

ALLENDALE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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. They are reported in a separate column to emphasize they are 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

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Downtown Development Authority
	Activities	Activities	Total	
Assets				
Cash and pooled investments	\$ 10,090,111	\$ 8,880,862	\$ 18,970,973	\$ 2,413,010
Receivables				
Accounts	92,023	1,342,236	1,434,259	-
Taxes	564,149	-	564,149	599,652
Due from other governments	500,646	-	500,646	316,723
Inventory	-	77,330	77,330	-
Prepaid items	32,614	16,846	49,460	-
Total current assets	11,279,543	10,317,274	21,596,817	3,329,385
Noncurrent assets				
Lease receivable	195,007	195,007	390,014	-
Special assessments receivable	142,885	149,014	291,899	-
Capital assets:				
Land	1,933,600	257,304	2,190,904	-
Construction in progress	6,001,275	421,244	6,422,519	-
Depreciable capital assets, net	6,184,804	36,385,826	42,570,630	-
Total noncurrent assets	14,457,571	37,408,395	51,865,966	-
Total assets	25,737,114	47,725,669	73,462,783	3,329,385
Liabilities				
Accounts payable	511,591	991,063	1,502,654	17,658
Accrued payroll and benefits	78,484	36,473	114,957	-
Accrued interest payable	-	33,896	33,896	-
Customer deposits	5,046	-	5,046	-
Unearned revenue	2,246,815	-	2,246,815	-
Current portion of noncurrent liabilities	-	480,000	480,000	-
Total current liabilities	2,841,936	1,541,432	4,383,368	17,658
Long-term liabilities				
Compensated absences	107,446	48,147	155,593	-
Unamortized bond premium	-	240,679	240,679	-
Bonds payable	-	5,691,968	5,691,968	-
Total long-term liabilities	107,446	5,980,794	6,088,240	-
Total liabilities	2,949,382	7,522,226	10,471,608	17,658
Deferred inflows of resources				
Unavailable revenue - taxes	1,416,882	-	1,416,882	1,007,452
Unavailable revenue - leases	195,007	195,007	390,014	-
Total deferred inflows of resources	1,611,889	195,007	1,806,896	1,007,452
Net position				
Net investment in capital assets	14,119,679	30,892,406	45,012,085	-
Restricted for				
Construction code activities	37,030	-	37,030	-
Cemetery improvements	111,840	-	111,840	-
Unrestricted	6,907,294	9,116,030	16,023,324	2,304,275
Total net position	\$ 21,175,843	\$ 40,008,436	\$ 61,184,279	\$ 2,304,275

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

ALLENDALE CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 1,683,655	\$ 198,497	\$ -	\$ -	\$ (1,485,158)
Public safety	1,837,344	488,565	106,726	4,500,000	3,257,947
Public works	494,364	-	-	528,757	34,393
Community and economic development	87,046	2,800	-	-	(84,246)
Culture and recreation	776,544	12,401	-	-	(764,143)
Total governmental activities	4,878,953	702,263	106,726	5,028,757	958,793
Business-type activities					
Water and sewer	5,382,719	6,443,132	-	55,343	1,115,756
Total business-type activities	5,382,719	6,443,132	-	55,343	1,115,756
Total primary government	\$ 10,261,672	\$ 7,145,395	\$ 106,726	\$ 5,084,100	\$ 2,074,549
Component unit					
Downtown Development Authority	\$ 3,879,625	\$ -	\$ -	\$ -	\$ (3,879,625)
Total component unit	\$ 3,879,625	\$ -	\$ -	\$ -	\$ (3,879,625)

(Continued)

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

ALLENDALE CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Changes in net position				
Net (expense) revenue	\$ 958,793	\$ 1,115,756	\$ 2,074,549	\$ (3,879,625)
General revenues				
Property taxes				
General purpose	1,739,399	-	1,739,399	1,862,875
State shared revenues	3,976,968	15,000	3,991,968	91,086
Unrestricted investment income	34,583	30,500	65,083	5,589
Miscellaneous	276,042	13,843	289,885	1,450
Total general revenues	6,026,992	59,343	6,086,335	1,961,000
Change in net position	6,985,785	1,175,099	8,160,884	(1,918,625)
Net position, beginning of year	14,190,058	38,833,337	53,023,395	4,222,900
Net position, end of year	\$ 21,175,843	\$ 40,008,436	\$ 61,184,279	\$ 2,304,275
				(Concluded)

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