assets***

Capital assets, which include land, buildings and equipment, access rights, vehicles, improvements, and infrastructure assets (e.g., water and sewer systems, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Major outlays for capital assets and improvements are capitalized as projects are constructed. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<b><u>Years</u></b>
Building and improvements	5-40
Utility systems	20-50
Furniture and equipment	3-20
Vehicles	3-25

**ALLENDALE CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Township has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The governmental funds and governmental activities report unavailable revenues from property taxes levied for the following year and for long-term leases receivable. In addition, the governmental funds report unavailable revenues from special assessments, which arise only under a modified accrual basis of accounting. Accordingly, the unavailable revenue related to special assessments is reported only in the governmental funds balance sheet and is recognized as revenue in the period that the amounts become available.

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, the 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 related bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and related premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures/expenses regardless of fund or activity.

***Compensated Absences***

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the contracts. Accumulated compensated absences of governmental funds is recorded on the statement of net position and not on the governmental fund balance sheets because the balance is not expected to be liquidated with expendable available financial resources. Amounts accumulated for proprietary funds are reported on the statements of net position of the individual enterprise funds. Amounts considered more likely than not to be paid have been accrued.

***Net Position and Fund Balance Reporting***

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

The Township has adopted a general fund unrestricted fund balance target policy. The Township established a goal of maintaining a general fund unrestricted fund balance of at least 40% of the Township's operating expenses of the last audited fiscal year. If unrestricted fund balance falls below 25%, the Township Board will be notified at the next Township Board meeting. If unrestricted fund balance falls below 20%, the Township Board will be notified immediately and all non-essential expenditures will be denied until guidance can be given by the Township Board. The Township was in compliance with the policy as of December 31, 2024.

#### ***Net Position and Fund Balance Flow Assumptions***

Sometimes the government will 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/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, 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.

#### ***Property Taxes***

Township property taxes attach as an enforceable lien on property as of December 1 of each year and are due without penalty on or before February 14. Tax bills include the Township's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the county for collection, which advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer. The December 1 levy is recorded as a receivable and unearned revenue at the end of the year and is intended to fund expenditures of the following year.

The Township's 2023 taxable value was \$787,865,919 on which 2.7422 mils was levied for operating purposes.

#### ***Risk Management***

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2024, the Township carried commercial insurance to cover risks of losses. The Township has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

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#### 2. STATUTORY COMPLIANCE

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgeted major funds have been shown on an activity basis. The approved budgets of the Township for these budgeted funds were adopted at the activity level.

During the year ended December 31, 2024, the Township incurred \$113,054 of expenditures in the Drains activity, which was \$734 above the budgeted amount of \$112,320.

#### 3. CASH AND INVESTMENTS

Cash and pooled investments are included in the financial statements as follows:

Governmental Activities	\$12,065,199
Business-type activities	12,522,823
Fiduciary funds	502,905
Component unit	<u>4,805,344</u>
 Total	 <u>\$29,896,271</u>

The cash and investments making up the above balances are as follows:

Deposits	\$29,602,879
Petty cash	446
Investments	<u>292,946</u>
 Total	 <u>\$29,896,271</u>

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts except as noted are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when earned.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have, a policy for deposit custodial credit risk. As of year-end, \$28,907,681 of the Township's bank balance of \$29,657,681 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

#### Investments

The Township chooses to disclose its investments by type. As of year-end, the Township's investments consist of \$292,946 held in the Michigan Class Investment Pool, which holds an AAAm rating by S&P.

**ALLENDALE CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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The Township categorizes its fair value measurements of investments 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; Level 3 inputs are significant unobservable inputs.

The Township has the following recurring fair value measurements as of year-end.

- The Township does not have any investments that are valued using quoted market prices (Level 1 inputs).
- Pooled investments held at Michigan Class are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The Township does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

***Investment and deposit risk***

***Interest Rate Risk.*** State law and Township policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Credit Risk.*** State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

***Custodial Credit Risk - Investments.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Township does not have, a policy for investment custodial credit risk. For the above funds on deposit with MI Class investments, the Township's custodial credit risk exposure cannot be determined because the Township's participation in the pools do not consist of specifically identifiable securities.

***Concentration of Credit Risk.*** State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 4. INTERFUND TRANSACTIONS

Transfers are used to move allocated cost of general operations and costs associated with the water and sewer system bond project to applicable funds. Transfers in and out for the year ended December 31, 2024 are as follows:

	<u>Transfers out</u>	Transfers in			<u>Total</u>	
		Nonmajor		<u>General Fund</u>		
		<u>Governmental Funds</u>	<u>Total</u>			
General fund		\$ 1,025,000	\$1,025,000	\$ -	\$1,025,000	
Nonmajor governmental funds		45,869	-	45,869		
<b>Total</b>		<b>\$45,869</b>	<b>\$1,025,000</b>		<b>\$1,070,869</b>	

### 5. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31,</u>
	<u>2024</u>			<u>2024</u>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 1,936,503	\$ 1,558,610	\$ -	\$ 3,495,113
Construction in progress	-	-	-	-
<b>Total capital assets, not being depreciated</b>	<b>1,936,503</b>	<b>1,558,610</b>		<b>3,495,113</b>
<b>Capital assets, being depreciated</b>				
Land improvements	3,084,906	8,277	-	3,093,183
Buildings and improvements	10,126,095	-	-	10,126,095
Machinery and equipment	1,510,872	19,236	-	1,530,108
Furniture and equipment	229,210	-	-	229,210
Vehicles	1,661,076	47,805	-	1,708,881
Infrastructure	2,851,510	-	-	2,851,510
<b>Total capital assets, being depreciated</b>	<b>19,463,669</b>	<b>75,318</b>		<b>19,538,987</b>
Less accumulated depreciation for				
Land improvements	1,608,611	129,678	-	1,738,289
Buildings and improvements	1,825,965	215,651	-	2,041,616
Machinery and equipment	1,167,486	118,990	-	1,286,476
Furniture and equipment	159,986	12,471	-	172,457
Vehicles	703,867	84,481	-	788,348
Infrastructure	1,314,708	140,093	-	1,454,801
<b>Total accumulated depreciation</b>	<b>6,780,623</b>	<b>701,364</b>		<b>7,481,987</b>
<b>Net capital assets, being depreciated</b>	<b>12,683,046</b>	<b>(626,046)</b>		<b>12,057,000</b>
<b>Governmental Activities capital assets, net</b>	<b>\$14,619,549</b>	<b>\$ 932,564</b>	<b>\$ -</b>	<b>\$15,552,113</b>

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Balance January 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2024</u>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 257,304	\$ -	\$ -	\$ 257,304
Construction in progress	3,755,773	29,900,644	-	33,656,417
<b>Net capital assets, not being depreciated</b>	<b>4,013,077</b>	<b>29,900,644</b>	-	<b>33,913,721</b>
<b>Capital assets being depreciated</b>				
Buildings and improvements	192,380	-	-	192,380
Machinery and equipment	532,013	-	-	532,013
Vehicles	317,905	-	-	317,905
Water and sewer systems	40,738,785	3,484,741	-	44,223,526
Sewer Treatment plant	17,047,504	-	-	17,047,504
Total capital assets, being depreciated	58,828,587	3,484,741	-	62,313,328
Less accumulated depreciation for				
Buildings and improvements	187,573	590	-	188,163
Machinery and equipment	302,692	24,357	-	327,049
Vehicles	241,861	23,917	-	265,778
Water and sewer systems	15,584,359	827,486	-	16,411,845
Sewer Treatment plant	6,600,951	339,038	-	6,939,989
Total accumulated depreciation	22,917,436	1,215,388	-	24,132,824
<b>Net capital assets, being depreciated</b>	<b>35,911,151</b>	<b>2,269,353</b>	-	<b>38,180,504</b>
<b>Business-type Activities capital assets, net</b>	<b>\$39,924,228</b>	<b>\$32,169,997</b>	<b>\$ -</b>	<b>\$72,094,225</b>

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

### Governmental Activities

General government	\$ 147,685
Public safety	234,887
Public works	143,251
Culture and recreation	175,541
<b>Total depreciation expense - governmental activities</b>	<b>\$ 701,364</b>

### Business-type Activities

Water and Sewer	<u>\$1,215,388</u>
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# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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### **6. LONG-TERM DEBT**

The following is a summary of the debt transactions of the Township for the year ended December 31, 2024:

	Balance January 1, <u>2024</u>	Additions	Deletions	Balance December 31, <u>2024</u>	Due Within One Year
<b>Governmental Activities</b>					
Accrued employee benefits	<u>\$103,926</u>	<u>\$ 8,487</u>	<u>\$ -</u>	<u>\$112,413</u>	<u>\$ -</u>
<b>Business-type Activities</b>					
\$1,175,000 Contract payable for bond issued through Ottawa County – 2006 Water Supply Improvement Bonds; due in annual installments of \$40,000 through \$90,000 plus interest at 3.5%-4.2% through 2026	\$ 255,000	\$ -	\$ 80,000	\$ 175,000	\$ 85,000
\$2,521,968 Contract payable for bond issued through Ottawa County – 2007 Michigan Municipal Bond Authority bonds; due in annual installments of \$100,000 through \$150,000 plus interest at 2.125% through 2027	581,968	-	140,000	441,968	145,000
\$1,340,000 Contract payable for bond issued through Ottawa County – 2012 Michigan Finance Authority bonds; due in annual installments of \$50,000 through \$85,000 plus interest at 2.5% through 2033	755,000	-	65,000	690,000	70,000
\$4,680,000 Contract payable for bond issued through Ottawa County – 2020 Wastewater Treatment Bonds; due in annual installments of \$185,000 to \$280,000 plus interest at 2% through 2040	4,100,000	-	205,000	3,895,000	210,000
\$25,471,244 - 2023 Water and Sewer System Junior Lien Revenue Bonds; due in annual installments of \$987,500 to \$1,820,000 plus interest at 2.125% through 2056	1,932,729	27,486,015	3,947,500	25,471,244	-
Total	7,624,697	27,486,015	4,437,500	30,673,212	510,000
Unamortized bond premium	227,056	-	13,624	213,432	-
Accrued employee benefits	49,575	4,181	-	53,756	-
<b>Total Business-type Activities</b>	<b><u>\$7,901,328</u></b>	<b><u>\$27,490,196</u></b>	<b><u>\$4,451,124</u></b>	<b><u>\$30,940,400</u></b>	<b><u>\$510,000</u></b>

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

The annual requirements to amortize all debt outstanding (excluding accrued employee benefits) as of December 31, 2024 are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 510,000	\$ 648,955
2026	1,512,500	636,196
2027	1,451,968	604,054
2028	1,325,000	574,754
2029	1,350,000	546,592
2030-2034	7,130,000	2,289,909
2035-2039	7,545,000	1,527,229
2040-2044	7,190,000	734,660
2045-2049	2,658,744	81,759
<b>Total</b>	<b>\$30,673,212</b>	<b>\$7,644,108</b>

The \$25,471,244 Water and Sewer System Junior Lien Revenue Bonds are issued through a State Revolving Fund program which provides for bond proceeds to be received as the related construction project progresses to a maximum amount of \$44,780,000. The future minimum payment schedule includes only debt outstanding at December 31, 2024. The Township has construction commitments for the related construction projects in an amount not exceeding the maximum bond proceeds.

## 7. PENSION PLANS

### Defined Contribution Pension Plan

Allendale Township provides pension benefits to substantially all of its full-time employees through a defined contribution plan administered by MERS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Township contributes 6% of eligible earnings to the plan, and plan participants are required to contribute 4% of eligible earnings. This is defined in the plan document which may be amended by the City Council. Employee contributions plus investment earnings are fully vested after five years of service. In accordance with these requirements, for the year ended December 31, 2024, the Township contributed \$132,604 and employees contributed \$94,330.

### Deferred Compensation Plan

The Township offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All Assets of the plan are held in trust for employees and the related assets and liabilities are not included in this report.

## 8. CONTIGENT LIABILITIES

In the normal course of its operations, the Township has become a party in various property tax appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township. Amounts reserved for losses, if any, related to legal actions are undetermined and have not been included as a liability in the financial statements.

**ALLENDALE CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**9. LEASES**

The Township has entered into a lease arrangement with a company to lease space for cell tower installations. The terms of the lease are as follows:

Initial five-year term ended in June 2004 and options to extend for an additional two consecutive five-year terms were utilized through June 2014. The lease was amended to provide options to extend four additional five-year terms, through June 2034. Currently, the Township is in the fourth five-year renewal term; current monthly payment of \$3,024 increasing annually by 3%. The lessee can terminate this lease upon 30 days written notice dependent upon specific conditions within the contract.

The Township has recognized a total deferred inflow of resources of \$322,186 in the current fiscal year along with a lease receivable of \$340,280. The Township recognized a total of \$44,538 in lease revenue for the current fiscal year.

**10. TAX ABATEMENTS**

Public Act 381 of 1996, the Brownfield Redevelopment Financing Act, was adopted in the State of Michigan as a means to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted, or functionally obsolete property; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing.

For the year ended December 31, 2024 the Township abated property tax revenues of approximately \$4,200.

**11. COMMITMENTS**

The Township has various ongoing construction projects with total estimated commitments of approximately \$14,000,000 outstanding at December 31, 2024.

**12. RESTATEMENT OF FUND BALANCE**

Beginning fund balances were restated to recognize the American Rescue Plan Act fund and the Fire Station Building fund changing from major funds to nonmajor funds.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# ALLENDALE CHARTER TOWNSHIP

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,995,377	\$ 2,031,600	\$ 2,043,788	\$ 12,188
Licenses and permits	156,500	144,800	145,244	444
Federal	560,000	562,000	562,356	356
State	3,132,000	3,038,500	3,107,063	68,563
Local	100,000	100,000	114,040	14,040
Charges for services	20,500	24,500	26,950	2,450
Fines and forfeits	11,000	14,500	16,703	2,203
Interest	120,000	240,000	259,846	19,846
Miscellaneous	201,765	244,600	255,044	10,444
<b>Total revenues</b>	<b>6,297,142</b>	<b>6,400,500</b>	<b>6,531,034</b>	<b>130,534</b>
<b>Expenditures</b>				
Current				
General government				
Township board	33,700	39,500	34,627	4,873
Supervisor	177,600	173,400	170,767	2,633
Elections	114,650	130,500	118,831	11,669
Finance	161,400	162,900	155,273	7,627
Assessor	226,925	208,425	198,530	9,895
Attorney	102,000	80,000	56,372	23,628
Human resources	95,750	86,250	79,120	7,130
Clerk	120,600	120,400	112,114	8,286
Board of review	3,730	3,730	2,428	1,302
Administration	541,150	483,750	467,059	16,691
Treasurer	19,500	18,600	17,912	688
Buildings and grounds	240,500	239,000	211,384	27,616
Cemetery	64,375	44,375	41,284	3,091
<b>Total general government</b>	<b>1,901,880</b>	<b>1,790,830</b>	<b>1,665,701</b>	<b>125,129</b>
Public safety				
Sheriff E-Unit and police services	700,500	700,500	695,546	4,954
Fire department	968,300	942,100	873,622	68,478
<b>Total public safety</b>	<b>1,668,800</b>	<b>1,642,600</b>	<b>1,569,168</b>	<b>73,432</b>
Public works				
Street lighting	110,000	131,100	129,699	1,401
Road construction and maintenance	30,720	38,400	38,400	-
Highway M-45	256,200	256,200	217,915	38,285
Drains	112,320	112,320	113,054	(734)
<b>Total public works</b>	<b>509,240</b>	<b>538,020</b>	<b>499,068</b>	<b>38,952</b>
Community and economic development				
Planning commission	14,100	14,100	7,507	6,593
Planning and zoning department	130,600	102,100	95,607	6,493
Zoning board of appeals	3,903	3,903	291	3,612
<b>Total community and economic development</b>	<b>148,603</b>	<b>120,103</b>	<b>103,405</b>	<b>16,698</b>
Culture and recreation				
Parks and recreation	104,800	104,800	96,452	8,348
Community promotions	110,900	100,650	96,105	4,545
Library	517,736	511,385	473,146	38,239
Senior citizens activities	54,000	38,000	32,079	5,921
<b>Total culture and recreation</b>	<b>787,436</b>	<b>754,835</b>	<b>697,782</b>	<b>57,053</b>

(continued)

**ALLENDALE CHARTER TOWNSHIP**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Capital outlay	\$ 4,100	\$ 4,100	\$ 375	\$ 3,725
<b>Total expenditures</b>	<b>5,020,059</b>	<b>4,850,488</b>	<b>4,535,499</b>	<b>314,989</b>
Revenues over (under) expenditures	1,277,083	1,550,012	1,995,535	(184,455)
Other financing sources (uses)				
Transfers in	-	46,000	45,869	(131)
Transfers out	(1,025,000)	(1,025,000)	(1,025,000)	-
Total other financing sources (uses)	(1,025,000)	(979,000)	(979,131)	(131)
Net changes in fund balances	252,083	571,012	1,016,404	(184,586)
<b>Fund balances, beginning of year</b>	<b>6,695,116</b>	<b>6,695,116</b>	<b>6,695,116</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 6,947,199</b>	<b>\$ 7,266,128</b>	<b>\$ 7,711,520</b>	<b>\$ (184,586)</b>
				(concluded)

## **COMBINING FUND FINANCIAL STATEMENTS**

# ALLENDALE CHARTER TOWNSHIP

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

**DECEMBER 31, 2024**

	<b>Special Revenue Funds</b>				
	<b>Building Department</b>	<b>Rental Administration</b>	<b>Cemetery Improvement</b>	<b>Allendale Historical Society</b>	<b>American Rescue Plan Act</b>
<b>Assets</b>					
Cash and pooled investments	\$ 78,405	\$ 19,896	\$ 141,276	\$ 6,399	\$ 1,248,518
Receivables					
Accounts	38,762	-	800	-	-
Taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 117,167</b>	<b>\$ 19,896</b>	<b>\$ 142,076</b>	<b>\$ 6,399</b>	<b>\$ 1,248,518</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 34,886	\$ 554	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	2,043	-	-	-
Unearned revenue	-	-	-	-	1,126,815
<b>Total liabilities</b>	<b>34,886</b>	<b>2,597</b>	<b>-</b>	<b>-</b>	<b>1,126,815</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	-	-	-	-	-
<b>Fund balances</b>					
Restricted					
Cemetery improvements	-	-	142,076	-	-
Construction code activities	82,281	-	-	-	-
Assigned	-	17,299	-	6,399	121,703
<b>Total fund balances</b>	<b>82,281</b>	<b>17,299</b>	<b>142,076</b>	<b>6,399</b>	<b>121,703</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 117,167</b>	<b>\$ 19,896</b>	<b>\$ 142,076</b>	<b>\$ 6,399</b>	<b>\$ 1,248,518</b>

(continued)

# ALLENDALE CHARTER TOWNSHIP

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2024

	Capital Project Funds							
	Fire Station		Building Fund	Capital Projects		Library		
	Roads							
<b>Assets</b>								
Cash and pooled investments	\$ 595,519	\$ -	\$ 1,632,919	\$ 120,087	\$ 3,843,019			
Receivables				597		40,159		
Accounts	-	-						
Taxes	355	-				355		
Special assessments	84,795	-				84,795		
<b>Total assets</b>	<b>\$ 680,669</b>	<b>\$ -</b>	<b>\$ 1,633,516</b>	<b>\$ 120,087</b>	<b>\$ 3,968,328</b>			
<b>Liabilities, deferred inflows of resources, and fund balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 12,657	\$ -	\$ 48,097				
Accrued payroll and benefits	-	-	-	-		2,043		
Unearned revenue	-	-	-	-		1,126,815		
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>12,657</b>	<b>-</b>	<b>-</b>	<b>1,176,955</b>		
<b>Deferred inflows of resources</b>								
Unavailable revenue - special assessments	84,795	-	-	-		84,795		
<b>Fund balances</b>								
Restricted								
Cemetery improvements	-	-	-	-		142,076		
Construction code activities	-	-	-	-		82,281		
Assigned	595,874	-	1,620,859	120,087		2,482,221		
<b>Total fund balances</b>	<b>595,874</b>	<b>-</b>	<b>1,620,859</b>	<b>120,087</b>	<b>-</b>	<b>2,706,578</b>		
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 680,669</b>	<b>\$ -</b>	<b>\$ 1,633,516</b>	<b>\$ 120,087</b>	<b>\$ 3,968,328</b>			

(concluded)

# ALLENDALE CHARTER TOWNSHIP

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Special Revenue Funds</b>				
	<u>Building Department</u>	<u>Rental Administration</u>	<u>Cemetery Improvement</u>	<u>Allendale Historical Society</u>	<u>American Rescue Plan Act</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<b>Revenues</b>					
Licenses and permits	\$ 523,339	\$ -	\$ -	\$ -	\$ -
Charges for services	- -	81,265	10,600	- -	- -
Investment earnings	733	315	4,888	87	52,954
Miscellaneous	68	- -	150	15	- -
<b>Total revenues</b>	<b>524,140</b>	<b>81,580</b>	<b>15,638</b>	<b>102</b>	<b>52,954</b>
<b>Expenditures</b>					
Current					
General government	- -	- -	150	1,673	- -
Public safety	489,943	93,647	- -	- -	- -
Public works	- -	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -	- -
<b>Total expenditures</b>	<b>489,943</b>	<b>93,647</b>	<b>150</b>	<b>1,673</b>	<b>- -</b>
Revenues over (under) expenditures	34,197	(12,067)	15,488	(1,571)	52,954
Other financing sources (uses)					
Transfers in	- -	10,000	- -	- -	- -
Transfers out	- -	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<b>- -</b>	<b>10,000</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
Net changes in fund balances	34,197	(2,067)	15,488	(1,571)	52,954
<b>Fund balances, beginning of year, as previously reported</b>	<b>48,084</b>	<b>19,366</b>	<b>126,588</b>	<b>7,970</b>	<b>- -</b>
<b>Change within financial reporting entity</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>68,749</b>
<b>Fund balances, beginning of year, as restated</b>	<b>48,084</b>	<b>19,366</b>	<b>126,588</b>	<b>7,970</b>	<b>68,749</b>
<b>Fund balances, end of year</b>	<b>\$ 82,281</b>	<b>\$ 17,299</b>	<b>\$ 142,076</b>	<b>\$ 6,399</b>	<b>\$ 121,703</b>

(continued)

# ALLENDALE CHARTER TOWNSHIP

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Capital Project Funds</b>					
	<u>Roads</u>	<u>Fire Station Building Fund</u>	<u>Capital Projects</u>	<u>Library</u>	<u>Total</u>	
	\$	\$	\$	\$	\$	
<b>Revenues</b>						
Licenses and permits	-	-	-	-	-	523,339
Charges for services	-	-	-	-	-	91,865
Investment earnings	19,019	132	41,862	4,561	124,551	
Miscellaneous	<u>26,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,053</u>
<b>Total revenues</b>	<u>45,839</u>	<u>132</u>	<u>41,862</u>	<u>4,561</u>	<u>766,808</u>	
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	1,823
Public safety	-	-	-	-	-	583,590
Public works	885	-	-	-	-	885
Capital outlay	<u>-</u>	<u>1,979</u>	<u>124,341</u>	<u>-</u>	<u>-</u>	<u>126,320</u>
<b>Total expenditures</b>	<u>885</u>	<u>1,979</u>	<u>124,341</u>	<u>-</u>	<u>-</u>	<u>712,618</u>
Revenues over (under) expenditures	44,954	(1,847)	(82,479)	4,561	54,190	
Other financing sources (uses)						
Transfers in	-	-	1,000,000	15,000	1,025,000	
Transfers out	<u>-</u>	<u>(45,869)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,869)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(45,869)</u>	<u>1,000,000</u>	<u>15,000</u>	<u>-</u>	<u>979,131</u>
Net changes in fund balances	44,954	(47,716)	917,521	19,561	1,033,321	
<b>Fund balances, beginning of year, as previously reported</b>	<u>550,920</u>	<u>-</u>	<u>703,338</u>	<u>100,526</u>	<u>-</u>	<u>1,556,792</u>
<b>Change within financial reporting entity</b>	<u>-</u>	<u>47,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,465</u>
<b>Fund balances, beginning of year, as restated</b>	<u>550,920</u>	<u>47,716</u>	<u>703,338</u>	<u>100,526</u>	<u>-</u>	<u>1,673,257</u>
<b>Fund balances, end of year</b>	<u>\$ 595,874</u>	<u>\$ -</u>	<u>\$ 1,620,859</u>	<u>\$ 120,087</u>	<u>\$ 2,706,578</u>	

(concluded)

## **SINGLE AUDIT SECTION**



## Vredeveld Haefner LLC

CPAs and Consultants  
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### **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

April 21, 2025

Members of the Board of Trustees  
Allendale Charter Township  
Ottawa County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Allendale Charter Township (the Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 21, 2025.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bradford Haefner LLC*



## Vredeveld Haefner LLC

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(616) 648-8447

### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

April 21, 2025

Members of the Board of Trustees  
Allendale Charter Township  
Ottawa County, Michigan

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited the Allendale Charter Township (the Township) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2024. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

##### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will

always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*David A. Haefner LLC*

# ALLENDALE CHARTER TOWNSHIP

## ***SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

***FOR THE YEAR ENDED DECEMBER 31, 2024***

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Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Award Amount	Expenditures
<b>U.S. Environmental Protection Agency</b>			
Passed through Michigan Department of Environment, Great Lakes Capitalization Grants for Clean Water State Revolving Funds	66.458	\$ 44,780,000	\$ 4,025,043
<b>U.S. Department of Treasury</b>			
Passed through Michigan Department of Treasury			
Coronavirus Relief Fund	21.027		560,000
Emergency Connectivity Program	32.009		2,356
			562,356
<b>Total Federal Awards</b>			<b>\$ 4,587,399</b>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

# ALLENDALE CHARTER TOWNSHIP

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **FOR THE YEAR ENDED DECEMBER 31, 2024**

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1. The Schedule of Expenditures of Federal Awards is prepared in accordance with the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds.
2. Reconciliation of revenues from federal sources per financial statements and expenditures per the Schedule of Expenditures of Federal Awards:

Federal revenue reported in governmental funds	\$ 562,356
Federal revenue reported in proprietary funds as an increase in bond payable	<u>4,025,043</u>
Expenditures reported on the schedule of expenditure of federal awards	<u>\$ 4,587,399</u>

3. The City did not elect to use the 10% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.414 indirect costs.

**ALLENDALE CHARTER TOWNSHIP**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***FOR THE YEAR ENDED DECEMBER 31, 2024***

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major programs:			
Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> no
Identification of major programs:			
<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>		
66.458	Clean Water State Revolving Funds		
Dollar threshold used to distinguish between Type A and B programs:	<u>\$750,000</u>		
Auditee qualified as low-risk auditee?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**None**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**None**

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

**None**