



**COUNTY OF OTTAWA, MICHIGAN**

**FINANCIAL STATEMENTS  
and  
SINGLE AUDIT REPORTS**

***YEAR ENDED DECEMBER 31, 2025***



Vredeveld Haefner LLC  
CPAs and Consultants

# Allendale Charter Township

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# Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
(616) 446-7474  
Michael J. Vredeveld, CPA  
(616) 648-8447

## INDEPENDENT AUDITORS' REPORT

April 6, 2026

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, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2025, 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 6, 2026, 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.

*Wredenfeld 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, 2025. 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 remaining parcel for the Town Center project in 2025. The property located at 6088 Lake Michigan Drive was purchased for \$360,000. There are no concrete plans for the development of the property currently.
- In 2024-2026 the Water/Sewer fund is drawing on bond funds from the State Revolving Fund for construction of a new wastewater treatment plant, doubling previous capacity. The new facility went online in 2026.
- Along with the wastewater treatment plant project, construction continued to relocate the GVSU trunk line. As of the end of 2025 the project was not yet complete.
- Public Utilities started a multi-year project to build a sewer lift station at the intersection of Pierce St and 56th Ave, along with utility pipe under the road. Completion is anticipated in 2027 and will include bringing the road back to grade, adding a base coat of asphalt, then the Ottawa County Road Commission top coating the road. This will extend utilities and pave a gravel road.
- The lobby of the Township Hall was renovated, updating the reception area to three customer service windows and refreshing the auditorium space with new paint, flooring, and light fixtures. The total cost of the project was \$140,000.
- The Allendale Township Fire Department purchased a new 2025 Chevy 2500HD w/upgrades for \$72,000.

### 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 nine 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 fund, which is considered to be a major fund.

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 financial statements*.

The Township adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison schedule for the general fund has been provided herein to demonstrate compliance with the budget. Budgetary comparison schedules are not presented for nonmajor funds.

**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 \$83,899,146 at the close of the most recent fiscal year.

A summary of net position is as follows:

	<b>Net Position</b>					
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$15,619,893	\$18,979,804	\$17,611,406	\$12,214,272	\$33,231,299	\$31,194,076
Capital assets	15,484,602	15,807,048	80,923,736	72,381,263	96,408,338	88,188,311
Total assets	<u>31,104,495</u>	<u>34,786,852</u>	<u>98,535,142</u>	<u>84,595,535</u>	<u>129,639,637</u>	<u>119,382,387</u>
Current and other liabilities	823,985	6,864,684	4,420,065	939,342	5,244,050	7,804,026
Long-term liabilities outstanding	124,461	112,413	37,731,077	30,430,400	37,855,538	30,542,813
Total liabilities	<u>948,446</u>	<u>6,977,097</u>	<u>42,151,142</u>	<u>31,369,742</u>	<u>43,099,588</u>	<u>38,346,839</u>
Deferred inflows of resources	2,219,160	1,867,162	421,743	161,093	2,640,903	2,028,255
Net position:						
Net investment in capital assets	15,484,602	15,552,113	41,741,293	41,207,581	57,225,895	56,759,694
Restricted	272,072	224,357	-	-	272,072	224,357
Unrestricted	12,180,215	10,166,123	14,220,964	11,857,119	26,401,179	22,023,242
Total net position	<u>\$27,936,889</u>	<u>\$25,942,593</u>	<u>\$55,962,257</u>	<u>\$53,064,700</u>	<u>\$83,899,146</u>	<u>\$79,007,293</u>

A portion of the Township's net position (31%) 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 \$4,891,853 during the current fiscal year.

## Changes in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue:						
Program revenue:						
Charges for services	\$ 686,528	\$ 804,101	\$9,026,657	\$7,935,617	\$ 9,657,460	\$ 8,739,718
Operating grants and contributions	671,836	676,396	-	-	671,836	676,396
Capital grants and contributions	431,789	1,531,790	-	7,432,239	431,789	8,964,029
General revenue:						
Property taxes	2,230,530	2,043,788	-	-	2,230,530	2,043,788
State sources	3,188,607	3,107,063	-	-	3,188,607	3,107,063
Unrestricted investment earnings	417,036	384,397	393,906	348,596	810,942	732,993
Other	262,778	282,097	53,715	5,420	372,218	287,517
Total revenue	<u>7,889,104</u>	<u>8,829,632</u>	<u>9,474,278</u>	<u>15,721,872</u>	<u>17,363,382</u>	<u>24,551,504</u>

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Expenses:						
General government	\$ 1,892,174	\$ 1,823,696	\$ -	\$ -	\$ 1,892,174	\$ 1,823,696
Public safety	2,364,909	2,373,979	-	-	2,364,909	2,373,979
Public works	670,152	708,247	-	-	670,152	708,247
Community and economic Development	38,370	103,405	-	-	38,370	103,405
Culture and recreation	929,203	873,323	-	-	929,203	873,323
Water and sewer	-	-	6,576,721	5,654,050	6,576,721	5,654,050
Total expenses	<u>5,894,808</u>	<u>5,882,650</u>	<u>6,576,721</u>	<u>5,654,050</u>	<u>12,471,529</u>	<u>11,536,700</u>
Revenues over expenses	1,994,296	2,946,982	2,897,557	10,067,822	4,891,853	13,014,804
Transfers	-	-	-	-	-	-
Change in net position	<u>1,994,296</u>	<u>2,946,982</u>	<u>2,897,557</u>	<u>10,067,822</u>	<u>4,891,853</u>	<u>13,014,804</u>
Net position - beginning 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>
Net position - end of year	<u>\$27,936,889</u>	<u>\$25,942,593</u>	<u>\$55,962,257</u>	<u>\$53,064,700</u>	<u>\$83,899,146</u>	<u>\$79,007,293</u>

**Governmental Activities.** During the year the Township invested \$2,364,909 or 40% of governmental activities expenses in public safety. General government expenses amounted to \$1,892,174 or 32% of governmental activities while culture and recreation, public works, and community and economic development made up the remaining 28% 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 \$12,503,627, an increase of \$2,085,529 in comparison with the prior year. Of the \$12,503,627, \$9,365,929 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 \$9,282,496. 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 176% of total general fund expenditures and transfers. The fund balance of the Township's general fund increased by \$1,654,409 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 \$14,220,964. The water and sewer fund had an increase in net position for the year of \$2,897,557. The primary reason for the increase was rates set in anticipation of additional capacity and expenses upon plant completion.

## 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, 2025, amounted to \$96,408,338 (net of accumulated depreciation).

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 3,857,933	\$ 257,304	\$ 4,115,237
Construction in progress	-	43,536,576	43,536,576
Land improvements	3,093,183	-	3,093,183
Buildings and improvements	10,265,535	192,380	10,457,915
Machinery and equipment	1,545,615	541,738	2,087,353
Furniture and equipment	258,931	-	258,931
Vehicles	1,780,079	446,142	2,226,221
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	(8,168,184)	(25,321,434)	(33,489,618)
<b>Total</b>	<b>\$15,484,602</b>	<b>\$ 80,923,736</b>	<b>\$ 96,408,338</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:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Compensated absences	\$124,461	\$ 61,134	\$ 185,595
Bonds payable	-	38,982,634	38,982,634
<b>Total</b>	<b>\$124,461</b>	<b>\$39,043,768</b>	<b>\$39,168,229</b>

The Township made principal payments on bonds outstanding totaling \$510,000 during the year.

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 tax revenues were increased by \$122,000 in the General Fund due to a 6.5% increase in taxable value.
- Earned interest on bank deposits increased \$101,000 in 2025.
- The DDA received an increased tax capture of \$1,612,052 in 2025.
- Fund 252 – rental inspection fund was closed and moved into the general fund under the Fire Department.
- \$500,000 was transferred into the Township's Capital/One-time projects fund

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

The following factors were considered in preparing the Township's budget for the 2026 fiscal year:

- Building permit revenues associated with construction remained level in 2025. The revenue is expected to decline in 2026 due to high interest rates. We anticipated this in previous years and, as 2025 has shown a leveling off, building is expected to slow in 2026.
- State Shared Revenue received in the amount of \$2.5 million in 2025 and anticipates \$2.7 million in 2026.
- The Township budgeted \$750,000 for police services in 2026 which remains consistent with 2025.
- \$1.2 million has been budgeted in 2026 for Fire & Emergency services needed to respond to medical emergencies, fires, vehicular accidents and other emergencies.

## **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, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>Assets</b>				
Cash and pooled investments	\$ 13,698,054	\$ 14,035,925	\$ 27,733,979	\$ 6,466,572
Receivables				
Accounts	69,251	2,144,092	2,213,343	-
Taxes	783,030	-	783,030	692,456
Due from other governments	519,225	722,004	1,241,229	359,346
Inventory	-	89,395	89,395	-
Prepaid items	53,066	17,219	70,285	-
<b>Total current assets</b>	<b>15,122,626</b>	<b>17,008,635</b>	<b>32,131,261</b>	<b>7,518,374</b>
Noncurrent assets				
Lease receivable	424,146	424,146	848,292	-
Special assessments receivable	73,121	178,625	251,746	-
Capital assets:				
Land	3,857,933	257,304	4,115,237	-
Construction in progress	-	43,536,576	43,536,576	-
Depreciable capital assets, net	11,626,669	37,129,856	48,756,525	-
<b>Total noncurrent assets</b>	<b>15,981,869</b>	<b>81,526,507</b>	<b>97,508,376</b>	<b>-</b>
<b>Total assets</b>	<b>31,104,495</b>	<b>98,535,142</b>	<b>129,639,637</b>	<b>7,518,374</b>
<b>Liabilities</b>				
Accounts payable	153,983	2,664,820	2,818,803	21,666
Accrued payroll and benefits	101,365	39,095	140,460	-
Accrued interest payable	-	203,650	203,650	-
Customer deposits	1,822	-	1,822	-
Unearned revenue	566,815	-	566,815	-
Current portion of bonds payable	-	1,512,500	1,512,500	-
<b>Total current liabilities</b>	<b>823,985</b>	<b>4,420,065</b>	<b>5,244,050</b>	<b>21,666</b>
Long-term liabilities				
Compensated absences	124,461	61,134	185,595	-
Unamortized bond premium	-	199,809	199,809	-
Bonds payable	-	37,470,134	37,470,134	-
<b>Total long-term liabilities</b>	<b>124,461</b>	<b>37,731,077</b>	<b>37,855,538</b>	<b>-</b>
<b>Total liabilities</b>	<b>948,446</b>	<b>42,151,142</b>	<b>43,099,588</b>	<b>21,666</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - taxes	1,797,416	-	1,797,416	1,264,376
Unavailable revenue - leases	421,744	421,743	843,487	-
<b>Total deferred inflows of resources</b>	<b>2,219,160</b>	<b>421,743</b>	<b>2,640,903</b>	<b>1,264,376</b>
<b>Net position</b>				
Net investment in capital assets	15,484,602	41,741,293	57,225,895	-
Restricted for				
Construction code activities	106,219	-	106,219	-
Cemetery improvements	165,853	-	165,853	-
Unrestricted	12,180,215	14,220,964	26,401,179	6,232,332
<b>Total net position</b>	<b>\$ 27,936,889</b>	<b>\$ 55,962,257</b>	<b>\$ 83,899,146</b>	<b>\$ 6,232,332</b>

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

**ALLENDALE CHARTER TOWNSHIP**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

<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	\$ 1,892,174	\$ 218,379	\$ -	\$ -	\$ (1,673,795)
Public safety	2,364,909	455,731	671,836	-	(1,237,342)
Public works	670,152	-	-	431,789	(238,363)
Community and economic development	38,370	1,450	-	-	(36,920)
Culture and recreation	929,203	10,968	-	-	(918,235)
Total governmental activities	5,894,808	686,528	671,836	431,789	(4,104,655)
Business-type activities					
Water and sewer	6,576,721	9,026,657	-	-	2,449,936
Total business-type activities	6,576,721	9,026,657	-	-	2,449,936
<b>Total primary government</b>	<b>\$ 12,471,529</b>	<b>\$ 9,713,185</b>	<b>\$ 671,836</b>	<b>\$ 431,789</b>	<b>\$ (1,654,719)</b>
<b>Component unit</b>					
Downtown Development Authority	\$ 894,919	\$ -	\$ -	\$ -	\$ (894,919)
<b>Total component unit</b>	<b>\$ 894,919</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (894,919)</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, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>Changes in net position</b>				
<b>Net (expense) revenue</b>	\$ (4,104,655)	\$ 2,449,936	\$ (1,654,719)	\$ (894,919)
General revenues				
Property taxes				
General purpose	2,230,530	-	2,230,530	2,365,982
State shared revenues	3,188,607	-	3,188,607	98,325
Unrestricted investment income	417,036	393,906	810,942	182,292
Miscellaneous	262,778	32,045	294,823	-
Gain on sale of fixed assets	-	21,670	21,670	-
Total general revenues	6,098,951	447,621	6,546,572	2,646,599
Change in net position	1,994,296	2,897,557	4,891,853	1,751,680
<b>Net position, beginning of year</b>	25,942,593	53,064,700	79,007,293	4,480,652
<b>Net position, end of year</b>	\$ 27,936,889	\$ 55,962,257	\$ 83,899,146	\$ 6,232,332

(Concluded)

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

**ALLENDALE CHARTER TOWNSHIP**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

**DECEMBER 31, 2025**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 9,996,996	\$ 3,701,058	\$ 13,698,054
Receivables			
Accounts	37,024	32,227	69,251
Taxes	782,798	232	783,030
Special assessments	-	73,121	73,121
Leases	424,146	-	424,146
Due from other governments	519,225	-	519,225
Prepaid items	53,066	-	53,066
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>\$ 11,813,255</u>	<u>\$ 3,806,638</u>	<u>\$ 15,619,893</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 124,979	\$ 29,004	\$ 153,983
Accrued payroll and benefits	101,365	-	101,365
Unearned revenue	-	566,815	566,815
Customer deposits	1,822	-	1,822
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<u>228,166</u>	<u>595,819</u>	<u>823,985</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - taxes	1,797,416	-	1,797,416
Unavailable revenue - special assessments	-	73,121	73,121
Unavailable revenue - leases	421,744	-	421,744
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total deferred inflows of resources</b>	<u>2,219,160</u>	<u>73,121</u>	<u>2,292,281</u>
<b>Fund balances</b>			
Nonspendable			
Prepaid items	53,066	-	53,066
Restricted			
Cemetery improvements	-	165,853	165,853
Construction code activities	-	106,219	106,219
Assigned			
Subsequent year expenditures	30,367	-	30,367
Special revenue funds	-	167,413	167,413
Capital project funds	-	2,698,213	2,698,213
Unassigned	9,282,496	-	9,282,496
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<u>9,365,929</u>	<u>3,137,698</u>	<u>12,503,627</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 11,813,255</u>	<u>\$ 3,806,638</u>	<u>\$ 15,619,893</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, 2025**

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<b>Fund balances - total governmental funds</b>	<b>\$ 12,503,627</b>
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	3,857,933
Add - capital assets (net of accumulated depreciation)	11,626,669
Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.	
Add - unavailable revenue	73,121
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	<u>(124,461)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 27,936,889</u></b>

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, 2025**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>			
Property taxes	\$ 2,230,530	\$ -	\$ 2,230,530
Licenses and permits	174,554	397,828	572,382
Federal	570,351	-	570,351
State	3,188,607	-	3,188,607
Local	101,485	-	101,485
Charges for services	83,000	18,000	101,000
Fines and forfeits	13,146	-	13,146
Interest	285,328	131,708	417,036
Miscellaneous	250,954	11,824	262,778
	<u>6,897,955</u>	<u>559,360</u>	<u>7,457,315</u>
<b>Total revenues</b>			
<b>Expenditures</b>			
Current			
General government	1,735,390	245	1,735,635
Public safety	1,760,255	374,846	2,135,101
Public works	453,584	12,620	466,204
Community and economic development	38,370	-	38,370
Culture and recreation	757,458	-	757,458
Capital outlay	788	238,230	239,018
	<u>4,745,845</u>	<u>625,941</u>	<u>5,371,786</u>
<b>Total expenditures</b>			
Revenues over (under) expenditures	<u>2,152,110</u>	<u>(66,581)</u>	<u>2,085,529</u>
Other financing sources (uses)			
Transfers in	17,299	515,000	532,299
Transfers out	<u>(515,000)</u>	<u>(17,299)</u>	<u>(532,299)</u>
Total other financing sources (uses)	<u>(497,701)</u>	<u>497,701</u>	<u>-</u>
Net changes in fund balances	1,654,409	431,120	2,085,529
<b>Fund balances, beginning of year</b>	<u>7,711,520</u>	<u>2,706,578</u>	<u>10,418,098</u>
<b>Fund balances, end of year</b>	<u>\$ 9,365,929</u>	<u>\$ 3,137,698</u>	<u>\$ 12,503,627</u>

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, 2025**

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 2,085,529</b>
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	175,223
Add - contributed capital	443,463
Deduct - depreciation expense	(686,197)
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	(11,674)
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.	
Deduct - increase in compensated absences	<u>(12,048)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 1,994,296</u></b>

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

**ALLENDALE CHARTER TOWNSHIP**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION**

**DECEMBER 31, 2025**

	<b>Enterprise Fund</b>
	<b>Water and Sewer</b>
<b>Assets</b>	
Current assets	
Cash and pooled investments	\$ 14,035,925
Receivables	
Accounts	2,144,092
Due from other governments	722,004
Inventory	89,395
Prepaid and other assets	<u>17,219</u>
Total current assets	<u>17,008,635</u>
Noncurrent assets	
Lease receivable	424,146
Special assessments receivable	178,625
Capital assets:	
Land	257,304
Construction in progress	43,536,576
Depreciable capital assets, net	<u>37,129,856</u>
Total noncurrent assets	<u>81,526,507</u>
<b>Total assets</b>	<u>98,535,142</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	2,664,820
Accrued payroll and benefits	39,095
Accrued interest payable	203,650
Current portion of long-term liabilities	<u>1,512,500</u>
Total current liabilities	<u>4,420,065</u>
Long-term liabilities	
Compensated absences	61,134
Unamortized bond premium	199,809
Bonds payable	<u>37,470,134</u>
Total long-term liabilities	<u>37,731,077</u>
<b>Total liabilities</b>	<u>42,151,142</u>
<b>Deferred inflows of resources</b>	
Unavailable revenue - leases	<u>421,743</u>
<b>Net position</b>	
Net investment in capital assets	41,741,293
Unrestricted	<u>14,220,964</u>
<b>Total net position</b>	<u>\$ 55,962,257</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, 2025**

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	<b>Enterprise Fund</b>
	<b>Water and Sewer</b>
<b>Operating revenue</b>	
Charges for services	
Water sales	\$ 3,712,810
Sewage treatment sales	4,482,361
Other charges	<u>188,485</u>
<b>Total operating revenue</b>	<u>8,383,656</u>
<b>Operating expense</b>	
Cost of water	1,562,314
Operation and maintenance - water	1,194,721
Operation and maintenance - sewer	1,601,561
Administration	237,694
Depreciation	<u>1,276,905</u>
<b>Total operating expense</b>	<u>5,873,195</u>
Operating income (loss)	<u>2,510,461</u>
Non-operating revenue (expense)	
Gain (loss) on sale of capital assets	21,670
Interest income	393,906
Lease income	11,841
Interest expense	<u>(703,526)</u>
Total non-operating revenue (expense)	<u>(276,109)</u>
Income (loss) before capital contributions	2,234,352
Capital contributions	
Connection fees and charges	<u>663,205</u>
Changes in net position	2,897,557
<b>Net position, beginning of year</b>	<u>53,064,700</u>
<b>Net position, end of year</b>	<u>\$ 55,962,257</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, 2025**

	<u>Enterprise Fund</u>
	<u>Water and Sewer</u>
<b>Cash flows from operating activities</b>	
Receipts from customers and users	\$ 10,557,988
Payments to employees	(1,220,149)
Payments to suppliers	<u>(3,301,025)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>6,036,814</u>
<b>Cash flows from capital and related financing activities</b>	
Connection charges	663,205
Special assessments collected	(61,727)
Lease payments received	18,485
Draws on bonds issued	8,819,422
Principal paid on bonds	(510,000)
Interest paid on bonds	(661,056)
Proceeds from sale of capital assets	21,670
Acquisition of capital assets	<u>(13,207,617)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(4,917,618)</u>
<b>Cash flows from investing activities</b>	
Interest income	<u>393,906</u>
Net increase (decrease) in cash and pooled investments	1,513,102
<b>Cash and pooled investments, beginning of year</b>	<u>12,522,823</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 14,035,925</u>
<b>Cash flows from operating activities</b>	
Operating income (loss)	\$ 2,510,461
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	1,276,905
Change in operating assets and liabilities which provided (used) cash:	
Accounts receivable	(563,885)
Due from other governments	2,738,217
Inventory	16,754
Prepaid and other assets	20,990
Accounts payable	28,340
Accrued payroll and benefits	1,654
Compensated absences	<u>7,378</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 6,036,814</u>

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

**ALLENDALE CHARTER TOWNSHIP**

**FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION**

**DECEMBER 31, 2025**

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	<b><u>Tax Collection</u></b>
<b>Assets</b>	
Cash and pooled investments	\$ <u>812,263</u>
<b>Total assets</b>	<u>812,263</u>
<b>Liabilities</b>	
Due to other governmental units	<u>812,263</u>
<b>Total liabilities</b>	<u>812,263</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, 2025**

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	<b><u>Tax Collection</u></b>
<b>Additions</b>	
Property taxes collected for other governments	<u>\$ 33,261,120</u>
<b>Total Additions</b>	33,261,120
<b>Deductions</b>	
Property taxes distributed to other governments	<u>33,261,120</u>
<b>Total deductions</b>	<u>33,261,120</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, 2025**

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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, 2025**

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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, 2025**

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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, 2025**

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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:

	<u>Years</u>
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, 2025**

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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***

The Township recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

***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, 2025

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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, 2025.

#### ***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 2024 taxable value was \$858,462,510 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, 2025, 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, 2025**

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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, 2025, the Township did not incur expenditures in excess of the budgeted amounts.

**3. CASH AND INVESTMENTS**

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

Governmental Activities	\$13,698,054
Business-type activities	14,035,925
Fiduciary funds	812,263
Component unit	<u>6,466,572</u>
 Total	 <u>\$35,012,814</u>

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

Deposits	\$34,706,710
Petty cash	250
Investments	<u>305,854</u>
 Total	 <u>\$35,012,814</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, \$33,668,214 of the Township's bank balance of \$34,168,214 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 \$305,854 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, 2025

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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, 2025

#### 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, 2025 are as follows:

	<b>Transfers in</b>		
<b>Transfers out</b>	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
General fund	\$ -	\$515,000	\$515,000
Nonmajor Governmental Funds	17,299	-	17,299
	\$17,299	\$515,000	\$532,299

#### 5. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance January 1, 2025</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2025</b>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 3,495,113	\$ 362,820	\$ -	\$ 3,857,933
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	3,495,113	362,820	-	3,857,933
<b>Capital assets, being depreciated</b>				
Land improvements	3,093,183	-	-	3,093,183
Buildings and improvements	10,126,095	139,440	-	10,265,535
Machinery and equipment	1,530,108	15,507	-	1,545,615
Furniture and equipment	229,210	29,721	-	258,931
Vehicles	1,708,881	71,198	-	1,780,079
Infrastructure	2,851,510	-	-	2,851,510
Total capital assets, being depreciated	19,538,987	255,866	-	19,794,853
Less accumulated depreciation for				
Land improvements	1,738,289	127,781	-	1,866,070
Buildings and improvements	2,041,616	217,372	-	2,258,988
Machinery and equipment	1,286,476	88,588	-	1,375,064
Furniture and equipment	172,457	14,202	-	186,659
Vehicles	788,348	98,161	-	886,509
Infrastructure	1,454,801	140,093	-	1,594,894
Total accumulated depreciation	7,481,987	686,197	-	8,168,184
<b>Net capital assets, being depreciated</b>	12,057,000	(430,331)	-	11,626,669
<b>Governmental Activities capital assets, net</b>	<b>\$15,552,113</b>	<b>\$ (67,511)</b>	<b>\$ -</b>	<b>\$15,484,602</b>

**ALLENDALE CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<b>Balance January 1, 2025</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2025</b>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 257,304	\$ -	\$ -	\$ 257,304
Construction in progress	33,656,417	9,880,159	-	43,536,576
<b>Net capital assets, not being depreciated</b>	<b>33,913,721</b>	<b>9,880,159</b>	<b>-</b>	<b>43,793,880</b>
<b>Capital assets being depreciated</b>				
Buildings and improvements	192,380	-	-	192,380
Machinery and equipment	532,013	9,725	-	541,738
Vehicles	317,905	216,532	88,295	446,142
Water and sewer systems	44,223,526	-	-	44,223,526
Sewer Treatment plant	17,047,504	-	-	17,047,504
Total capital assets, being depreciated	62,313,328	226,257	88,295	62,451,290
Less accumulated depreciation for				
Buildings and improvements	188,163	136	-	188,299
Machinery and equipment	327,049	25,329	-	352,378
Vehicles	265,778	47,784	88,295	225,267
Water and sewer systems	16,411,845	864,618	-	17,276,463
Sewer Treatment plant	6,939,989	339,038	-	7,279,027
Total accumulated depreciation	24,132,824	1,276,905	88,295	25,321,434
<b>Net capital assets, being depreciated</b>	<b>38,180,504</b>	<b>(1,050,648)</b>	<b>-</b>	<b>37,129,856</b>
<b>Business-type Activities capital assets, net</b>	<b>\$72,094,225</b>	<b>\$ 8,829,511</b>	<b>\$ -</b>	<b>\$80,923,736</b>

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

<b>Governmental Activities</b>	
General government	\$144,491
Public safety	229,808
Public works	140,153
Culture and recreation	171,745
	<hr/>
<b>Total depreciation expense - governmental activities</b>	<b>\$686,197</b>
<b>Business-type Activities</b>	
Water and Sewer	\$1,276,905
	<hr/>

**ALLENDALE CHARTER TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**6. LONG-TERM DEBT**

The following is a summary of the debt transactions of the Township for the year ended December 31, 2025:

	<b>Balance January 1, 2025</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2025</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Compensated absences *	\$ 112,413	\$ 12,048	\$ -	\$ 124,461	\$ -
<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	\$ 175,000	\$ -	\$ 85,000	\$ 90,000	\$ 90,000
\$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	441,968	-	145,000	296,968	150,000
\$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	690,000	-	70,000	620,000	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	3,895,000	-	210,000	3,685,000	215,000
\$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	25,471,244	8,819,422	-	34,290,666	987,500
<b>Total</b>	<b>30,673,212</b>	<b>8,819,422</b>	<b>510,000</b>	<b>38,982,634</b>	<b>1,512,500</b>
Unamortized bond premium	213,432	-	13,623	199,809	-
Compensated absences *	53,756	7,378	-	61,134	-
<b>Total Business-type Activities</b>	<b>\$30,940,400</b>	<b>\$8,826,800</b>	<b>\$ 523,623</b>	<b>\$39,243,577</b>	<b>\$1,512,500</b>

\* The change in compensated absences is presented as a net change

All debt of the Township is privately placed.

# ALLENDALE CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2025

The annual requirements to amortize all debt outstanding (excluding compensated absences) as of December 31, 2025 are as follows:

<b>Year Ending December 31</b>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2026	\$ 1,512,500	\$ 823,609
2027	1,451,968	791,466
2028	1,325,000	762,167
2029	1,350,000	734,004
2030	1,385,000	705,255
2031-2035	7,190,000	3,076,741
2036-2040	7,705,000	2,305,618
2041-2045	7,055,000	1,519,286
2046-2050	7,835,000	737,499
2051-2055	2,173,166	56,872
<b>Total</b>	<b>\$38,982,634</b>	<b>\$11,512,517</b>

The \$34,290,666 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, 2025. 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 Board of Trustees. Employee contributions plus investment earnings are fully vested after five years of service. In accordance with these requirements, for the year ended December 31, 2025, the Township contributed \$141,998 and employees contributed \$101,175.

##### 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. CONTINGENT 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, 2025**

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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. In 2025, the lease was further amended to provide options to extend five additional five-year terms, through June 2059. Currently, the Township is in the fourth, five-year renewal term; current monthly payment of \$3,115 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 \$843,487 in the current fiscal year along with a lease receivable of \$848,292. The Township recognized a total of \$23,681 in lease revenue for the current fiscal year.

**10. COMMITMENTS**

The Township has various ongoing construction projects with total estimated commitments of approximately \$10,300,000 outstanding at December 31, 2025.

**11. SUBSEQUENT EVENTS**

Subsequent to year-end a construction contract for the 60<sup>th</sup> avenue north loop watermain project was awarded for \$3,238,126.

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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, 2025**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 2,173,700	\$ 2,232,314	\$ 2,230,530	\$ (1,784)
Licenses and permits	169,500	183,641	174,554	(9,087)
Federal	560,000	565,000	570,351	5,351
State	3,013,000	3,073,955	3,188,607	114,652
Local	100,000	100,000	101,485	1,485
Charges for services	76,500	79,550	83,000	3,450
Fines and forfeits	14,000	13,000	13,146	146
Interest	200,000	245,000	285,328	40,328
Miscellaneous	216,800	244,765	250,954	6,189
<b>Total revenues</b>	<b>6,523,500</b>	<b>6,737,225</b>	<b>6,897,955</b>	<b>160,730</b>
<b>Expenditures</b>				
<b>Current</b>				
General government				
Township board	35,800	38,312	36,862	1,450
Supervisor	191,950	191,950	186,130	5,820
Elections	147,000	67,300	31,759	35,541
Finance	173,600	173,853	168,992	4,861
Assessor	217,200	219,400	171,779	47,621
Attorney	83,000	83,000	44,264	38,736
Human resources	106,200	106,200	94,724	11,476
Clerk	117,500	197,200	193,441	3,759
Board of review	4,000	4,108	2,366	1,742
Administration	561,600	565,428	492,358	73,070
Treasurer	20,100	20,450	19,127	1,323
Buildings and grounds	260,900	260,900	237,345	23,555
Cemetery	67,800	67,800	56,243	11,557
Total general government	<u>1,986,650</u>	<u>1,995,901</u>	<u>1,735,390</u>	<u>260,511</u>
Public safety				
Sheriff E-Unit and police services	750,500	750,500	712,823	37,677
Fire department	1,078,450	1,078,450	1,047,432	31,018
Total public safety	<u>1,828,950</u>	<u>1,828,950</u>	<u>1,760,255</u>	<u>68,695</u>
Public works				
Street lighting	161,200	161,200	125,187	36,013
Road construction and maintenance	40,000	40,000	26,567	13,433
Highway M-45	267,000	267,000	242,227	24,773
Drains	60,000	60,000	59,603	397
Total public works	<u>528,200</u>	<u>528,200</u>	<u>453,584</u>	<u>74,616</u>
Community and economic development				
Planning and zoning department	111,200	111,200	38,225	72,975
Zoning board of appeals	-	145	145	-
Total community and economic development	<u>111,200</u>	<u>111,345</u>	<u>38,370</u>	<u>72,975</u>
Culture and recreation				
Parks and recreation	112,500	112,500	97,399	15,101
Community promotions	81,600	81,600	74,273	7,327
Library	586,215	586,215	552,921	33,294
Senior citizens activities	48,900	48,900	32,865	16,035
Total culture and recreation	<u>829,215</u>	<u>829,215</u>	<u>757,458</u>	<u>71,757</u>

(continued)

**ALLENDALE CHARTER TOWNSHIP**

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

**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Capital outlay	\$ 5,200	\$ 5,200	\$ 788	\$ 4,412
<b>Total expenditures</b>	<u>5,289,415</u>	<u>5,298,811</u>	<u>4,745,845</u>	<u>552,966</u>
Revenues over (under) expenditures	1,234,085	1,438,414	2,152,110	(392,236)
Other financing sources (uses)				
Transfers in	-	17,299	17,299	-
Transfers out	<u>(515,000)</u>	<u>(515,000)</u>	<u>(515,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(515,000)</u>	<u>(497,701)</u>	<u>(497,701)</u>	<u>-</u>
Net changes in fund balances	719,085	940,713	1,654,409	(392,236)
<b>Fund balances, beginning of year</b>	<u>7,711,520</u>	<u>7,711,520</u>	<u>7,711,520</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 8,430,605</u>	<u>\$ 8,652,233</u>	<u>\$ 9,365,929</u>	<u>\$ (392,236)</u> (concluded)

**COMBINING FUND FINANCIAL  
STATEMENTS**

**ALLENDALE CHARTER TOWNSHIP**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**DECEMBER 31, 2025**

	<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	\$ 102,996	\$ -	\$ 165,853	\$ 6,389	\$ 727,839
Receivables					
Accounts	32,227	-	-	-	-
Taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 135,223</b>	<b>\$ -</b>	<b>\$ 165,853</b>	<b>\$ 6,389</b>	<b>\$ 727,839</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 29,004	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	566,815
<b>Total liabilities</b>	<b>29,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566,815</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	-	-	-	-	-
<b>Fund balances</b>					
Restricted					
Cemetery improvements	-	-	165,853	-	-
Construction code activities	106,219	-	-	-	-
Assigned	-	-	-	6,389	161,024
<b>Total fund balances</b>	<b>106,219</b>	<b>-</b>	<b>165,853</b>	<b>6,389</b>	<b>161,024</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 135,223</b>	<b>\$ -</b>	<b>\$ 165,853</b>	<b>\$ 6,389</b>	<b>\$ 727,839</b>

(continued)

**ALLENDALE CHARTER TOWNSHIP**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**DECEMBER 31, 2025**

	<u>Capital Project Funds</u>			
	<u>Roads</u>	<u>Capital Projects</u>	<u>Library</u>	<u>Total</u>
<b>Assets</b>				
Cash and pooled investments	\$ 616,713	\$ 1,940,652	\$ 140,616	\$ 3,701,058
Receivables				
Accounts	-	-	-	32,227
Taxes	232	-	-	232
Special assessments	73,121	-	-	73,121
<b>Total assets</b>	<u>\$ 690,066</u>	<u>\$ 1,940,652</u>	<u>\$ 140,616</u>	<u>\$ 3,806,638</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 29,004
Unearned revenue	-	-	-	566,815
<b>Total liabilities</b>	-	-	-	595,819
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	73,121	-	-	73,121
<b>Fund balances</b>				
Restricted				
Cemetery improvements	-	-	-	165,853
Construction code activities	-	-	-	106,219
Assigned	616,945	1,940,652	140,616	2,865,626
<b>Total fund balances</b>	616,945	1,940,652	140,616	3,137,698
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 690,066</u>	<u>\$ 1,940,652</u>	<u>\$ 140,616</u>	<u>\$ 3,806,638</u>

(concluded)

**ALLENDALE CHARTER TOWNSHIP**

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

**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Special Revenue Funds</u>				
	<u>Building Department</u>	<u>Rental Administration</u>	<u>Cemetery Improvement</u>	<u>Allendale Historical Society</u>	<u>American Rescue Plan Act</u>
<b>Revenues</b>					
Licenses and permits	\$ 397,828	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	18,000	-	-
Investment earnings	956	-	5,792	70	39,321
Miscellaneous	-	-	150	-	-
<b>Total revenues</b>	<u>398,784</u>	<u>-</u>	<u>23,942</u>	<u>70</u>	<u>39,321</u>
<b>Expenditures</b>					
Current					
General government	-	-	165	80	-
Public safety	374,846	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>374,846</u>	<u>-</u>	<u>165</u>	<u>80</u>	<u>-</u>
Revenues over (under) expenditures	23,938	-	23,777	(10)	39,321
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(17,299)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(17,299)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	23,938	(17,299)	23,777	(10)	39,321
<b>Fund balances, beginning of year</b>	<u>82,281</u>	<u>17,299</u>	<u>142,076</u>	<u>6,399</u>	<u>121,703</u>
<b>Fund balances, end of year</b>	<u>\$ 106,219</u>	<u>\$ -</u>	<u>\$ 165,853</u>	<u>\$ 6,389</u>	<u>\$ 161,024</u>

(continued)

**ALLENDALE CHARTER TOWNSHIP**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Capital Project Funds</u>			
	<u>Roads</u>	<u>Capital Projects</u>	<u>Library</u>	<u>Total</u>
<b>Revenues</b>				
Licenses and permits	\$ -	\$ -	\$ -	\$ 397,828
Charges for services	-	-	-	18,000
Investment earnings	22,017	58,023	5,529	131,708
Miscellaneous	11,674	-	-	11,824
<b>Total revenues</b>	<u>33,691</u>	<u>58,023</u>	<u>5,529</u>	<u>559,360</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	245
Public safety	-	-	-	374,846
Public works	12,620	-	-	12,620
Capital outlay	-	238,230	-	238,230
<b>Total expenditures</b>	<u>12,620</u>	<u>238,230</u>	<u>-</u>	<u>625,941</u>
Revenues over (under) expenditures	21,071	(180,207)	5,529	(66,581)
Other financing sources (uses)				
Transfers in	-	500,000	15,000	515,000
Transfers out	-	-	-	(17,299)
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>15,000</u>	<u>497,701</u>
Net changes in fund balances	21,071	319,793	20,529	431,120
<b>Fund balances, beginning of year</b>	<u>595,874</u>	<u>1,620,859</u>	<u>120,087</u>	<u>2,706,578</u>
<b>Fund balances, end of year</b>	<u>\$ 616,945</u>	<u>\$ 1,940,652</u>	<u>\$ 140,616</u>	<u>\$ 3,137,698</u>

(concluded)

## **SINGLE AUDIT SECTION**



## Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
(616) 446-7474  
Michael J. Vredeveld, CPA  
(616) 648-8447

### **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 6, 2026

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, 2025, 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 6, 2026.

#### **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.

*Oradexold Haefner LLC*



## Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
(616) 446-7474  
Michael J. Vredeveld, CPA  
(616) 648-8447

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

April 6, 2026

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, 2025. 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, 2025.

##### ***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.

*Urdenold Haefner LLC*

**ALLENDALE CHARTER TOWNSHIP**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	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	\$ 8,819,422
<b>U.S. Department of Treasury</b>		
Passed through Michigan Department of Treasury Coronavirus Relief Fund	21.027	560,000
<b>Federal Communications Commission</b>		
Passed through Michigan Department of Treasury Emergency Connectivity Program	32.009	5,351
<b>U.S. Department of State</b>		
Passed through Michigan Secretary of State HAVA Election Security Grant	90.404	<u>5,000</u>
<b>Total Federal Awards</b>		<u>\$ 9,389,773</u>

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, 2025**

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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	\$ 570,351
Federal revenue reported in proprietary funds as an increase in bonds payable	<u>8,819,422</u>
Expenditures reported on the schedule of expenditure of federal awards	<u>\$ 9,389,773</u>

3. The Township did not elect to use the 15% 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, 2025**

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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: \$1,000,000

Auditee qualified as low-risk auditee?  yes  no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

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

None

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

None