

AGENDA

Committee of the Whole January 26, 2026 at 5:00 PM



Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.
To view the meeting live and participate in virtual public comment: <https://www.lansingmi.gov/1212/Council-Committee-Meetings>

Council Member Peter Spadafore, Chairperson
Council Member Trini Pehlivanolgu, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. January 12, 2026
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Discussion/Action:**
 - B. RESOLUTION - Appointment; Kim Butcher; At-Large member of the Board of Review; Term to Expire June 30, 2027
 - C. RESOLUTION - Set a Public Hearing; Noise Special Permit; Hoffman Bros. Inc. request to allow for the Combined Sewer Overflow (CSO) 019 Project within the project area and on major streets: W. Oakland Ave., N. Walnut St., N. Seymour Ave., N. Capitol Ave., and N. Washington Ave.
 - D. RESOLUTION - Set a Public Hearing; Noise Special Permit; Hoffman Bros. Inc. request to allow for the Combined Sewer Overflow (CSO) 016/017 Project within the project area and on major streets, E. North St. and Turner Rd.
 - E. RESOLUTION - Deficit Elimination Plan; Lansing Public Media Authority for payroll services reimbursement
 - F. RESOLUTION - Set a Public Hearing on Z-1-2026; 500 S. Martin Luther King Jr. Blvd., Rezoning from "DT-1" Downtown Edge to "DT-2" Urban Flex
 - G. RESOLUTION - Set a Public Hearing on SLU-1-2026; Special Land Use Permit, 500 S. Martin Luther King Jr. Blvd. to allow for a sheltered care facility in "DT-2" Urban Flex
6. **Presentations:**
 - H. City of Lansing Annual Audit Fiscal Year Ending 6/30/2025- Maner Costerisan
 - I. Annual Comprehensive Financial Report for FY 2024-2025

- J. ACT-7-2025; Sale of Property, Lot 49, 200 Block S. Cedar Street & Conditional Rezoning Z-2-2025; 220 S. Larch and 3 adjoining parcels - Economic Development & Planning and LBWL
- K. Human Resources and Community Services Update on Moving Forward with Individuals at Causeway Bay

7. Other

8. Adjourn

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

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MINUTES
Committee of the Whole
Monday, January 12, 2026 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

City Clerk Swope called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Tamera Carter
Councilmember Jeremy Garza- excused
Councilmember Adam Hussain
Councilmember Ryan Kost
Councilmember Clara Martinez
Councilmember Deyanira Nevarez Martinez
Councilmember Trini Pehlivanoglu
Councilmember Peter Spadafore

OTHERS PRESENT

Sherrie Boak, Council Staff
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Chris Swope, City Clerk
Rob Stolpstad, Deep Green Tech.
Jack Pressman, Deep Green Tech.
Debra Mulcahey
Steve Japinga, Chamber of Commerce

Minutes

MOTION BY COUNCIL MEMBER PEHLIVANOGLU TO APPROVE THE MINUTES FROM JANUARY 5, 2026 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

Ms. Mulcahey spoke in opposition to the sale of property at Lot 49 and the rezoning for said property; Z-2-2025 and ACT-7-2025.

Discussion/Action

RESOLUTION – Elected Officers Compensation Commission (EOCC); Set First Meeting of 2026

Mr. Swope stated that the ordinance requires the EOCC meets every two years, Council set the first meeting date, and they have 45 days to make their determination. This resolution will just set the date and time of their first meeting.

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Council Member Hussain asked what the first meeting substance consists of. Mr. Swope stated it is usually an organizational meeting, what they want to review during their sessions to make their determinations. Council Member Hussain asked if this will be public meetings and in the Council conference room. Mr. Swope confirmed it is public, and the location is set for Council conference room for the first meeting. Council Member Hussain encouraged them to meet in the conference room to allow for two way conversations.

MOTION BY COUNCIL MEMBER PEHLIVANOGLU TO APPROVE THE RESOLUTION SETTING THE FIRST MEETING OF THE EOCC FOR FEBRUARY 4TH, 2026 AT NOON.

Council Member Hussain asked Council leadership to work with EOCC to come to Committee of the Whole to outline their work before their decisions. Council President Spadafore acknowledged the request and agreed to work with them.

MOTION CARRIED 8-0.

RESOLUTION – POLLING PLACES; RELOCATION OF MULTIPLE PRECINCTS

Mr. Swope explained that with working with school district they have been reducing the number of schools they use due to their structuring. In addition there is an opportunity for elections to happen on days there is school in session, and that can cause for a logistical issue at the schools. Due to staffing changes at the Unitarian Universalist Church of Greater Lansing has asked not to be a voting location any more.

Council Member Kost asked about the Ward 2, Precinct 12, the location is in Ward 1, and does that not matter for election purposes. Mr. Swope stated there is also Ward 2, Precinct 14 already there, but it does not matter.

Council Member Hussain asked what the notification process will be by the City Clerk. Mr. Swope stated that with permanent change they get postcards, if they have emails they will end those as well, for those that will no longer be a polling place, they will place signage directing them to the new location. Council Member Hussain asked if there is consideration for language barriers. Mr. Swope stated they have tools, but they do not have enough non-English speaking skills they do not have the justification for staffing for that.

Council Member Pehlivanoglu asked about residents that may feel uncomfortable approaching a place of worship for voting, and asked why places of worship are used, and why the specifics of going to polling location. Mr. Swope stated that Michigan Election law states it has to be a public building, but is sometimes hard to find a big enough location for staff, machines, voters. With churches spaced out all over the City, having ADA compliance access already, there are lists that can rule places out. There are multiple alternatives, there is early voting opportunities.

Council President Spadafore asked the percentage of voters at the day of and those in advance. Mr. Swope said in City primary it was 10% and general 10%, and presidential was 25%.

MOTION BY COUNCIL MEMBER PEHLIVANOGLU TO APPROVE THE RESOLUTION FOR THE POLLING PLACE CHANGES FOR WARD 1 PRECINCT 10, WARD 2 PRECINCT 12, WARD 2 PRECINCT 18 AND WARD 2 PRECINCT 20. MOTION CARRIED 8-0.

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RESOLUTION – Set a Public Hearing; ACT-7-2025; Sale of City Property, Lot 49, 200 block, S. Cedar Street

Council President Spadafore asked if there was any discussion tonight; the action requested tonight is setting the public hearing.

Council Member Hussain asked about presentations. Council President Spadafore stated the presentation will be on 1/26/2026 at Committee of the Whole.

MOTION BY COUNCIL MEMBER PEHLIVANOGLU TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR ACT-7-2025 FOR MONDAY, FEBRUARY 9, 2026. MOTION CARRIED 8-0.

RESOLUTION – Introduction and Set Public Hearing; Z-2-2025; 220 S. Larch St. and 3 adjoining parcels on E. Kalamazoo and S Cedar; Conditional Rezoning from DT-3 to IND-1 Industrial

Council President Spadafore stated they will be present at the 1/22/2026 Committee meeting for a formal presentation.

Mr. Stolpstad and Mr. Pressman spoke briefly on the proposed Deep Green data center. They are just starting the process for a 24-megawatt heat reuse data center. Deep Green is a different kind of data center from what everyone is reading about nationally. It is a \$120 million plus investment in the community with data and groundbreaking closed loop water cooling system in conjunction with BWL to recycle heat generated. He noted upcoming events on 1/15/2026 and 1/24/2026 where they will do presentations for the community. www.Deepgreen.energy/lansing-public-info

Regarding the rezoning request, it was noted the staff report does do an excellent job detailing why the facility would fit with the surrounding areas. This design will match the BWL aesthetics and conform with the form-based code. This is a conditional rezoning specific to a data center. Regarding the ACT-7-2025, the staff reports notes the current parking lots which are under-utilized. The purchase agreement is for \$1.4 million and in addition to that, they will generate taxes that can be used to support city services, schools, etc.

Council Member Kost asked who will be here on 1/26/2026 and was told EDP, BWL, and Deep Green representatives. Council Member Hussain asked about a recap of the timeline; set hearing tonight, presentation on 1/26/2026 at Committee of the Whole, public hearing and special presentation at Council on 2/9/2026, back to Committee of the Whole and potentially to Council 2/23/2026 for deliberation and action.

Council Member Pehlivanoglu asked for them to confirm they could address all concerns.

Mr. Pressman added that this site was selected to provide the heat transfer for the City working with BWL, it is an important part of the go-forward model.

Council President Spadafore asked about the impact on downtown. Mr. Pressman stated it is a closed loop; there is heat from the servers, transferred to the mechanical system to the BWL loop. At 100% of Deep Green cost, they will extend infrastructure to the BWL loop.

MOTION BY COUNCIL MEMBER PEHLIVANOGLU TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR Z-2-2025 CONDITIONAL REZONING FOR FEBRUARY 9, 2026. MOTION CARRIED 8-0.

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OTHER

No other topics.

Adjourn

The meeting adjourned at: 6:01 pm

Respectfully Submitted by,

Sherrie Boak, Recording Secretary, Lansing City Council

Approved by the Committee

Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission, or Committee.

Certain boards, commissions, or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission, or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2) and not have been convicted, within 20 years of taking office, of a violation of the election laws of the City of Lansing, State of Michigan, or the United States; a violation of public trust; or any felony (Charter Section 2-103.1).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

Date	12/03/2021
First Name	Kim
Middle	Henry
Last Name	Butcher
Other name(s) by which you have been known, including maiden names	NA
Date of Birth	██████████
Address	2101 Wabash Rd.
City	Lansing
State	MI
Zip Code	48910
Email	cleansweep4u@gmail.com
Gender	██████

If you don't know which ward you live in, visit the [Lansing Neighborhoods Ward Map](#) and type in your address to find out!

Ward Ward 3

Best Phone Number to Contact You [REDACTED] 1

In what year did you move to Lansing? 1972

Additional Information Regarding Experience and Credentials I have lived at this address since April 1975 and have sent all three of my daughters on to Lansing schools. I have watched the neighborhood grow and mature and have kept up to date through our local neighborhood association "Forest View Citizen association"

Occupational Background Electronic Technician 1963-1967 U.S.Navy
Restaurant Manager, Mr Taco. 1972-1980
Self Employed, cleaning contractor, CleanSweep/Pioneer Services, 1981-2011
Window cleaner, semi-retired, 2012- present

Educational Background High school GED
Associate degree, Ferris State College

Previous Appointments None

Current Appointments None

First Choice for Board to Serve on Review Board

Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission. As a property taxpayer, I am interested in the process and would like to insure a fair opportunity for other property tax payers to have their concerns addressed.

This certification is not required but may impact potential consideration of the appointment being sought. I authorize the use of the information provided above to conduct a background search, including but not limited to criminal history, residency, and indebtedness to the City of Lansing. If selected to serve, I further authorize additional background checks during the term of my service to ensure the required criteria continue to be met. I also acknowledge that I have the affirmative duty to inform the City if I become aware of any change or condition in my status that fails to meet the required criteria.

Agreement to Background Check Authorization • I agree

Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge. Kim H. Butcher

Date & Time

12/03/2021 12:00 PM (EST)

Receive an email copy of this form.

Yes

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has made the recommendation for the appointment of Kim Butcher as an At-Large member of the Board of Review for a term to expire June 30, 2027; and

WHEREAS, the Mayor's office has confirmed with this resolution, that they have vetted the applicant based on the original application and believes that the applicant meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on January 26, 2026 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Kim Butcher as an At-Large member of the Board of Review for a term to expire June 30, 2027.

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing Department of Public Service and the Lansing Board of Water & Light are partnering to construct the utility and infrastructure improvements associated with the Combined Sewer Overflow (CSO) 019 Project, a project area generally bounded by W. Cesar E. Chavez Avenue on the northside, N Chestnut Street on the westside, W Lapeer Street on the southside, and N Grand Avenue on the eastside, including the contractor's staging yard at 1038 N. Larch Street ; and

WHEREAS, the large amount of construction required for this project will encompass all of the 2026 construction season; and

WHEREAS, this project includes a significant amount of utility work and other improvements on the local neighborhood streets within the project area and on major streets, W. Oakland Avenue, N Walnut Street, N Seymour Avenue, N Capitol Avenue and N Washington Avenue; and

WHEREAS, for the period of March 7, 2026, through December 12, 2026 the construction contractor, Hoffman Bros. Inc., has requested a waiver of the noise ordinance on Saturdays from 8:00 AM to 4:30 PM; and

WHEREAS, the City of Lansing Public Service Department recommends that the contractor be granted the requested noise waiver in order to:

- reduce the amount of time that W. Oakland Avenue is under a complete closure;
- reduce the amount of time local access for property owners is impacted;
- allow the contractor to have the ability to work some Saturdays when necessary for completion of important work activities; and
- keep the project on-schedule based on rain days.

NOW THEREFORE BE IT RESOLVED that a public hearing be held on Monday, February 9, 2026, at 7:00 PM in the City of Lansing Council Chambers, 124 W. Michigan Ave., in consideration of the request for granting a waiver of the noise ordinance to Hoffman Bros. Inc., while the company is conducting work as part of the CSO 019 Project on Saturdays from 8:00 AM to 4:30 PM for the period of March 7, 2026, through December 12, 2026.

CSO 019 Tentative 2026 Phasing Map



BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing Department of Public Service and the Lansing Board of Water & Light are partnering to continue the construction the utility and infrastructure improvements associated with the Combined Sewer Overflow (CSO) 016/017 Phase 2 Project, the remaining project area generally bounded by Douglas Avenue on the northside, N Larch Street on the eastside, E. North Street on the southside, and Benjamin Drive on the westside; and

WHEREAS, the large amount of construction required for this project will encompass a significant portion of the 2026 construction season; and

WHEREAS, this project includes a significant amount of utility work and other improvements on the local neighborhood streets within the project area and on major streets, E. North Street and Turner Road; and

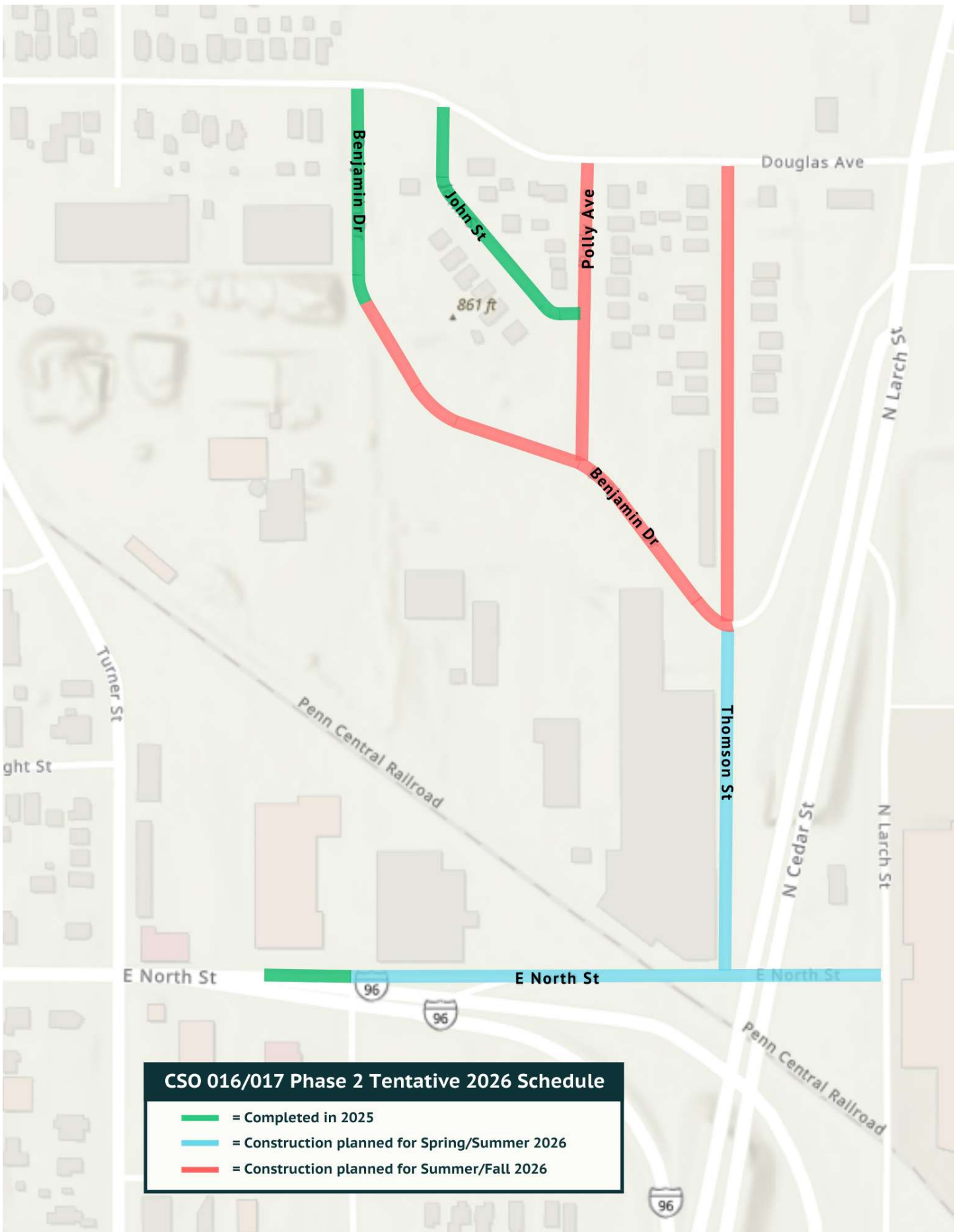
WHEREAS, for the periods April 4, 2026, through September 26, 2026, the construction contractor, Hoffman Bros., Inc., has requested a waiver of the noise ordinance on Saturdays from 8:00 AM to 4:30 PM; and

WHEREAS, the City of Lansing Public Service Department recommends that the contractor be granted the requested noise waiver in order to:

- reduce the amount of time local access for property owners is impacted;
- allow the contractor to have the ability to work some Saturdays when necessary for completion of important work activities; and
- keep the project on-schedule based on rain days.

NOW THEREFORE BE IT RESOLVED that a public hearing be held on Monday, February 9, 2026, at 7:00 PM in the City of Lansing Council Chambers, 124 W. Michigan Ave., in consideration of the request for granting a waiver of the noise ordinance to Hoffman Bros., Inc., while the company is conducting work as part of the CSO 016/017 Phase 2 Project on Saturdays from 8:00 AM to 4:30 PM for the periods April 4, 2026, through September 26, 2026.

CSO 016/017 Tentative 2026 Phasing Map



BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, at any time during the fiscal year, the City Council may consider appropriations which modify the previously adopted annual appropriation to transfer an unencumbered balance in whole or in part from any account; provide for the expenditure of revenues in excess of those in the budget; or meet a public emergency affecting life, health, property, or the public peace; and

WHEREAS, the Michigan Department of Treasury, through Numbered Letter 2016-1, requires a deficit elimination plan for funds ending in a deficit condition; and

WHEREAS, the Lansing Public Media Authority (LPMA) reimburses the City for payroll services of its sole employee, responsible for fundraising and for overseeing construction and design for the upcoming Ovation Performing Arts Center and Public Media Center.

WHEREAS, the timing of reimbursement resulting in a June 30, 2025 balance of \$25,033 reimbursed within the FY 2025/2026 fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the following FY 2025/2026 budget amendment is approved:

LPMA Revenue	Reimbursements	\$25,033
LPMA Revenue	Appropriation of Fund Balance	(\$25,033)

BE IT FURTHER RESOLVED, the Administration is authorized to create appropriation accounts and to make the necessary operating transfers for the expenditure and control of the appropriations:

BE IT FINALLY RESOLVED, that the below schedule is adopted as the City's Lansing Public Media Fund deficit elimination plan:

LPMA	FY2026
Charges for Services - General	\$25,033
Charges for Services - DEP	(\$25,033)
Total Revenues	\$25,033
Total Expenditures	\$0
Beginning Fund Balance	(\$25,033)
Change	\$25,033
Ending Fund Balance	\$0

Z-1-2026

500 South Martin Luther King Jr. Boulevard Rezoning from “DT-1” Downtown Edge to “DT-2” Urban Flex

At its January 6, 2026 meeting, the Planning Commission voted 7-0 to recommend approval of Z-1-2026. This is a request to rezone the property at 500 South Martin Luther King Jr. Boulevard from “DT-1” Downtown Edge to “DT-2” Urban Flex. The purpose of the rezoning is to facilitate the accessory use of a Sheltered Care Facility inside the existing church building.

The Planning Commission held a public hearing at the meeting during which one person spoke in opposition of the request. Two people spoke in support of the request. A special land use permit application, SLU-1-2026, is required to permit the actual sheltered care facility, which is allowed in DT-2, but not DT-1. The Planning and Zoning Office staff recommended approval.

GENERAL INFORMATION

APPLICANT/OWNER: Union Missionary Baptist Church (UMBC)
500 S MLK Jr. Blvd.
Lansing, MI 48915

REQUESTED ACTION: **1.** Rezoning of 500 S. M.L. King Jr. Blvd. from “DT-1”
Downtown Edge to ‘DT-2” Urban Flex
2. Special Land Use Permit for a ‘Sheltered Care Facility’

EXISTING LAND USE: Place of Worship
Temporary occupancy for an overnight shelter

EXISTING ZONING: “DT-1” Downtown Edge

PROPOSED ZONING: “DT-2” Urban Flex

PROPERTY SIZE: 6.64 acres

SURROUNDING LAND USE: N: Residential
S: St. Joseph Street, I-496, parking lot
E: Residential
W: Residential

SURROUNDING ZONING: N: “R-2” Residential
S: “IND-1” Industrial
E: “DT-1” Downtown Edge
W: “R-2” Residential

MASTER PLAN DESIGNATION: The Design Lansing Master Plan designates the subject property as “Medium Low Density Residential”. S MLK Jr. Boulevard is designated as an ‘arterial corridor’.

APPLICANT’S REQUESTS

Z-1-2026: Request to rezone the property at 500 S. M. L. King from “DT-1” Downtown Urban Core to “DT-2” Downtown Urban Flex.

SLU-1-2026: Special land use permit to allow a sheltered care facility in the existing building at 500 S. M. L. King. A sheltered care facility is not permitted in the “DT-1” zoning district but is permitted by special land use permit in the proposed “DT-2” zoning district. A “sheltered care facility” is defined by the zoning ordinance as:

“A governmental or nongovernmental establishment having as its principal function the provision of supervision, personal care, and protection for more than six (6) adults, in

addition to room and board, for up to 24 hours a day, five or more days a week and for two or more consecutive weeks, with or without compensation. "SHELTERED CARE FACILITY" includes, but is not limited to, emergency shelters, facilities for persons who are homeless, parolees, ex-offenders, aged, or developmentally or physically disabled, who may require supervision on an on-going basis but do not require continuous nursing care. A SHELTERED CARE FACILITY does not include any of the following:

1. A nursing home licensed under Article 17 of Public Act 368 of 1978, as amended, being M.C.L.A. 333.20101 to 333.22181;
2. A hospital licensed under Article 17 of Public Act 368; or
3. A hospital for the mentally ill or a facility for the developmentally disabled operated by the department of mental health under Public Act 258 of 1974, as amended, being M.C.L.A. 330.1001 to 330.2106.”

The Church has been operating the shelter as a temporary use for the past few weeks, primarily if not exclusively for approximately 50 members of its congregation and the City has not received any complaints. The building has been inspected and the temporary permit will be evaluated by the City on a monthly basis to ensure compliance with all codes, while the necessary approvals are being considered to permit the shelter on a permanent basis. If the rezoning and special land use permit are not approved, the Church will not be permitted to continue operating the shelter.

REZONING

COMPATIBILITY WITH SURROUNDING ZONING PATTERNS

The applicant is requesting a rezoning of the 6.64 acre property at 500 S. M. L. King from “DT-1” Downtown Edge to “DT-2” Urban Flex and a special land use permit to allow a sheltered care facility within the existing place of worship. The subject property is surrounded by “DT-1” zoning to its east, “R-1” Residential to its west and “IND-1” Industrial zoning to its south. While there are no other properties in the area that are zoned “DT-2”, it is one of the few districts that permits sheltered care facilities. It is generally considered good planning and zoning practices to create and preserve consistent zoning patterns as they result in consistent development patterns. In this case, however, the location is appropriate for a sheltered care facility which warrants approval of the rezoning, in spite of creating an inconsistent zoning pattern. Shelters are essential to the community and should primarily be located in close proximity to the downtown where they can effectively serve the majority of the population in need of their services. The subject property is on the fringe of the downtown but is within walking distance thereof and is on a major bus route that provides transportation throughout the City.. The purpose of requiring a special land use permit is so that each proposal can be evaluated to determine if a particular site is appropriate for use as a shelter and will not negatively impact other uses in the surrounding area.

COMPATIBILITY WITH SURROUNDING LAND USES

Union Missionary Baptist Church currently occupies the northern portion of the site with a large parking lot on the southern half of the property. The property is primarily surrounded by low density residential uses with a new multi-family rowhouse development and other multi-family

complexes further to the east. The homeless population in Lansing has grown and there is a need to provide additional shelter space. Shelters can generate a great deal of activity and thus, the potential negative impacts on adjoining and nearby residential areas need to be considered when determining if a particular location is appropriate for such use. In this case, while the property is located in a predominantly residential area, it is bounded by the two opposite direction and very wide, major thoroughfares of S MLK Jr. Blvd. and St. Joseph Highway to the south which provide buffers between the site and the residences in the area, thus reducing any potential impacts generated by the increased usage of the site.

COMPLIANCE WITH MASTER PLAN

The Design Lansing Comprehensive Plan designates the subject property as “Medium Low Density Residential”. Many existing places of worship are designated as residential because of their locations in and within close proximity to residential uses. The Plan does not address sheltered care facilities so it cannot be determined if the proposed use is consistent with the future land use designation of the property. It is difficult to state if existing shelters were thought to be adequate to serve the homeless population during the planning process, or if they were not included due to the nature of their use, and thus, there was no consideration for their inclusion. Since 2012 though, the need for accommodations has outpaced the capacity of existing facilities and organizations, thus creating the need for new shelter space. Without the Plan providing specific guidance as to where shelters should be located, the basic principles of planning should be used to make that determination.

The proposed shelter location is consistent with a primary goal of master planning which is to accommodate land uses in appropriate areas where they can operate successfully without negatively impacting adjoining and nearby uses. In this case, the subject property is surrounded by wide and heavily traveled thoroughfares which act as buffers from the surrounding residential properties. It is also within walking distance of the downtown and on major bus routes that provide transportation to the site and elsewhere throughout the City.

Another important planning principle to consider when determining where certain uses should be located is accessibility by various modes of transportation. For example, in order to generate and maintain a strong customer base, commercial uses such as restaurants, gas stations, and retail establishments should be located along major thoroughfares where they are visible to large volumes of traffic and can be readily accessed by private vehicles and public transportation. Other uses, such as the proposed shelter, have those same needs but need to be located where they are easily accessible by foot and public transportation since the overwhelming majority of the people who utilize shelters do not have private transportation. Public transportation is also very important so that the occupants of the shelter can access places of employment and utilize human service resources that can assist with transitioning out of homelessness. The subject property is located along major bus routes and is within walking distance of the downtown core, and near many facilities that provide services to those in need.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC

The sheltered care facility will generate additional pedestrian traffic in the area, but the amount of vehicular traffic will be negligible to the circulation network. There is a substantial surplus of off-street parking. The largest concern will be safe street crossings for pedestrians walking to and from

the church. There are two bus stops directly adjacent to the church building.

IMPACT ON PUBLIC FACILITIES

Although the applicant has not stated how many persons they expect to serve, given the amount of available space, they are not expected to have a significant impact on public facilities such as the electrical, water, and sewer systems. The adequacy of the utilities to serve the shelter will be addressed during the change of use permitting and plan review process. Any upgrades or expansions of the utility systems to accommodate the shelter will be at the sole expense of the applicant.

ENVIRONMENTAL IMPACT

There will be no changes to the site and thus, the requests will not no impacts on the natural environment.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT

Shelters are essential to the community and need to be accommodated in locations where their operations can be carried out most effectively. Shelters are unique in that they need to be centrally located with convenient access to public transportation, businesses, and human service agencies. There is a significant need for additional shelter space in the City and there are no properties in or near the downtown that are zoned for that use. The subject property is an appropriate location for a shelter as it is located on the edge of, but not in the core downtown, buffered by major thoroughfares and a highway, but still accessible by bus and sidewalks. The proximity to the downtown core gives it access to various civic, institutional, religious, and medical facilities that can help those in need to transition out of homelessness. Since the circumstances surrounding this request are based upon the very specific and unique needs of a shelter, approval of the rezoning will not set a precedent for approval of future rezoning requests in the area and thus, will not have any impact on patterns of development in the area.

SPECIAL LAND USE PERMIT

Section 1262.02(f) of the Zoning ordinance sets forth the criteria which must be used to evaluate a Special Land Use permit request. The criteria and evaluation are as follows.

- 1. Is the proposed special land use designed, constructed, operated, and maintained in a manner harmonious with the character of adjacent property and the surrounding area?**

The Church has been operating the shelter as a temporary use for the past few weeks without incident and without any complaints from the community. This is a strong indication that it is and will continue to be operated properly and with the necessary oversight. The shelter is accommodating approximately 50 people, all or most of whom are church congregants. The maximum allowable capacity will be determined by the City's Building Safety Office and Fire Marshal during the permitting process, should the rezoning and special land use permit be approved.

- 2. Will the proposed special land use change the essential character of the surrounding area?**

The proposed secondary use of a shelter will not change the character of the area. There will be no physical changes to the site or building.

3. Will the proposed special land use interfere with the enjoyment of adjacent property?

It is not anticipated that the shelter will interfere with the normal, everyday enjoyment of adjacent residential properties. The church building is buffered by a busy thoroughfare and bordered by a large parking lot and the I-496 freeway. In addition, the City has not received any complaints or concerns from the neighborhoods surrounding the subject property since it has been in operation as a temporary use for the past few weeks.

During the day, it is expected that the majority of the people using the shelter are working at a job, looking for or training for employment, and seeking assistance from various human service agencies to address the issues that led to their homelessness.

4. Will the proposed special land use represent an improvement to the use or character of property under consideration and the surrounding area in general, and will the use be in keeping with the natural environment of the lot?

The proposed rezoning and special land use permit will allow for increased usage of the church for a shelter that will help to address a significant need that exists in the City. Since there will be no changes to the physical site or building, the requests will have no impact on the natural environment.

5. Will the proposed special land use be hazardous to adjacent property or involve uses, activities, materials or equipment which are detrimental to the health, safety or welfare of persons or property through the excessive production of traffic, noise, smoke, odor, fumes, or glare?

The proposed shelter will produce very little vehicular traffic and will not generate smoke, odors, fumes, glare, or any other conditions that would be detrimental to the health, safety, and welfare of the community.

6. Will the proposed special land use be adequately served by essential public facilities and services, or is it demonstrated that the person responsible for the proposed special land use is able to continually provide adequately for the services and facilities deemed essential to the special land use under consideration?

The issue of whether existing utilities serving the subject property is adequate to accommodate the shelter has not yet been determined. This will take more study on behalf of the City engineers and the Board of Water & light and will require additional information from the applicant regarding the existing utilities and the increased demand.

7. Will the proposed special land use place demand on public services and facilities in excess of current capacity?

The impact on public services will have to be determined during the change of use

permitting and plan review process and it is the applicant’s responsibility to provide the required services to accommodate the use.

8. Is the proposed special land use consistent with the intent and purpose of this Zoning Code and the objectives of any currently adopted Comprehensive Plan?

The zoning code is the primary tool for implementing the future land use component of the City’s Comprehensive and thus, the intent and purpose of the two documents are the same in that regard. A detailed description of this request as it relates to the Plan is provided in the “Compliance with Master Plan” section on pages 2-3 of this report.

9. Will the proposed special land use meet the dimensional requirements of the district in which the property is located?

There are no proposed changes to the existing building or site and no need for any additional parking.

SUMMARY

The applicant is seeking to rezone 500 S Martin Luther King Jr. Boulevard from “DT-1” Downtown Edge to “DT-2” Urban Flex and a special land use permit to the allow use of the subject property for a sheltered care facility.

The available information supports a finding that the requests satisfy all of the criteria set forth in the Zoning Ordinance for evaluating rezoning and special land use permit applications, as detailed in this staff report.

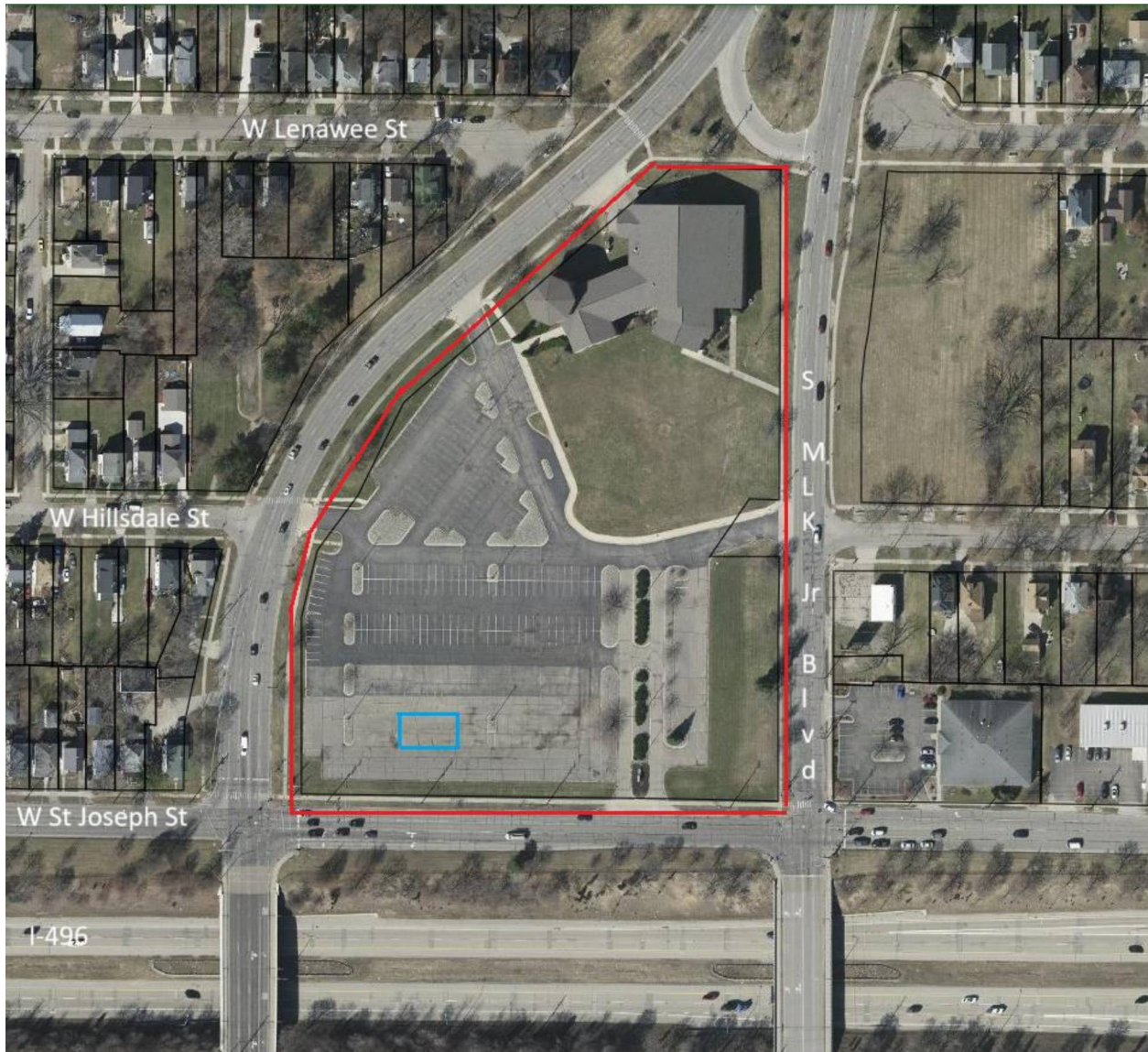
RECOMMENDATIONS

Staff recommends approval of Z-1-2026 to rezone the property at 500 S Martin Luther King Jr. Boulevard from “DT-1” Downtown Edge to “DT-2” Urban Edge and SLU-1-2026, for a special land use permit to allow a sheltered care facility in the existing church building.

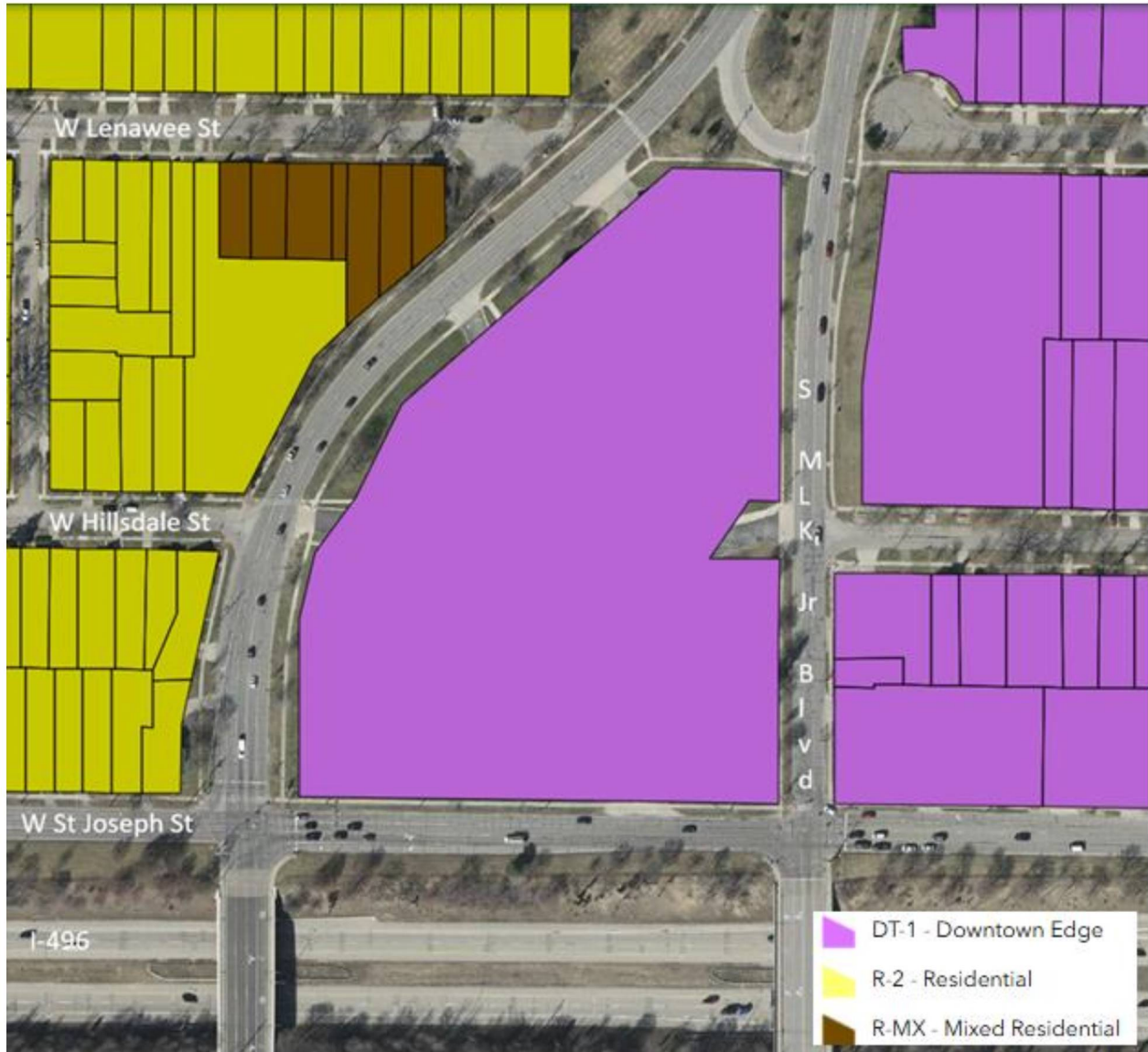
Respectfully Submitted,

**Susan Stachowiak
Zoning Administrator**

Aerial:



Zoning:



Street view:



(Northwest, October 2024)

INTRODUCTION OF ORDINANCE

An ordinance of the City of Lansing, Michigan, providing for the rezoning of a parcel of real property located in the City of Lansing, Michigan, and for the revision of the district maps adopted by Section 1242.02 of the Code of Ordinances. Property located at:

Z-1-2026: 500 South Martin Luther King Jr. Boulevard, Rezoning from "DT-1" Downtown Edge to "DT-2" Urban Flex

The ordinance was read a first time by its title and referred to the Committee on Development and Planning.

Ordinance #

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, PROVIDING FOR THE REZONING OF A PARCEL OF REAL PROPERTY LOCATED IN THE CITY OF LANSING, MICHIGAN AND FOR THE REVISION OF THE DISTRICT MAPS ADOPTED BY SECTION 1242.02 OF THE CODE OF ORDINANCES.

The City of Lansing ordains:

Section 1. That the district maps adopted by and incorporated as Section 1242.02 of the Code of Ordinances of the City of Lansing, Michigan be amended to provide as follows:

To change the zoning classification of the property described as follows:

Case Number: Z-1-2026
Parcel Number's: 33-01-01-17-455-003
Addresses: 500 South Martin Luther King Jr. Boulevard
Legal Descriptions: THOSE PARTS ASSESSORS PLAT NO 9, ASSESSORS PLAT NO 42 AND MISHLERS SUB WHICH LIE EAST OF THE EASTERLY LINE OF RELOCATED S BOUND M-99, & W OF WESTERLY LINE RELOCATED N BOUND M-99 R/WS, ALSO VAC HILLSDALE ST COM 35 FT W OF SE COR LOT 3 SAID AP 42, TH W TO SW COR LOT 12 AP 42, SW'LY TO NE COR LOT 62 AP 42, E TO POINT 85 FT W OF NE COR LOT 75 AP 42, NE'LY TO BEG; ASSESSORS PLAT NO 42 from "DT-1" Downtown Edge to "DT-2" Urban Flex.

Section 2. All ordinances or parts of ordinances inconsistent with the provisions hereof are hereby repealed.

Section 3. This ordinance was duly adopted by the Lansing City Council on , 2026, and a copy is available in the office of the Lansing City Clerk, 9th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933.

Section 4. This ordinance shall take effect on the 14th day after enactment.

CITY OF LANSING
NOTICE OF PUBLIC HEARING

Z-1-2026, 500 S MLK Jr. Boulevard
Rezoning from "DT-1" Downtown Edge to "DT-2" Urban Flex

SLU-1-2026, 500 S MLK Jr. Boulevard
Special Land Use permit for a Sheltered Care Facility

The Lansing City Council will hold a public hearing on Monday, February 23, 2026 at 7:00 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan to consider a request Z-1-2026, to rezone 500 S Martin Luther King Jr. Boulevard from "DT-1" Downtown Edge to "DT-2" Urban Flex and a request for SLU-1-2026, for a special land use permit for a Sheltered Care Facility. The purpose of the rezoning and special land use is to permit a Sheltered Care Facility inside the existing building.

For more information, please call Lansing City Council at 517-483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, February 23, 2026 at the City Clerk's Office, Ninth Floor, City Hall, 124 West Michigan Ave., Lansing, MI 48933 or email city.clerk@lansingmi.gov.

Chris Swope, City Clerk, MMC/CMMC
www.lansingmi.gov/Clerk
www.facebook.com/LansingClerkSwope

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

RESOLVED by the City Council of the City of Lansing that a public hearing be set for Monday, February 23, 2026, at 7 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan, for the purpose of approving or opposing the Ordinance for rezoning, and the special land use permit for a Sheltered Care Facility:

Z-1-2026 500 S Martin Luther King Jr. Blvd., Rezoning from "DT-1"
Downtown Edge to "DT-2" Urban Flex

SLU-1-2026: 500 S Martin Luther King Jr. Blvd., Special Land Use for a
Sheltered Care Facility

SLU-1-2026

**500 South Martin Luther King Jr. Boulevard
Special Land Use Permit for a 'Sheltered Care Facility'**

At its January 6, 2026 meeting, the Planning Commission voted 4-3 to recommend approval of SLU-1-2026. This is a request to permit a sheltered care facility inside the existing church building at 500 South Martin Luther King Jr. Boulevard, which is allowed in DT-2 as a special land use, subject to review by Planning Commission and approval by City Council.

A rezoning application, Z-1-2026, to rezone the property from "DT-1" Downtown Edge to "DT-2" Urban Flex is required.

The Planning Commission held a public hearing at the meeting during which one person spoke in opposition of the request. Two people spoke in support of the request. The Planning and Zoning Office staff recommended approval.

GENERAL INFORMATION

APPLICANT/OWNER: Union Missionary Baptist Church (UMBC)
500 S MLK Jr. Blvd.
Lansing, MI 48915

REQUESTED ACTION: 1. Rezoning of 500 S. M.L. King Jr. Blvd. from “DT-1”
Downtown Edge to ‘DT-2” Urban Flex
2. Special Land Use Permit for a ‘Sheltered Care Facility’

EXISTING LAND USE: Place of Worship
Temporary occupancy for an overnight shelter

EXISTING ZONING: “DT-1” Downtown Edge

PROPOSED ZONING: “DT-2” Urban Flex

PROPERTY SIZE: 6.64 acres

SURROUNDING LAND USE: N: Residential
S: St. Joseph Street, I-496, parking lot
E: Residential
W: Residential

SURROUNDING ZONING: N: “R-2” Residential
S: “IND-1” Industrial
E: “DT-1” Downtown Edge
W: “R-2” Residential

MASTER PLAN DESIGNATION: The Design Lansing Master Plan designates the subject property as “Medium Low Density Residential”. S MLK Jr. Boulevard is designated as an ‘arterial corridor’.

APPLICANT’S REQUESTS

Z-1-2026: Request to rezone the property at 500 S. M. L. King from “DT-1” Downtown Urban Core to “DT-2” Downtown Urban Flex.

SLU-1-2026: Special land use permit to allow a sheltered care facility in the existing building at 500 S. M. L. King. A sheltered care facility is not permitted in the “DT-1” zoning district but is permitted by special land use permit in the proposed “DT-2” zoning district. A “sheltered care facility” is defined by the zoning ordinance as:

“A governmental or nongovernmental establishment having as its principal function the provision of supervision, personal care, and protection for more than six (6) adults, in

addition to room and board, for up to 24 hours a day, five or more days a week and for two or more consecutive weeks, with or without compensation. "SHELTERED CARE FACILITY" includes, but is not limited to, emergency shelters, facilities for persons who are homeless, parolees, ex-offenders, aged, or developmentally or physically disabled, who may require supervision on an on-going basis but do not require continuous nursing care. A SHELTERED CARE FACILITY does not include any of the following:

1. A nursing home licensed under Article 17 of Public Act 368 of 1978, as amended, being M.C.L.A. 333.20101 to 333.22181;
2. A hospital licensed under Article 17 of Public Act 368; or
3. A hospital for the mentally ill or a facility for the developmentally disabled operated by the department of mental health under Public Act 258 of 1974, as amended, being M.C.L.A. 330.1001 to 330.2106.”

The Church has been operating the shelter as a temporary use for the past few weeks, primarily if not exclusively for approximately 50 members of its congregation and the City has not received any complaints. The building has been inspected and the temporary permit will be evaluated by the City on a monthly basis to ensure compliance with all codes, while the necessary approvals are being considered to permit the shelter on a permanent basis. If the rezoning and special land use permit are not approved, the Church will not be permitted to continue operating the shelter.

REZONING

COMPATIBILITY WITH SURROUNDING ZONING PATTERNS

The applicant is requesting a rezoning of the 6.64 acre property at 500 S. M. L. King from “DT-1” Downtown Edge to “DT-2” Urban Flex and a special land use permit to allow a sheltered care facility within the existing place of worship. The subject property is surrounded by “DT-1” zoning to its east, “R-1” Residential to its west and “IND-1” Industrial zoning to its south. While there are no other properties in the area that are zoned “DT-2”, it is one of the few districts that permits sheltered care facilities. It is generally considered good planning and zoning practices to create and preserve consistent zoning patterns as they result in consistent development patterns. In this case, however, the location is appropriate for a sheltered care facility which warrants approval of the rezoning, in spite of creating an inconsistent zoning pattern. Shelters are essential to the community and should primarily be located in close proximity to the downtown where they can effectively serve the majority of the population in need of their services. The subject property is on the fringe of the downtown but is within walking distance thereof and is on a major bus route that provides transportation throughout the City.. The purpose of requiring a special land use permit is so that each proposal can be evaluated to determine if a particular site is appropriate for use as a shelter and will not negatively impact other uses in the surrounding area.

COMPATIBILITY WITH SURROUNDING LAND USES

Union Missionary Baptist Church currently occupies the northern portion of the site with a large parking lot on the southern half of the property. The property is primarily surrounded by low density residential uses with a new multi-family rowhouse development and other multi-family

complexes further to the east. The homeless population in Lansing has grown and there is a need to provide additional shelter space. Shelters can generate a great deal of activity and thus, the potential negative impacts on adjoining and nearby residential areas need to be considered when determining if a particular location is appropriate for such use. In this case, while the property is located in a predominantly residential area, it is bounded by the two opposite direction and very wide, major thoroughfares of S MLK Jr. Blvd. and St. Joseph Highway to the south which provide buffers between the site and the residences in the area, thus reducing any potential impacts generated by the increased usage of the site.

COMPLIANCE WITH MASTER PLAN

The Design Lansing Comprehensive Plan designates the subject property as “Medium Low Density Residential”. Many existing places of worship are designated as residential because of their locations in and within close proximity to residential uses. The Plan does not address sheltered care facilities so it cannot be determined if the proposed use is consistent with the future land use designation of the property. It is difficult to state if existing shelters were thought to be adequate to serve the homeless population during the planning process, or if they were not included due to the nature of their use, and thus, there was no consideration for their inclusion. Since 2012 though, the need for accommodations has outpaced the capacity of existing facilities and organizations, thus creating the need for new shelter space. Without the Plan providing specific guidance as to where shelters should be located, the basic principles of planning should be used to make that determination.

The proposed shelter location is consistent with a primary goal of master planning which is to accommodate land uses in appropriate areas where they can operate successfully without negatively impacting adjoining and nearby uses. In this case, the subject property is surrounded by wide and heavily traveled thoroughfares which act as buffers from the surrounding residential properties. It is also within walking distance of the downtown and on major bus routes that provide transportation to the site and elsewhere throughout the City.

Another important planning principle to consider when determining where certain uses should be located is accessibility by various modes of transportation. For example, in order to generate and maintain a strong customer base, commercial uses such as restaurants, gas stations, and retail establishments should be located along major thoroughfares where they are visible to large volumes of traffic and can be readily accessed by private vehicles and public transportation. Other uses, such as the proposed shelter, have those same needs but need to be located where they are easily accessible by foot and public transportation since the overwhelming majority of the people who utilize shelters do not have private transportation. Public transportation is also very important so that the occupants of the shelter can access places of employment and utilize human service resources that can assist with transitioning out of homelessness. The subject property is located along major bus routes and is within walking distance of the downtown core, and near many facilities that provide services to those in need.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC

The sheltered care facility will generate additional pedestrian traffic in the area, but the amount of vehicular traffic will be negligible to the circulation network. There is a substantial surplus of off-street parking. The largest concern will be safe street crossings for pedestrians walking to and from

the church. There are two bus stops directly adjacent to the church building.

IMPACT ON PUBLIC FACILITIES

Although the applicant has not stated how many persons they expect to serve, given the amount of available space, they are not expected to have a significant impact on public facilities such as the electrical, water, and sewer systems. The adequacy of the utilities to serve the shelter will be addressed during the change of use permitting and plan review process. Any upgrades or expansions of the utility systems to accommodate the shelter will be at the sole expense of the applicant.

ENVIRONMENTAL IMPACT

There will be no changes to the site and thus, the requests will not no impacts on the natural environment.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT

Shelters are essential to the community and need to be accommodated in locations where their operations can be carried out most effectively. Shelters are unique in that they need to be centrally located with convenient access to public transportation, businesses, and human service agencies. There is a significant need for additional shelter space in the City and there are no properties in or near the downtown that are zoned for that use. The subject property is an appropriate location for a shelter as it is located on the edge of, but not in the core downtown, buffered by major thoroughfares and a highway, but still accessible by bus and sidewalks. The proximity to the downtown core gives it access to various civic, institutional, religious, and medical facilities that can help those in need to transition out of homelessness. Since the circumstances surrounding this request are based upon the very specific and unique needs of a shelter, approval of the rezoning will not set a precedent for approval of future rezoning requests in the area and thus, will not have any impact on patterns of development in the area.

SPECIAL LAND USE PERMIT

Section 1262.02(f) of the Zoning ordinance sets forth the criteria which must be used to evaluate a Special Land Use permit request. The criteria and evaluation are as follows.

- 1. Is the proposed special land use designed, constructed, operated, and maintained in a manner harmonious with the character of adjacent property and the surrounding area?**

The Church has been operating the shelter as a temporary use for the past few weeks without incident and without any complaints from the community. This is a strong indication that it is and will continue to be operated properly and with the necessary oversight. The shelter is accommodating approximately 50 people, all or most of whom are church congregants. The maximum allowable capacity will be determined by the City's Building Safety Office and Fire Marshal during the permitting process, should the rezoning and special land use permit be approved.

- 2. Will the proposed special land use change the essential character of the surrounding area?**

The proposed secondary use of a shelter will not change the character of the area. There will be no physical changes to the site or building.

3. Will the proposed special land use interfere with the enjoyment of adjacent property?

It is not anticipated that the shelter will interfere with the normal, everyday enjoyment of adjacent residential properties. The church building is buffered by a busy thoroughfare and bordered by a large parking lot and the I-496 freeway. In addition, the City has not received any complaints or concerns from the neighborhoods surrounding the subject property since it has been in operation as a temporary use for the past few weeks.

During the day, it is expected that the majority of the people using the shelter are working at a job, looking for or training for employment, and seeking assistance from various human service agencies to address the issues that led to their homelessness.

4. Will the proposed special land use represent an improvement to the use or character of property under consideration and the surrounding area in general, and will the use be in keeping with the natural environment of the lot?

The proposed rezoning and special land use permit will allow for increased usage of the church for a shelter that will help to address a significant need that exists in the City. Since there will be no changes to the physical site or building, the requests will have no impact on the natural environment.

5. Will the proposed special land use be hazardous to adjacent property or involve uses, activities, materials or equipment which are detrimental to the health, safety or welfare of persons or property through the excessive production of traffic, noise, smoke, odor, fumes, or glare?

The proposed shelter will produce very little vehicular traffic and will not generate smoke, odors, fumes, glare, or any other conditions that would be detrimental to the health, safety, and welfare of the community.

6. Will the proposed special land use be adequately served by essential public facilities and services, or is it demonstrated that the person responsible for the proposed special land use is able to continually provide adequately for the services and facilities deemed essential to the special land use under consideration?

The issue of whether existing utilities serving the subject property is adequate to accommodate the shelter has not yet been determined. This will take more study on behalf of the City engineers and the Board of Water & light and will require additional information from the applicant regarding the existing utilities and the increased demand.

7. Will the proposed special land use place demand on public services and facilities in excess of current capacity?

The impact on public services will have to be determined during the change of use

permitting and plan review process and it is the applicant’s responsibility to provide the required services to accommodate the use.

8. Is the proposed special land use consistent with the intent and purpose of this Zoning Code and the objectives of any currently adopted Comprehensive Plan?

The zoning code is the primary tool for implementing the future land use component of the City’s Comprehensive and thus, the intent and purpose of the two documents are the same in that regard. A detailed description of this request as it relates to the Plan is provided in the “Compliance with Master Plan” section on pages 2-3 of this report.

9. Will the proposed special land use meet the dimensional requirements of the district in which the property is located?

There are no proposed changes to the existing building or site and no need for any additional parking.

SUMMARY

The applicant is seeking to rezone 500 S Martin Luther King Jr. Boulevard from “DT-1” Downtown Edge to “DT-2” Urban Flex and a special land use permit to the allow use of the subject property for a sheltered care facility.

The available information supports a finding that the requests satisfy all of the criteria set forth in the Zoning Ordinance for evaluating rezoning and special land use permit applications, as detailed in this staff report.

RECOMMENDATIONS

Staff recommends approval of Z-1-2026 to rezone the property at 500 S Martin Luther King Jr. Boulevard from “DT-1” Downtown Edge to “DT-2” Urban Edge and SLU-1-2026, for a special land use permit to allow a sheltered care facility in the existing church building.

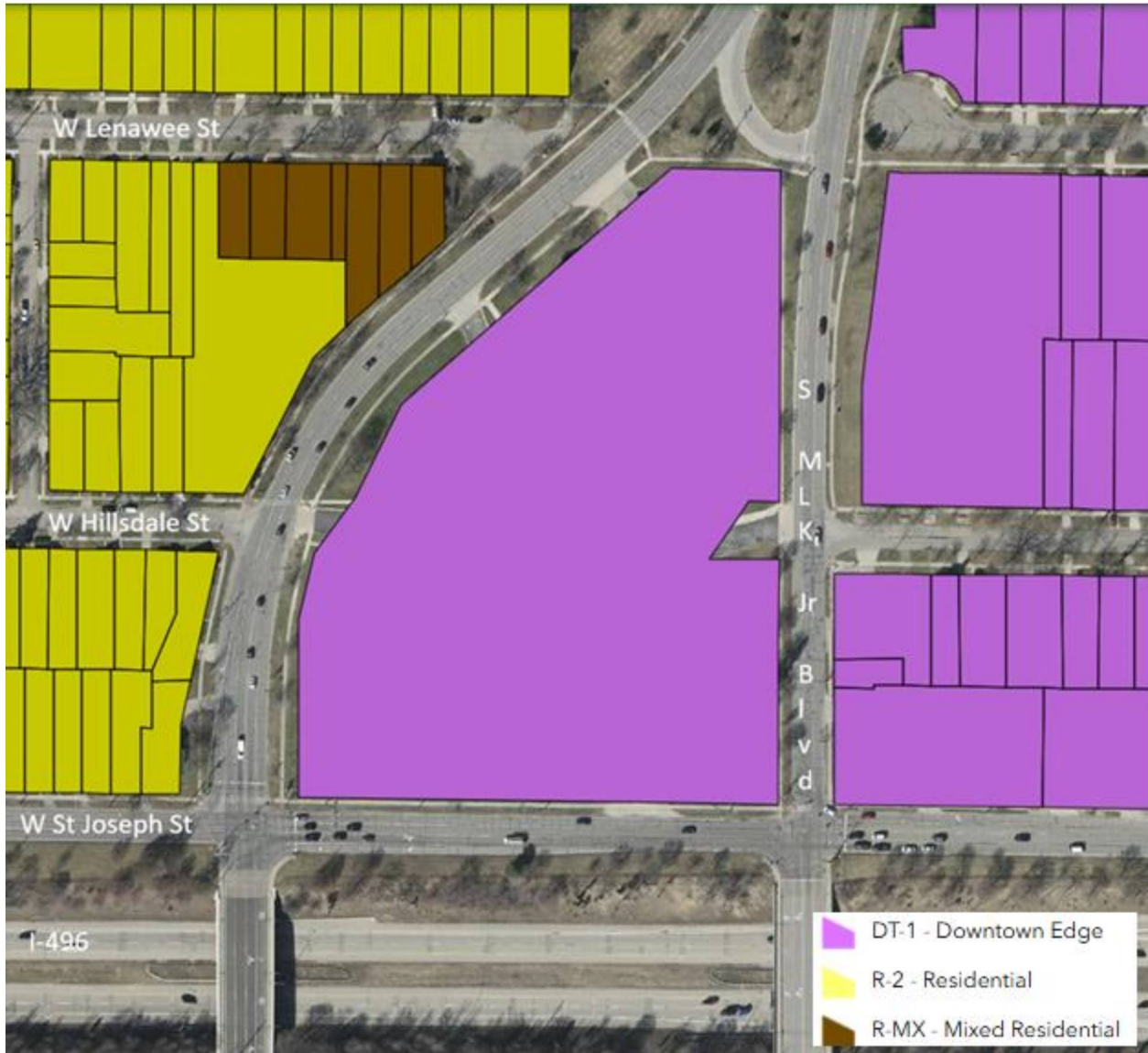
Respectfully Submitted,

**Susan Stachowiak
Zoning Administrator**

Aerial:



Zoning:



Street view:



(Northwest, October 2024)

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

SLU-1-2026, 500 South Martin Luther King Jr. Boulevard, Sheltered Care Facility

WHEREAS, the Union Missionary Baptist Church has requested a special land use permit for a Sheltered Care Facility at 500 South Martin Luther King Jr. Boulevard; and

WHEREAS, a review was completed by staff evaluating the character, location, and impact of the proposal on the surrounding area, the environment, and public services as well as its consistency with the existing zoning and land use patterns in the area and with the objectives of the Design Lansing Comprehensive Plan; and

WHEREAS, the Planning Commission held a public hearing on January 6, 2026 at which the applicant's representatives and two other persons spoke in favor of the request and one person spoke in opposition to the request; and

WHEREAS, the Planning Commission, at its January 6, 2026, meeting, voted 4-3 to recommend approval of SLU-1-2026 for a special land use permit for the sheltered care facility; and

WHEREAS, the City Council held a public hearing regarding SLU-1-2026 on Monday, February 23, 2026; and

WHEREAS, the Committee of the Whole has reviewed the report and recommendation of the Planning Commission and concurs therewith.

NOW THEREFORE BE IT RESOLVED that the Lansing City Council hereby approves SLU-1-2026 for a special land use permit for a sheltered care facility at 500 South Martin Luther King Jr. Boulevard.

BE IT FURTHER RESOLVED that this Special Land Use permit shall remain in effect only so long as the petitioner fully complies with this resolution, and if the petitioner fails to comply, the Special Land Use permit may be terminated by City Council Resolution.

BE IT FINALLY RESOLVED that in granting this request, the City Council determines the following:

1. The proposed shelter is anticipated to be harmonious with the character of adjacent properties and surrounding uses;
2. The proposed shelter will not change the essential character of the area;
3. There is no evidence that the proposed shelter will interfere with the enjoyment of adjacent properties;
4. The proposed shelter will not generate any nuisances or hazardous conditions;

5. The proposed shelter can be adequately served by public services and utilities, although some upgrades to the utility systems may be required to accommodate the increased usage generated by the proposed shelter;
6. Whether the proposed shelter will place demands on public services and facilities in excess of current capacities, resulting in the need for expansions/upgrades thereto, will be determined during the site plan review process;
7. The proposed shelter is consistent with the goals of the Zoning Code and the Design Lansing Comprehensive Plans; and
8. There are no dimensional requirements that apply to this request.

CITY OF LANSING
NOTICE OF PUBLIC HEARING

Z-1-2026, 500 S MLK Jr. Boulevard
Rezoning from "DT-1" Downtown Edge to "DT-2" Urban Flex

SLU-1-2026, 500 S MLK Jr. Boulevard
Special Land Use permit for a Sheltered Care Facility

The Lansing City Council will hold a public hearing on Monday, February 23, 2026 at 7:00 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan to consider a request Z-1-2026, to rezone 500 S Martin Luther King Jr. Boulevard from "DT-1" Downtown Edge to "DT-2" Urban Flex and a request SLU-1-2026, for a special land use permit for a Sheltered Care Facility. The purpose of the rezoning and special land use is to permit a Sheltered Care Facility inside the existing building.

For more information, please call Lansing City Council at 517-483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, February 23, 2026 at the City Clerk's Office, Ninth Floor, City Hall, 124 West Michigan Ave., Lansing, MI 48933 or email city.clerk@lansingmi.gov.

Chris Swope, City Clerk, MMC/CMMC
www.lansingmi.gov/Clerk
www.facebook.com/LansingClerkSwope

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

RESOLVED by the City Council of the City of Lansing that a public hearing be set for Monday, February 23, 2026, at 7 p.m. in the Tony Benavides Lansing City Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan, for the purpose of approving or opposing the Ordinance for rezoning, and the special land use permit for a Sheltered Care Facility:

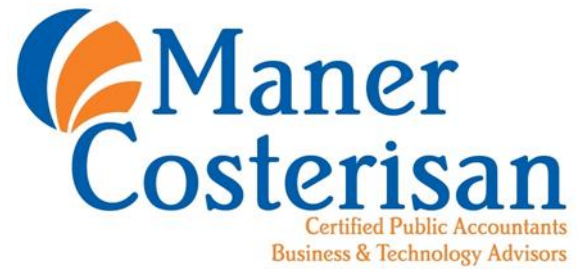
Z-1-2026 500 S Martin Luther King Jr. Blvd., Rezoning from "DT-1"
Downtown Edge to "DT-2" Urban Flex

SLU-1-2026: 500 S Martin Luther King Jr. Blvd., Special Land Use for a
Sheltered Care Facility

City of Lansing
Year Ended June 30, 2025

Audit Presentation

Presented by:
William I. Tucker IV, CPA
Principal &
Tyler P. Baker, CPA
Principal



SETTING THE STANDARD FOR QUALITY
GOVERNMENTAL AUDITS



Opinions

- In our opinion, the financial statements...present fairly, in all material respects,...

Responsibilities of Management of the Financial Statements

- Preparation and fair presentation of the financial statements in accordance with GAAP
- Including design, implementation, and maintenance of internal controls
- Also responsible for fraud detection, deterrence, and prevention

Audit Objective

- The objective, or purpose, of an audit is to express opinions on the financial statements
- The purpose is not to detect fraud or express an opinion on your internal controls

Auditor's Responsibility for the Audit of the Financial Statements

- Express opinions on the financial statements based on our audit



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lansing
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF LANSING
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,808,925	\$ 5,099,590	\$ 6,908,515	\$ 30,103,470
Equity in pooled cash and investments	53,284,827	34,345,296	87,630,123	944,392
Cash and cash equivalents, restricted	199,322,546	2,614,049	201,936,595	3,509,573
Investments	2,026,085	-	2,026,085	-
Current portion of receivables, net	41,252,940	10,253,372	51,506,312	1,932,140
Due from other governmental units	35,656,926	33,269,071	68,925,997	-
Internal balances	(3,543,795)	3,543,795	-	-
Inventories	2,464,019	1,603,361	4,067,380	73,217
Prepays	2,959,386	-	2,959,386	2,920
Total current assets	<u>335,231,859</u>	<u>90,728,534</u>	<u>425,960,393</u>	<u>36,565,712</u>
Noncurrent assets				
Noncurrent portion of receivables, net	20,108,453	12,204,920	32,313,373	18,511
Capital assets not being depreciated/amortized	86,860,079	34,403,445	121,263,524	-
Capital assets, net of accumulated depreciation/amortization	<u>211,923,744</u>	<u>320,543,854</u>	<u>532,467,598</u>	<u>6,701,925</u>
Total noncurrent assets	<u>318,892,276</u>	<u>367,152,219</u>	<u>686,044,495</u>	<u>6,720,436</u>
TOTAL ASSETS	<u>654,124,135</u>	<u>457,880,753</u>	<u>1,112,004,888</u>	<u>43,286,148</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	171,275	3,053,624	3,224,899	-
Deferred outflows of resources related to pensions	19,533,175	56,469	19,589,644	-
Deferred outflows of resources related to OPEB	<u>6,740,883</u>	<u>-</u>	<u>6,740,883</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>26,445,333</u>	<u>3,110,093</u>	<u>29,555,426</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	22,261,410	3,791,329	26,052,739	10,387,352
Accrued payroll	2,541,049	172,012	2,713,061	-
Deposits payable	-	95,713	95,713	-
Due to other governmental units	1,885,330	-	1,885,330	22,689
Claims incurred but not reported	1,741,866	-	1,741,866	-
Indemnity bonds	43,867	-	43,867	-
Other accrued liabilities	2,402,638	-	2,402,638	367,453
Accrued interest payable	876,368	655,686	1,532,054	500,598
Unearned revenue	20,924,238	-	20,924,238	543,370
Current portion of compensated absences	1,365,498	15,573	1,381,071	-
Current portion of long-term obligations	<u>7,126,936</u>	<u>11,121,177</u>	<u>18,248,113</u>	<u>3,931,790</u>
Total current liabilities	<u>61,169,200</u>	<u>15,851,490</u>	<u>77,020,690</u>	<u>15,753,252</u>

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

CONTINUED

CITY OF LANSING
STATEMENT OF NET POSITION (concluded)
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES (concluded)				
Noncurrent liabilities				
Noncurrent portion of compensated absences	\$ 12,048,613	\$ 885,576	\$ 12,934,189	\$ -
Noncurrent portion of long-term obligations	259,387,820	106,742,244	366,130,064	71,948,800
Accrued interest payable, net of current portion	-	-	-	32,778
Net pension liability	336,025,755	23,949,175	359,974,930	-
Net other post-employment benefits liability	177,422,328	7,394,285	184,816,613	-
Total noncurrent liabilities	784,884,516	138,971,280	923,855,796	71,981,578
TOTAL LIABILITIES	846,053,716	154,822,770	1,000,876,486	87,734,830
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	379,759	-	379,759	-
Deferred gain on refunding	-	-	-	796,304
Deferred inflows of resources related to pensions	12,391,628	711,666	13,103,294	-
Deferred inflows of resources related to OPEB	11,959,130	1,578,674	13,537,804	-
TOTAL DEFERRED INFLOWS OF RESOURCES	24,730,517	2,290,340	27,020,857	796,304
NET POSITION (DEFICIT)				
Net investment in capital assets	205,735,308	240,137,502	445,872,810	6,475,485
Restricted				
Public safety	1,551,557	-	1,551,557	-
Public works	50,869,408	-	50,869,408	-
Community development	-	-	-	-
Building department	3,948,841	-	3,948,841	-
Debt service	11,928,215	2,614,049	14,542,264	-
Redevelopment projects	-	-	-	2,135,541
Capital projects	15,515,526	-	15,515,526	80,000
Stabilization arrangements	7,792,610	-	7,792,610	-
Endowments (nonexpendable)	2,234,014	-	2,234,014	-
Unrestricted	(489,790,244)	61,126,185	(428,664,059)	(53,936,012)
TOTAL NET POSITION (DEFICIT)	\$ (190,214,765)	\$ 303,877,736	\$ 113,662,971	\$ (45,244,986)

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

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	\$ 3,086,827	\$ 3,074,831	\$ 2,889,649	\$ 2,827,879	\$ 2,943,847	\$ 2,738,099	\$ 2,719,559	\$ 2,538,487	\$ 2,711,461	\$ 2,977,084
Interest	21,107,684	21,073,196	21,220,221	21,523,899	21,890,652	21,360,398	21,512,099	21,994,837	22,403,009	22,268,516
Difference between expected and actual experience	(1,980,044)	931,426	(2,085,433)	(4,473,505)	(2,504,529)	7,219,344	(2,559,726)	(6,451,827)	(23,183,264)	(4,937,823)
Changes of assumptions	-	-	-	-	7,666,292	-	-	3,099,448	3,706,512	7,575,775
Benefit payments, including employee refunds	(24,793,019)	(24,410,966)	(24,212,331)	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)
Net Change in Total Pension Liability	(2,578,552)	668,487	(2,187,894)	(4,463,818)	5,680,007	7,210,938	(1,798,108)	(1,921,279)	(17,275,496)	5,023,103
Total Pension Liability, beginning	310,638,367	309,969,880	312,157,774	316,621,592	310,941,585	303,730,647	305,528,755	307,450,034	324,725,530	319,702,427
Total Pension Liability, ending	\$ 308,059,815	\$ 310,638,367	\$ 309,969,880	\$ 312,157,774	\$ 316,621,592	\$ 310,941,585	\$ 303,730,647	\$ 305,528,755	\$ 307,450,034	\$ 324,725,530
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 12,776,200	\$ 13,793,087	\$ 11,675,068	\$ 13,494,287	\$ 12,649,529	\$ 10,698,401	\$ 10,880,932	\$ 10,843,000	\$ 10,246,872	\$ 10,181,620
Contributions - employee	1,536,435	1,417,258	1,418,513	1,289,306	1,172,409	1,286,273	1,220,657	1,230,857	1,216,519	1,088,943
Contributions - state grant	2,361,715	11,551,892	-	-	-	-	-	-	-	-
Net investment income (loss)	20,138,188	16,452,547	3,436,309	(15,129,738)	36,047,284	(540,861)	8,437,568	9,679,565	17,412,568	(2,790,190)
Benefit payments, including employee refunds	(24,793,019)	(24,410,966)	(24,212,331)	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)
Administrative expenses	(219,606)	(86,560)	(114,853)	(66,474)	(20,367)	(34,016)	(42,364)	(57,822)	(47,217)	(126,486)
Net Change in Plan Fiduciary Net Position	11,799,913	18,717,258	(7,797,294)	(24,754,710)	25,532,600	(12,697,106)	(2,973,247)	(1,406,624)	5,915,528	(14,506,562)
Plan Fiduciary Net Position, beginning	164,586,317	145,869,059	153,666,353	178,421,063	152,888,463	165,585,569	168,558,816	169,965,440	164,049,912	178,556,474
Plan Fiduciary Net Position, ending	\$ 176,386,230	\$ 164,586,317	\$ 145,869,059	\$ 153,666,353	\$ 178,421,063	\$ 152,888,463	\$ 165,585,569	\$ 168,558,816	\$ 169,965,440	\$ 164,049,912
City's Net Pension Liability	\$ 131,673,585	\$ 146,052,050	\$ 164,100,821	\$ 158,491,421	\$ 138,200,529	\$ 158,053,122	\$ 138,145,078	\$ 136,969,939	\$ 137,484,594	\$ 160,675,618
Plan fiduciary net position as a percentage of the total pension liability	57.26%	52.98%	47.06%	49.23%	56.35%	49.17%	54.52%	55.17%	55.28%	50.52%
Covered payroll	\$ 31,613,907	\$ 21,858,025	\$ 27,348,422	\$ 24,509,599	\$ 26,001,896	\$ 24,304,971	\$ 23,265,437	\$ 22,672,891	\$ 20,901,389	\$ 23,085,894
City's net pension liability as a percentage of covered payroll	416.5%	668.2%	600.0%	646.7%	531.5%	650.3%	593.8%	604.1%	657.8%	696.0%

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2025. More details regarding actuarial assumptions can be found in the December 31, 2024, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	\$ 7,449,286	\$ 7,023,797	\$ 7,853,786	\$ 7,269,988	\$ 6,961,705	\$ 6,526,273	\$ 6,801,669	\$ 6,533,877	\$ 6,133,683	\$ 6,371,845
Interest	36,785,873	35,852,495	34,431,238	33,647,916	32,984,834	32,689,419	31,573,535	30,641,722	30,519,676	30,197,513
Changes of benefit terms	-	-	295,273	-	-	-	-	779	-	-
Difference between expected and actual experience	13,590,233	9,526,686	17,292,601	6,641,422	(2,944,445)	(1,062,537)	10,590,030	8,263,623	(19,308,117)	7,884,167
Changes of assumptions	-	-	-	-	24,025,142	-	-	1,647,044	25,078,592	3,281,341
Benefit payments, including employee refunds	(39,228,002)	(39,760,974)	(37,717,498)	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)
Net Change in Total Pension Liability	18,597,390	12,642,004	22,155,400	11,371,210	25,986,873	4,165,734	16,355,980	15,329,894	11,321,648	18,230,902
Total Pension Liability, beginning	537,677,193	525,035,189	502,879,789	491,508,579	465,521,706	461,355,972	444,999,992	429,670,098	418,348,450	400,117,548
Total Pension Liability, ending	\$ 556,274,583	\$ 537,677,193	\$ 525,035,189	\$ 502,879,789	\$ 491,508,579	\$ 465,521,706	\$ 461,355,972	\$ 444,999,992	\$ 429,670,098	\$ 418,348,450
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 21,648,376	\$ 20,638,901	\$ 18,165,988	\$ 19,609,552	\$ 18,250,155	\$ 15,457,647	\$ 13,554,239	\$ 12,686,000	\$ 11,521,768	\$ 10,884,312
Contributions - employee	3,275,511	3,232,535	2,967,886	2,722,350	3,207,122	3,459,452	3,485,891	2,650,019	2,840,914	2,608,214
Net investment income (loss)	36,900,141	35,058,403	13,936,766	(32,083,115)	68,910,089	1,047,240	17,943,950	19,937,149	32,116,305	(6,040,910)
Benefit payments, including employee refunds	(39,228,002)	(39,760,974)	(37,717,498)	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)
Administrative expenses	(316,957)	(113,104)	(126,049)	(88,992)	(24,177)	(41,599)	(53,318)	(77,237)	(50,996)	(128,903)
Net Change in Plan Fiduciary Net Position	22,279,069	19,055,761	(2,772,907)	(46,028,321)	55,302,826	(14,064,681)	2,321,508	3,438,780	15,325,805	(22,181,251)
Plan Fiduciary Net Position, beginning	305,694,169	286,638,408	289,411,315	335,439,636	280,136,810	294,201,491	291,879,983	288,441,203	273,115,398	295,296,649
Plan Fiduciary Net Position, ending	\$ 327,973,238	\$ 305,694,169	\$ 286,638,408	\$ 289,411,315	\$ 335,439,636	\$ 280,136,810	\$ 294,201,491	\$ 291,879,983	\$ 288,441,203	\$ 273,115,398
City's Net Pension Liability	\$ 228,301,345	\$ 231,983,024	\$ 238,396,781	\$ 213,468,474	\$ 156,068,943	\$ 185,384,896	\$ 167,154,481	\$ 153,120,009	\$ 141,228,895	\$ 145,233,052
Plan fiduciary net position as a percentage of the total pension liability	58.96%	56.85%	54.59%	57.55%	68.25%	60.18%	63.77%	65.59%	67.13%	65.28%
Covered payroll	\$ 29,612,198	\$ 27,834,051	\$ 33,120,012	\$ 31,354,796	\$ 29,636,017	\$ 28,977,408	\$ 29,638,532	\$ 28,435,952	\$ 27,585,521	\$ 27,078,405
City's net pension asset as a percentage of covered payroll	771.0%	833.5%	719.8%	680.8%	526.6%	639.8%	564.0%	538.5%	512.0%	536.3%

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2025. More details regarding actuarial assumptions can be found in the December 31, 2024, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST NINE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2025	2024	2023*	2022*	2021*	2020*	2019*	2018*	2017*
CHANGE IN TOTAL OPEB LIABILITY									
Service cost	\$ 908,142	\$ 1,049,303	\$ 1,647,129	\$ 1,603,045	\$ 1,560,141	\$ 1,518,385	\$ 1,477,747	\$ 1,438,197	\$ 1,550,428
Interest	5,419,816	6,747,227	10,762,261	10,562,939	11,335,921	13,143,168	12,990,219	13,221,134	12,976,683
Difference between expected and actual return on investments	(2,775,900)	(6,227,729)	-	-	(39,503,661)	(19,498,451)	-	(9,321,837)	-
Changes of assumptions	-	-	-	-	(66,716,444)	39,986,554	3,614,432	(2,727,829)	-
Benefit payments, including refunds of member contributions	(8,449,770)	(11,071,584)	(10,410,016)	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Net Change in Total OPEB Liability	(4,897,712)	(9,502,783)	1,999,374	3,815,932	(102,719,637)	24,704,778	7,508,910	(7,676,584)	4,410,518
Total OPEB Liability, beginning	92,930,271	102,433,054	157,216,430	153,400,498	256,120,135	231,415,357	223,906,447	231,583,031	227,172,513
Total OPEB Liability, ending	\$ 88,032,559	\$ 92,930,271	\$ 159,215,804	\$ 157,216,430	\$ 153,400,498	\$ 256,120,135	\$ 231,415,357	\$ 223,906,447	\$ 231,583,031
CHANGE IN PLAN FIDUCIARY NET POSITION									
Employer contributions	\$ 14,390,709	\$ 11,886,843	\$ 12,126,259	\$ 10,643,555	\$ 10,424,468	\$ 11,461,488	\$ 11,848,485	\$ 11,436,222	\$ 11,305,756
OPEB plan net investment income (loss)	3,653,498	2,455,416	12,596,837	(11,324,122)	11,001,355	4,366,514	3,040,683	4,329,577	5,209,669
Benefit payments, including refunds of member contributions	(8,449,770)	(11,071,584)	(10,410,016)	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Administrative expenses	(503,094)	(151,356)	(697,661)	(611,703)	(728,874)	(636,610)	(548,939)	(444,973)	(389,163)
Net Change in Plan Fiduciary Net Position	9,091,343	3,119,319	13,615,419	(9,642,322)	11,301,355	4,746,514	3,766,741	5,034,577	6,009,669
Plan Fiduciary Net Position, beginning	47,504,025	44,384,706	69,887,591	79,529,913	68,228,558	63,482,044	59,715,303	54,680,726	48,671,057
Plan Fiduciary Net Position, ending	\$ 56,595,368	\$ 47,504,025	\$ 83,503,010	\$ 69,887,591	\$ 79,529,913	\$ 68,228,558	\$ 63,482,044	\$ 59,715,303	\$ 54,680,726
Plan's Net OPEB Liability	\$ 31,437,191	\$ 45,426,246	\$ 75,712,794	\$ 87,328,839	\$ 73,870,585	\$ 187,891,577	\$ 167,933,313	\$ 164,191,144	\$ 176,902,305
Plan fiduciary net position as a percentage of the total OPEB liability	64.29%	51.12%	52.45%	44.45%	51.84%	26.64%	27.43%	26.67%	23.61%
Covered payroll	\$ 20,058,166	\$ 18,827,984	\$ 26,458,716	\$ 26,747,483	\$ 24,292,037	\$ 25,453,989	\$ 23,720,424	\$ 21,251,418	\$ 20,901,289
Plan's net OPEB liability as a percentage of covered payroll	156.73%	241.27%	286.15%	326.49%	304.09%	738.16%	707.97%	772.61%	846.37%

*Includes ERS and VEBA OPEB plan activity.

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

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST NINE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY									
Service cost	\$ 1,220,106	\$ 1,566,323	\$ 3,904,624	\$ 3,800,121	\$ 3,698,415	\$ 3,599,431	\$ 3,503,096	\$ 3,409,339	\$ 3,749,359
Interest	14,400,929	14,585,580	14,158,158	13,536,620	15,112,018	15,551,609	15,565,892	15,994,328	15,584,783
Difference between expected and actual return on investments	8,433,995	(7,287,277)	-	-	(71,213,994)	18,584,560	-	(17,811,401)	-
Changes of assumptions	-	-	-	-	(162,399,773)	91,997,958	18,652,834	(7,445,354)	-
Benefit payments, including refunds of member contributions	(12,287,069)	(10,063,103)	(9,188,608)	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Net Change in Total OPEB Liability	11,767,961	(1,198,477)	8,874,174	9,380,270	(225,639,411)	116,601,160	25,450,808	(17,813,645)	8,268,702
Total OPEB Liability, beginning	210,547,076	211,745,553	202,871,379	193,491,109	419,130,520	302,529,360	277,078,552	294,892,197	286,623,495
Total OPEB Liability, ending	\$ 222,315,037	\$ 210,547,076	\$ 211,745,553	\$ 202,871,379	\$ 193,491,109	\$ 419,130,520	\$ 302,529,360	\$ 277,078,552	\$ 294,892,197
CHANGE IN PLAN FIDUCIARY NET POSITION									
Employer contributions	\$ 27,808,338	\$ 13,313,395	\$ 11,304,220	\$ 9,974,904	\$ 12,951,908	\$ 14,971,737	\$ 13,500,687	\$ 13,163,201	\$ 12,290,749
OPEB plan net investment income (loss)	4,326,161	1,471,511	11,844,067	(7,645,295)	3,408,741	2,998,056	290,543	3,572,965	3,487,200
Benefit payments, including refunds of member contributions	(12,287,069)	(10,063,103)	(9,188,608)	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Administrative expenses	(1,163,925)	(365,017)	(765,612)	(672,516)	(815,831)	(529,339)	(627,673)	(600,644)	(525,309)
Net Change in Plan Fiduciary Net Position	18,683,505	4,356,786	13,194,067	(6,299,378)	4,708,741	4,308,056	892,543	4,174,965	4,187,200
Plan Fiduciary Net Position, beginning	59,469,018	55,112,232	41,918,165	48,217,543	43,508,802	39,200,746	38,308,203	34,133,238	29,946,038
Plan Fiduciary Net Position, ending	\$ 78,152,523	\$ 59,469,018	\$ 55,112,232	\$ 41,918,165	\$ 48,217,543	\$ 43,508,802	\$ 39,200,746	\$ 38,308,203	\$ 34,133,238
Plan's Net OPEB Liability	\$ 144,162,514	\$ 151,078,058	\$ 156,633,321	\$ 160,953,214	\$ 145,273,566	\$ 375,621,718	\$ 263,328,614	\$ 238,770,349	\$ 260,758,959
Plan fiduciary net position as a percentage of the total OPEB liability	35.15%	28.24%	26.03%	20.66%	24.92%	10.38%	12.96%	13.83%	11.57%
Covered payroll	\$ 29,612,198	\$ 28,983,627	\$ 31,220,001	\$ 27,116,594	\$ 29,636,017	\$ 29,774,287	\$ 28,435,953	\$ 20,667,007	\$ 27,585,521
Plan's net OPEB liability as a percentage of covered payroll	486.83%	521.25%	501.71%	593.56%	490.19%	1261.56%	926.04%	1155.32%	945.27%

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

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

CITY OF LANSING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	State and Federal Grants - Special Revenue	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 637,173	\$ -	\$ -	\$ 1,171,752	\$ 1,808,925
Cash and cash equivalents - restricted	3,203,904	-	149,752,156	46,366,486	199,322,546
Equity in pooled cash and investments	-	-	-	45,890,067	45,890,067
Investments	-	-	-	2,026,085	2,026,085
Receivables					
Accounts, net	37,445,650	-	-	5,753,709	43,199,359
Taxes receivable, net	1,982,866	-	-	-	1,982,866
Special assessments	-	-	-	9,792,994	9,792,994
Loans	-	26,238	-	1,185,000	1,211,238
Leases	385,193	-	-	-	385,193
Accrued interest	-	-	-	2,527,946	2,527,946
Due from other funds	2,459,727	-	-	-	2,459,727
Due from other governmental units	6,279,298	23,017,183	-	6,360,445	35,656,926
Inventories	-	-	-	1,858,900	1,858,900
Prepays	1,174,318	-	10,665	-	1,184,983
TOTAL ASSETS	\$ 53,568,129	\$ 23,043,421	\$ 149,762,821	\$ 122,933,384	\$ 349,307,755
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 9,881,785	\$ 631,826	\$ 5,639,051	\$ 4,051,433	\$ 20,204,095
Accrued payroll	2,253,188	20,495	-	71,494	2,345,177
Due to other governmental units	1,635,330	-	-	250,000	1,885,330
Indemnity bonds	-	-	-	43,867	43,867
Other liabilities	2,362,720	-	-	39,918	2,402,638
Due to other funds	-	2,034,865	-	424,862	2,459,727
Unearned revenue	170,143	20,319,549	-	434,546	20,924,238
TOTAL LIABILITIES	16,303,166	23,006,735	5,639,051	5,316,120	50,265,072
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - fees	6,890,434	-	-	-	6,890,434
Unavailable revenue - leases	379,759	-	-	-	379,759
Unavailable revenue - contracts	4,491	-	-	-	4,491
Unavailable revenue - loans and accrued interest receivable	-	36,686	-	10,479,596	10,516,282
Unavailable revenue - special assessments	-	-	-	9,792,994	9,792,994
TOTAL DEFERRED INFLOWS OF RESOURCES	7,274,684	36,686	-	20,272,590	27,583,960
FUND BALANCES					
Nonspendable	1,174,318	-	10,665	4,092,914	5,277,897
Restricted	7,792,610	-	144,113,105	85,993,745	237,899,460
Committed	-	-	-	7,258,015	7,258,015
Assigned	67,000	-	-	-	67,000
Unassigned	20,956,351	-	-	-	20,956,351
TOTAL FUND BALANCES	29,990,279	-	144,123,770	97,344,674	271,458,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 53,568,129	\$ 23,043,421	\$ 149,762,821	\$ 122,933,384	\$ 349,307,755

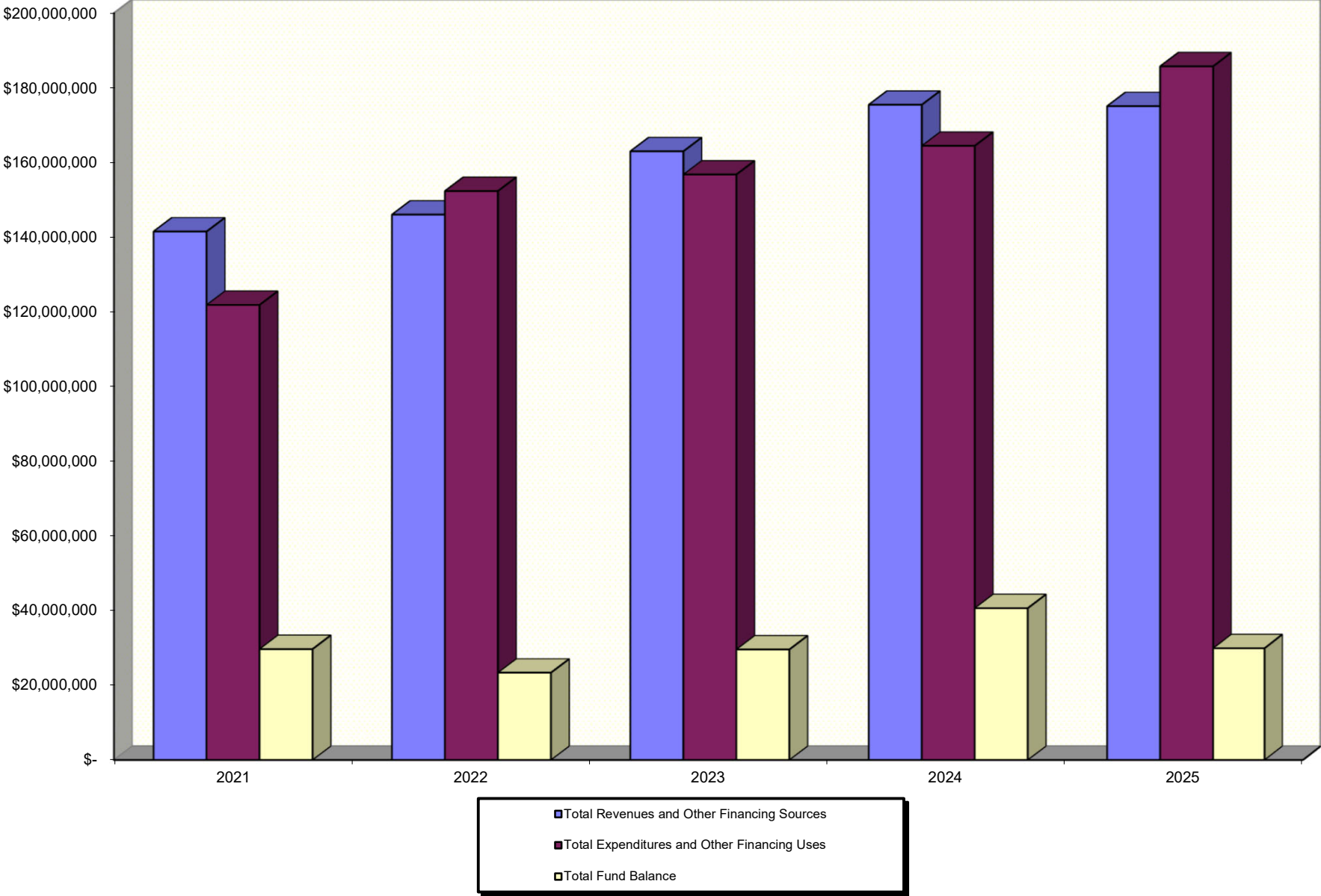
The accompanying notes are an integral part of the financial statements.

CITY OF LANSING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

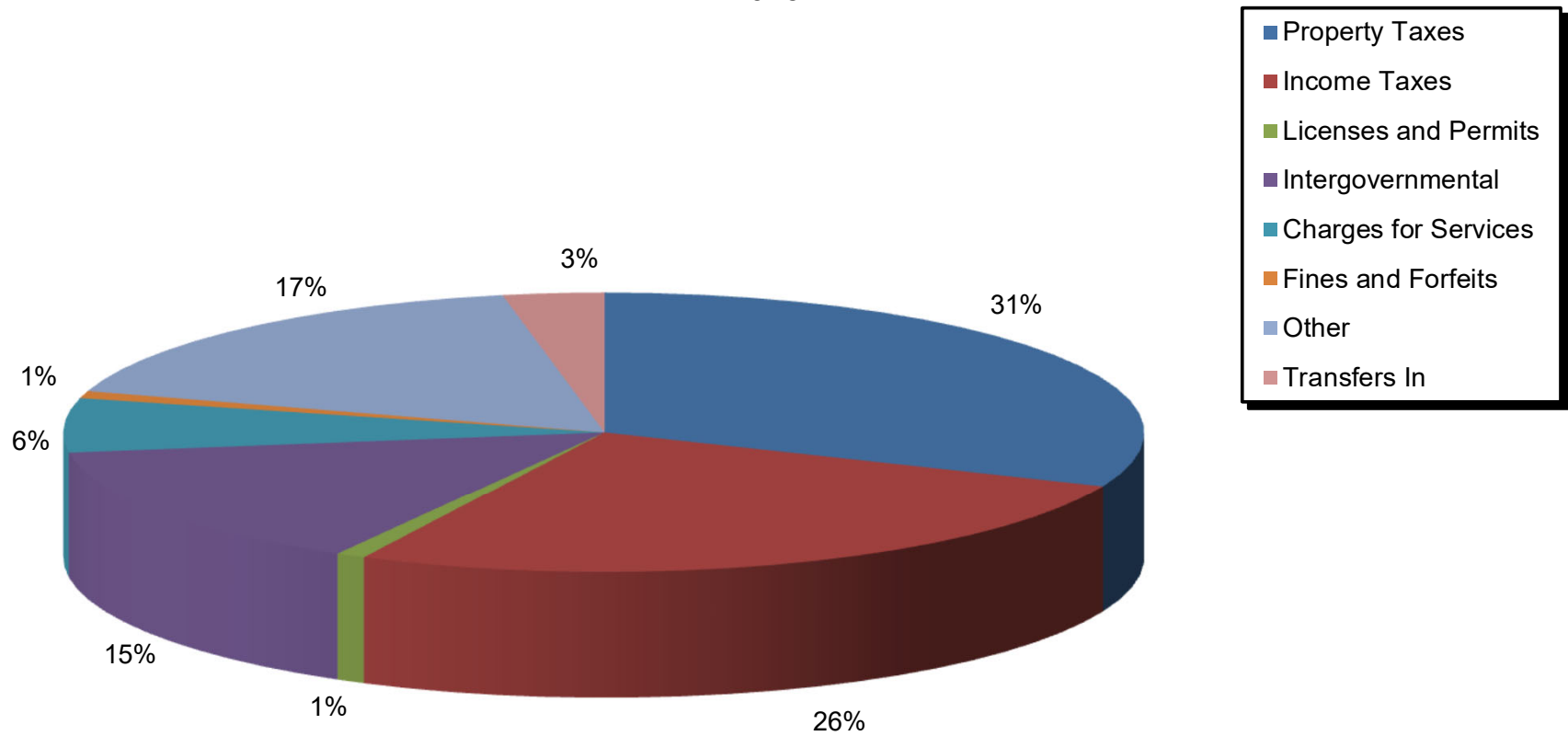
	General	State and Federal Grants - Special Revenue	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes and special assessments	\$ 54,828,119	\$ -	\$ -	\$ 12,545,668	\$ 67,373,787
Income taxes	45,547,274	-	-	-	45,547,274
Licenses and permits	1,534,016	-	-	-	1,534,016
Intergovernmental	25,380,715	26,843,269	-	50,179,679	102,403,663
Charges for services	10,935,424	-	-	5,997,155	16,932,579
Fines and forfeits	1,461,644	-	-	76,483	1,538,127
Interest and rents	1,446,495	1,219,309	5,038,954	3,236,564	10,941,322
Other	28,666,766	9,761	-	569,166	29,245,693
TOTAL REVENUES	169,800,453	28,072,339	5,038,954	72,604,715	275,516,461
EXPENDITURES					
Current					
General government	37,969,512	882,274	-	2,648,869	41,500,655
Public safety	97,978,639	1,694,801	-	5,765,704	105,439,144
Public works	14,383,612	5,634,406	-	-	20,018,018
Judicial	9,585,357	-	-	-	9,585,357
Health and welfare	2,373,153	372,264	-	-	2,745,417
Highways and streets	-	-	-	11,063,994	11,063,994
Recreation and culture	9,997,814	38,146	-	-	10,035,960
Community and economic development	10,513,027	15,375,607	-	3,176,712	29,065,346
Debt service					
Principal	1,465,000	-	-	4,133,115	5,598,115
Interest and fiscal charges	389,980	-	-	10,096,843	10,486,823
Capital outlay	-	-	33,619,116	20,212,502	53,831,618
TOTAL EXPENDITURES	184,656,094	23,997,498	33,619,116	57,097,739	299,370,447
EXCESS OF REVENUES OVER EXPENDITURES	(14,855,641)	4,074,841	(28,580,162)	15,506,976	(23,853,986)
OTHER FINANCING SOURCES (USES)					
Lease related	-	-	-	385,798	385,798
Transfers in	5,298,206	186,132	-	5,586,525	11,070,863
Transfers out	(1,104,132)	(4,260,973)	-	(6,441,758)	(11,806,863)
TOTAL OTHER FINANCING SOURCES (USES)	4,194,074	(4,074,841)	-	(469,435)	(350,202)
NET CHANGE IN FUND BALANCES	(10,661,567)	-	(28,580,162)	15,037,541	(24,204,188)
Fund balances, beginning of year	40,651,846	-	172,703,932	82,307,133	295,662,911
Fund balances, end of year	\$ 29,990,279	\$ -	\$ 144,123,770	\$ 97,344,674	\$ 271,458,723

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

**City of Lansing
General Fund Total Revenues, Expenditures, and Fund Balance**

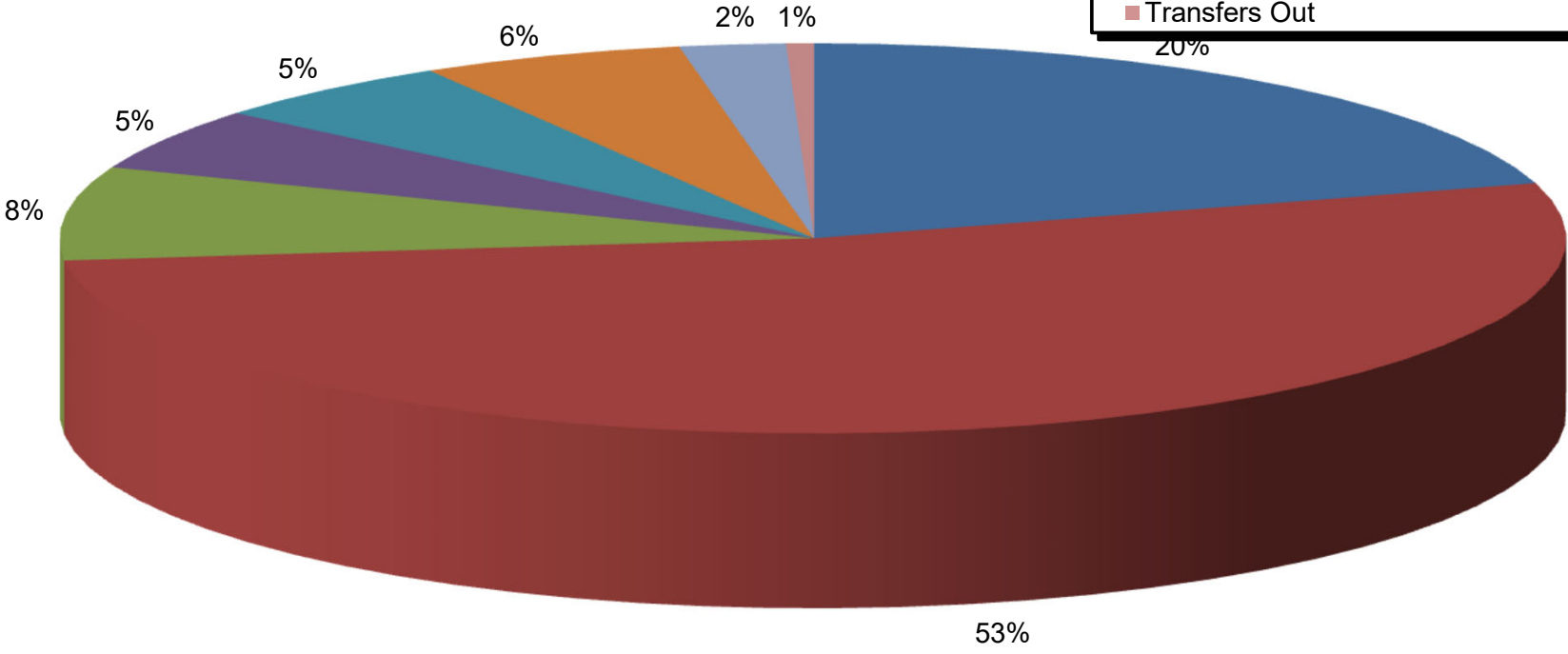


**City of Lansing
General Fund
Total Revenues and Other Financing Sources
2025**



**City of Lansing
General Fund
Total Expenditures and Other Financing Uses
2025**

- General Government
- Public Safety
- Public Works
- Judicial
- Recreation and Culture
- Community and Economic Development
- Other
- Transfers Out





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**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and
Members of the City Council
City of Lansing, 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 units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as items 2025-001 and 2025-002, that we consider to be material weaknesses.

2025-001 MATERIAL JOURNAL ENTRIES

Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in early December 2025), each of which contained material corrections to previous trial balances. A similar issue was noted and reported last year as 2024-001.

Criteria: Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the recording of all appropriate journal entries to assure the trial balance from which the financial statements are prepared, reflect amounts that are in conformity with U.S. generally accepted accounting principles.

Cause: The Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City. The City also went through a financial software conversion in the current year. During the transition to the new system, certain transaction data did not migrate accurately which required material journal entries through the year end close process.

Effect: The accounting records were initially misstated by amounts material to the financial statements. Certain applicable adjustments were brought to the attention of management and were subsequently recorded in the general ledger.

Recommendation: We recommend that the City take steps to assure that material journal entries are not necessary at the time future audit analysis is performed.

Corrective Action Response: The Finance Team will continue the efforts begun this year regarding the identification and correction of potential errors in the financial statements prior to the beginning of future audits. The Finance Team will meet to review adjustments made to this year's financial statements and bottlenecks that were encountered and will develop a plan to address the most significant issues in a more timely manner going forward. With a full year being completed under the new financial software, processes and procedures are being put in place within the new software to address the areas that have had material journal entries during the previous audit.

2025-002 TIMELINESS OF BANK RECONCILIATIONS

Condition: The reconciliation of cash and investment accounts for June 2025 were not completed until early December 2025.

Criteria: The purpose of reconciliations is to ensure that general ledger account balances are supported by underlying transaction detail or third-party information. They also provide an important internal control, in that any differences identified between the underlying detail and an account balance through the reconciliation process may be indicative of an erroneous entry having been posted or inappropriate activity within the account.

Cause: The City went through a financial software conversion in the current year. During the transition to the new system, certain transaction data did not migrate accurately which required material journal entries through the year end close process and an adjustment to the bank reconciliation process.

2025-002 TIMELINESS OF BANK RECONCILIATIONS (concluded)

Effect: Without timely reconciliations and review procedures, there is an increased risk of misstatement of assets or errors that might go undetected.

Recommendation: We recommend that bank reconciliations be completed, including review and approval, in a timely manner.

Corrective Action Response: The Finance Team will continue to work on improving processes and procedures including understanding and utilizing the new finance software automation in order to complete the bank reconciliations more timely.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provision 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 the following instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

2025-003 UNFAVORABLE BUDGET VARIANCES

Condition: We noted that expenditures had exceeded the amounts appropriated for various areas of the General Fund and certain Special Revenue Funds.

Criteria: The Uniform Budgeting and Accounting Act requires the City to amend the original adopted budget “as soon as it becomes apparent that a deviation from the original general appropriations act is necessary, and the amount of the deviation can be determined.” The Act also states that “an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body.”

Cause: The City did not adequately monitor expenditures in relation to budgeted amounts in the areas where the overages occurred.

Effect: Having unfavorable budget variances as described above, the City is not in compliance with Public Act 621 of 1978, as amended.

Recommendation: We recommend the City monitor expenditures against adopted budgets in all applicable funds and make appropriate budget amendments as needed.

Corrective Action Response: Final budget adjustments consisted of amounts within the limits of administrative budget authority as the legislative body did not take up a final budget amendment prior to fiscal year end. Additional challenges in transitioning to the City’s new financial software contributed to significant corrections. System improvements will contribute toward more timely review of expenditures throughout the year while also working with the various departments to be aware of their actual vs budget status throughout the year.

City of Lansing’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City’s responses to the findings identified in our audit and described above. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

December 19, 2025

Questions?



Thank you for your time.

William I. Tucker IV, CPA
Principal

Tyler P. Baker, CPA
Principal

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors
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December 19, 2025

To the Honorable Mayor and
Members of the City Council
City of Lansing, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to the City Council dated October 31, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Lansing are described in Note 1 to the financial statements. As described in Note 21 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101 *Compensated Absences* and GASB No. 102, *Certain Risk Disclosures* during the year ended June 30, 2025. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by the City of Lansing during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's calculation of the fair market value of pooled investments, which is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, is generally measured by quoted market prices. The City's investments are carried at fair market value.

Management's calculation of the percentages for the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

Management's calculation of the income tax receivable balance is based on past experience utilizing the first 45 days collections of income tax withholdings.

Management's calculation of the other accrued liability for claims payable balance is based on past experience and future expectation for payments of various legal claims against the City.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

Management's calculation of the net pension liability and changes therein was based on actuarial assumptions and the use of a specialist (actuary).

Management's calculation of the percentages for current and noncurrent compensated absence payments is based on an estimate of the percentage of employees' use of compensated absences.

Management's calculation of the net other post-employment benefits liability is calculated using the individual entry age actuarial method of calculation based upon certain actuarial assumptions.

Management's calculation of the liability for uninsured risks of loss, including incurred but not reported claims based on an estimate of reported claims and calculation provided by the City's third-party administrators.

Management's calculation of the leases receivable balances is based on past experience and future estimates of lease collections.

We evaluated the key factors and assumptions used to develop the estimations in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements that were detected as a result of audit procedures. The misstatements that were corrected by management related to various year end accrual adjustments.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management’s discussion and analysis, budgetary comparison information, and the historical pension and other post-employment benefits supplementary information, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council of the City of Lansing and management of the City of Lansing and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costeiran PC



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**INDEPENDENT AUDITOR'S 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***

To the Honorable Mayor and
Members of the City Council
City of Lansing, 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 units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as items 2025-001 and 2025-002, that we consider to be material weaknesses.

2025-001 MATERIAL JOURNAL ENTRIES

Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in early December 2025), each of which contained material corrections to previous trial balances. A similar issue was noted and reported last year as 2024-001.

Criteria: Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the recording of all appropriate journal entries to assure the trial balance from which the financial statements are prepared, reflect amounts that are in conformity with U.S. generally accepted accounting principles.

Cause: The Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City. The City also went through a financial software conversion in the current year. During the transition to the new system, certain transaction data did not migrate accurately which required material journal entries through the year end close process.

Effect: The accounting records were initially misstated by amounts material to the financial statements. Certain applicable adjustments were brought to the attention of management and were subsequently recorded in the general ledger.

Recommendation: We recommend that the City take steps to assure that material journal entries are not necessary at the time future audit analysis is performed.

Corrective Action Response: The Finance Team will continue the efforts begun this year regarding the identification and correction of potential errors in the financial statements prior to the beginning of future audits. The Finance Team will meet to review adjustments made to this year's financial statements and bottlenecks that were encountered and will develop a plan to address the most significant issues in a more timely manner going forward. With a full year being completed under the new financial software, processes and procedures are being put in place within the new software to address the areas that have had material journal entries during the previous audit.

2025-002 TIMELINESS OF BANK RECONCILIATIONS

Condition: The reconciliation of cash and investment accounts for June 2025 were not completed until early December 2025.

Criteria: The purpose of reconciliations is to ensure that general ledger account balances are supported by underlying transaction detail or third-party information. They also provide an important internal control, in that any differences identified between the underlying detail and an account balance through the reconciliation process may be indicative of an erroneous entry having been posted or inappropriate activity within the account.

Cause: The City went through a financial software conversion in the current year. During the transition to the new system, certain transaction data did not migrate accurately which required material journal entries through the year end close process and an adjustment to the bank reconciliation process.

2025-002 TIMELINESS OF BANK RECONCILIATIONS (concluded)

Effect: Without timely reconciliations and review procedures, there is an increased risk of misstatement of assets or errors that might go undetected.

Recommendation: We recommend that bank reconciliations be completed, including review and approval, in a timely manner.

Corrective Action Response: The Finance Team will continue to work on improving processes and procedures including understanding and utilizing the new finance software automation in order to complete the bank reconciliations more timely.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provision 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 the following instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

2025-003 UNFAVORABLE BUDGET VARIANCES

Condition: We noted that expenditures had exceeded the amounts appropriated for various areas of the General Fund and certain Special Revenue Funds.

Criteria: The Uniform Budgeting and Accounting Act requires the City to amend the original adopted budget “as soon as it becomes apparent that a deviation from the original general appropriations act is necessary, and the amount of the deviation can be determined.” The Act also states that “an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body.”

Cause: The City did not adequately monitor expenditures in relation to budgeted amounts in the areas where the overages occurred.

Effect: Having unfavorable budget variances as described above, the City is not in compliance with Public Act 621 of 1978, as amended.

Recommendation: We recommend the City monitor expenditures against adopted budgets in all applicable funds and make appropriate budget amendments as needed.

Corrective Action Response: Final budget adjustments consisted of amounts within the limits of administrative budget authority as the legislative body did not take up a final budget amendment prior to fiscal year end. Additional challenges in transitioning to the City’s new financial software contributed to significant corrections. System improvements will contribute toward more timely review of expenditures throughout the year while also working with the various departments to be aware of their actual vs budget status throughout the year.

City of Lansing’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City’s responses to the findings identified in our audit and described above. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

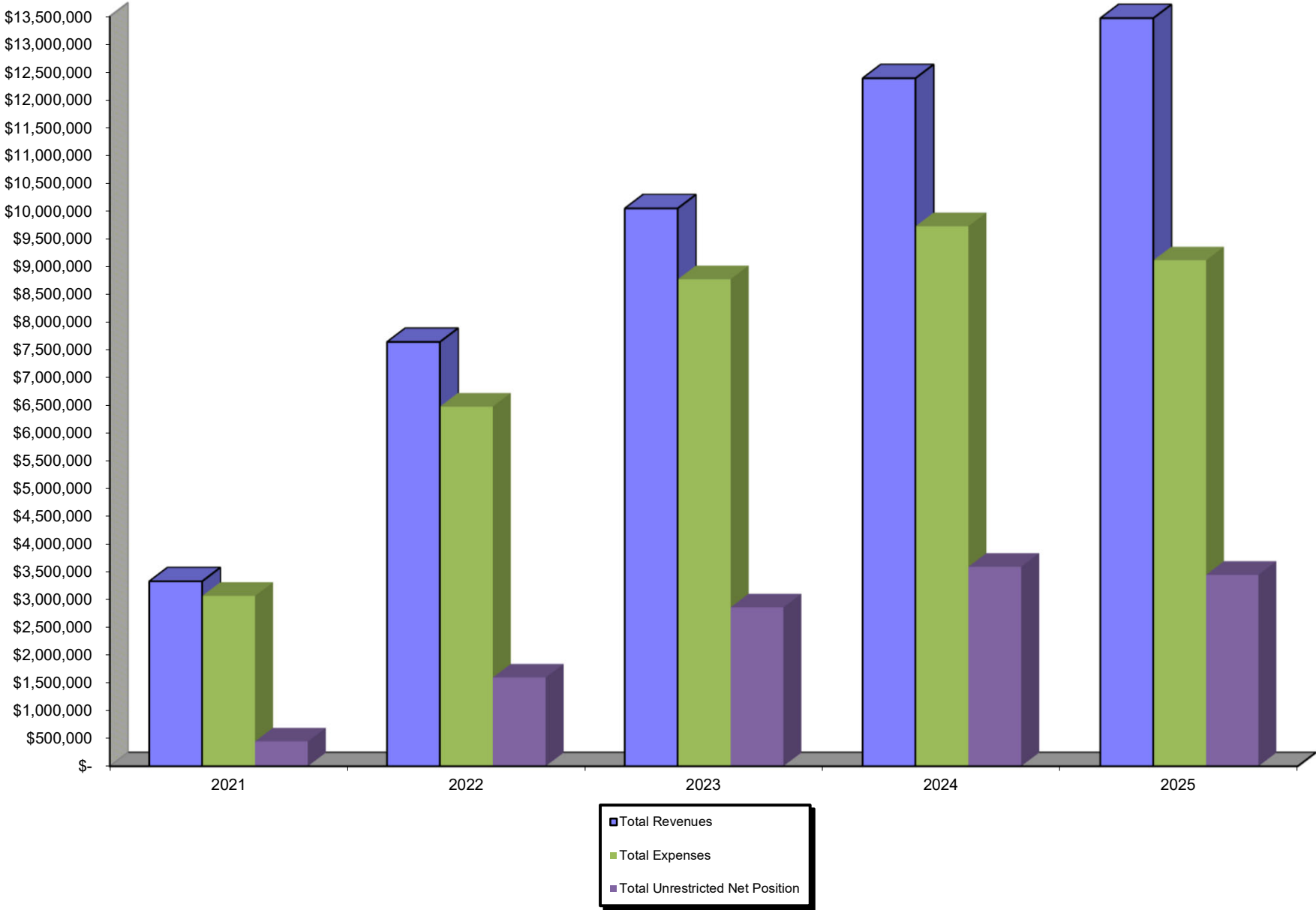
Purpose of this Report

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

December 19, 2025

LEPFA
Revenues, Expenses, and Unrestricted Net Position



CITY OF LANSING, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025



Andy Schor, Mayor

**Prepared by:
Department of Finance**

**Chief Financial Officer/Finance Director
Crystal Thomas**

**Controller
Charles H. Randall**

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INTRODUCTORY SECTION

CITY OF LANSING, MICHIGAN

LANSING CITY GOVERNMENT

Fiscal Year Ended June 30, 2025

MAYOR

Andy Schor

CITY COUNCIL

Ryan Kost, Council President, 1st Ward
Tamera Carter, Council Vice President, At Large
Jeremy A. Garza, 2nd Ward
Peter Spadafore, At Large
Jeffrey Brown, At Large
Adam Hussain, 3rd Ward
Brian T. Jackson, 4th Ward
Trini Pehlivanoglu, At Large

CLERK

Chris Swope

DISTRICT COURT JUDGES

Stacia Buchanan, Chief Judge
Kristen D. Simmons
Cynthia M. Ward
Tony Flores

OFFICERS

Chief Information Officer.....	Jason Hogan
Chief Strategy Officer.....	Jake Brower
Chief Labor Negotiator.....	Dennis Parker
Human Resources Director.....	Elizabeth O'Leary
City Assessor.....	Jennifer Czeiperger
City Attorney.....	Gregory Venker
Communications Director.....	Scott Bean
Chief Financial Officer/City Treasurer.....	Crystal Thomas
Court Administrator.....	Anethia Brewer
Deputy Mayor.....	Christopher Mumby
Economic Development & Planning Director.....	Rawley Van Fossen
Fire Chief.....	Brian Sturdivant
Human Relations & Community Service Director.....	Kimberly Coleman
Neighborhoods & Citizen Engagement.....	DeLisa Fountain
Parks & Recreation Director.....	Brett Kaschinske
Police Chief.....	Robert Backus
Public Service Director.....	Andy Kilpatrick



Andy Schor, Mayor

FINANCE DEPARTMENT
124 W. Michigan Ave., 8th Floor
Lansing, Michigan 48933
517.483.4500

December 19, 2025

Council President Ryan Kost and Council Members
10th Floor City Hall
Lansing, Michigan 48933-1694

Dear President and Council Members,

The Finance Department is pleased to submit the comprehensive annual financial report for the City of Lansing, Michigan, for the fiscal year ended June 30, 2025.

The City of Lansing assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the government operations and of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's fiscal year 2024/2025 financial statements have been audited by Maner Costerisan, an independent firm of licensed, certified public accountants located within the Capital Region. The goal of the independent audit is to provide reasonable assurance that the financial statements for the City for the fiscal year-end June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures contained in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent audit concluded with the rendering of an unmodified opinion on the statements, meaning the financial statements present fairly and accurately in all material respects in conformity with the Generally Accepted Accounting Principles (GAAP). The Independent Auditor Report is presented as the first component of the financial section of this report.

This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The Management Discussion and Analysis can be found immediately following the Independent Auditor Report.

Profile of the City of Lansing

Serving as Michigan's capital since 1848, the City of Lansing was incorporated in 1859 and operates under provisions of Public Act 279 of 1909, as amended (Home Rule City Act). The City incorporates 34.7 square miles and is in Michigan's Lower Peninsula within the northwestern corner of Ingham County and the northeastern corner of Eaton County. The City operates under a mayor/council form of government, where the Mayor serves as the chief executive of the City and is elected on an at-large basis to serve a four-year term. Lansing is a mature core city with a population of 112,644 according to the 2020 census and offers a full range of services. During the fiscal year ended June 30, 2025, the City operated a police headquarters and precinct with 212 sworn police officers, six fire stations with a fire protection force of 166, over 390 miles of sanitary sewers, 239 miles of storm sewers and 64 miles of combined sewers, over 413 miles of roads, 111 parks, a District Court and support for human services and cultural events. The City's main sources of revenue are property taxes, income taxes, State revenue sharing, Federal entitlement grants and charges for services including utility billings.

Reporting Entity

The financial reporting entity (the City) includes all of the funds of the primary government (i.e. the City as legally defined) as well as its blended component unit the Lansing Building Authority. Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Lansing Entertainment & Public Facilities Authority, Tax increment Finance Authority, and the Brownfield Redevelopment Authority are reported as discretely presented component units.

Financial Management and Control

Management of the City of Lansing is responsible for establishing and maintaining internal controls. These controls are designed to ensure that the assets of the government are protected from loss, theft, or misuse and to assure that adequate accounting data is compiled. This allows for the accurate presentation of financial statements in conformity with generally accepted accounting principles. Such controls include appropriate policies and procedures, ongoing risk assessment and monitoring and review processes which are communicated throughout City operations. Because the cost of internal controls generally should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that these objectives are met.

Because the City is a recipient of federal grant dollars the independent audit of the financial statements of the City of Lansing was part of a broader federally mandated "single audit" in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing the single audits require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements involving the administration of the federal awards. These reports are available in the City's separately issued Single Audit Report.

Financial results and applicable policies affecting year-end results for the fiscal year ended June 30, 2025, are discussed in the Management Discussion and Analysis (MD&A), located immediately following the Independent Auditor Reports.

Budgeting Controls

The annual budget serves as the foundation for the City's financial planning, policymaking and control. The City Charter requires that the Mayor submit to the City Council a proposed budget by the fourth Monday in March. Not later than the third Monday in May of each year, the City Council shall, by resolution, adopt a budget for the ensuing fiscal year. Budgetary controls and limitations are noted in the Note Disclosure Section of the financial statements.

The City also maintains an encumbrance accounting system, whereby purchase order amounts are deducted from the available budget as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and require City Council approval to be carried forward to the ensuing fiscal year for amounts greater than \$5,000 or greater than eight months old.

Local Economy

The City of Lansing is the seat of the Michigan state government. The local economy is comprised of a diversified mix of business, health care, education, and industries. With Michigan State University, Davenport University, Western Michigan University, and Lansing Community College, the region has a strong higher education presence. The metro Lansing region is also home to several national insurance company headquarters and healthcare services with two major hospitals in the City and a wide variety of technology firms. Manufacturing also has a strong presence, especially in the automotive and biotech engineering sectors, with two General Motors assembly plants and related facilities located in the City, including a Logistics Center and a regional stamping plant, automotive suppliers throughout the region, production of particle accelerators, and vaccine research and production. Within the City, major taxpayers and employers include, but are not limited to, the health care sector - University of Michigan Health-Sparrow and McLaren Health Care Corporation, manufacturing - General Motors, research sector - Emergent BioSolutions, Neogen Corporation, and Niowave, Inc., and financial services and insurance - Jackson National Life and AF Group.

Lansing serves as the region's cultural center. Recent major investments have continued to revitalize Lansing and power the local economy. These new projects range in size from large to small and will continue to make Lansing a great place that offers the benefits of a big city with the affordability and convenience of a small town.

The City of Lansing brought our economic development team back in-house in mid-2022, re-establishing the Lansing Economic Development Corporation. With nine full-time staff, the Lansing EDC accomplishes this by attracting and growing businesses, redeveloping properties, and using public/private partnerships. We continue our regional partnership with the Lansing Economic Area Partnership (LEAP).

Development Projects

Some notable future development projects currently underway include:

- \$40 million new City Hall is transforming a former parking lot. It is located in the Cherry Hill district and is scheduled for completion late fall 2026.
- \$175 million Lansing public safety bond will pay for newly constructed public safety and courts campus. This new facility will house the headquarters of the Lansing Fire Department, the Lansing Police Department, a new fire station, temporary detention facility, and the 54-A District Court. The new, central location for public safety services will be on S. Washington Ave., south of the REO Town Commercial District and is scheduled for completion in the spring of 2027.
- The Ovation Music and Arts Center, which will be located downtown next to the former Lake Trust location, will be a new \$30 million, state-of-the-art live performance venue is scheduled for completion spring of 2027.
- The \$316 million multi-project New Vision Lansing development is transforming key areas of the city with mixed-use and residential spaces (573 housing units). Highlights of the 5-project initiative include development of the city's tallest tower, conversion of vacant office space into residences, and renovation of historic structures.
- Lansing EDC received a nearly \$19 million Strategic Site Readiness Program (SSRP) Grant from the State of Michigan for the evaluation, remediation, and preparation of the former Fisher Body/GM Plant 6 site for future redevelopment. In collaboration with the developer, NorthPoint Development, the Lansing EDC continues to advance the site towards the redevelopment. This investment in preparing and marketing the site has the opportunity to drive job creation, attract industry, and help revitalize the local economy, making it a cornerstone for the long-term prosperity of our community.

For the year 2025, Lansing EDC was able to assist 5 projects in obtaining financial support and incentive approvals that helped make the investments economically viable. These projects represent over \$100 million in new investment, 121 housing units, and 70 new jobs in Lansing and are now ready to start construction or are already underway.

These developments bring the total investment and jobs supported by Lansing EDC since 2018 to over \$4.5 billion and over 3,500, respectively. Residential construction activity in Lansing is also accelerating, including nearly 1000 new units of multi-family housing recently approved or currently underway, all expected to be complete by 2028. This is in addition to the 468 new units of multi-family housing completed since 2023.

Projects Approved in 2025 include:

- Turner North Development: New multi-family residential development in the heart of Old Town Lansing. Investment: \$26 million: Housing Units: 76 (all workforce at or below 80 percent AMI).
- Brick Row Redevelopment: Mixed-use redevelopment in downtown Lansing's Stadium District. Investment: \$8.1 million. Housing Units: 15 (all workforce below 120 percent AMI).
- 820 W. Miller: Emerging developer-led commercial redevelopment in South Lansing. Investment: \$4 million. Jobs Created: 14 FTEs.
- Holmes & Pleasant Grove: New mixed-use development in the heart of southwest Lansing. Investment: \$9.6 million. Housing Units: 30 (all workforce below 100 percent AMI).
- Niowave Expansion: Business expansion project that will grow Niowave's Radioisotope Manufacturing Facility that develops cutting-edge medical isotope production for fighting cancer. Investment: \$65 million: Jobs Created: 70 FTEs.

Commercial Corridor Improvement

The City and Lansing EDC has targeted four commercial corridors to focus special redevelopment efforts. These Corridor Improvement Authorities are the Michigan Avenue Corridor Improvement Authority (MACIA), Saginaw Street Corridor Improvement Authority (SSCIA), South Martin Luther King Jr. Blvd. Corridor Improvement Authority (SMLKCIA), and the Lansing Gateway Corridor Improvement Authority (LGCIA). The CIAs bring together the businesses and stakeholders along key commercial road corridors to create and implement development and finance plans to revise those areas economically and aesthetically.

The South Martin Luther King Jr. Corridor Improvement Authority (SMLKCIA) has made significant strides in revitalizing the corridor throughout 2025.

- In partnership with the Michigan Department of Transportation, the Authority installed three new pedestrian islands at high-traffic areas along the corridor. These improvements aim to reduce accidents and fatalities by encouraging drivers to slow down and providing pedestrians with safer crossing points.
- To uplift the corridor's visual identity, SMLKCIA hosted a community-focused art competition, resulting in new artwork being installed on several CATA bus shelters.
- The Authority launched the Southwest Thrive Program, a four-week business development series for southwest Lansing entrepreneurs - graduating eight participants. This initiative was supported by the USDOT Thriving Communities Grant and local stakeholders.
- SMLKCIA introduced a small business grant program offering up to \$10,000 for businesses located within the corridor.
- The Authority is now working with a local marketing company to brand the corridor, enhance community engagement, establish a dedicated website, install branded materials along the corridor, and launch a new Facebook page.
- The SMLKCIA hosted its first annual community cleanup.
- SMLKCIA Chair, Amanda Defrees, showcased all of these accomplishments on WLNS's Discover Lansing show.

The Saginaw Street Corridor Improvement Authority (SSCIA) focused on branding the corridor and improving the aesthetic. The Authority established a communications and marketing subcommittee made up of community members and board representatives. Together, they selected a local marketing firm to brand the corridor as the “Mural District” and strengthen community outreach efforts. To complement this new identity, the SSCIA created a Mural Sponsorship Program designed to support businesses and property owners interested in installing murals along the corridor.

The Michigan Avenue Corridor Improvement Authority (MACIA) continued its efforts to support businesses during the ongoing Michigan Avenue redesign.

- The Authority hosted a virtual information session in partnership with the City of Lansing and the Lansing Regional Chamber of Commerce to provide updates on the construction process.
- MACIA also completed its Block 2000 Façade Improvement Project, further enhancing the corridor’s appearance.

The North Grand River Avenue Corridor Improvement Authority, known as the Lansing Gateway CIA (LGCIA), made meaningful progress toward the goals outlined in its Development and Tax Increment Financing Plan in 2025.

- The Authority invested in maintenance and beautification efforts by hosting a community cleanup and maintaining their landscaping installation on the east side of the corridor.
- The LGCIA established a business grant program to support corridor businesses through its grant program, offering grants up to \$10,000.
- The LGCIA developed a Mural Sponsorship Program, set to launch in 2026.
- The Authority closed out the year by hosting its annual community event at the historic Turner-Dodge House.

Façade Improvement Program

Lansing EDC administers the City of Lansing Façade Improvement Grant Program. This program provides design assistance as well as reimbursement for the redevelopment and improvement of exterior commercial facades. The purpose of this program is to assist with aesthetic beauty and safety improvements as well as enhance the street appearance of Lansing businesses. Because of this program, Lansing properties have become more attractive to customers and the community, increasing the overall value of local businesses.

In 2025, 19 businesses were awarded grants from the Façade Improvement Program, totaling \$270,695 in funding commitments, spurring additional private investment. Additionally, the Lansing EDC applied for and secured an additional \$500k from the Michigan Economic Development Corporation and LEAP for the city’s façade improvement program. Businesses supported through the Façade Improvement Program can be found all over Lansing and have been appreciated by the community and business owners, who see this as a way for the city of Lansing to reinvest in the Lansing economy.

Business Services

In 2025, the Lansing EDC offered several business services to local Lansing businesses. These services included workshops and seminars, liquor licenses, and business loans.

The liquor license program is to assist businesses that are looking to obtain a liquor license but have difficulty finding a suitable liquor license on the open market. The Lansing EDC assisted two new businesses with obtaining liquor licenses in growing parts of the city. The first was a development liquor license for Jollof Afro Caribbean Lounge in downtown Lansing. The second was a redevelopment liquor license with Lansing Duckpin Bowling, which is in the Red Cedar Redevelopment District.

Lansing EDC also continued to assist local businesses with our microloan program. The microloan program offers favorable loan terms to businesses that need financial assistance for expansion. This past year, Lansing EDC provided \$80,000 in loan support. Since 2018, Lansing EDC has lent out over \$400,000 in direct loan assistance to 8 Lansing-based businesses.

Additionally, the Lansing EDC partnered with PNC Bank to offer workshops and six seminars for small businesses, with topics ranging from business plans to financials. This program provided a venue for local business owners to come and ask questions about business banking, business lending, business financials, and techniques to lower costs and grow their businesses. Lansing EDC and PNC were able to help educate and assist over 25 local Lansing business owners through this program.

In the last year, the Lansing EDC Retention Expansion and Attraction Program launched as a proactive, data-driven economic strategy to retain existing businesses through support and problem-solving, attract new investment with specialized resources and marketing, and facilitate the expansion of local companies. The purpose is to drive sustainable job creation and strengthen the city's economy. In 2025, the Lansing EDC met with over 70 local businesses to discuss opportunities, issues, and overall business strength. These meetings resulted in development projects, grant opportunities, loans, creation of a pitchbook showcasing strategic sites, business connections and partnerships, and other crucial business services.

Lansing Equitable Economic Development (LEED) Initiative

In 2021, the Jobs and Economic Development Workgroup of Lansing Mayor Andy Schor's Racial Justice and Equity Alliance identified a critical need to ensure that underserved and underrepresented entrepreneurs and communities have the tools, opportunities, and access to expertise, resources, and training needed to start and sustain successful businesses, and to participate fully in the economic development process.

To address these findings, the Lansing EDC developed the Lansing Equitable Economic Development (LEED) Initiative. The LEED Initiative is designed to equip entrepreneurs from underserved and underrepresented groups through programs that provide financial resources and technical assistance to build strong, successful businesses and to increase the number of locally led community-driven real estate development projects.

The Empower Program is a component of the LEED Initiative. In 2025, 11 Lansing business owners participated in the 2nd cohort of the Empower Program. These businesses benefited from:

- A 6-month program that provides business owners with a team of dedicated project managers, consultants, and business specialists to create and implement an individualized business development plan.
- Bi-weekly, in-person training sessions covering business strategy, marketing, systems development, automation to support scaling, and other key topics to support their growth.
- Professional brand development services to market and generate revenue, human resources consulting for staffing strategies and systems, financial management consulting, and other forms of technical assistance.

In 2026, the Lansing EDC will host two additional Empower Program cohorts beginning in January.

The Lansing EDC launched its first cohort of the Lansing Supporting Empowered Emerging Developers (SEED) Academy in 2025. The inaugural program supported 20 emerging developers who benefited from:

- A multi-month development training program designed to build the foundational skills needed to pursue real estate projects, including feasibility analysis, project planning, and development readiness.
- A structured curriculum featuring sessions on financial modeling, site selection, development processes, accessing capital, and navigating city development systems.
- Individualized guidance and mentorship from experienced real estate developers to support participants as they evaluate potential projects and build their development portfolios.
- Opportunities to participate in property assessments, case studies, and peer-to-peer learning designed to strengthen practical knowledge and confidence.

Many participants are now advancing real estate projects in Lansing, receiving incentive approvals, and moving along the pre-development stages. Collectively, these emerging developers are moving forward with projects representing nearly \$20 million in anticipated investment, signaling a strong and growing pipeline of community-focused development expected to contribute to neighborhood revitalization citywide.

The Targeted Redevelopment effort is a key component of the LEED Initiative, focused on strengthening economic conditions and investment readiness in underserved areas of Lansing. In 2025, the Lansing EDC began a partnership with CityCraft, a nationally recognized planning and redevelopment firm, to support a comprehensive targeted effort in Southwest Lansing. This work is designed to address economic challenges through a coordinated approach that brings together multi-sector stakeholders, including business leaders, economic development partners, educational institutions, environmental organizations, and health-sector representatives. While the work is in its early stages, the engagement with CityCraft has already helped build momentum and attract additional interest and partnerships that will be further developed in 2026. Alongside this effort, the Lansing EDC also began supporting a separate effort to spark a community planning process for other Neighborhoods of Focus, which will guide long-term investment and neighborhood-led visioning. Together, these early actions lay the foundation for a broader, sustained targeted redevelopment strategy that will continue expanding in the coming year.

The accomplishments of 2025 demonstrate a year of meaningful progress, strategic investment, and growing community capacity. From major redevelopment projects to support for small businesses and emerging developers, the City of Lansing and its partners have helped drive new economic activity in every corner of the city. Lansing's commercial corridors are becoming more vibrant, more housing is being built across income levels, and new tools and programs are empowering the next generation of local entrepreneurs and developers.

With regards,



Crystal L. Thomas, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lansing
Michigan**

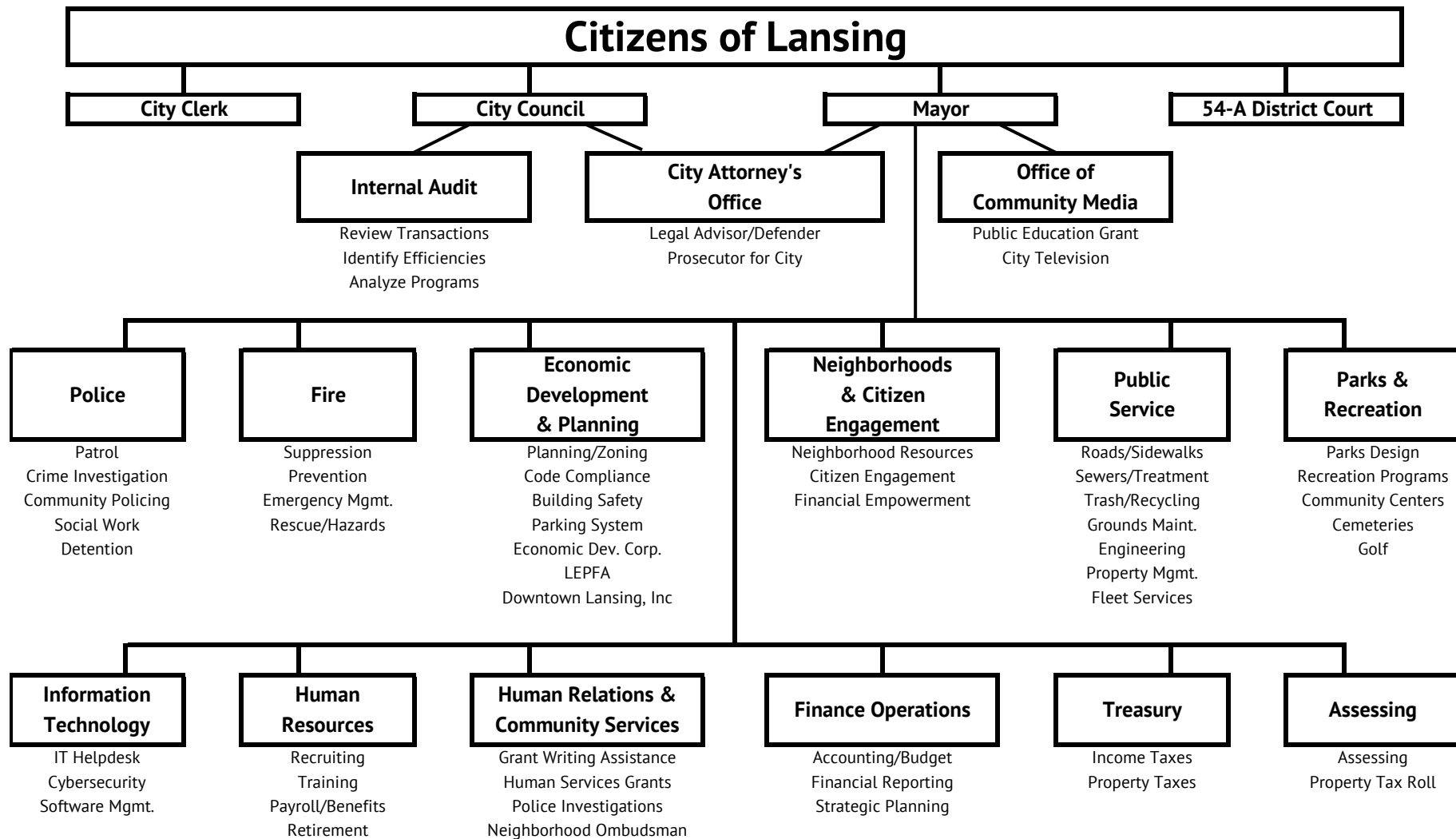
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Table of Organization



FINANCIAL SECTION



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Lansing, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, as of June 30, 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 City of Lansing 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 of 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 City of Lansing'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 City of Lansing'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 City of Lansing'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, budgetary comparison schedules, and the pension and OPEB schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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 City's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the other supplementary information, as identified in the table contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the City'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 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 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 the City's internal control over financial reporting and compliance.

Maney Costeiran PC

December 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF LANSING
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The management of the City of Lansing, Michigan (“the City”) provides this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025 for the benefit of the readers of these financial statements. This management’s discussion and analysis (“MD&A”) is intended to assist the reader in focusing on significant financial issues and provide an overview of the City’s financial activity. The City encourages the readers to consider the following information here in conjunction with the financial statements taken as a whole, which follow this section.

Financial Highlights

Total net position	\$ 113,662,971
Change in total net position	62,155,424
Fund balances, governmental funds	271,458,723
Change in fund balances, governmental funds	(24,204,188)
Unassigned fund balance, general fund	20,956,351
Change in fund balance, general fund	(10,661,567)
Long-term obligations outstanding	398,693,437
Change in long-term obligations	(3,198,099)

Overview of the Financial Statements

This MD&A is an introduction to the City’s basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. The Statement of Net Position and the Statement of Activities are two financial statements that report information about the City, as a whole, and about its activities, which provide measurements of long-term trends that should help answer this question: Is the City, as a whole, better off or worse off as a result of this year’s activities? Unlike the governmental funds, the current year’s revenues and expenses are taken into account regardless of when cash is received or paid, known as “full accrual accounting”.

The Statement of Net Position presents all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these categories reported as “net position”. Over time, increases and decreases in net position are an indicator of whether the City’s long-term financial position is improving or deteriorating, but can also change as a result of governmental accounting standards.

The Statement of Activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Statement of Net Position and the Statement of Activities report three activities, as follows:

- *Governmental Activities.* Most of the City's basic services are reported under this category. Property taxes, income taxes, and intergovernmental revenues generally fund these services. The Council (legislative branch), the District Court (judicial branch), and general operations of the executive branch departments, such as police, fire, parks, public works, and other general staff departments fall within the governmental activities.
- *Business-type Activities.* The City charges fees to customers to help cover all or most of the costs of certain services it provides. Sewage collection and treatment and commercial area parking are examples of business-type activities.
- *Discretely Presented Component Units.* Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City has various discretely presented units: the Brownfield Redevelopment Authority, the Tax Increment Finance Authority, Saginaw Street Corridor Improvement Authority, Michigan Avenue Corridor Improvement Authority, and the Lansing Entertainment and Public Facilities Authority.

These financial statements include two schedules that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities (full accrual accounting) on the appropriate government-wide statements. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Certain revenues that are earned, but not available for use within the reporting period, are reported as revenues for governmental activities, but are reported as deferred inflows of resources on the governmental fund statements.
- Other long-term assets that are not available to pay for current period expenditures are deferred in governmental fund statements but not deferred on the government-wide statements.
- Internal service funds are reported as governmental activities but reported as proprietary funds in the fund financial statements.
- Bond discounts and premiums in connection with the issuance of long-term obligations are reported as other financing sources/uses in governmental fund statements but are capitalized and amortized in the government-wide statements.
- Unless due and payable, long-term liabilities, such as capital lease obligations, compensated absences, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending in excess of capitalization thresholds are recorded as capital assets on the government-wide statements but are reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund statements.

CITY OF LANSING MANAGEMENT'S DISCUSSION AND ANALYSIS

- Certain other outflows, such as debt service principal payments, represent decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Pension and other postemployment benefits liabilities and related deferrals relating to governmental funds are only reported in the government-wide statements.

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

Fund Financial Statements. The City's major funds are identified as the General Fund, State and Federal Grants Fund, Public Safety Capital Projects Fund, Sewage Disposal System Fund, and Municipal Parking System Fund. Data for all other funds, termed "nonmajor funds", are combined into a single, aggregated presentation. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose.

- *Governmental Funds.* Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds include the General Fund and special revenue, capital projects, debt service, and permanent funds.
- *Proprietary Funds.* When the City charges customers for the services it provides, whether to outside customers or to other agencies within the City, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. Examples are the Sewage Disposal Fund and the Municipal Parking Fund. Internal service funds are reported as governmental activities on the government-wide statements.
- *Fiduciary Funds.* The City acts as a trustee or fiduciary, for its employee pension and other post-employment benefit plans and for the 54-A District Court. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension and other postemployment benefit funds, 54-A District Court, and Current Tax Collections Fund are reported using full accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent spendable assets of the City to finance its operations.

Required Supplementary Information

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes required pension and other postemployment benefit supplementary information.

**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Other Supplementary Information

Other supplementary information includes combining and individual fund financial statements for nonmajor governmental, proprietary, and fiduciary funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements.

Government-wide Financial Analysis

The City's combined net position increased \$62,155,424 over the course of this fiscal year's operations and came to a total of \$113,662,971. Net position of governmental activities increased \$46,308,253, and business-type activities increased \$15,847,171. Explanations for those changes are described below under the governmental activities and business-type activities sections of this Management Discussion and Analysis.

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current and other assets	\$ 386,021,657	\$ 355,340,312	\$ 100,108,710	\$ 102,933,454	\$ 486,130,367	\$ 458,273,766
Capital assets, net	<u>254,074,672</u>	<u>298,783,823</u>	<u>348,518,214</u>	<u>354,947,299</u>	<u>602,592,886</u>	<u>653,731,122</u>
Total assets	<u>640,096,329</u>	<u>654,124,135</u>	<u>448,626,924</u>	<u>457,880,753</u>	<u>1,088,723,253</u>	<u>1,112,004,888</u>
Deferred outflows of resources	<u>25,983,198</u>	<u>26,445,333</u>	<u>4,406,790</u>	<u>3,110,093</u>	<u>30,389,988</u>	<u>29,555,426</u>
Current liabilities	64,078,358	61,169,200	20,003,378	15,851,490	84,081,736	77,020,690
Noncurrent liabilities	<u>826,020,529</u>	<u>784,884,516</u>	<u>143,634,727</u>	<u>138,971,280</u>	<u>969,655,256</u>	<u>923,855,796</u>
Total liabilities	<u>890,098,887</u>	<u>846,053,716</u>	<u>163,638,105</u>	<u>154,822,770</u>	<u>1,053,736,992</u>	<u>1,000,876,486</u>
Deferred inflows of resources	<u>12,503,658</u>	<u>24,730,517</u>	<u>1,365,044</u>	<u>2,290,340</u>	<u>13,868,702</u>	<u>27,020,857</u>
Net position						
Investment in capital assets	176,420,751	205,735,308	235,698,400	240,137,502	412,119,151	445,872,810
Restricted	58,248,755	93,840,171	2,555,433	2,614,049	60,804,188	96,454,220
Unrestricted	<u>(471,192,524)</u>	<u>(489,790,244)</u>	<u>49,776,732</u>	<u>61,126,185</u>	<u>(421,415,792)</u>	<u>(428,664,059)</u>
Total net position	<u>\$ (236,523,018)</u>	<u>\$ (190,214,765)</u>	<u>\$ 288,030,565</u>	<u>\$ 303,877,736</u>	<u>\$ 51,507,547</u>	<u>\$ 113,662,971</u>

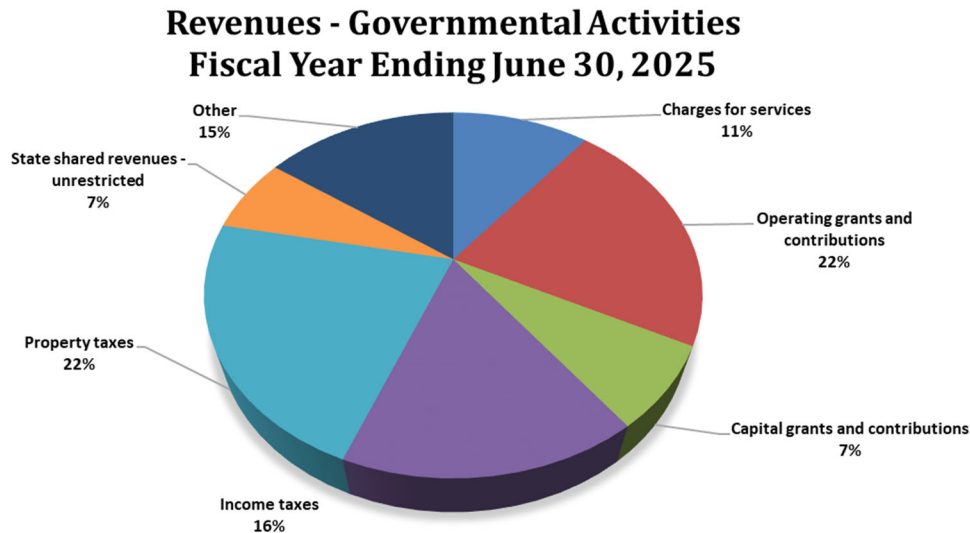
The largest component of the City's net position reflects its net investment in capital assets (e.g., land, buildings, equipment, infrastructure, and others). Restricted net position is the next largest component, which represents amounts subject to external restrictions such as bond covenants, State legislation, or Constitutional provision. The remaining portion, unrestricted net position are resources that may be used at the City's discretion, but often have limitations based on policy action. The large increase in unrestricted net position of governmental activities was primarily due to the recognition of additional grants and contributions recognized in the current year along with ARPA funds and lost revenue.

**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City's net position changed during the fiscal year:

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenue						
Program revenue						
Charges for services	\$ 24,116,838	\$ 29,897,855	\$ 54,847,143	\$ 58,214,357	\$ 78,963,981	\$ 88,112,212
Operating grants and contributions	59,174,797	60,541,900	-	-	59,174,797	60,541,900
Capital grants and contributions	7,674,594	20,324,049	-	-	7,674,594	20,324,049
General revenue						
Taxes	107,768,728	107,222,109	-	-	107,768,728	107,222,109
State shared revenues - unrestricted	18,441,141	18,680,615	-	-	18,441,141	18,680,615
Other	41,658,523	42,079,987	5,009,248	3,882,157	46,667,771	45,962,144
Total revenue	258,834,621	278,746,515	59,856,391	62,096,514	318,691,012	340,843,029
Expenses						
General government	21,814,859	40,902,819	-	-	21,814,859	40,902,819
Judicial	7,054,673	7,770,640	-	-	7,054,673	7,770,640
Health and welfare	1,938,213	2,439,927	-	-	1,938,213	2,439,927
Public safety	57,755,851	98,437,224	-	-	57,755,851	98,437,224
Public works	34,560,876	36,107,434	-	-	34,560,876	36,107,434
Recreation and culture	10,664,726	9,921,532	-	-	10,664,726	9,921,532
Community and economic development	15,909,940	26,405,304	-	-	15,909,940	26,405,304
Interest on long-term debt	9,387,497	9,429,656	-	-	9,387,497	9,429,656
Sewage disposal system	-	-	27,098,938	31,760,216	27,098,938	31,760,216
Municipal parking system	-	-	8,016,197	7,528,763	8,016,197	7,528,763
Cemetery	-	-	265,303	1,373,345	265,303	1,373,345
Golf	-	-	165,498	141,903	165,498	141,903
Garbage and rubbish collection	-	-	4,170,087	3,320,575	4,170,087	3,320,575
Recycling	-	-	2,636,909	3,148,267	2,636,909	3,148,267
Total expenses	159,086,635	231,414,536	42,352,932	47,273,069	201,439,567	278,687,605
Change in net position before transfers	99,747,986	47,331,979	17,503,459	14,823,445	117,251,445	62,155,424
Transfers (out) in	(223,750)	(1,023,726)	223,750	1,023,726	-	-
Change in net position	99,524,236	46,308,253	17,727,209	15,847,171	117,251,445	62,155,424
Net position - beginning of year	(336,047,254)	(236,523,018)	270,303,356	288,030,565	(65,743,898)	51,507,547
Net position - end of year	\$ (236,523,018)	\$ (190,214,765)	\$ 288,030,565	\$ 303,877,736	\$ 51,507,547	\$ 113,662,971

Governmental Activities. The following chart depicts revenues of the governmental activities for the fiscal year:



**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In total, governmental activity revenues increased \$19,911,894 from FY 2024 to FY 2025, with trends of the major revenue categories as follows:

General revenue taxes comprised the largest portion of governmental revenues of \$107,222,109, or 38.5% of governmental activity revenue for fiscal year 2025, a 0.5% decrease of \$546,619 from fiscal year 2024.

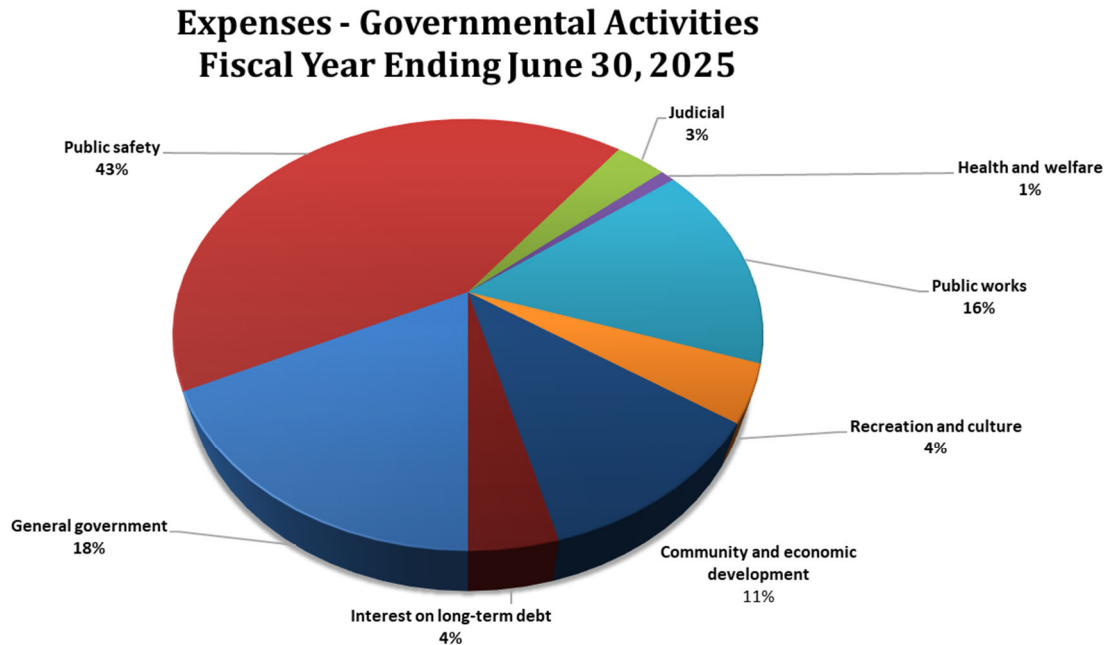
Property taxes revenue was 24.2% of governmental revenues, or \$61,843,047, which is a decrease from the prior year due to prior year adjustments in the prior year along with chargebacks in the current year.

Income taxes comprised 16.3%, or \$45,379,062, of governmental activity revenue, the full amount of which is revenue to the General Fund. This represents a \$3,351,275, or 7.9%, increase from fiscal year 2024. Local income tax rates are prescribed by State law and limited in Lansing's case to 1% of resident income and 0.5% of the income of persons working in the City but living outside of its corporate boundaries. Local income tax rates are also limited to 0.5% for Lansing residents working subject to East Lansing's income tax.

Unrestricted grants and contributions (including state shared sales tax revenue) comprised 17.8%, or \$49,625,403, of revenues, a \$1,899,445, or 3.9% increase from fiscal year 2024. Approximately 37.6% of this category, \$18,680,615, is attributed to State revenue sharing, an amount distributed to municipalities by the State of Michigan by formula allocation of portions of the State sales tax.

Charges for services are program-specific revenues generated for services provided. Governmental activity charges for services increased \$5,781,017 from FY 2024 to FY 2025.

Governmental Activities. The following chart depicts expenses of the governmental activities for the fiscal year:



**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total expenses for governmental activities increased \$72,327,901, 45.5%, from FY 2024 to FY 2025, with trends of the major expense categories as follows:

The largest component of governmental activities was public safety, accounting for 42.5%, or \$98,437,224, a 70% (\$40,681,373) increase from FY 2024, largely resulting from a decrease in postemployment and pension liabilities and the resulting impact to long-term liabilities.

General government comprises the second largest component of governmental activity expenses, at 17.7%, or \$40,902,819, a 88% (\$19,087,960) increase from FY 2024, largely resulting from a decrease in postemployment and pension liabilities and the resulting impact to long-term liabilities.

Public works comprises the next largest component of governmental activity expenses, at 15.6%, or \$36,107,434, a 4.5% (\$1,546,558) increase from FY 2024, due to increased repair and maintenance related needs as well as increases due to inflation.

Business-type Activities. Net position of the business-type activities increased by \$15,847,171 from FY 2024 to \$303,877,736. This increase was largely attributable to pension/OPEB adjustments.

Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported combined ending fund balances of \$271,458,723, a \$24,204,188 decrease from fiscal year 2024. Of the \$271,458,723 fiscal year 2025 combined ending fund balance, \$5,277,897 is unavailable to spend (i.e., amounts tied up in inventories, prepaids, and endowments), \$237,899,460 is legally restricted, and \$7,258,015 is committed for designated projects, assigned for subsequent year's expenditures of \$67,000, leaving \$20,956,351 unassigned.

The unassigned fund balance for the General Fund was \$20,956,351, a decrease of \$10,409,920 from FY 2024, which is further described in the General Fund Budgetary Highlights section. Decrease is due to additional pension & OPEB contributions made in the current year.

Public safety capital projects total fund balance decreased \$28,580,162 from \$172,703,932 to \$144,123,770. The decrease in the current year is due to proceeds from bonds received in previous years being expended.

Sewage Disposal System Fund

Net position increased \$13,700,771 to \$301,456,622 in FY 2025. Unrestricted net position increased \$8,369,559, from \$44,107,507 to \$52,477,066.

Municipal Parking System Fund

Net position decreased \$64,978 to \$3,494,244. Unrestricted net position increased \$1,264,078, from \$10,872,589 to \$12,136,667. The system saw a decrease in interest income net with a decrease in expenses related to depreciation/amortization.

**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

The FY 2025 General Fund budget was adopted as a balanced budget with an addition to fund balance. During the course of the fiscal year, the General Fund revenues and other financing sources budget was amended from \$169,586,000 to \$166,086,000.

General Fund reserves combined with the Budget Stabilization Fund (combined for financial statement purposes) decreased \$10,661,567 from FY 2024 to \$29,990,279. Unassigned fund balance decreased \$10,406,920, or 33.2% from fiscal year 2024. The City benefited from more state and federal grants recognized in the prior year compared to the current year.

The City's local economy is comprised of a diversified mix of businesses and industries including government, health care, manufacturing, insurance, banking, and education.

Capital Assets. At the end of the fiscal year 2025, the City had invested \$653,731,122, net of accumulated depreciation/amortization, in a broad range of capital assets (see the table below). Additional information regarding the City's capital assets can be found in Footnote 6 of the Notes to the Financial Statements section of the ACFR.

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Land	\$ 27,743,613	\$ 27,743,613	\$ 12,369,507	\$ 12,369,507	\$ 40,113,120	\$ 40,113,120
Land improvements	12,720,922	11,575,866	15,536,701	14,987,646	28,257,623	26,563,512
Buildings and improvements	27,499,574	26,368,638	47,357,071	43,497,265	74,856,645	69,865,903
Equipment	15,397,852	19,264,579	12,579,644	13,360,149	27,977,496	32,624,728
Flowage rights	29,263,744	27,081,162	-	-	29,263,744	27,081,162
Right to use - building	-	331,916	-	-	-	331,916
Right to use - SBITA	3,385,281	3,385,281	-	-	3,385,281	3,385,281
Infrastructure	108,196,972	123,916,302	247,979,397	248,698,794	356,176,369	372,615,096
Construction in progress	29,866,714	59,116,466	12,695,894	22,033,938	42,562,608	81,150,404
Total	\$ 254,074,672	\$ 298,783,823	\$ 348,518,214	\$ 354,947,299	\$ 602,592,886	\$ 653,731,122

Debt Administration. The City, along with the Lansing Building Authority (LBA), a blended component unit of the City, is empowered by law to authorize, issue, and sell debt obligations. Limited tax and unlimited tax general obligation bonds are backed by the full faith and credit of the City. The City also issues revenue-dedicated bonded debt, whose payment for principal and interest comes solely out of funds that receive legally restricted revenues. The Sewage Disposal fund has the City's only dedicated revenue bonds currently outstanding. LBA's bonds financed the construction of parking structures, golf courses, and other related improvements. Revenues derived from user fees from persons using parking and golf facilities fund the debt service requirements for related improvements, but they are also backed by a limited tax pledge.

**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	2024	2025
Governmental activities		
General obligation bonds	\$ 230,753,750	\$ 227,149,000
Deferred amounts		
For issuance premiums	11,479,613	10,861,547
Installment purchase contracts	19,612,000	18,147,000
Loans	5,279,173	4,666,513
Leases	-	336,782
SBITA	3,448,537	2,352,983
Compensated absences	11,075,958	13,414,111
Workers compensation	3,153,293	3,000,931
Total governmental activities	284,802,324	279,928,867
Business-type activities		
General obligation bonds	108,093,995	111,524,480
Deferred amounts		
For issuance discounts	(19,566)	(17,609)
For issuance premiums	1,802,067	1,631,550
Revenue bonds	6,300,000	4,725,000
Compensated absences	912,716	901,149
Total business-type activities	117,089,212	118,764,570
Total outstanding obligations	\$ 401,891,536	\$ 398,693,437

More detailed information regarding these activities and funds can be found in Note 9 of the Notes to the Financial Statements section of the ACFR.

Economic Condition and Outlook

The City has empowered ARPA funds to maintain government services, increase community support-without sacrificing financial health. Many of the employers in the City continue to have staff work remotely or remote hybrid, resulting in reduced business activity downtown impacting income tax and parking revenues.

Strengthening the City's economic base, maintaining General Fund reserves, and addressing long-term pension and retiree healthcare obligations are top priorities. The City continues to work diligently with its employees and unions to address the ongoing structural imbalance between projected revenues and long-term pension and retiree health care costs. The City's financial picture will continuously be evaluated to address any budget constraints for future fiscal years.

The City continues to experience significant economic development and national recognition of its economic development efforts and accomplishments. For more information, please see the "Local Economy" section of the Transmittal Letter.

**CITY OF LANSING
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Copies of this financial report, as well as other financial reports, are available on the City's website, www.lansingmi.gov. If you have any questions about this report or need additional financial information, please feel free to contact the Finance Department - 8th Floor, 124 W. Michigan Avenue, Lansing, Michigan.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF LANSING
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,808,925	\$ 5,099,590	\$ 6,908,515	\$ 30,103,470
Equity in pooled cash and investments	53,284,827	34,345,296	87,630,123	944,392
Cash and cash equivalents, restricted	199,322,546	2,614,049	201,936,595	3,509,573
Investments	2,026,085	-	2,026,085	-
Current portion of receivables, net	41,252,940	10,253,372	51,506,312	1,932,140
Due from other governmental units	35,656,926	33,269,071	68,925,997	-
Internal balances	(3,543,795)	3,543,795	-	-
Inventories	2,464,019	1,603,361	4,067,380	73,217
Prepays	2,959,386	-	2,959,386	2,920
Total current assets	335,231,859	90,728,534	425,960,393	36,565,712
Noncurrent assets				
Noncurrent portion of receivables, net	20,108,453	12,204,920	32,313,373	18,511
Capital assets not being depreciated/amortized	86,860,079	34,403,445	121,263,524	-
Capital assets, net of accumulated depreciation/amortization	211,923,744	320,543,854	532,467,598	6,701,925
Total noncurrent assets	318,892,276	367,152,219	686,044,495	6,720,436
TOTAL ASSETS	654,124,135	457,880,753	1,112,004,888	43,286,148
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	171,275	3,053,624	3,224,899	-
Deferred outflows of resources related to pensions	19,533,175	56,469	19,589,644	-
Deferred outflows of resources related to OPEB	6,740,883	-	6,740,883	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,445,333	3,110,093	29,555,426	-
LIABILITIES				
Current liabilities				
Accounts payable	22,261,410	3,791,329	26,052,739	10,387,352
Accrued payroll	2,541,049	172,012	2,713,061	-
Deposits payable	-	95,713	95,713	-
Due to other governmental units	1,885,330	-	1,885,330	22,689
Claims incurred but not reported	1,741,866	-	1,741,866	-
Indemnity bonds	43,867	-	43,867	-
Other accrued liabilities	2,402,638	-	2,402,638	367,453
Accrued interest payable	876,368	655,686	1,532,054	500,598
Unearned revenue	20,924,238	-	20,924,238	543,370
Current portion of compensated absences	1,365,498	15,573	1,381,071	-
Current portion of long-term obligations	7,126,936	11,121,177	18,248,113	3,931,790
Total current liabilities	61,169,200	15,851,490	77,020,690	15,753,252

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

CONTINUED

CITY OF LANSING
STATEMENT OF NET POSITION (concluded)
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES (concluded)				
Noncurrent liabilities				
Noncurrent portion of compensated absences	\$ 12,048,613	\$ 885,576	\$ 12,934,189	\$ -
Noncurrent portion of long-term obligations	259,387,820	106,742,244	366,130,064	71,948,800
Accrued interest payable, net of current portion	-	-	-	32,778
Net pension liability	336,025,755	23,949,175	359,974,930	-
Net other post-employment benefits liability	177,422,328	7,394,285	184,816,613	-
Total noncurrent liabilities	784,884,516	138,971,280	923,855,796	71,981,578
TOTAL LIABILITIES	846,053,716	154,822,770	1,000,876,486	87,734,830
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to leases	379,759	-	379,759	-
Deferred gain on refunding	-	-	-	796,304
Deferred inflows of resources related to pensions	12,391,628	711,666	13,103,294	-
Deferred inflows of resources related to OPEB	11,959,130	1,578,674	13,537,804	-
TOTAL DEFERRED INFLOWS OF RESOURCES	24,730,517	2,290,340	27,020,857	796,304
NET POSITION (DEFICIT)				
Net investment in capital assets	205,735,308	240,137,502	445,872,810	6,475,485
Restricted				
Public safety	1,551,557	-	1,551,557	-
Public works	50,869,408	-	50,869,408	-
Community development	-	-	-	-
Building department	3,948,841	-	3,948,841	-
Debt service	11,928,215	2,614,049	14,542,264	-
Redevelopment projects	-	-	-	2,135,541
Capital projects	15,515,526	-	15,515,526	80,000
Stabilization arrangements	7,792,610	-	7,792,610	-
Endowments (nonexpendable)	2,234,014	-	2,234,014	-
Unrestricted	(489,790,244)	61,126,185	(428,664,059)	(53,936,012)
TOTAL NET POSITION (DEFICIT)	\$ (190,214,765)	\$ 303,877,736	\$ 113,662,971	\$ (45,244,986)

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

**CITY OF LANSING
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services		Capital Grants and Contributions	Primary Government		Total	
		Operating Grants and Contributions	Governmental Activities		Business-type Activities			
Primary government								
Governmental activities								
General government	\$ 40,902,819	\$ 25,637,343	\$ 53,713,489	\$ 20,000,000	\$ 58,448,013	\$ -	\$ 58,448,013	\$ -
Judicial	7,770,640	-	-	-	(7,770,640)	-	(7,770,640)	-
Health and welfare	2,439,927	-	-	-	(2,439,927)	-	(2,439,927)	-
Public safety	98,437,224	2,468,492	414,548	-	(95,554,184)	-	(95,554,184)	-
Public works	36,107,434	1,792,020	6,140,620	324,049	(27,850,745)	-	(27,850,745)	-
Recreation and culture	9,921,532	-	98,903	-	(9,822,629)	-	(9,822,629)	-
Community and economic development	26,405,304	-	174,340	-	(26,230,964)	-	(26,230,964)	-
Interest on long-term obligations	9,429,656	-	-	-	(9,429,656)	-	(9,429,656)	-
Total governmental activities	<u>231,414,536</u>	<u>29,897,855</u>	<u>60,541,900</u>	<u>20,324,049</u>	<u>(120,650,732)</u>	<u>-</u>	<u>(120,650,732)</u>	<u>-</u>
Business-type activities								
Sewage disposal system	31,760,216	43,171,746	-	-	-	11,411,530	11,411,530	-
Municipal parking system	7,528,763	5,737,880	-	-	-	(1,790,883)	(1,790,883)	-
Cemetery	1,373,345	512,978	-	-	-	(860,367)	(860,367)	-
Golf	141,903	-	-	-	-	(141,903)	(141,903)	-
Garbage and rubbish collection	3,320,575	3,894,988	-	-	-	574,413	574,413	-
Recycling	3,148,267	4,896,765	-	-	-	1,748,498	1,748,498	-
Total business-type activities	<u>47,273,069</u>	<u>58,214,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,941,288</u>	<u>10,941,288</u>	<u>-</u>
Total primary government	<u>\$ 278,687,605</u>	<u>\$ 88,112,212</u>	<u>\$ 60,541,900</u>	<u>\$ 20,324,049</u>	<u>(120,650,732)</u>	<u>10,941,288</u>	<u>(109,709,444)</u>	<u>-</u>
Component units								
Brownfield Redevelopment Authority	\$ 15,065,229	\$ 15,000	\$ 29,646	\$ -	-	-	-	(15,020,583)
Tax Increment Finance Authority	1,231,462	-	-	-	-	-	-	(1,231,462)
Michigan Avenue Corridor Improvement Authority	8,102	-	-	-	-	-	-	(8,102)
South MLK Jr. Blvd. Corridor Improvement Authority	10,000	-	-	-	-	-	-	(10,000)
Public Media Authority	25,099	-	66	-	-	-	-	(25,033)
Lansing Entertainment & Public Facilities Authority	9,115,793	7,557,418	1,452,000	3,509,068	-	-	-	3,402,693
Total component units	<u>\$ 25,455,685</u>	<u>\$ 7,572,418</u>	<u>\$ 1,481,712</u>	<u>\$ 3,509,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,892,487)</u>
General revenues								
Property taxes					61,843,047	-	61,843,047	20,680,610
Income taxes					45,379,062	-	45,379,062	-
Unrestricted state shared revenues					18,680,615	-	18,680,615	-
Grants and contributions not restricted to specific programs					30,944,788	-	30,944,788	-
Investment earnings					9,885,180	3,853,815	13,738,995	273,394
Miscellaneous					1,250,019	28,342	1,278,361	952,097
Transfers					(1,023,726)	1,023,726	-	-
Total general revenues and transfers					<u>166,958,985</u>	<u>4,905,883</u>	<u>171,864,868</u>	<u>21,906,101</u>
Change in net position					<u>46,308,253</u>	<u>15,847,171</u>	<u>62,155,424</u>	<u>9,013,614</u>
Net position (deficit), beginning of year, as previously reported					(236,523,018)	288,030,565	51,507,547	(54,497,630)
Adjustment to beginning net position (deficit)					-	-	-	239,030
Net position (deficit), beginning of year, as restated					<u>(236,523,018)</u>	<u>288,030,565</u>	<u>51,507,547</u>	<u>(54,258,600)</u>
Net position (deficit), end of year					<u>\$ (190,214,765)</u>	<u>\$ 303,877,736</u>	<u>\$ 113,662,971</u>	<u>\$ (45,244,986)</u>

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

FUND FINANCIAL STATEMENTS

CITY OF LANSING
GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Fund

General Fund - This is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

State and Federal Grants Fund - This Special Revenue fund accounts for all revenues received from intergovernmental grants and various contributions. These revenues are used for projects as detailed in individual grant applications.

Public Safety Capital Projects Fund - This fund accounts for capital project and debt service activity for the Public Safety.

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, within the Combining and Individual Fund Financial Statements and Schedules section of this report as noted in the table of contents.

**CITY OF LANSING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	State and Federal Grants - Special Revenue	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 637,173	\$ -	\$ -	\$ 1,171,752	\$ 1,808,925
Cash and cash equivalents - restricted	3,203,904	-	149,752,156	46,366,486	199,322,546
Equity in pooled cash and investments	-	-	-	45,890,067	45,890,067
Investments	-	-	-	2,026,085	2,026,085
Receivables					
Accounts, net	37,445,650	-	-	5,753,709	43,199,359
Taxes receivable, net	1,982,866	-	-	-	1,982,866
Special assessments	-	-	-	9,792,994	9,792,994
Loans	-	26,238	-	1,185,000	1,211,238
Leases	385,193	-	-	-	385,193
Accrued interest	-	-	-	2,527,946	2,527,946
Due from other funds	2,459,727	-	-	-	2,459,727
Due from other governmental units	6,279,298	23,017,183	-	6,360,445	35,656,926
Inventories	-	-	-	1,858,900	1,858,900
Prepays	1,174,318	-	10,665	-	1,184,983
TOTAL ASSETS	\$ 53,568,129	\$ 23,043,421	\$ 149,762,821	\$ 122,933,384	\$ 349,307,755
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 9,881,785	\$ 631,826	\$ 5,639,051	\$ 4,051,433	\$ 20,204,095
Accrued payroll	2,253,188	20,495	-	71,494	2,345,177
Due to other governmental units	1,635,330	-	-	250,000	1,885,330
Indemnity bonds	-	-	-	43,867	43,867
Other liabilities	2,362,720	-	-	39,918	2,402,638
Due to other funds	-	2,034,865	-	424,862	2,459,727
Unearned revenue	170,143	20,319,549	-	434,546	20,924,238
TOTAL LIABILITIES	16,303,166	23,006,735	5,639,051	5,316,120	50,265,072
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - fees	6,890,434	-	-	-	6,890,434
Unavailable revenue - leases	379,759	-	-	-	379,759
Unavailable revenue - contracts	4,491	-	-	-	4,491
Unavailable revenue - loans and accrued interest receivable	-	36,686	-	10,479,596	10,516,282
Unavailable revenue - special assessments	-	-	-	9,792,994	9,792,994
TOTAL DEFERRED INFLOWS OF RESOURCES	7,274,684	36,686	-	20,272,590	27,583,960
FUND BALANCES					
Nonspendable	1,174,318	-	10,665	4,092,914	5,277,897
Restricted	7,792,610	-	144,113,105	85,993,745	237,899,460
Committed	-	-	-	7,258,015	7,258,015
Assigned	67,000	-	-	-	67,000
Unassigned	20,956,351	-	-	-	20,956,351
TOTAL FUND BALANCES	29,990,279	-	144,123,770	97,344,674	271,458,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 53,568,129	\$ 23,043,421	\$ 149,762,821	\$ 122,933,384	\$ 349,307,755

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

**CITY OF LANSING
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Fund balances - total governmental funds \$ 271,458,723

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 729,846,068
Accumulated depreciation/amortization is	(431,062,245)
Capital assets accounted for in the internal service funds, net	<u>(15,694,428)</u>

Capital assets, net 283,089,395

Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.

Deferred ambulance fees receivable	3,716,981
Deferred nuisance fees receivable	2,145,706
Deferred loans receivable	5,853,970
Deferred long-term interest receivable	2,527,946
Deferred long-term special assessments receivable	9,792,994
Deferred contract receivable	1,032,238
Deferred opioid settlement	2,134,366
Deferred outflows of resources related to pensions	19,533,175
Deferred outflows of resources related to OPEB	6,740,883
Deferred inflows of resources related to pensions	(12,391,628)
Deferred inflows of resources related to OPEB	<u>(11,959,130)</u>

29,127,501

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.

Net position of governmental activities accounted for in governmental activities internal service funds	16,026,631
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Bonds and loans payable	(260,389,329)
Deferred charges on refunding	171,275
Compensated absences	(12,376,280)
Workers compensation	(3,000,931)
Accrued interest payable	(873,667)
Net pension liability	(336,025,755)
Net other post-employment benefits liability	<u>(177,422,328)</u>

(789,917,015)

Net position of governmental activities	<u>\$ (190,214,765)</u>
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The accompanying notes are an integral part of the financial statements.

CITY OF LANSING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	State and Federal Grants - Special Revenue	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes and special assessments	\$ 54,828,119	\$ -	\$ -	\$ 12,545,668	\$ 67,373,787
Income taxes	45,547,274	-	-	-	45,547,274
Licenses and permits	1,534,016	-	-	-	1,534,016
Intergovernmental	25,380,715	26,843,269	-	50,179,679	102,403,663
Charges for services	10,935,424	-	-	5,997,155	16,932,579
Fines and forfeits	1,461,644	-	-	76,483	1,538,127
Interest and rents	1,446,495	1,219,309	5,038,954	3,236,564	10,941,322
Other	28,666,766	9,761	-	569,166	29,245,693
TOTAL REVENUES	169,800,453	28,072,339	5,038,954	72,604,715	275,516,461
EXPENDITURES					
Current					
General government	37,969,512	882,274	-	2,648,869	41,500,655
Public safety	97,978,639	1,694,801	-	5,765,704	105,439,144
Public works	14,383,612	5,634,406	-	-	20,018,018
Judicial	9,585,357	-	-	-	9,585,357
Health and welfare	2,373,153	372,264	-	-	2,745,417
Highways and streets	-	-	-	11,063,994	11,063,994
Recreation and culture	9,997,814	38,146	-	-	10,035,960
Community and economic development	10,513,027	15,375,607	-	3,176,712	29,065,346
Debt service					
Principal	1,465,000	-	-	4,133,115	5,598,115
Interest and fiscal charges	389,980	-	-	10,096,843	10,486,823
Capital outlay	-	-	33,619,116	20,212,502	53,831,618
TOTAL EXPENDITURES	184,656,094	23,997,498	33,619,116	57,097,739	299,370,447
EXCESS OF REVENUES OVER EXPENDITURES	(14,855,641)	4,074,841	(28,580,162)	15,506,976	(23,853,986)
OTHER FINANCING SOURCES (USES)					
Lease related	-	-	-	385,798	385,798
Transfers in	5,298,206	186,132	-	5,586,525	11,070,863
Transfers out	(1,104,132)	(4,260,973)	-	(6,441,758)	(11,806,863)
TOTAL OTHER FINANCING SOURCES (USES)	4,194,074	(4,074,841)	-	(469,435)	(350,202)
NET CHANGE IN FUND BALANCES	(10,661,567)	-	(28,580,162)	15,037,541	(24,204,188)
Fund balances, beginning of year	40,651,846	-	172,703,932	82,307,133	295,662,911
Fund balances, end of year	\$ 29,990,279	\$ -	\$ 144,123,770	\$ 97,344,674	\$ 271,458,723

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

CITY OF LANSING
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds \$ (24,204,188)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 56,850,194	
Depreciation/amortization expense	<u>(12,569,937)</u>	
Excess of capital outlay over depreciation/amortization expense		44,280,257

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred ambulance fees receivable	1,859,076	
Change in deferred nuisance fees receivable	798,416	
Change in deferred loans receivable	(1,039)	
Change in deferred opioid settlement	(135,873)	
Change in deferred contract receivable	(98,903)	
Change in deferred long-term interest receivable	59,249	
Change in deferred special assessments receivable	<u>549,045</u>	
		3,029,971

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.

Change in net position of governmental activities internal service funds (5,257,811)

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Amortization of premium on bond issuance	618,066	
Deferred charges on refunding	(19,202)	
Proceeds from leases	(385,798)	
Debt principal retirement	<u>5,598,115</u>	
		5,811,181

Certain expenditures are reported in governmental funds that reduce long-term liabilities for purpose of the statement of net position.

Change in estimated workers compensation 152,362

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in net pension liability	15,037,259	
Decrease in net OPEB liability	21,076,393	
(Decrease) in deferred outflows of resources related to pensions	(5,230,874)	
Increase in deferred outflows of resources related to OPEB	5,712,211	
(Increase) in deferred inflows of resources related to pensions	(11,824,858)	
(Increase) in deferred inflows of resources related to OPEB	(426,585)	
Decrease in accrued interest payable	446,303	
(Increase) in compensated absences	<u>(2,293,368)</u>	
		<u>22,496,481</u>

Change in net position of governmental activities \$ 46,308,253

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

**CITY OF LANSING
PROPRIETARY FUND FINANCIAL STATEMENTS**

Major Funds

Sewage Disposal System Fund - This fund accounts for the activities of sewage disposal services to the residents of the City.

Municipal Parking System Fund - This fund accounts for the operation of City-owned parking facilities.

Nonmajor Enterprise Funds and Internal Service Funds

Nonmajor enterprise funds and internal service funds are presented, by fund type, within the Combining and Individual Fund Financial Statements and Schedules section of this report as noted in the table of contents.

CITY OF LANSING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ -	\$ 5,099,390	\$ 200	\$ 5,099,590	\$ -
Cash and cash equivalents - restricted	2,614,049	-	-	2,614,049	-
Equity in pooled cash and investments	24,860,196	2,614,229	6,870,871	34,345,296	7,394,760
Receivables, net					
Customers	7,323,778	393,412	479,187	8,196,377	2,261,797
Interest	28,686	134,666	-	163,352	-
Contracts	651,133	1,242,510	-	1,893,643	-
Due from other funds	3,543,795	-	-	3,543,795	-
Due from other governmental units	33,269,071	-	-	33,269,071	-
Inventories	1,549,989	-	53,372	1,603,361	605,119
Prepays	-	-	-	-	1,774,403
Total current assets	<u>73,840,697</u>	<u>9,484,207</u>	<u>7,403,630</u>	<u>90,728,534</u>	<u>12,036,079</u>
Noncurrent assets					
Contract receivable, net of current portion	2,066,498	10,138,422	-	12,204,920	-
Capital assets not being depreciated/amortized	22,545,687	11,545,371	403,387	34,403,445	92,892
Capital assets, net of accumulated depreciation/amortization	315,366,369	3,166,454	2,011,031	320,543,854	15,601,536
Total noncurrent assets	<u>339,887,554</u>	<u>24,850,247</u>	<u>2,414,418</u>	<u>367,152,219</u>	<u>15,694,428</u>
TOTAL ASSETS	<u>413,728,251</u>	<u>34,334,454</u>	<u>9,818,048</u>	<u>457,880,753</u>	<u>27,730,507</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on refunding	467,872	2,585,752	-	3,053,624	-
Deferred outflows of resources related to pensions	30,063	9,670	16,736	56,469	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>497,935</u>	<u>2,595,422</u>	<u>16,736</u>	<u>3,110,093</u>	<u>-</u>
LIABILITIES					
Current liabilities					
Accounts payable	2,994,327	68,197	728,805	3,791,329	2,057,315
Accrued payroll	119,532	47,267	5,213	172,012	195,872
Deposit payable	-	95,713	-	95,713	-
Claims incurred but not reported	-	-	-	-	1,741,866
Accrued interest payable	431,027	224,659	-	655,686	2,701
Due to other funds	-	-	-	-	3,543,795
Current portion of compensated absences	5,754	999	8,820	15,573	4,677
Current portion of long-term obligations	10,546,177	575,000	-	11,121,177	923,260
Total current liabilities	<u>14,096,817</u>	<u>1,011,835</u>	<u>742,838</u>	<u>15,851,490</u>	<u>8,469,486</u>
Noncurrent liabilities					
Compensated absences, net of current portion	536,747	152,424	196,405	885,576	1,033,154
Bonds and notes payable, net of current portion	80,230,130	26,512,114	-	106,742,244	2,201,236
Net pension liability	12,749,996	4,100,919	7,098,260	23,949,175	-
Net other post-employment benefits liability	3,936,549	1,266,155	2,191,581	7,394,285	-
Total noncurrent liabilities	<u>97,453,422</u>	<u>32,031,612</u>	<u>9,486,246</u>	<u>138,971,280</u>	<u>3,234,390</u>
TOTAL LIABILITIES	<u>111,550,239</u>	<u>33,043,447</u>	<u>10,229,084</u>	<u>154,822,770</u>	<u>11,703,876</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	378,875	121,862	210,929	711,666	-
Deferred inflows of resources related to OPEB	840,450	270,323	467,901	1,578,674	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,219,325</u>	<u>392,185</u>	<u>678,830</u>	<u>2,290,340</u>	<u>-</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	246,365,507	(8,642,423)	2,414,418	240,137,502	12,569,932
Restricted for bond reserves	2,614,049	-	-	2,614,049	-
Unrestricted	52,477,066	12,136,667	(3,487,548)	61,126,185	3,456,699
TOTAL NET POSITION (DEFICIT)	<u>\$ 301,456,622</u>	<u>\$ 3,494,244</u>	<u>\$ (1,073,130)</u>	<u>\$ 303,877,736</u>	<u>\$ 16,026,631</u>

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

CITY OF LANSING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Total	Governmental
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds		Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 43,171,746	\$ 5,737,880	\$ 9,304,731	\$ 58,214,357	\$ 120,968,896
Other	-	28,342	-	28,342	282,835
TOTAL OPERATING REVENUES	43,171,746	5,766,222	9,304,731	58,242,699	121,251,731
OPERATING EXPENSES					
Personnel services	5,971,787	1,800,252	3,758,781	11,530,820	14,535,241
Purchase of goods and services	9,259,257	1,653,666	4,140,874	15,053,797	108,444,724
Other services and charges	925,339	-	-	925,339	-
Depreciation/amortization	13,505,389	1,871,417	84,435	15,461,241	3,435,905
TOTAL OPERATING EXPENSES	29,661,772	5,325,335	7,984,090	42,971,197	126,415,870
OPERATING INCOME (LOSS)	13,509,974	440,887	1,320,641	15,271,502	(5,164,139)
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,289,241	1,409,837	154,737	3,853,815	48,196
Gain on sale of capital assets	-	-	-	-	181,242
Interest expense and fees	(2,098,444)	(2,203,428)	-	(4,301,872)	(35,384)
TOTAL NONOPERATING REVENUES (EXPENSES)	190,797	(793,591)	154,737	(448,057)	194,054
NET INCOME (LOSS) BEFORE TRANSFERS	13,700,771	(352,704)	1,475,378	14,823,445	(4,970,085)
TRANSFERS IN	-	287,726	736,000	1,023,726	-
TRANSFERS OUT	-	-	-	-	(287,726)
TOTAL TRANSFERS	-	287,726	736,000	1,023,726	(287,726)
CHANGE IN NET POSITION	13,700,771	(64,978)	2,211,378	15,847,171	(5,257,811)
Net position (deficit), beginning of year	287,755,851	3,559,222	(3,284,508)	288,030,565	21,284,442
Net position (deficit), end of year	\$ 301,456,622	\$ 3,494,244	\$ (1,073,130)	\$ 303,877,736	\$ 16,026,631

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

**CITY OF LANSING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 43,431,646	\$ 5,783,781	\$ 9,272,965	\$ 58,488,392	\$ -
Cash received (paid) from interfund services	-	-	-	-	119,472,896
Cash received (paid) for intergovernmental services	(5,276,976)	(1,679,960)	-	(6,956,936)	-
Cash payments for goods and services	(12,728,152)	(1,659,165)	(4,251,794)	(18,639,111)	(109,275,402)
Cash payments to employees	(8,750,847)	(2,502,376)	(4,667,429)	(15,920,652)	(14,315,988)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>16,675,671</u>	<u>(57,720)</u>	<u>353,742</u>	<u>16,971,693</u>	<u>(4,118,494)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	736,000	736,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(21,310,329)	-	(579,997)	(21,890,326)	(3,867,881)
Proceeds from sale of capital assets	-	-	-	-	184,324
Principal paid on long-term obligations	(10,895,438)	(725,000)	-	(11,620,438)	(1,228,865)
Interest and costs paid on long-term obligations	(1,950,947)	(2,141,640)	-	(4,092,587)	(35,850)
Transfers in/(out)	-	287,726	-	287,726	(287,726)
Proceeds from debt issuance	13,475,923	-	-	13,475,923	-
Payments received on contract receivable	(651,133)	377,301	-	(273,832)	-
NET CASH (PROVIDED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(21,331,924)</u>	<u>(2,201,613)</u>	<u>(579,997)</u>	<u>(24,113,534)</u>	<u>(5,235,998)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	2,289,241	1,407,105	154,737	3,851,083	48,196
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,367,012)	(852,228)	664,482	(2,554,758)	(9,306,296)
Cash and cash equivalents, beginning of year	29,841,257	8,565,847	6,206,589	44,613,693	16,701,056
Cash and cash equivalents, end of year	<u>\$ 27,474,245</u>	<u>\$ 7,713,619</u>	<u>\$ 6,871,071</u>	<u>\$ 42,058,935</u>	<u>\$ 7,394,760</u>
Reconciliation to Statement of Net Position					
Cash and cash equivalents	\$ -	\$ 5,099,390	\$ 200	\$ 5,099,590	\$ -
Cash and cash equivalents - restricted	2,614,049	-	-	2,614,049	-
Equity in pooled cash and investments	24,860,196	2,614,229	6,870,871	34,345,296	7,394,760
Total cash and cash equivalents, end of year	<u>\$ 27,474,245</u>	<u>\$ 7,713,619</u>	<u>\$ 6,871,071</u>	<u>\$ 42,058,935</u>	<u>\$ 7,394,760</u>

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

CONTINUED

CITY OF LANSING
STATEMENT OF CASH FLOWS (concluded)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds				Governmental
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 13,509,974	\$ 440,887	\$ 1,320,641	\$ 15,271,502	\$ (5,164,139)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation/amortization	13,505,389	1,871,417	84,435	15,461,241	3,435,905
(Increase) decrease in:					
Accounts receivable	259,900	17,559	(31,766)	245,693	(1,778,915)
Due from other governmental units	(5,276,976)	-	-	(5,276,976)	-
Inventories	(70,804)	-	(851)	(71,655)	54,846
Prepays	-	-	-	-	(274,403)
Deferred outflows of resources related to pensions	535,838	166,972	280,161	982,971	-
Deferred outflows of resources related to OPEB	5,808	1,813	3,047	10,668	-
Increase (decrease) in:					
Accounts payable	(2,472,752)	(13,811)	(110,069)	(2,596,632)	(611,041)
Due to other funds	-	-	-	-	-
Accrued liabilities	53,446	15,192	3,717	72,355	(66,808)
Due to other governmental units	-	(1,679,960)	-	(1,679,960)	-
Deposits payable	-	8,312	-	8,312	-
Compensated absences	(4,770)	(4,459)	(2,338)	(11,567)	44,785
Claims incurred but not reported	-	-	-	-	241,276
Net pension liability	(1,934,392)	(482,696)	(605,797)	(3,022,885)	-
Net other post-employment benefits liability	(1,911,145)	(559,156)	(876,369)	(3,346,670)	-
Deferred inflows of resources related to pensions	308,984	100,046	174,261	583,291	-
Deferred inflows of resources related to OPEB	167,171	60,164	114,670	342,005	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 16,675,671	\$ (57,720)	\$ 353,742	\$ 16,971,693	\$ (4,118,494)

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

**CITY OF LANSING
FIDUCIARY FUND FINANCIAL STATEMENTS**

Pension and Other Postemployment Benefit Trust Funds

Employee pension and other postemployment benefit trust funds accept payments made by the City, invest fund resources, calculate, and pay pensions to retirees (or beneficiaries), and account for postemployment healthcare coverage.

Custodial Funds

54-A District Court accounts for resources held in a trustee or agent capacity. Current tax collections fund accounts for collections of property taxes and remittances of them to the appropriate authorities.

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

**CITY OF LANSING
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Pension and Other Post- Employment Benefits Trust	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 24,431,885	\$ -
Equity in pooled cash and investments	-	184,739
Investments		
Mutual funds	505,069,167	-
Domestic equities	157,304,111	-
International equities	2,834,688	-
Emerging market equities	33,981,748	-
Money market funds	9,950,122	-
Receivables		
Interest and dividends	195,573	-
	<u>733,767,294</u>	<u>184,739</u>
TOTAL ASSETS		
LIABILITIES		
Accounts payable	578,366	-
Due to other governmental units	33,269,071	-
Due to individuals and agencies	-	184,739
	<u>33,847,437</u>	<u>184,739</u>
TOTAL LIABILITIES		
NET POSITION RESTRICTED FOR:		
Pension benefits	513,394,955	-
Other postemployment benefits	186,524,902	-
	<u>\$ 699,919,857</u>	<u>\$ -</u>
TOTAL NET POSITION		

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

**CITY OF LANSING
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	Other Post- Employment Benefits Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
ADDITIONS TO NET POSITION		
Investment income		
Change in fair value of investments	\$ 71,687,515	\$ -
Interest income	1,189,220	-
Investment expense	<u>(1,373,858)</u>	<u>-</u>
Net investment income	<u>71,502,877</u>	<u>-</u>
Contributions		
Employer	78,808,491	-
Nonemployer	2,361,715	-
Plan members	<u>5,476,894</u>	<u>-</u>
Total contributions	<u>86,647,100</u>	<u>-</u>
Other additions		
Collections from or on behalf of individuals	-	1,076,594
Collections of taxes for other governments	<u>-</u>	<u>161,871,591</u>
Total other additions	<u>-</u>	<u>162,948,185</u>
TOTAL ADDITIONS	<u>158,149,977</u>	<u>162,948,185</u>
DEDUCTIONS FROM NET POSITION		
Payments to or on behalf of individuals	-	1,076,594
Payment of taxes collected for other governments	-	161,871,591
Participant benefits	84,757,860	-
Administrative expenses	<u>3,438,725</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>88,196,585</u>	<u>162,948,185</u>
CHANGE IN NET POSITION	69,953,392	-
Net position, beginning of year	<u>629,966,465</u>	<u>-</u>
Net position, end of year	<u><u>\$ 699,919,857</u></u>	<u><u>\$ -</u></u>

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

COMPONENT UNITS

**CITY OF LANSING
DISCRETELY PRESENTED COMPONENT UNITS**

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City has seven discretely presented component units:

- Brownfield Redevelopment Authority
- Tax Increment Finance Authority
- Saginaw Street Corridor Improvement Authority
- Michigan Avenue Corridor Improvement Authority
- South MLK Jr. Blvd. Corridor Improvement Authority
- Public Media Authority
- Lansing Entertainment and Public Facilities Authority

CITY OF LANSING
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2025

	Brownfield Redevelopment Authority	Tax Increment Finance Authority	Saginaw Street Corridor Improvement Authority	Michigan Avenue Corridor Improvement Authority	South MLK Jr. Blvd. Corridor Improvement Authority	Public Media Authority	Lansing Entertainment and Public Facilities Authority	Total
ASSETS								
Current assets								
Cash and cash equivalents	\$ 9,286,230	\$ 18,752,867	\$ 12,830	\$ 77,610	\$ 1	\$ 140	\$ 1,973,792	\$ 30,103,470
Equity in pooled cash and investments	-	-	313,084	375,094	256,214	-	-	944,392
Cash and cash equivalents - restricted	1,909,530	295,421	-	-	-	-	1,304,622	3,509,573
Receivables, net	45,410	-	-	-	-	-	1,886,730	1,932,140
Inventories	-	-	-	-	-	-	73,217	73,217
Prepays	-	-	-	-	-	-	2,920	2,920
Total current assets	11,241,170	19,048,288	325,914	452,704	256,215	140	5,241,281	36,565,712
Noncurrent assets								
Noncurrent portion of receivable, net	18,511	-	-	-	-	-	-	18,511
Capital assets, net of accumulated depreciation	-	-	-	-	-	-	6,701,925	6,701,925
Total noncurrent assets	18,511	-	-	-	-	-	6,701,925	6,720,436
TOTAL ASSETS	11,259,681	19,048,288	325,914	452,704	256,215	140	11,943,206	43,286,148
LIABILITIES								
Current liabilities								
Accounts payable	9,239,015	344,525	-	-	-	-	803,812	10,387,352
Accrued liabilities	-	-	-	-	-	2,484	364,969	367,453
Current portion of accrued interest payable	400,045	100,553	-	-	-	-	-	500,598
Due to other governmental units	-	-	-	-	-	22,689	-	22,689
Unearned revenue	-	-	-	-	-	-	543,370	543,370
Current portion of long-term obligations	1,028,839	2,857,510	-	-	-	-	45,441	3,931,790
Total current liabilities	10,667,899	3,302,588	-	-	-	25,173	1,757,592	15,753,252
Noncurrent liabilities								
Noncurrent portion of long-term obligations	35,994,379	35,773,422	-	-	-	-	180,999	71,948,800
Accrued interest payable, net of current portion	-	32,778	-	-	-	-	-	32,778
Total noncurrent liabilities	35,994,379	35,806,200	-	-	-	-	180,999	71,981,578
TOTAL LIABILITIES	46,662,278	39,108,788	-	-	-	25,173	1,938,591	87,734,830
DEFERRED INFLOW OF RESOURCES								
Deferred gain on refunding	-	796,304	-	-	-	-	-	796,304
NET POSITION (DEFICIT)								
Net investment in capital assets	-	-	-	-	-	-	6,475,485	6,475,485
Restricted for capital projects	-	-	-	-	-	-	80,000	80,000
Restricted for redevelopment projects	1,973,451	162,090	-	-	-	-	-	2,135,541
Unrestricted	(37,376,048)	(21,018,894)	325,914	452,704	256,215	(25,033)	3,449,130	(53,936,012)
TOTAL NET POSITION (DEFICIT)	\$ (35,402,597)	\$ (20,856,804)	\$ 325,914	\$ 452,704	\$ 256,215	\$ (25,033)	\$ 10,004,615	\$ (45,244,986)

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

**CITY OF LANSING
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2025**

	Brownfield Redevelopment Authority	Tax Increment Finance Authority	Saginaw Street Corridor Improvement Authority	Michigan Avenue Corridor Improvement Authority	South MLK Jr. Blvd. Corridor Improvement Authority	Public Media Authority	Lansing Entertainment and Public Facilities Authority	Total
EXPENSES								
Community development	\$ 15,065,229	\$ 1,231,462	\$ -	\$ 8,102	\$ 10,000	\$ -	\$ -	\$ 16,314,793
Recreation and culture	-	-	-	-	-	25,099	9,115,793	9,140,892
TOTAL EXPENSES	15,065,229	1,231,462	-	8,102	10,000	25,099	9,115,793	25,455,685
PROGRAM REVENUES								
Charges for services	15,000	-	-	-	-	-	7,557,418	7,572,418
Operating grants and contributions	29,646	-	-	-	-	66	1,452,000	1,481,712
Capital grants and contributions	-	-	-	-	-	-	3,509,068	3,509,068
TOTAL PROGRAM REVENUES	44,646	-	-	-	-	66	12,518,486	12,563,198
NET PROGRAM (EXPENSE) REVENUE	(15,020,583)	(1,231,462)	-	(8,102)	(10,000)	(25,033)	3,402,693	(12,892,487)
GENERAL REVENUES								
Property taxes	13,372,054	6,867,884	181,666	114,558	144,448	-	-	20,680,610
Unrestricted investment earnings	269,184	4,210	-	-	-	-	-	273,394
Other	-	-	-	-	-	-	952,097	952,097
TOTAL GENERAL REVENUES	13,641,238	6,872,094	181,666	114,558	144,448	-	952,097	21,906,101
CHANGE IN NET POSITION	(1,379,345)	5,640,632	181,666	106,456	134,448	(25,033)	4,354,790	9,013,614
Net position (deficit), beginning of year, as previously reported	(34,262,282)	(26,497,436)	144,248	346,248	121,767	-	5,649,825	(54,497,630)
Adjustment to beginning net position (deficit)	239,030	-	-	-	-	-	-	239,030
Net position (deficit), beginning of year, as restated	(34,023,252)	(26,497,436)	144,248	346,248	121,767	-	5,649,825	(54,258,600)
Net position (deficit), end of year	<u>\$ (35,402,597)</u>	<u>\$ (20,856,804)</u>	<u>\$ 325,914</u>	<u>\$ 452,704</u>	<u>\$ 256,215</u>	<u>\$ (25,033)</u>	<u>\$ 10,004,615</u>	<u>\$ (45,244,986)</u>

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

NOTES TO FINANCIAL STATEMENTS

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**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lansing (the “City”) was incorporated in 1859. In 1909, the City came under the provisions of Act 279, P.A. 1909, as amended (“Home Rule City Act”). The City operates under a strong Mayor form of government in which the Mayor is responsible for implementation and administration of City policy as established by City Council.

The accounting and reporting policies of the City conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Following is a summary of the significant policies:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The financial data of the component units are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Unit

A blended component unit is a legally separate entity from the City but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and its financial data is combined with data of the appropriate funds. The City has one blended component unit, the Building Authority with a fiscal June 30 year-end. This component unit provides services primarily to benefit the City. The blended unit is described as follows:

The *City of Lansing Building Authority* (the “Authority”) was established by the City under Act 31, Michigan Public Acts of 1948. The Mayor, with the advice and consent of City Council, appoints the Authority’s governing body and designates management. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of capital assets for the City only. The bonds are secured by lease agreements with the City and will be retired through lease payments from the City. The financial activity, assets, liabilities, and equity of the Authority are incorporated within the City’s Municipal Parking System enterprise fund.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City’s financial statements to be misleading or incomplete. The discretely presented component units are as follows:

The *Lansing Brownfield Redevelopment Authority* (“LBRA”) was established by the City on August 17, 1997, under the authority contained in Act 381, Michigan Public Acts of 1996 (the “Act”). The Act authorizes the City to establish and to designate the boundaries of a Brownfield redevelopment zone. The Brownfield Redevelopment Authority is appointed by City Council to preside over such a zone, and it is authorized to promote the revitalization of environmentally distressed areas within the City of Lansing. The Act allows the LBRA to participate in a broad range of improvement activities intended to encourage the reuse of industrial and commercial property by offering economic incentives for redevelopment to prevent property value deterioration. Tax increment financing plans must be approved by the City.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (continued)

Tax increment financing permits the LBRA to capture tax revenues which are attributable to increases in the value of real and personal property located within an approved project area. Current activities of the LBRA include collections of property tax revenues on multiple projects within the project area.

The *Tax Increment Finance Authority* (“TIFA”) was established by the City under the authority contained in Act 450, Michigan Public Acts of 1981 (“Act 450”). Act 450 authorizes the City to designate specific districts within its corporate limits as TIFA districts. The TIFA presides over such districts, formulating plans for public improvements, economic development, neighborhood revitalization, and historic preservation within the districts. Act 450 allows the TIFA to participate in a broad range of improvement activities intended to contribute to economic growth and prevent property value deterioration. The TIFA’s governing body is appointed by the Mayor with the advice and consent of the City Council. Bond issuances, to fund the above activities, are approved by the City Council and the legal liability for the debt remains with the City.

The *Saginaw Street Corridor Improvement Authority* (“SSCIA”) was created in 2009 with the goals to correct and prevent deterioration in the business district, redevelop the city’s commercial corridors, and promote economic growth. The Authority followed several key principles that were used in the creation of the plan and are supported by the city’s master plan to transform the visually unappealing character of the corridor, to encourage pedestrians and to market the quality of the adjacent neighborhoods. In 2019, the development and tax increment financing plans were approved and allow the Authority to begin its first steps in executing the vision set forth by the corridor’s residents, businesses, and other stakeholders. The Authority’s governing body is appointed by the Mayor with the advice and consent of the City Council. The Authority relies on tax increment revenues as available, along with grants and other revenues. If there are bond issuances to fund the above activities, they are approved by the City Council and the legal liability for the debt remains with the City.

The *Michigan Avenue Corridor Improvement Authority* (“MACIA”) was created in 2009 with the goals to correct and prevent deterioration in the business district, redevelop the city’s commercial corridors, and promote economic growth. The Development and Tax Increment Financing plans arrange projects into three categories: public infrastructure, current and prevent deterioration, and promote neighborhood aligned economic growth. In 2019, the development and tax increment finance plans were approved and allow the Authority to begin its first steps in executing the vision set forth by the corridor’s residents, businesses, and other stakeholders. The Authority’s governing body is appointed by the Mayor with the advice and consent of the City Council. The Authority relies on tax increment revenues as available, along with grants and other revenues. If there are bond issuances to fund the above activities, they are approved by the City Council and the legal liability for the debt remains with the City.

The *Lansing Entertainment and Public Facilities Authority* (“LEPFA”) was established under the charter of the City of Lansing, Michigan in February 1996, replacing the former Greater Lansing Convention/Exhibition Authority, which had been responsible for operating and managing the Lansing Center and the Lansing Civic Arena (the latter through the fiscal year ended June 30, 1995). LEPFA was established to oversee the management and operations of the Lansing Center, Center Park Productions, Groesbeck Golf Course, and the Jackson Field.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (concluded)

LEPFA is chartered as a building authority under the provisions of Act 31, Public Acts of Michigan, 1948. In the event of dissolution or termination of LEPFA, all assets and rights of the Authority shall revert to the City. LEPFA's Board of Commissioners consists of thirteen members appointed by the Mayor of the City of Lansing and approved by the City Council.

The *South MLK Jr. Blvd. Corridor Improvement Authority* ("MLKCIA") was created in 2019 with the goals to correct and prevent deterioration in the business district, redevelop the city's commercial corridors, and promote economic growth. The Development and Tax Increment Financing plans arrange projects into four categories used by the National Main Street Model: design, economic restructuring, organization, and promotions/marketing. In 2019, the development and tax increment finance plans were approved and allow the Authority to begin its first steps in executing the vision set forth by the corridor's residents, businesses, and other stakeholders. The Authority's governing body is appointed by the Mayor with the advice and consent of the City Council. The Authority relies on tax increment revenues as available, along with grants and other revenues. If there are bond issuances to fund the above activities, they are approved by the City Council and the legal liability for the debt remains with the City.

The *Public Media Authority* ("PMA") was created in 2022. The Authority was established for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating, and maintaining City property. PMA is chartered as a building authority under the provisions of Act 31, Public Acts of Michigan, 1948. In the event of dissolution or termination of PMA, all assets and rights of the Authority shall revert to the City. PMA's Board of Commissioners consists of seven members appointed by the Mayor of the City of Lansing and approved by the City Council.

Component Unit Financial Statements

Complete financial statements for the following individual component units may be obtained from each entity's administrative offices. Because separately issued financial statements are readily available for these component units, detailed notes applicable to each Component Unit are not duplicated here in accordance with GASB 61.

City of Lansing Building Authority
8th Floor
124 West Michigan Avenue
Lansing, Michigan 48933

Brownfield Redevelopment Authority / Tax Increment Finance Authority
1000 S. Washington Avenue, Suite 201
Lansing, Michigan 48910

Lansing Entertainment and Public Facilities Authority
333 East Michigan Avenue
Lansing, Michigan 48933

For the SSCIA, MACIA, MLKCIA, and PMA, these discretely presented component units financial statements are included in the City's audited financial statements and are not audited separately.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Component Unit

The Pension and Other Postemployment Benefits Trust Funds were established to account for the assets set aside to fund the City's pension and OPEB plans. The primary purpose of the Trusts is to provide the necessary funding for pension payments and retiree healthcare coverage provided to eligible City employees during retirement. The Trusts were established with a Board of Trustees made from individuals from the City, Council, retirement plans, and the public for each of the Employees' Retirement System and Police Officers' and Fire Fighters' Retirement System. The assets of the Trusts are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other activity prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The respective Boards of Trustees have the ability to exercise responsibility, specifically in the area of designation of management.

Joint Venture

In 1998, the City entered into an agreement with Ingham County (the "County") to form the City of Lansing and County of Ingham Joint Building Authority (JBA) for the purpose of constructing and managing a building in downtown Lansing that houses the courts, prosecuting attorney, and other related departments. The JBA is governed by a three-member board composed of one member each appointed by the City and the County and one appointed jointly by the two units. Both the County and the City contribute cash and/or property to the JBA. Bonds were issued in 1999 by the JBA to provide the funding necessary to construct the building. Because the joint venture agreement does not provide an explicit contractual formula outlining the City's claim to the JBA's assets, it is considered to be a "joint venture with no equity interest" and accordingly, no amounts are reported in the accompanying financial statements for an equity interest. Financial information for the JBA may be obtained by writing the Ingham County Financial Services Division, P.O. Box 319, Mason, Michigan 48854.

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. 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 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 are 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.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 a 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 funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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. The City considers all revenues reported in the governmental funds to be available if they are collected within three months after year-end, except for income taxes that use a 45-day collection period, property taxes that use a 60-day collection period, and reimbursement-based grants that use one year. 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, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following *Major Governmental Funds*:

General Fund. This fund is the City's primary operating fund. It accounts for all the financial resources of the primary government, except those accounted for and reported in another fund.

State and Federal Grant Fund. This Special Revenue fund accounts for all revenues from intergovernmental grants and various contributions. These revenues are used for projects as detailed in individual grant applications.

Public Safety Capital Projects Fund. This fund accounts for capital project and debt service activity for the Public Safety.

The City reports the following *Major Enterprise Funds*:

Sewage Disposal System Fund. This fund accounts for the activities of the sewage disposal services to the residents of the City.

Municipal Parking System Fund. This fund accounts for the operation of City-owned parking facilities.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the City reports the following *Fund Types*:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects that comprise or are expected to comprise a substantial portion of the fund's total reported inflows.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal, interest, and related costs.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

Enterprise Funds account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes operating a maintenance facility for trucks and equipment used by the Public Service Department, health care and self-insurance services, engineering, 311 program, and information technology.

Pension and Other Postemployment Benefit Trust Funds account for the accumulation of resources to be used for retirement annuity payments to eligible full-time employees of the City, certain healthcare costs, and other postemployment benefit distributions.

The *Custodial Funds* account for resources held in a fiduciary capacity for the 54-A District Court, and property taxes collected and distributed to other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Also, current internal balances between governmental activities and fiduciary activities have not been eliminated.

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 City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (concluded)

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Restricted net positions are amounts that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

Restricted cash consists of amounts required to be maintained separately in accordance with bond covenants or other restrictions limiting usage of amounts in certain accounts.

The City maintains an investment pool for all City funds. Each fund's portion of the investment pool is displayed on the statement of net position/balance sheet as "equity in pooled cash." The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in:

Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a qualified financial institution.

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.

Bankers' acceptances of United States banks.

Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

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.

External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Unrealized appreciation or depreciation on pension and other postemployment benefit trust fund investments due to changes in fair value are recognized each year.

CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (continued)

Receivables/Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects and for capture property tax revenues not received by applicable component units as of year-end. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Certain receivables in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Contract receivable consists of amounts collectible from local municipalities for which the City has irrevocably pledged its full faith and credit as collateral for certain construction and improvement bonds. In accordance with contractual agreements, these entities will provide all future amounts due for bond principal and accrued interest payable. The receivable has been reported as current based on the amounts to be collected next year to satisfy obligations.

Inventories and Prepaids

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaid items are charged to expenditures using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, flowage rights, right to use, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since June 30, 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets having a useful life in excess of three years and whose costs exceed \$5,000 (\$100,000 for buildings). Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the donation date.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (continued)

Capital Assets (concluded)

In addition to land and construction in progress, the amount presented as capital assets not being depreciated includes intangible assets consisting of land development rights acquired for the purpose of farmland and ranch preservation. Land development rights are deemed to have an indefinite useful life and therefore are not being amortized. Right to use assets of the City are amortized using the straight-line method over the shorter of the subscription period or the estimated useful lives.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. The other capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	20-50
Improvements	8-50
Equipment	3-15
Sanitary sewers	50
Flowage rights	30
Right to use - SBITA	7
Right to use - building	5
Infrastructure	10-75

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a current charge to income is recognized.

Deferred Outflows 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on advance bond refunding for the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources for changes in expected and actual investments returns, assumptions, and benefits provided, related to the net pension and not other postemployment benefit liabilities, when applicable.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (continued)

Compensated Absences

The City permits employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees are also permitted to accumulate earned but unused sick leave. The City 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 reported as incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

Unearned Revenue

Unearned revenue consists of amounts received prior to the delivery of goods/service or expenditure on allowable costs.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

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 assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources for changes in expected and actual investments returns, assumptions, and benefits provided, related to the net pension and other postemployment benefit liabilities when applicable.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (continued)

Fund Balances

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's *intent* to be used for specific purposes but are neither restricted nor committed. The City Council has not delegated the authority to assign fund balance. Unassigned fund balance is the residual classification for the General Fund. In other funds, the unassigned classification is used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned, when applicable.

When the City incurs an expenditure for purposes for which various fund balance classifications can be used, it is the City's policy to use restricted fund balance first, then committed, assigned, and finally unassigned.

Stabilization Arrangement

On May 23, 1994, the Council adopted a resolution to establish and maintain a revenue stabilization reserve in the general fund.

For any year in which actual general fund revenues exceed actual general fund expenditures (including encumbrances and reappropriation into the succeeding fiscal year) according to the annual City audit and reappropriations by Council, Council shall appropriate at least 25% of such excess of revenues over expenditures to the fund until the fund balance reaches a sum equal to 10% of the net current fiscal year general fund appropriations. Council, upon recommendation of the Mayor, may make additional appropriations to the fund from one time or intermittent revenue sources or as provided by policy, except that such appropriations shall not cause the fund balance to exceed a sum equal to 10% of net current fiscal year general fund appropriations. Appropriations to the fund shall require approval by vote of two-thirds of the members elected and serving on Council.

Money in the fund may be appropriated by an ordinance or resolution adopted by a two-third vote of the members elected and serving on Council for the following purposes:

- a. To cover a general fund deficit, should the City's annual audit reveal such a deficit;
- b. To prevent a reduction in the level of public services or in the number of employees at any time in the fiscal year when the City's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses;
- c. To prevent a reduction in the level of public services or in the number of employees when, in preparing the budget for the next fiscal year, the City's estimated revenue does not appear sufficient to cover estimated expenses; and

CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (continued)

Stabilization Arrangement (concluded)

- d. To cover expenses arising because of a natural disaster, including flood, fire, or tornado, with the provision that if Federal or State funds are received to offset the appropriations from the fund, that such money shall be returned to the fund.

Leases & Subscription-based IT Arrangements (SBITA)

Lessee/Subscriber: The City is a lessee for a noncancelable lease/subscription of a building and an IT arrangement. The City recognizes a lease/SBITA liability and an intangible right-to-use asset/SBITA in the government-wide financial statements.

At the commencement of a lease/subscription, the City initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease/SBITA commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to lease/SBITA's included how the City determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for lease/SBITA.
- The lease/SBITA term includes the noncancelable period of the subscription. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability. Lease/SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term obligations on the statement of net position.

Leases

Lessor: The City is a lessor for a noncancelable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (concluded)

Leases (concluded)

Key estimates and judgements include how the City determines (1) the discount rate is used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the City. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all City departments and funds as transfers or operating revenue. All City funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

Pension and Other Postemployment Benefit Plans

For purposes of measuring the net pension and other postemployment benefit liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

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

The City utilizes various investment instruments which are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - BUDGETARY INFORMATION

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

- On or before the fourth Monday in March, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- Public hearings are conducted to obtain taxpayer comments.
- Not later than the third Monday in May, the Council adopts a budget through passage of a resolution.
- The appropriated budget is prepared by fund, department, and the mandatory expenditure accounts as established by the State of Michigan's Uniform Chart of Accounts. Within the General Fund, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within each department. Within other funds, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within that fund. Transfers between appropriations (mandatory accounts) require City Council approval. An exception to City Council approval is allowed by City Charter for transfers between appropriations (mandatory accounts) for amounts less than five thousand dollars, but not in excess of 15% of the appropriation in cases where five thousand dollars exceeds 15% of the appropriation.

Copies of the City's separately issued budget report may be obtained from the Finance Department, 124 West Michigan Avenue, Lansing, Michigan 48933 or on the City's website at www.lansingmi.gov.

- The City formally adopts operating budgets for the General Fund and all special revenue funds.
- The budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP").
- Appropriations lapse at year-end for all annual budgets. Appropriations are automatically carried forward for project-type budgets.

NOTE 3 - DEFICIT FUND EQUITY

The Cemetery, Garbage and Rubbish Collection, and Recycling Enterprise Funds reported deficits in unrestricted net position of \$1,249,425, \$492,043, and \$1,768,680, respectively, primarily as a result of the recognition of net pension and net other postemployment benefit liabilities in these funds.

The Tax Increment Finance Authority, Brownfield Redevelopment Authority, and Public Media Authority component units reported deficits in unrestricted net position of \$21,018,894, \$37,376,048, and \$25,033 respectively at June 30, 2025. The deficits related to Tax Incremental Finance Authority and Brownfield Redevelopment Authority are a result of full-accrual accounting for long-term obligations, without reflecting a corresponding receivable for tax captures to be received in future periods (which cannot be accrued in accordance with generally accepted accounting principles). The Public Media Authority deficit relates to timing of expenditures incurred compared revenue received.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances for the primary government and component units (including both pooled cash and investments as well as pension and other postemployment benefit (OPEB) trust fund balances) as of June 30, 2025:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash and cash equivalents	\$ 6,908,515	\$ 30,103,470	\$ 24,431,885	\$ 61,443,870
Equity in pooled cash and investments	87,630,123	944,392	184,739	88,759,254
Cash and cash equivalents - restricted	201,936,595	3,509,573	-	205,446,168
Investments	2,026,085	-	709,139,836	711,165,921
	<u>\$ 298,501,318</u>	<u>\$ 34,557,435</u>	<u>\$ 733,756,460</u>	<u>\$ 1,066,815,213</u>

Deposits and investments

Bank deposits

Checking/savings accounts - Pension & OPEB related - nonpooled	\$ 23,392,204
Checking/savings accounts - City-wide accounts - all other	290,587,380

Investment in securities and mutual funds

Pooled investments	43,566,613
Employees' retirement system investments	239,021,519
Police and fire retirement system investments	410,340,847
Employees' money purchase pension plan investments	9,040,140
Retiree health care VEBA investments	<u>50,737,330</u>

Total investment in securities and mutual funds 1,066,686,033

Cash on hand 129,180

Total \$ 1,066,815,213

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require, and the City does not have, a policy for deposit custodial credit risk. As of year-end, \$310,752,110 of the City's bank balance of \$314,046,810 was exposed to custodial credit risk because it was uninsured and uncollateralized. The book balance of all deposits (other than pension & OPEB related) was \$290,587,380.

The City's investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City 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 City does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk. Disclosure related to the TIFA pooled investment are described in their separately issued, readily available financial statements so they are not presented here in accordance with GASB 61.

Credit Risk

State law limits investments to specific government securities, certificates of deposit 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 the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

S&P AAAm	\$	9,077,748
AA		2,797,107
Not rated		31,433,421
Assets not subject to credit risk		258,337
		\$ 43,566,613

Interest Rate Risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The City'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. For investments held at year end maturities are as follows:

Due within one year	\$	34,230,528
No maturity		9,336,085
		\$ 43,566,613

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The City'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.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the City's investment advisors. 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.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Debt securities are valued by the City's investment custodian using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider: (a) benchmark yields, (b) reported trades, (c) broker/dealer quotes, (d) benchmark securities, (e) bids or offers, and (f) reference data. The City's level 2 investments as noted in the table below are valued using significant other observable inputs of the underlying securities.

Investment Type	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 31,433,421	\$ -	\$ 31,433,421
Commercial paper	-	2,797,107	-	2,797,107
Money market funds	258,337	-	-	258,337
	<u>\$ 258,337</u>	<u>\$ 34,230,528</u>	<u>\$ -</u>	34,488,865
Investments carried at net asset value				
Michigan CLASS government investment pool				<u>9,077,748</u>
				<u>\$ 43,566,613</u>

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient. It has a rating of AAAM from Standard and Poor's with a weighted average maturity of 45 days.

At year end, the net asset value of the City's investment in Michigan CLASS was \$9,077,748. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Pension and Other Postemployment Benefit Trust Funds

The deposits and investments of the City's pension and other postemployment benefit trust funds are maintained separately from the City's pooled cash and investments and are subject to separate investment policies and State statutes. Accordingly, the required disclosures for the pension and OPEB deposits and investments are presented separately.

Deposits

The pension and OPEB trust funds maintain demand deposit accounts and equity in pooled cash to handle operational transactions. The book balance of such deposits totaled \$24,431,885 at year end.

Investments

The Michigan Public Employees' Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension trust funds to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The retirement boards have the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the pension trust funds' assets. All investment decisions are subject to Michigan law and the investment policy established by the retirement boards.

The investments of each pension trust fund are held in a bank administered trust fund. Following is a summary of pension and other postemployment benefits investments as of June 30, 2025:

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
Domestic equities					
Not on securities loan	\$ 46,125,288	\$ 83,341,533	\$ -	\$ -	\$ 129,466,821
On securities loan	10,206,934	17,630,356	-	-	27,837,290
International equities					
Not on securities loan	418,138	999,287	-	-	1,417,425
On securities loan	594,521	822,742	-	-	1,417,263
Emerging markets equities	13,696,232	19,608,250	-	677,266	33,981,748
Real estate investment mutual funds	16,055,835	22,750,737	-	-	38,806,572
International equity mutual funds	120,136,269	210,848,712	471,658	8,204,464	339,661,103
Domestic equity mutual funds	28,199,180	49,104,475	8,490,035	22,207,787	108,001,477
Domestic debt securities mutual funds	-	-	78,447	16,449,794	16,528,241
Balanced mutual funds	-	-	-	2,071,774	2,071,774
Money market funds	3,589,122	5,234,755	-	1,126,245	9,950,122
	<u>\$ 239,021,519</u>	<u>\$ 410,340,847</u>	<u>\$ 9,040,140</u>	<u>\$ 50,737,330</u>	<u>\$ 709,139,836</u>

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

The City's pension investment policies provide that at least 90% of its investments in fixed income securities be rated BBB- or better by a nationally recognized statistical rating organization and the remaining 10% be rated at least B- or better. The City's pension and other postemployment benefits investments were rated by Standard & Poor's as follows:

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
AAA	\$ -	\$ -	\$ -	\$ 907,932	\$ 907,932
S&P AAAM	-	-	-	1,126,245	1,126,245
AA	-	-	78,385	7,753,716	7,832,101
A	-	-	-	1,733,556	1,733,556
BBB	-	-	-	2,844,019	2,844,019
BB	-	-	-	414,958	414,958
B	-	-	62	144,558	144,620
Not rated	3,634,671	5,234,756	-	331,354	9,200,781
Assets not subject to credit risk	235,386,848	405,106,091	8,961,693	35,480,992	684,935,624
	<u>\$ 239,021,519</u>	<u>\$ 410,340,847</u>	<u>\$ 9,040,140</u>	<u>\$ 50,737,330</u>	<u>\$ 709,139,836</u>

Custodial Credit Risk

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's pension investment policies require that investment securities be held in trust by a third-party institution in the name of the pension trust fund. As such, although uninsured and unregistered, the City's pension investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the name of the pension trust fund. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The City'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.

The City's pension and other postemployment benefits investment policies require diversification of fixed income securities; however, they do not specify percentages of dollar amounts by industry or issuer.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The pension and other postemployment benefits trusts' exposure to foreign currency risk is as follows:

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
International equities					
Canada	\$ 763,743	\$ 1,373,247	\$ -	\$ -	\$ 2,136,990
Israel	167,383	301,270	-	-	468,653
Japan	57,745	104,541	-	-	162,286
Sweden	23,788	42,971	-	-	66,759
International mutual funds	120,136,269	210,848,712	471,658	8,204,464	339,661,103
	<u>\$ 121,148,928</u>	<u>\$ 212,670,741</u>	<u>\$ 471,658</u>	<u>\$ 8,204,464</u>	<u>\$ 342,495,791</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City's pension investment policies provide that the average duration of fixed income securities shall not deviate from the Bloomberg Aggregate Index duration by +/-20%. As of June 30, 2025, maturities of the City's pension and other postemployment benefits trust debt securities, money market funds, and collateralized mortgage obligations were as follows:

Employee Retirement System

Fixed income investments with no maturity

Money market funds \$ 3,589,122

Police and Fire Retirement System

Fixed income investments with no maturity

Money market funds \$ 5,234,755

Employees' Money Purchase Pension Plan

	Investment Maturities (fair value by years)				Total
	Less than 1	1-5	6-10	More than 10	
Domestic debt securities mutual funds	\$ -	\$ -	\$ 78,447	\$ -	\$ 78,447

Securities Lending

Under contracts approved by the City, the pension and other postemployment benefits trust funds are permitted to lend their securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The pension trust and other postemployment benefits funds' custodial banks manage the securities lending programs and receive cash as collateral. Collateral cash is initially pledged at 100% of the fair value of the securities lent and may not fall below 95% of the market value of the loaned security during the term of the loan. At all times, collateral cannot be more than \$100,000 less than the market value of the loaned security. There are no restrictions on the amount of securities that can be loaned.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Securities Lending (concluded)

Securities on loan at year-end are classified in the preceding schedule of custodial credit risk according to the category for the collateral received on the securities lent. At year-end, the pension trust funds have no credit risk exposure to borrowers because the collateral held by the custodians exceeds the market value of the related securities lent. At June 30, 2025, the fair value of securities on loan by the Employees' Retirement System and the Police and Fire Retirement System were \$10,800,970 and \$18,452,161, respectively, for which the Plans' received cash collateral of \$11,036,085 and \$18,841,816, respectively. The contract with the pension and other postemployment benefits trust fund custodians requires them to indemnify the City if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the City for income distributions by the securities' issuers while the securities are on loan.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the City's investment advisors. 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.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Debt securities are valued by the Plans' investment custodian using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider: (a) benchmark yields, (b) reported trades, (c) broker/dealer quotes, (d) benchmark securities, (e) bids or offers, and (f) reference data. Asset-backed and mortgage-backed securities funds are valued based on the future cash flows of the principal and interest payments of the underlying collateral of mortgages on various assets. The Plans' level 2 investments as noted in the tables below are valued using significant other observable inputs of the underlying securities.

The City has the following recurring fair value measurements as of June 30, 2025:

Employee Retirement System

Investment Type	Level 1	Level 2	Level 3	Total
Domestic equities	\$ 56,332,222	\$ -	\$ -	\$ 56,332,222
International equities	1,012,659	-	-	1,012,659
Emerging market equities	13,696,232	-	-	13,696,232
Mutual funds	148,335,449	7,205,823	-	155,541,272
Money market funds	3,589,122	-	-	3,589,122
	<u>\$ 222,965,684</u>	<u>\$ 7,205,823</u>	<u>\$ -</u>	230,171,507
Investments carried at net asset value				
Real estate investment trusts				<u>8,850,012</u>
				<u>\$ 239,021,519</u>

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - DEPOSITS AND INVESTMENTS (concluded)

Fair Value Measurement (concluded)

Police and Fire Retirement System

Investment Type	Level 1	Level 2	Level 3	Total
Domestic equities	\$ 100,971,889	\$ -	\$ -	\$ 100,971,889
International equities	1,822,029	-	-	1,822,029
Emerging market equities	19,608,250	-	-	19,608,250
Mutual funds	227,049,815	10,427,960	-	237,477,775
Money market funds	5,234,755	-	-	5,234,755
	<u>\$ 354,686,738</u>	<u>\$ 10,427,960</u>	<u>\$ -</u>	365,114,698
Investments carried at net asset value				
Real estate investment trusts				12,322,777
International equity mutual funds				<u>32,903,372</u>
				<u>\$ 410,340,847</u>

Net Asset Value Investments - Certain investments noted above are carried at net asset value as these are not actively traded. The fair value is estimated based on the dollar value per share as of June 30, 2025. These investments are able to be liquidated as needed, to the extent there is a willing buyer in the market. There are not any restrictions related to the sale of these investments. At June 30, 2025, the City has \$179,872 outstanding on initial commitments of \$4,300,000 with the Invesco Mortgage Recovery Fund (the "Fund"). The Fund has a seven-year life, and the intent is to sell all of the investments prior to the Fund's maturity. The other investments at net asset value do not contain required redemption periods.

Employees' Money Purchase Pension Plan

Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds	<u>\$ 9,040,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,040,140</u>

Retiree Healthcare VEBA

Investment Type	Level 1	Level 2	Level 3	Total
Emerging market equities	\$ 677,266	\$ -	\$ -	\$ 677,266
Mutual funds	48,933,819	-	-	48,933,819
Money market funds	1,126,245	-	-	1,126,245
	<u>\$ 50,737,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,737,330</u>

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - RECEIVABLES

Receivables are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivable	\$ 45,815,833	\$ 8,196,377	\$ 1,912,010
Taxes receivable	2,082,866	-	-
Special assessments receivable	9,792,994	-	-
Loans receivable	1,211,238	-	63,921
Lease receivable	385,193	-	-
Accrued interest receivable	2,527,946	163,352	-
Due from other governments	35,656,926	33,269,071	-
Contract receivable	-	14,098,563	-
Allowance for uncollectible accounts	(454,677)	-	(25,280)
	<u>\$ 97,018,319</u>	<u>\$ 55,727,363</u>	<u>\$ 1,950,651</u>
Amount not expected to be collected within one year	<u>\$ 20,108,453</u>	<u>\$ 12,204,920</u>	<u>\$ 18,511</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 27,743,613	\$ -	\$ -	\$ 27,743,613
Construction in process	29,866,714	52,446,523	(23,196,771)	59,116,466
Subtotal	<u>57,610,327</u>	<u>52,446,523</u>	<u>(23,196,771)</u>	<u>86,860,079</u>
Capital assets being depreciated/amortized				
Land improvements	31,049,542	-	-	31,049,542
Equipment and vehicles	55,622,106	7,215,080	(4,361,859)	58,475,327
Buildings	138,403,536	2,333,768	-	140,737,304
Right of use - buildings	-	385,798	-	385,798
Flowage rights	31,755,473	-	-	31,755,473
Right of use - SBITA	5,565,757	-	(114,393)	5,451,364
Infrastructure	353,597,504	21,533,677	-	375,131,181
Subtotal	<u>615,993,918</u>	<u>31,468,323</u>	<u>(4,476,252)</u>	<u>642,985,989</u>
Less accumulated depreciation/amortization for:				
Land improvements	(18,328,620)	(1,145,056)	-	(19,473,676)
Equipment and vehicles	(40,158,927)	(3,410,598)	4,358,777	(39,210,748)
Buildings	(110,969,289)	(3,399,377)	-	(114,368,666)
Right of use - buildings	-	(53,882)	-	(53,882)
Flowage rights	(3,615,795)	(1,058,516)	-	(4,674,311)
Right of use - SBITA	(1,056,410)	(1,124,066)	114,393	(2,066,083)
Infrastructure	(245,400,532)	(5,814,347)	-	(251,214,879)
Subtotal	<u>(419,529,573)</u>	<u>(16,005,842)</u>	<u>4,473,170</u>	<u>(431,062,245)</u>
Net capital assets being depreciated/amortized	<u>196,464,345</u>	<u>15,462,481</u>	<u>(3,082)</u>	<u>211,923,744</u>
Capital assets, net	<u>\$ 254,074,672</u>	<u>\$ 67,909,004</u>	<u>\$ (23,199,853)</u>	<u>\$ 298,783,823</u>

At June 30, 2025, the City's governmental activities had outstanding commitments through construction contracts of approximately \$230,718,000.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation/amortization expense was charged to the following governmental activities:

Depreciation/amortization of governmental activities by function	
General government	\$ 223,649
Public safety	1,147,034
Public works	7,402,201
Recreation and culture	3,242,928
Community and economic development	554,125
Internal service fund	<u>3,435,905</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 16,005,842</u>

	Balance July 1, 2024	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2025
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 12,369,507	\$ -	\$ -	\$ 12,369,507
Construction in progress	<u>12,695,894</u>	<u>15,531,567</u>	<u>(6,193,523)</u>	<u>22,033,938</u>
Subtotal	<u>25,065,401</u>	<u>15,531,567</u>	<u>(6,193,523)</u>	<u>34,403,445</u>
Capital assets being depreciated				
Land improvements	30,077,106	-	-	30,077,106
Equipment and vehicles	21,952,553	2,457,207	-	24,409,760
Buildings	195,872,783	727,092	-	196,599,875
Sewers	<u>393,044,031</u>	<u>9,367,983</u>	<u>-</u>	<u>402,412,014</u>
Subtotal	<u>640,946,473</u>	<u>12,552,282</u>	<u>-</u>	<u>653,498,755</u>
Less accumulated depreciation for:				
Land improvements	(14,540,405)	(549,055)	-	(15,089,460)
Equipment and vehicles	(9,372,909)	(1,676,702)	-	(11,049,611)
Buildings	(148,515,712)	(4,586,898)	-	(153,102,610)
Sewers	<u>(145,064,634)</u>	<u>(8,648,586)</u>	<u>-</u>	<u>(153,713,220)</u>
Subtotal	<u>(317,493,660)</u>	<u>(15,461,241)</u>	<u>-</u>	<u>(332,954,901)</u>
Net capital assets being depreciated	<u>323,452,813</u>	<u>(2,908,959)</u>	<u>-</u>	<u>320,543,854</u>
Capital assets, net	<u>\$ 348,518,214</u>	<u>\$ 12,622,608</u>	<u>\$ (6,193,523)</u>	<u>\$ 354,947,299</u>

At June 30, 2025, the City's business-type activities had outstanding commitments through construction contracts of approximately \$80,991,000.

Depreciation expense was charged to the following business-type activities:

Depreciation of business-type activities by function	
Sewage disposal system	\$ 13,505,389
Municipal parking system	1,871,417
Cemetery	9,827
Golf	56,742
Recycling	<u>17,866</u>
Total depreciation expense - business-type activities	<u>\$ 15,461,241</u>

Details applicable to the Component Units capital assets are readily available in their separate issued financial statements and are not duplicated here in accordance with GASB 61.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 22,261,410	\$ 3,791,329	\$ 10,387,352
Accrued payroll	2,541,049	172,012	-
Deposits payable	-	95,713	-
Due to other governments	1,885,330	-	22,689
Claims incurred but not reported	1,741,866	-	-
Other	2,446,505	-	367,453
	<u>\$ 30,876,160</u>	<u>\$ 4,059,054</u>	<u>\$ 10,777,494</u>

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances of the primary government as of June 30, 2025, was as follows:

Due to and from primary government funds

Due to Sewer Disposal System Fund	
From Internal Service Fund	<u>\$ 3,543,795</u>
Due to General Fund	
From Federal Grants Fund	\$ 2,034,865
From Nonmajor Governmental Funds	<u>424,862</u>
Total Due to General Fund	<u>\$ 2,459,727</u>

The above balance generally resulted from a time lag between the dates that interfund goods and services were provided or reimbursable expenditures occur, transactions were recorded in the accounting system, and payments between funds were made.

For the year ended June 30, 2025, interfund transfers consisted of the following:

	Transfers In					Total
	Governmental			Proprietary		
	General Fund	Federal Grants - Special Revenue	Nonmajor Governmental Funds	Municipal Parking	Nonmajor Enterprise Funds	
Transfers out						
Governmental						
General Fund	\$ -	\$ 186,132	\$ 918,000	\$ -	\$ -	\$ 1,104,132
Federal Grants - Special Revenue	4,260,973	-	-	-	-	4,260,973
Nonmajor Governmental Funds	1,037,233	-	4,668,525	-	736,000	6,441,758
Proprietary						
Internal Service Funds	-	-	-	287,726	-	287,726
Total	<u>\$ 5,298,206</u>	<u>\$ 186,132</u>	<u>\$ 5,586,525</u>	<u>\$ 287,726</u>	<u>\$ 736,000</u>	<u>\$ 12,094,589</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them to assist in covering specific outlays or general operational costs as applicable; (2) move receipts restricted to or allowed for debt service or capital projects from the funds collecting the receipts to the respective fund as debt service payments become due or capital outlay is constructed; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 10 to 30-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Issuance Date	Interest Rates	Original Amount	Balance July 1, 2024	Additions/ (Deletions)	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities							
2019 General Obligation Refunding - Limited Tax ⁽¹⁾	4/10/2019	4.00%	\$ 7,456,200	\$ 4,653,750	\$ (624,750)	\$ 4,029,000	\$ 650,250
2021 Capital Improvement Bonds, Series 2021 (LTGO)	12/21/2021	2.15%	4,490,000	3,655,000	(280,000)	3,375,000	290,000
Capital Improvement Bonds, Series 2023 (Ovation)	8/16/2023	5.00%	20,000,000	20,000,000	-	20,000,000	355,000
2023B Capital Improvement Bonds (LTGO)	6/29/2023	4.00%-5.00%	175,000,000	172,790,000	(1,970,000)	170,820,000	2,265,000
Montgomery Drain District - Series 2021 G.O. Bonds ⁽³⁾	8/1/2022	2.00%-2.45%	3,961,607	3,605,000	(140,000)	3,465,000	-
Montgomery Drain District - Series 2023 G.O. Bonds ⁽³⁾	3/1/2023	1.125%-4.125%	7,760,986	7,590,000	(175,000)	7,415,000	-
Montgomery Drain District - Series 2020A G.O. Bonds ⁽³⁾	9/8/2020	2.00%-2.25%	20,032,880	18,460,000	(415,000)	18,045,000	-
Total Governmental Activities			238,701,673	230,753,750	(3,604,750)	227,149,000	3,560,250
Business-type Activities							
2017 Building Authority Refunding Bonds - Limited Tax	12/11/2017	3.305%-4.075%	10,805,000	10,805,000	-	10,805,000	475,000
2020 Building Authority Refunding Bonds - Limited Tax	8/13/2020	1.424%-2.793%	8,735,000	8,335,000	(100,000)	8,235,000	100,000
2003 Limited Tax Sewer Bond - 5005-15	3/27/2003	2.50%	10,145,688	610,688	(610,688)	-	-
2004 Limited Tax Sewer Bond - 5005-16	3/25/2004	2.125%	3,842,649	447,649	(220,000)	227,649	227,649
2005 Limited Tax Sewer Bond - 5005-17	3/25/2004	2.125%	8,003,778	913,778	(465,000)	448,778	448,778
2005 Limited Tax Sewer Bond - 5005-18	3/34/2005	1.625%	13,389,371	2,029,371	(680,000)	1,349,371	680,000
2006 Limited Tax Sewer Bond - 5005-19	3/30/2006	1.625%	18,216,346	3,931,346	(980,000)	2,951,346	985,000
2007 Limited Tax Sewer Bond - 5005-20	3/29/2007	1.625%	24,244,726	6,384,726	(1,275,000)	5,109,726	1,275,000
2008 Limited Tax Sewer Bond - 5005-21	4/1/2008	2.50%	27,494,933	9,670,453	(1,515,000)	8,155,453	1,555,000
2008 Limited Tax Sewer Bond - 5005-22	4/17/2009	2.50%	14,455,604	6,605,604	(755,000)	5,850,604	775,000
2010 Limited Tax Sewer Bond - 5411-01	1/22/2010	2.50%	8,548,000	4,273,000	(435,000)	3,838,000	445,000
2015 Limited Tax Sewer Bond - 5211-01	4/9/2014	2.50%	3,372,405	2,057,405	(165,000)	1,892,405	170,000
2015 Limited Tax Sewer Bond - 5211-02	7/9/2014	2.50%	2,185,065	1,315,065	(105,000)	1,210,065	110,000
2016 Limited Tax Sewer Bond - 5581-01	4/11/2016	2.50%	3,206,310	2,396,310	(145,000)	2,251,310	150,000
2019 Limited Tax Sewer Bond - 5005-23	4/10/2018	2.00%	8,877,827	7,297,827	(410,000)	6,887,827	425,000
2019 Limited Tax Sewer Bond - 5672-01 ⁽²⁾	6/7/2019	2.00%	9,214,990	7,984,990	(430,000)	7,554,990	440,000
2019 General Obligation Refunding - Limited Tax - Sewer ⁽¹⁾	4/10/2019	4.00%	7,163,800	4,471,250	(600,250)	3,871,000	624,750
2022 Limited Tax Sewer Bond - 5005-24 ⁽⁴⁾	3/25/2022	2.125%	23,570,000	20,505,965	(529,500)	19,976,465	-
2023 Limited Tax Sewer Bond - 5005-25 ⁽⁵⁾	3/24/2023	1.875%	19,881,280	109,217	8,062,027	8,171,244	-
2023 Limited Tax Sewer Bond - 5005-26 ⁽⁶⁾	4/1/2024	2.00%	11,595,000	424,351	5,413,896	5,838,247	-
2020 CIB & Refunding Bonds - Municipal Parking	8/13/2020	3.00%-5.00%	9,405,000	7,525,000	(625,000)	6,900,000	660,000
Total Business-type Activities			246,352,772	108,093,995	3,430,485	111,524,480	9,546,177
Total General Obligation Bonds			\$ 485,054,445	\$ 338,847,745	\$ (174,265)	\$ 338,673,480	\$ 13,106,427

(1) These debt issues are split between governmental and business-type activities.

(2) This debt issue was originally issued in 2019 but proceeds are drawn as the project progresses.

(3) This debt is funded by general assessments and drain code tax.

(4) The annual requirements to pay the long-term debt principal and interest outstanding are not shown because the loan has not been fully drawn down and as a result the maturity schedule is not in place at year end, the first payment is anticipated to be made during fiscal year 2025.

(5) The annual requirements to pay the long-term debt principal and interest outstanding are not shown because the loan has not been fully drawn down and as a result the maturity schedule is not in place at year end, the first payment is anticipated to be made during fiscal year 2027.

(6) The annual requirements to pay the long-term debt principal and interest outstanding are not shown because the loan has not been fully drawn down and as a result the maturity schedule is not in place at year end, the first payment is anticipated to be made during fiscal year 2026.

The purpose of each of the General Obligation bonds issued in the Governmental activities was for an energy conservation project, economic development projects, facility improvements, various street improvements, and drainage projects.

The purpose of each of the General Obligation (G.O.) bonds issued in the Business-type activities for the Building Authority were for municipal parking system projects. The G.O. sewer bonds issued were for various sewer capital improvement projects throughout the City.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Revenue Bonds

The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue bonds outstanding at year-end are as follows:

	Issuance Date	Interest Rates	Original Amount	Balance July 1, 2024	Deletions	Balance June 30, 2025	Amounts Due Within One Year
Business-type Activities							
2013 Sewer Revenue Refunding Bonds	12/27/2012	3.000%-5.000%	\$ 21,765,000	\$ 6,300,000	\$ (1,575,000)	\$ 4,725,000	\$ 1,575,000

The purpose of these noted bonds were for sewer capital improvement projects.

Pledged Revenues

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$7,875,000 in sewer revenue and refunding bonds issued in 2013. Proceeds from the bonds provided financing for the construction for various sewer infrastructure projects. The bonds are payable solely from sewer customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require less than 14% of net revenues. The total principal and interest paid for the current year and total customer net revenues were \$1,799,438 and \$28,168,633, respectively.

Installment Purchase Agreements

The government has entered into installment purchase agreements for equipment and related capital assets. Installment purchase agreements outstanding at year-end are as follows:

	Issuance Date	Interest Rate	Original Amount	Balance July 1, 2024	Additions/ (Deletions)	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities							
2021 Installment Purchase Agreement (LTGO)	8/18/2021	2.14%	\$ 10,569,000	\$ 9,009,000	\$ (666,000)	\$ 8,343,000	\$ 681,000
2021 Installment Purchase Agreement (LTGO)	9/1/2021	1.81%	12,500,000	10,603,000	(799,000)	9,804,000	813,000
			\$ 23,069,000	\$ 19,612,000	\$ (1,465,000)	\$ 18,147,000	\$ 1,494,000

The purpose of the lease purchase agreements were for vehicle acquisitions as noted and the installment purchase agreements were for various facility improvements.

Lease Payable

	Issuance Date	Interest Rate	Original Amount	Balance July 1, 2024	Additions/ (Deletions)	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities							
2025 building lease agreement	11/1/2024	3.00%	\$ 385,798	\$ -	\$ 336,782	\$ 336,782	\$ 73,884

The purpose of the lease was for use of building space.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Loans Payable

The government has entered into loan agreements with the certain State agencies for program purposes. Loans payable at year-end are as follows:

	Issuance Date	Interest Rate	Original Amount	Balance July 1, 2024	Additions/ (Deletions)	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities							
HUD Section 108 Loan	5/28/2015	1.52%	\$ 5,900,000	\$ 4,315,000	\$ (420,000)	\$ 3,895,000	\$ 435,000
2020 IPA Fire Truck	10/28/2020	1.40%	1,390,000	904,824	(133,311)	771,513	135,183
2014 SIB Loan	3/27/2014	3.00%	1,972,600	59,349	(59,349)	-	-
			<u>\$ 9,262,600</u>	<u>\$ 5,279,173</u>	<u>\$ (612,660)</u>	<u>\$ 4,666,513</u>	<u>\$ 570,183</u>

The purpose of the HUD loan was for applicable capital improvements within the City. The IPA was for the acquisition of a new fire truck for public safety purposes. The purpose of the SIB loan was for various street improvements.

Subscription-Based IT Arrangements

	Issuance Date	Interest Rate	Original Amount	Balance July 1, 2024	Additions/ (Deletions)	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities							
2023 Subscription-based IT arrangement	9/22/2022	1.85%	\$ 3,520,987	\$ 2,577,582	\$ (471,623)	\$ 2,105,959	\$ 541,053
2023 Subscription-based IT arrangement	7/8/2022	1.85%	899,659	299,853	(299,853)	-	-
2023 Subscription-based IT arrangement	2/21/2023	1.85%	304,453	162,536	(102,100)	60,436	60,436
2023 Subscription-based IT arrangement	7/1/2022	1.85%	114,393	38,778	(38,778)	-	-
2022 Subscription-based IT arrangement	11/16/2021	1.85%	916,306	369,788	(183,200)	186,588	186,588
			<u>\$ 5,755,798</u>	<u>\$ 3,448,537</u>	<u>\$ (1,095,554)</u>	<u>\$ 2,352,983</u>	<u>\$ 788,077</u>

The City's outstanding notes from direct borrowings and direct placements related to governmental activities of \$25,503,278 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The City permits employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees are also permitted to accumulate earned but unused sick leave. The City 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 reported as incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences includes salary and related benefits, where applicable.

The City is self-insured for workers' compensation costs. The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including those claims that have been reported as well as those that have not yet been reported to the City. When applicable, the current portion of this liability is accounted for in the General Fund with long-term liabilities accounted for in the Statement of Net Position.

CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2025.

	Restated Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 230,753,750	\$ -	\$ (3,604,750)	\$ 227,149,000	\$ 3,560,250
Notes from direct borrowings and direct placements					
Installment purchase agreements	19,612,000	-	(1,465,000)	18,147,000	1,494,000
Lease payable	-	385,798	(49,016)	336,782	73,884
Subscription-based IT arrangement payable	3,448,537	-	(1,095,554)	2,352,983	788,077
Loans payable	5,279,173	-	(612,660)	4,666,513	570,183
	<u>259,093,460</u>	<u>385,798</u>	<u>(6,826,980)</u>	<u>252,652,278</u>	<u>6,486,394</u>
Deferred amounts for issuance premiums	11,479,613	-	(618,066)	10,861,547	-
Compensated absences*	11,075,958	2,338,153	-	13,414,111	1,365,498
Accrued workers compensation	3,153,293	1,793,735	(1,946,097)	3,000,931	640,542
	<u>\$ 284,802,324</u>	<u>\$ 4,517,686</u>	<u>\$ (9,391,143)</u>	<u>\$ 279,928,867</u>	<u>\$ 8,492,434</u>
Business-type Activities					
General obligation bonds	\$ 108,093,995	\$ 13,475,923	\$ (10,045,438)	\$ 111,524,480	\$ 9,546,177
Revenue bonds	6,300,000	-	(1,575,000)	4,725,000	1,575,000
	<u>114,393,995</u>	<u>13,475,923</u>	<u>(11,620,438)</u>	<u>116,249,480</u>	<u>11,121,177</u>
Deferred amounts					
For issuance discounts	(19,566)	-	1,957	(17,609)	-
For issuance premiums	1,802,067	-	(170,517)	1,631,550	-
Compensated absences*	912,716	-	(11,567)	901,149	15,573
	<u>\$ 117,089,212</u>	<u>\$ 13,475,923</u>	<u>\$ (11,800,565)</u>	<u>\$ 118,764,570</u>	<u>\$ 11,136,750</u>
Component Units					
Brownfield Redevelopment Authority					
Revenue bonds	\$ 38,365,000	\$ -	\$ (895,000)	\$ 37,470,000	\$ 1,000,000
Direct borrowings and direct placements					
Loan payable	237,790	-	(24,339)	213,451	25,312
	<u>38,602,790</u>	<u>-</u>	<u>(919,339)</u>	<u>37,683,451</u>	<u>1,025,312</u>
Less unamortized discount on general obligation bonds	(686,496)	-	26,263	(660,233)	-
	<u>37,916,294</u>	<u>-</u>	<u>(893,076)</u>	<u>37,023,218</u>	<u>1,025,312</u>
Tax Increment Financing Authority					
General obligation bonds	28,165,000	-	(915,000)	27,250,000	1,615,000
Direct borrowings and direct placements					
Contract payable	10,009,580	-	-	10,009,580	-
	<u>38,174,580</u>	<u>-</u>	<u>(915,000)</u>	<u>37,259,580</u>	<u>1,615,000</u>
Add accreted interest on contract payable	1,748,653	390,209	(767,510)	1,371,352	1,242,510
	<u>39,923,233</u>	<u>390,209</u>	<u>(1,682,510)</u>	<u>38,630,932</u>	<u>2,857,510</u>
Lansing Entertainment and Public Facilities Authority					
Direct borrowings and direct placements					
Leases payable	270,322	-	(43,882)	226,440	45,441
	<u>270,322</u>	<u>-</u>	<u>(43,882)</u>	<u>226,440</u>	<u>45,441</u>
Total component units	<u>\$ 78,109,849</u>	<u>\$ 390,209</u>	<u>\$ (2,619,468)</u>	<u>\$ 75,880,590</u>	<u>\$ 3,928,263</u>

*The change in compensated absences liability is presented as a net change.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - LONG-TERM OBLIGATIONS (concluded)

Details applicable to the Component Units long-term obligations are readily available in their separate issued financial statements and are not duplicated here in accordance with GASB 61.

Debt service requirements to maturity for the general obligation and revenue bonds of the City are as follows:

Year Ending June 30,	General Obligation Bonds				Revenue Bonds	
	Governmental Activities		Business-Type Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,560,250	\$ 9,051,759	\$ 9,546,177	\$ 2,012,406	\$ 1,575,000	\$ 145,688
2026	4,680,750	9,629,333	8,878,621	1,781,090	1,575,000	98,438
2027	5,098,800	9,429,404	8,217,546	1,566,762	1,575,000	49,218
2028	5,536,850	9,208,905	7,422,876	1,362,105	-	-
2029	5,479,600	8,967,497	5,795,853	1,171,488	-	-
2030-2034	34,792,750	40,731,469	22,658,324	3,858,176	-	-
2035-2039	46,800,000	31,932,915	15,019,127	1,064,113	-	-
2040-2044	64,765,000	20,410,494	-	-	-	-
2045-2049	51,275,000	5,636,629	-	-	-	-
2050-2051	5,160,000	321,614	-	-	-	-
	<u>\$ 227,149,000</u>	<u>\$ 145,320,019</u>	<u>\$ 77,538,524</u>	<u>\$ 12,816,140</u>	<u>\$ 4,725,000</u>	<u>\$ 293,344</u>

Debt service requirements to maturity for the notes from direct borrowings and direct placements of the City are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements	
	Governmental Activities	
	Principal	Interest
2026	\$ 2,926,144	\$ 495,298
2027	2,698,316	473,426
2028	2,757,032	415,372
2029	2,812,020	355,706
2030	2,280,428	294,656
2031-2035	10,213,338	734,105
2036	1,816,000	26,804
	<u>\$ 25,503,278</u>	<u>\$ 2,795,367</u>

Prior Year Defeased Debt

As of June 30, 2025, defeased bonds related to the prior year refunding of the 2018 Building Authority Refunding Bonds were still outstanding in the amount of \$2,525,000. The defeased bonds are scheduled to be paid by the escrow agent in installments through 2027.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - FUND BALANCES - GOVERNMENTAL FUNDS

The City classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	State and Federal Grants	Public Safety Capital Projects	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 1,858,900	\$ 1,858,900
Prepays	1,174,318	-	10,665	-	1,184,983
Corpus of permanent funds	-	-	-	2,234,014	2,234,014
Restricted					
Major and local streets - public works	-	-	-	31,616,378	31,616,378
Drug law and narcotics enforcement - public safety	-	-	-	895,642	895,642
Debt service	-	-	-	12,804,583	12,804,583
Building department	-	-	-	3,948,841	3,948,841
Intergovernmental grants	-	-	-	655,962	655,962
Public safety	-	-	144,113,105	655,915	144,769,020
Capital projects	-	-	-	35,416,424	35,416,424
Stabilization arrangement	7,792,610	-	-	-	7,792,610
Committed					
City parks	-	-	-	546,042	546,042
Disaster contingency fund	-	-	-	288,568	288,568
Building department	-	-	-	328,998	328,998
Capital improvements	-	-	-	6,094,407	6,094,407
Assigned - subsequent year's expenditures	67,000	-	-	-	67,000
Unassigned	20,956,351	-	-	-	20,956,351
TOTAL FUND BALANCES	\$ 29,990,279	\$ -	\$ 144,123,770	\$ 97,344,674	\$ 271,458,723

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2025, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated/amortized	\$ 86,860,079	\$ 34,403,445	\$ -
Capital assets being depreciated/amortized, net	211,923,744	320,543,854	6,701,925
Total capital assets	298,783,823	354,947,299	6,701,925
Related debt			
General obligation bonds	227,149,000	111,524,480	-
Direct borrowing and direct placements	-	-	226,440
Revenue bonds	-	4,725,000	-
Installment purchase agreements (IPA)	18,147,000	-	-
Loans payable	4,666,513	-	-
Subscription-based IT arrangement payable	2,352,983	-	-
Lease payable	336,782	-	-
Unamortized bond discounts	-	(17,609)	-
Unamortized bond premiums	10,861,547	1,631,550	-
Deferred charge on bond refunding	(171,275)	(3,053,624)	-
Capital related accounts payable	(8,147,971)	-	-
Unspent bond proceeds - public safety	(144,123,770)	-	-
Unspent bond proceeds - ovation	(18,022,294)	-	-
Total related debt	93,048,515	114,809,797	226,440
Net investment in capital assets	\$ 205,735,308	\$ 240,137,502	\$ 6,475,485

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The government issued revenue bonds to finance certain improvements to its sewage disposal system. Because the Sewage Disposal System, an individual fund that accounts entirely for the government’s sewage activities, is a segment and is reported as a major fund in the fund financial statements, separate segment disclosures herein are not required.

NOTE 13 - RISK MANAGEMENT

The City of Lansing is exposed to various risks of loss that are covered by the City’s policies, including losses related to issues of cyber security, liability, errors and omissions, flood, boiler and machinery, property, employee bonding, auto, crime, ERISA considerations, and employee injuries. The City carries commercial insurance to cover these risks. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage during the past three years.

The City is self-funded for Blue Cross Blue Shield healthcare coverage for employees and retirees. The City maintains stop/loss coverage that limits its per-case exposure to \$250,000. The City estimates healthcare claims that are incurred but not reported as of year-end, which is accounted for in the City's Fringe Benefits Internal Service Fund. Changes in the estimated liability were as follows:

	Fiscal Year Ended June 30,	
	2025	2024
Estimated liability, beginning of year	\$ 1,500,590	\$ 1,380,000
Estimated claims incurred, including changes in estimates	15,172,697	16,236,132
Claim payments	(14,931,421)	(16,115,542)
Estimated liability, end of year	\$ 1,741,866	\$ 1,500,590

The City is self-insured for workers’ compensation costs. The City estimates the liability for workers’ compensation claims that have been incurred through the end of the fiscal year, including those claims that have been reported as well as those that have not yet been reported to the City. When applicable, the current portion of this liability is accounted for in the General Fund with long-term liabilities accounted for in the Statement of Net Position. The City has liability insurance coverage up to a maximum amount of \$17,500,000 per occurrence with a \$100,000 deductible. Changes in the estimated long-term liability as well as the total estimated cost of claims for the past two fiscal years were as follows:

	Fiscal Year Ended June 30,	
	2025	2024
Estimated liability, beginning of year	\$ 3,153,293	\$ 2,989,432
Estimated claims incurred, including changes in estimates	1,793,735	842,573
Claim payments	(1,946,097)	(678,712)
Estimated liability, end of year	\$ 3,000,931	\$ 3,153,293

CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of the date they are levied. City, community college, and 50% of school taxes are levied and due July 1 and become delinquent after August 31. County taxes and the balance of school taxes are levied and due December 1 and become delinquent after February 14. In March, taxes on real property still delinquent are purchased by the County's tax revolving funds. Collections of community college, school, and county taxes and remittances are accounted for in the general fund. City property tax revenues are recognized in the fiscal year for which the taxes are levied to the extent that they result in current receivables (i.e., are collected within 60 days after fiscal year-end). The 2024 taxable value for all properties within the City is \$2,922,644,587. The City is permitted by charter and state law to levy taxes up to \$20.00 per \$1,000 of assessed valuation for general operations other than the payment of principal and interest on long-term debt. The tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2025 was \$19.44 per \$1,000 of taxable value. Additionally, the City is permitted to levy taxes up to \$3.90 and \$0.26 per \$1,000 of assessed valuation for principal and interest on long-term debt and drain related debt, respectively, of which the City levied \$3.50 and \$0.26, respectively per \$1,000 of taxable value for the year ended June 30, 2025.

NOTE 15 - CONTINGENT LIABILITIES

The City and its component units participate in a number of Federal and State assisted programs that are subject to compliance audits. The audit of the Federal programs and the periodic program compliance audits of many of the State programs have not yet been conducted, completed, or resolved. Accordingly, the City's and its component units' compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City and its component units expect such amounts, if any, to be immaterial.

There are various other legal actions pending against the City and its component units. Due to the inconclusive nature of many of the actions, it is not possible for the City's Counsel to determine the probable outcome or a reasonable estimate of the potential liability, if any. These actions, for which a reasonable estimate can be determined of the potential liability, if any, are considered by the City and/or component unit management and legal counsel to not have a material effect on the financial condition of the City.

NOTE 16 - PENSION PLANS

EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The City sponsors and administers the Employees' Retirement System (the "Plan"), a single-employer, defined benefit pension plan that covers general full-time employees of the City of Lansing, Michigan, and employees of the 54-A District Court. It does not include elected officials, who are members of the Employees' Money Purchase Pension Plan, nor does it include police officers and firefighters, who are members of a separate City defined benefit pension plan. The Plan was established and may be amended by the City Council and is administered by a nine-member Board of Trustees. The Board is comprised of the Mayor of the City, one member of the City Council appointed by the City Council, the City Treasurer, the City Human Resources Director, three members of the retirement system to be elected by the members of the system under rules adopted by the board, two residents of the State of Michigan appointed by the Mayor, by and with the consent of the City Council, one of which is a retiree of the retirement system. It is accounted for as a separate pension trust fund. Separate financial statements are not issued for the Plan.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Plan Description (concluded)

All members may retire at age 50 with 25 or more years of credited service, or age 58 with 8 or more years of credited service. Members are vested after completing 8 years of credited service. Retirement options that provide for survivor benefits are available to members. The plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary. Members who are vested and terminate their employment prior to retirement will receive their benefit as a life annuity beginning at age 58.

Summary of Significant Accounting Policies

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contribution has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administration of the Plan is funded through the Plan's investment earnings.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Plan Board of Trustees, with the assistance of a valuation service.

Plan Membership

At December 31, 2024, plan membership consisted of the following:

Active members	431
Inactive members or beneficiaries receiving benefits	923
Inactive members not yet receiving benefits	<u>242</u>
Total employees covered by the Plan	<u><u>1,596</u></u>

Benefits Provided

Employees who retire with minimum age and years of service requirements are entitled to annual retirement benefits, payable in monthly installments for life, in an amount equal to a percentage of their final average compensation times years of credited service. Final average compensation is defined as the average of the highest annual compensation paid over two consecutive years of credited service within the last 10 years of credited service immediately preceding a member's termination of employment.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Benefits Provided (concluded)

The benefit payments for the current plan are calculated using the following rates for the various groups of general employees:

<u>Bargaining Unit/Employee Group</u>	<u>Multiplier Percentage</u>
United Auto Workers (UAW)	
Hired after January 9, 2017	1.50%
Hired after October 21, 2013	1.70%
All others	2.75%
Teamsters Local 214	
Hired after September 2012	1.25%
All others	1.80%
Teamsters Local 580	
Hired after May 19, 2014	1.25%
All others	1.80%
Non-bargaining and all others	
Hired after April 1, 2014	1.25%
All others	1.60%
District court exempt	
Hired after June 1, 2014	1.25%
All others	1.60%

Contributions

The contribution requirements of Plan members are established and may be amended by the City Council in accordance with City policies, union contracts, and Plan provisions. Employees are required to make contributions to the Plan in rates from 3.00 to 6.50% depending on bargaining unit and hire date. The City is required to contribute at actuarially determined rates expressed as a percentage of covered payroll. The City's contribution rate for the current plan for the year ended June 30, 2025 was 47.88% of projected valuation payroll.

<u>Bargaining Unit/Employee Group</u>	<u>Contribution Percentage</u>
United Auto Workers (UAW)	3.00%
Teamsters Local 214	
Hired after September 2012	5.00%
All others	6.50%
Teamsters Local 580	
Hired after May 9, 2014	5.00%
All others	6.35%
District court Teamsters	
Hired after April 2014	5.00%
All others	5.50%
District court exempt	5.50%
All others	6.50%

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is shown on the following pages.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.61% for the changing amounts actually invested.

Concentrations

At June 30, 2025, the Plan held certain investments (other than those issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, or other pooled investments) in certain organizations that represent 5% or more of the Plan's fiduciary net position. Please see Note 4 for the details of these concentrations.

Reserves

In accordance with the Plan policy, the City establishes reserves for various purposes. The reserves are adjusted annually based on recommendations from the City's actuaries. The policy for creating and adjusting reserves was established and can be amended by the Plan Board of Trustees. The market value change from December 31, 2024 to June 30, 2025, has been included in the Retirement reserve fund amount as it has not been allocated to the other funds as of year-end. A summary of the Plan reserves at June 30, 2025 is as follows:

Reserve/Group	Balance
Employee savings fund	\$ 10,885,560
Retirement reserve fund	154,067,805
Members benefit fund	12,167,748
Health insurance fund	55,860,485

Net Pension Liability

The components of the net pension liability for the employees' retirement system at June 30, 2025 were as follows:

Total Pension Liability	\$ 308,059,815
Plan Fiduciary Net Position	176,386,230
Net Pension Liability	\$ 131,673,585
Plan fiduciary net position as percentage of total Pension Liability	57.26%

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: Inflation, plus service-based increases.

Investment rate of return: 7.00%, net of investment expense, including inflation.

Mortality is based on the Pub2010S tables (below median), 50% for pre-retirement deaths. For Disabled members, the disabled versions of these tables are used. Each of these tables is projected generationally with Scale SSA (2020).

The actuarial assumptions used in the December 31, 2024 valuation were based on the 2015-2019 experience study.

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2025. More details regarding actuarial assumptions can be found in the December 31, 2024, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024, and the final investment return assumption, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	<u>Money-Weighted Rate of Return</u>
Domestic Equity	27.00%	5.90%	1.59%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	7.90%	0.32%
Fixed Income - U.S.	25.00%	2.40%	0.60%
Real Estate	10.00%	4.75%	0.48%
Global Opportunistic Fixed Income	6.00%	3.80%	0.23%
Global Equity Long/Short	10.00%	4.00%	0.40%
Absolute Return	6.00%	4.25%	0.26%
	<u>100.00%</u>		4.60%
Inflation			2.50%
Risk adjustment			<u>-0.10%</u>
Investment rate of return			<u>7.00%</u>

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The components of the change in the net pension liability are summarized as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2024	\$ 310,638,367	\$ 164,586,317	\$ 146,052,050
Changes for the Year			
Service cost	3,086,827	-	3,086,827
Interest on total pension liability	21,107,684	-	21,107,684
Difference between expected and actual experience	(1,980,044)	-	(1,980,044)
Employer contributions	-	12,776,200	(12,776,200)
Employee contributions	-	1,536,435	(1,536,435)
Contributions - state grant	-	2,361,715	(2,361,715)
Net investment income	-	20,138,188	(20,138,188)
Benefit payments, including employee refunds	(24,793,019)	(24,793,019)	-
Administrative expense	-	(219,606)	219,606
Net changes	(2,578,552)	11,799,913	(14,378,465)
Balances as of June 30, 2025	\$ 308,059,815	\$ 176,386,230	\$ 131,673,585

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 159,650,769	\$ 131,673,585	\$ 105,936,065

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized ERS pension expense of \$9,295,096. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 310,476	\$ 1,320,029
Net difference between projected and actual earnings on pension plan investments	-	2,592,740
Total	\$ 310,476	\$ 3,912,769

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

Year Ending June 30,	Pension Expense
2026	\$ 3,458,188
2027	(2,281,540)
2028	(2,987,258)
2029	(1,791,683)
	\$ (3,602,293)

At June 30, 2025, the City did not have any outstanding contributions to the pension plan required for the year ended June 30, 2025.

POLICE AND FIRE RETIREMENT SYSTEM

Plan Description

The City sponsors and administers the Police and Fire Retirement System (the "Plan"), a single-employer, defined benefit pension plan that covers all police officers and fire fighters who are full-time employees of the City. The Plan was established and may be amended by the City Council and is administered by an eight-member Board of Trustees. The Board is comprised of the Mayor of the City, one member of the City Council appointed by the City Council, the City Treasurer, a resident of the City who shall be appointed by the Mayor, by and with the consent of Council, two members each of the police and fire departments, to be elected by all the members of their respective departments. It is accounted for as a separate pension trust fund. Separate financial statements are not issued for the Plan.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Plan Description (concluded)

Members may retire at age 55, or at any age with 25 or more years of credited service. Members are vested after completing 10 years of credited service. Members are required to retire at age 60 (Police) or 70 (Fire). When an employee who had retired subsequent to August 31, 1966, dies, the plan provides for an automatic pension to the retiree's spouse. This automatic pension is equal to 50% of the regular retirement benefit the employee had been receiving at time of death. Effective July 30, 1990, members may elect a reduced benefit, either 93% or 86% of the regular benefit, thereby increasing the spouse pension to 75% or 86% of the regular benefit, respectively. Alternately, members may elect a non-spousal beneficiary option. The plan provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary. Members who are vested and terminate their employment have the option of deferred retirement benefits until age 55 or withdrawing their contribution, thereby forfeiting any future benefits.

Summary of Significant Accounting Policies

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contribution has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administration of the Plan is funded through the Plan's investment earnings.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Plan Board of Trustees, with the assistance of a valuation service.

Plan Membership

At December 31, 2024, plan membership consisted of the following:

Active members	353
Inactive members or beneficiaries receiving benefits	826
Inactive members not yet receiving benefits	95
Total employees covered by the Plan	1,274

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Benefits Provided

Annual retirement allowances are determined by multiplying final average compensation by 3.2% for the first 25 years of credited service. The maximum allowance is 80% of final average compensation. Pension benefit is capped at 110% of base wage for IAFF and CCLP-NS and 115% for CCLP-Supervisors. Benefit multiplier is changed to 2.5% and pension benefit is capped at 100% of base wage for hires on or after May 19, 2014, for IAFF and August 1, 2014, for CCLP-NS.

Contributions

The contribution requirements of plan members are established and may be amended by the City Council in accordance with City policies, union contracts, and Plan provisions. Fire members are required to contribute 10.0% of their annual wages to the plan, fire members hired after May 19, 2014, are required to contribute 7.00%. Police supervisors are required to contribute 9.52%, police non-supervisors are required to contribute 9.0%, and police non-supervisors hired after August 1, 2014, are required to contribute 7.00%. Chapter 294 of the City of Lansing's Ordinance establishes benefit provisions and requires that the portion of the annuity and pension reserves (which are determined annually by the City's actuary) not financed by member contributions shall be financed by annual appropriations. The City's contribution rate for the plan for the year ended June 30, 2025 was 73.11% of projected valuation payroll.

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is shown on the following pages.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

At June 30, 2025, the Plan held certain investments (other than those issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, or other pooled investments) in certain organizations that represent 5% or more of the Plan's fiduciary net position. Please see Footnote 4 for the details of these concentrations.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Reserves

In accordance with the Plan policy, the City establishes reserves for various purposes. The reserves are adjusted annually based on recommendations from the City's actuaries. The policy for creating and adjusting reserves was established and can be amended by the Plan Board of Trustees. The market value change from December 31, 2024 to June 30, 2025, has been included in the Retirement reserve fund amount as it has not been allocated to the other funds as of year-end. A summary of the Plan reserves at June 30, 2025 is as follows:

Reserve/Group	Balance
Retirement reserve fund	\$ 304,699,359
Employee savings fund	24,427,503
Health insurance fund	76,998,899

Net Pension Liability

The components of the net pension liability for the police and fire retirement system at June 30, 2025, were as follows:

Total Pension Liability	\$ 556,274,583
Plan Fiduciary Net Position	327,973,238
Net Pension Liability	\$ 228,301,345
Plan fiduciary net position as percentage of total Pension Liability	58.96%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: Inflation, plus service-based increases.

Investment rate of return: 7.00%, net of investment expense, including inflation.

Mortality is based on the Pub2010S (below median), 50% for pre-retirement deaths. For Disabled members, the disabled version of these tables is used. Each of these tables is projected generationally with Scale SSA (2020).

The actuarial assumptions used in the December 31, 2024 valuation were based on the 2015-2019 experience study.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Actuarial Assumptions (concluded)

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2025. More details regarding actuarial assumptions can be found in the December 31, 2024, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.90%	1.59%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	7.90%	0.32%
Fixed Income - U.S.	25.00%	2.40%	0.60%
Real Estate	10.00%	4.75%	0.48%
Global Opportunistic Fixed Income	6.00%	3.80%	0.23%
Global Equity Long/Short	10.00%	4.00%	0.40%
Absolute Return	6.00%	4.25%	0.26%
	<u>100.00%</u>		4.60%
Inflation			2.50%
Risk adjustment			<u>-0.10%</u>
Investment rate of return			<u>7.00%</u>

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The components of the change in the net pension liability are summarized as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2024	\$ 537,677,193	\$ 305,694,169	\$ 231,983,024
Changes for the Year			
Service cost	7,449,286	-	7,449,286
Interest on total pension liability	36,785,873	-	36,785,873
Difference between expected and actual experience	13,590,233	-	13,590,233
Employer contributions	-	21,648,376	(21,648,376)
Employee contributions	-	3,275,511	(3,275,511)
Net investment income	-	36,900,141	(36,900,141)
Benefit payments, including employee refunds	(39,228,002)	(39,228,002)	-
Administrative expense	-	(316,957)	316,957
Net changes	18,597,390	22,279,069	(3,681,679)
Balances as of June 30, 2025	\$ 556,274,583	\$ 327,973,238	\$ 228,301,345

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 288,633,004	\$ 228,301,345	\$ 173,707,937

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized Police and Fire Retirement System pension expense of \$28,053,045. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,279,168	\$ -
Net difference between projected and actual earnings on pension plan investments	-	9,190,525
Total	\$ 19,279,168	\$ 9,190,525

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

Year Ending June 30,	Pension Expense
2026	\$ 15,807,512
2027	509,945
2028	(2,988,377)
2029	(3,240,437)
	\$ 10,088,643

At June 30, 2025, the City did not have any outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

For governmental activities, pension liabilities are expected to be liquidated by the general fund.

Detailed information about the pension plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of Note 17.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - PENSION PLANS (concluded)

SUMMARY PENSION INFORMATION

The table below summarizes the net pension liability and related deferrals for the Employees' Retirement System and the Police and Fire Retirement System as presented in the Statement of Net Position.

	Employees' Retirement System	Police and Fire Retirement System	Total
Net pension liability	\$ 131,673,585	\$ 228,301,345	\$ 359,974,930
Deferred outflows - pension	310,476	19,279,168	19,589,644
Deferred inflows - pension	3,912,769	9,190,525	13,103,294
Pension expense	9,295,096	28,053,045	37,348,141

EMPLOYEES' MONEY PURCHASE PENSION PLAN

Newly hired employees are eligible to participate in the City's defined contribution plan. Eligible employees include those normally scheduled to work at least 1,000 hours during a plan year. To receive benefits under the plan, the participant must have met the age and service requirements outlined in his or her applicable bargaining unit agreement. Distributions are calculated based on the employee's vesting percentage and the individual's allocation of investment funds. In accordance with the Plan agreement, the City contributes 4% of employees' base pay to the plan. The defined contribution plan is administered by the Board of Trustees as designed in the City of Lansing Defined Contribution Plan which stipulates that the trustees have such authority. All amendments to the plan, including funding requirements, must be approved by the City Council subject to the terms of collective bargaining agreements. City contributions for the year ended June 30, 2025 were \$175,607 for plan members. Employee contributions for the year ended June 30, 2025 were \$664,948. All amendments to the Plan, including funding requirements, must be approved by the City Council. The assets of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

PRIMARY GOVERNMENT

Plan Description

The City of Lansing contributes to the Employees' Retirement System, the Police and Fire Retirement System, and the Voluntary Employees Beneficiary Association amounts to pre-fund postemployment healthcare. In the Employees' Retirement System and the Police and Fire Retirement System, these other postemployment benefits (OPEB) are set up as reserves in the pension plans, and their investments are commingled with the investments of the pension plan. Portfolio makeup is reported as a percentage of total pension plan assets. Earnings are calculated based on a seven-year smoothed rate of return of the retirement systems. Eligible participants include any retirees who receive pension benefits under their respective pension plans, with the exception of Teamster 580 employees hired after May 2014. OPEB plan provisions are established and may be amended by the City Council, subject to the City's various collective bargaining agreements. Separate financial statements are not prepared for the plans.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

PRIMARY GOVERNMENT (concluded)

Method Used to Value Investments

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of each plans' board of trustees, with the assistance of a valuation service.

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)

Plan Description

The City of Lansing Voluntary Employees Beneficiary Association (the "Plan") is a single employer defined benefit postemployment healthcare plan established by the City to provide medical and healthcare benefits for retirees and their beneficiaries. Eligible participants include any retirees who receive pension benefits under one of the City's pension plans. The Plan is funded by a trust agreement established pursuant to Section 501(c)(9) of the Internal Revenue Code that allows for the formation of a VEBA. It is accounted for as a separate OPEB trust fund.

Membership of the Plan consisted of the following at January 1, 2024, the date of the most recent actuarial valuation:

Active members	341
Inactive members or beneficiaries receiving benefits	28
Inactive members not yet receiving benefits	56
Total	425

Benefits Provided

The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of \$134.00 per month for each covered retiree and eligible dependent(s) eligible for retiree healthcare. The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made.

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by the City Council, in accordance with City policies, union contracts, and Plan provisions. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they qualify under the various contracts. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the bi-annual actuarial valuation. For the year ended June 30, 2025, the City contributed \$2,009,261 to the Plan.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA) (continued)

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2025, were as follows:

Total OPEB Liability	\$	60,993,919
Plan Fiduciary Net Position		51,777,011
Net OPEB Liability	\$	9,216,908
Plan fiduciary net position as percentage of total OPEB liability		84.89%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Investment rate of return: 7.00%, net of OPEB plan investment expense, including inflation.

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the 2015-2019 experience study.

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy as of June 30, 2025 is summarized in the table on the following page.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA) (continued)

Investment Policy (concluded)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.90%	1.59%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	7.90%	0.32%
Fixed Income - U.S.	25.00%	2.40%	0.60%
Real Estate	10.00%	4.75%	0.48%
Global Opportunistic Fixed Income	6.00%	3.80%	0.23%
Global Equity Long/Short	10.00%	4.00%	0.40%
Absolute Return	6.00%	4.25%	0.26%
	<u>100.00%</u>		4.60%
Inflation			2.50%
Risk adjustment			-0.10%
Investment rate of return			<u>7.00%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The City's funding expectations/policy is to contribute a percentage of payroll each year to their OPEB trust, in addition to paying the annual benefits directly. The City has also assumed that benefits will begin being paid from trust assets once the funding ratio exceeds 90%. Based on this information, the City projects that benefits will be available to make all projected future benefit payments of current plan members.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA) (continued)

Discount Rate (concluded)

The components of the change in the net OPEB liability are summarized as follows:

Calculating the Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2024	\$ 57,744,273	\$ 45,008,901	\$ 12,735,372
Changes for the year			
Service cost	830,825	-	830,825
Interest on total OPEB liability	4,958,390	-	4,958,390
Difference between expected and actual return on investments	(2,539,569)	-	(2,539,569)
Employer contributions	-	2,009,261	(2,009,261)
Net investment income	-	4,938,931	(4,938,931)
Administrative expense	-	(180,082)	180,082
Net changes	3,249,646	6,768,110	(3,518,464)
Balances as of June 30, 2025	\$ 60,993,919	\$ 51,777,011	\$ 9,216,908

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate	1% Increase 8.00%
Net OPEB liability	\$ 13,344,880	\$ 9,216,908	\$ 5,821,198

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA) (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 4.5% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.5%) or 1% higher (5.5%) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Healthcare Ultimate Cost Trend Rate	1% Increase 5.50%
Net OPEB liability	\$ 5,676,076	\$ 9,216,908	\$ 13,502,643

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$448,010. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,292,733
Net difference between projected and actual earnings on plan investments	-	854,124
Total	\$ -	\$ 4,146,857

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

Year Ending June 30,	OPEB Expense
2026	\$ (1,841,597)
2027	(1,855,931)
2028	(274,934)
2029	(174,395)
	\$ (4,146,857)

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA) (concluded)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of this note disclosure.

At June 30, 2025, the City reported no amount payable to the OPEB plan.

EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The City sponsors and administers the Employees' Retirement System OPEB Plan (the "Plan"), a single-employer, defined benefit OPEB plan that provides postemployment health care benefits, in accordance with labor agreements, to full-time employees of the City and employees of the 54-A District Court (not including police officers and firefighters who are members of the Police and Fire Retirement System). Members eligible for pension benefits under the Employees' Retirement System are also eligible to receive health care benefits, with the exception of Teamster 580 employees hired after May 2014. The Plan was established and may be amended by the City Council and is administered by a nine-member Board of Trustees. The Board is comprised of the Mayor of the City, one member of the City Council appointed by the City Council, the City Treasurer, the City Human Resources Director, three members of the retirement system to be elected by the members of the system under rules adopted by the board, two residents of the State of Michigan appointed by the Mayor, by and with the consent of the City Council, one of which is a retiree of the retirement system. It is accounted for as a separate OPEB trust fund.

Membership of the Plan consisted of the following at January 1, 2024, the date of the most recent actuarial valuation:

Active members	362
Inactive members or beneficiaries receiving benefits	57
Inactive members not yet receiving benefits	772
Total	1,191

Benefits Provided

The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of \$134.00 per month for each covered retiree and eligible dependent(s) eligible for retiree healthcare. The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by the City Council, in accordance with City policies, union contracts, and Plan provisions. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they qualify under the various contracts. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the bi-annual actuarial valuation. For the year ended June 30, 2025, the City contributed \$14,390,709 (direct benefit payments of \$8,449,770 and City contributions of \$5,940,939) to the Plan.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 7.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2025, were as follows:

Total OPEB Liability	\$ 88,032,559
Plan Fiduciary Net Position	<u>56,595,368</u>
Net OPEB Liability	<u>\$ 31,437,191</u>
Plan fiduciary net position as percentage of total OPEB liability	64.29%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Investment rate of return: 7.00%, net of OPEB plan investment expense, including inflation.

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the 2015-2019 experience study.

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy as of June 30, 2025 is summarized in the table on the following page.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.90%	1.59%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	7.90%	0.32%
Fixed Income - U.S.	25.00%	2.40%	0.60%
Real Estate	10.00%	4.75%	0.48%
Global Opportunistic Fixed Income	6.00%	3.80%	0.23%
Global Equity Long/Short	10.00%	4.00%	0.40%
Absolute Return	6.00%	4.25%	0.26%
	<u>100.00%</u>		4.60%
Inflation			2.50%
Risk adjustment			-0.10%
Investment rate of return			<u>7.00%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The City's funding expectations/policy is to contribute a percentage of payroll each year to their OPEB trust, in addition to paying the annual benefits directly. The City has also assumed that benefits will begin being paid from trust assets once the funding ratio exceeds 90%. Based on this information, the City projects that benefits will be available to make all projected future benefit payments of current plan members.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Discount Rate (concluded)

The components of the change in the net OPEB liability are summarized as follows:

Calculating the Net OPEB Liability			
	Increase (Decrease)		
Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)	
Balances at June 30, 2024	\$ 92,930,271	\$ 47,504,025	\$ 45,426,246
Changes for the year			
Service cost	908,142	-	908,142
Interest on total OPEB liability	5,419,816	-	5,419,816
Difference between expected and actual return on investments	(2,775,900)	-	(2,775,900)
Employer contributions	-	14,390,709	(14,390,709)
Net investment income	-	3,653,498	(3,653,498)
Benefit payments	(8,449,770)	(8,449,770)	-
Administrative expense	-	(503,094)	503,094
Net changes	(4,897,712)	9,091,343	(13,989,055)
Balances as of June 30, 2025	\$ 88,032,559	\$ 56,595,368	\$ 31,437,191

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate	1% Increase 8.00%
Net OPEB liability	\$ 45,516,949	\$ 31,437,191	\$ 19,855,044

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 4.5% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.5%) or 1% higher (5.5%) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Healthcare Ultimate Cost Trend Rate	1% Increase 5.50%
Net OPEB liability	\$ 19,360,060	\$ 31,437,191	\$ 46,055,050

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$485,345. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,599,154
Net difference between projected and actual earnings on plan investments	-	933,608
Total	\$ -	\$ 4,532,762

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

Year Ending June 30,	OPEB Expense
2026	\$ (2,012,976)
2027	(2,028,643)
2028	(300,520)
2029	(190,623)
	\$ (4,532,762)

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (concluded)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of this note disclosure.

At June 30, 2025, the City reported no amount payable to the OPEB plan.

POLICE AND FIRE RETIREMENT SYSTEM

Plan Description

The City sponsors and administers the Police and Fire Retirement System OPEB Plan (the "Plan"), a single-employer, defined benefit OPEB plan that provides postemployment health care benefits, in accordance with labor agreements, to members who are eligible to receive pension benefits under the Police and Fire Retirement System. The Plan was established and may be amended by the City Council and is administered by an eight-member Board of Trustees. The Board is comprised of the Mayor of the City, one member of the City Council appointed by the City Council, the City Treasurer, a resident of the City who shall be appointed by the Mayor, by and with the consent of Council, two members each of the police and fire departments, to be elected by all the members of their respective departments.

Membership of the Plan consisted of the following at January 1, 2024, the date of the most recent actuarial valuation:

Active members	253
Inactive members or beneficiaries receiving benefits	12
Inactive members not yet receiving benefits	731
Total	996

Benefits Provided

The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of \$121.90 per month for each covered retiree and dependent(s). The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by the City Council, in accordance with City policies, union contracts, and Plan provisions. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they qualify under the various contracts. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the bi-annual actuarial valuation. For the year ended June 30, 2025, the City contributed \$27,808,338 (direct benefit payments of \$12,287,069 and City contributions of \$15,521,269) to the Plan.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the City at June 30, 2025, were as follows:

Total OPEB Liability	\$ 222,315,037
Plan Fiduciary Net Position	<u>78,152,523</u>
 Net OPEB Liability	 <u><u>\$ 144,162,514</u></u>
 Plan fiduciary net position as percentage of total OPEB liability	 35.15%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Investment rate of return: 7.00%, net of OPEB plan investment expense, including inflation.

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the 2015-2019 experience study.

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy as of June 30, 2025 is summarized in the table below.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Money-Weighted Rate of Return</u>
Domestic Equity	27.00%	5.90%	1.59%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	7.90%	0.32%
Fixed Income - U.S.	25.00%	2.40%	0.60%
Real Estate	10.00%	4.75%	0.48%
Global Opportunistic Fixed Income	6.00%	3.80%	0.23%
Global Equity Long/Short	10.00%	4.00%	0.40%
Absolute Return	6.00%	4.25%	0.26%
	<u>100.00%</u>		4.60%
Inflation			2.50%
Risk adjustment			<u>-0.10%</u>
Investment rate of return			<u>7.00%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The City's funding expectations/policy is to contribute a percentage of payroll each year to their OPEB trust, in addition to paying the annual benefits directly. The City has assumed that benefits will be paid from trust assets once the funding ratio exceeds 90%, and until the fund is depleted. Based on this information, the City projects that benefits will be available to make all projected future benefit payments of current plan members.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Discount Rate (concluded)

The components of the change in the net OPEB liability are summarized as follows:

Calculating the Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2024	\$ 210,547,076	\$ 59,469,018	\$ 151,078,058
Changes for the year			
Service cost	1,220,106	-	1,220,106
Interest on total OPEB liability	14,400,929	-	14,400,929
Difference between expected and actual return on investments	8,433,995	-	8,433,995
Employer contributions	-	27,808,338	(27,808,338)
Net investment income	-	4,326,161	(4,326,161)
Benefit payments	(12,287,069)	(12,287,069)	-
Administrative expense	-	(1,163,925)	1,163,925
Net changes	11,767,961	18,683,505	(6,915,544)
Balances as of June 30, 2025	\$ 222,315,037	\$ 78,152,523	\$ 144,162,514

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate	1% Increase 8.00%
Net OPEB liability	\$ 172,054,783	\$ 144,162,514	\$ 121,445,569

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 4.5% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.5%) or 1% higher (5.5) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Healthcare Ultimate Cost Trend Rate	1% Increase 5.50%
Net OPEB liability	\$ 120,313,253	\$ 144,162,514	\$ 173,294,331

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$13,918,937. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,325,496	\$ 4,858,185
Net difference between projected and actual earnings on plan investments	415,387	-
Total	\$ 6,740,883	\$ 4,858,185

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

Year Ending June 30,	OPEB Expense
2026	\$ 1,884,388
2027	(319,715)
2028	1,462,245
2029	(1,144,220)
	\$ 1,882,698

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (concluded)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of this note disclosure.

At June 30, 2025, the City reported no amount payable to the OPEB plan.

For governmental activities, other postemployment benefit liabilities are expected to be liquidated by the general fund.

SUMMARY OPEB INFORMATION

The table below summarizes the net OPEB liability and related deferrals for the Employees' Retirement System and the Police and Fire Retirement System as presented in the Statement of Net Position.

	Retiree Healthcare VEBA	Employees' Retirement System	Police and Fire Retirement System	Total
Net OPEB liability	\$ 9,216,908	\$ 31,437,191	\$ 144,162,514	\$ 184,816,613
Deferred outflows - OPEB	-	-	6,740,883	6,740,883
Deferred inflows - OPEB	4,146,857	4,532,762	4,858,185	13,537,804
OPEB expense	448,010	485,345	13,918,937	14,852,292

Financial statements for individual pension and employee benefit plans:

	Pension and Other Postemployment Benefits Trust Funds						Totals
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	
ASSETS							
Cash and cash equivalents	\$ 4,457,121	\$ 1,430,114	\$ 14,136,413	\$ 3,368,556	\$ -	\$ 1,039,681	\$ 24,431,885
Investments							
Mutual funds	124,468,786	39,922,498	228,301,996	54,401,928	9,040,140	48,933,819	505,069,167
Domestic equities	42,648,125	13,684,097	81,541,435	19,430,454	-	-	157,304,111
International equities	766,666	245,993	1,471,408	350,621	-	-	2,834,688
Emerging market equities	10,369,174	3,327,058	15,834,950	3,773,300	-	677,266	33,981,748
Money market funds	2,706,196	882,926	4,227,409	1,007,346	-	1,126,245	9,950,122
Dividends and interest receivable	69,592	22,329	83,706	19,946	-	-	195,573
TOTAL ASSETS	185,485,660	59,515,015	345,597,317	82,352,151	9,040,140	51,777,011	733,767,294
LIABILITIES							
Accounts payable	116,442	37,361	342,864	81,699	-	-	578,366
Due to other governmental units	8,982,988	2,882,286	17,281,215	4,117,929	4,653	-	33,269,071
TOTAL LIABILITIES	9,099,430	2,919,647	17,624,079	4,199,628	4,653	-	33,847,437
NET POSITION							
Restricted for:							
Pension benefits	176,386,230	-	327,973,238	-	9,035,487	-	513,394,955
Other postemployment benefits	-	56,595,368	-	78,152,523	-	51,777,011	186,524,902
TOTAL NET POSITION	\$ 176,386,230	\$ 56,595,368	\$ 327,973,238	\$ 78,152,523	\$ 9,035,487	\$ 51,777,011	\$ 699,919,857

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (concluded)

Financial statements for individual pension and employee benefit plans (concluded):

	Changes in Pension and Other Postemployment Benefits Net Position						Totals
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBAs	
ADDITIONS							
Investment income							
Net appreciation (decrease) in fair value of investments	\$ 20,474,055	\$ 3,653,498	\$ 37,733,484	\$ 4,326,161	\$ 1,545,958	\$ 3,954,359	\$ 71,687,515
Interest income (loss)	231,624	-	(26,976)	-	-	984,572	1,189,220
Investment expenses	(567,491)	-	(806,367)	-	-	-	(1,373,858)
Net investment income	20,138,188	3,653,498	36,900,141	4,326,161	1,545,958	4,938,931	71,502,877
Contributions							
Employer	12,776,200	14,390,709	21,648,376	27,808,338	175,607	2,009,261	78,808,491
Nonemployer	2,361,715	-	-	-	-	-	2,361,715
Plan members	1,536,435	-	3,275,511	-	664,948	-	5,476,894
Total contributions	16,674,350	14,390,709	24,923,887	27,808,338	840,555	2,009,261	86,647,100
TOTAL ADDITIONS	36,812,538	18,044,207	61,824,028	32,134,499	2,386,513	6,948,192	158,149,977
DEDUCTIONS							
Participant benefits	24,793,019	8,449,770	39,228,002	12,287,069	-	-	84,757,860
Administrative expense	219,606	503,094	316,957	1,163,925	1,055,061	180,082	3,438,725
TOTAL DEDUCTIONS	25,012,625	8,952,864	39,544,959	13,450,994	1,055,061	180,082	88,196,585
CHANGE IN NET POSITION	11,799,913	9,091,343	22,279,069	18,683,505	1,331,452	6,768,110	69,953,392
NET POSITION							
Restricted for pension and other postemployment benefits							
Beginning of year	164,586,317	47,504,025	305,694,169	59,469,018	7,704,035	45,008,901	629,966,465
End of year	\$ 176,386,230	\$ 56,595,368	\$ 327,973,238	\$ 78,152,523	\$ 9,035,487	\$ 51,777,011	\$ 699,919,857

NOTE 18 - TAX ABATEMENTS

Because Lansing is an older city, vacant land, or “green space” for new buildings is scarce, the City offers tax abatements to make redevelopment and rehabilitation of existing buildings economically viable for developers, who must consider the cost of rehabilitating existing, often older, buildings which may involve environmental remediation, against the generally lesser cost of building on vacant land outside the City. These tax abatements are designed to level the “playing field” for urban communities to encourage redevelopment of vacant buildings, and to attract and retain private investment and jobs within the City. The City of Lansing provides tax abatements under several different programs:

- Industrial property tax abatements are granted in the State of Michigan under Public Act 198 to promote economic development, creation of jobs, and new or improved facilities. The Industrial Facilities Tax (IFT) Exemption must be approved by both the City (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for up to 12 years. A certificate may be revoked, and taxes recaptured for noncompliance with the terms of the agreement. Property taxes abated by the City under this program for fiscal year 2025 amounted to \$946,619.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 18 - TAX ABATEMENTS (concluded)

- The State of Michigan allows for Commercial Rehabilitation Exemption under Public Act 210 if making substantial improvements to a business or multi-family residential facility. The City had no Commercial Rehabilitation Exemptions for fiscal year 2025.
- To incentivize new or expanded businesses, Public Act 328 allows for Personal Property Tax Exemptions for qualified businesses located within eligible distressed communities. The exemption must be approved by the City Council and the State Treasurer. Once approved, the taxpayer is exempt from personal property tax on new investments after the date of the exemption. The City can recapture the taxes if the business defaults on the terms of the written agreement. Property taxes abated by the City under this program for fiscal year 2025 amounted to \$2,726,025.
- The Brownfield Redevelopment Authority encourages environmental cleanup and economic development through its Brownfield Redevelopment Plan under Public Act 318. A developer performs redevelopment and cleanup activities at a site that is obsolete or blighted. The increased tax revenues resulting from the increase in taxable value are captured by the City and used to repay the developer for qualifying expenses. There is no provision for recovery of abated taxes because the developer is only paid for eligible expenses on a reimbursement-basis. In addition, there are reserve liabilities reported in the financial statements that represent tax captures set aside for future developer reimbursements. Property taxes abated by the Authority under this program for fiscal year 2025 amounted to \$3,981,713.

NOTE 19 - ASSETS HELD BY FOUNDATION

During 2020 the City contributed \$1,296,395 from the sale of Waverly Park to the City of Lansing Parks and Recreation Endowment Fund, which is held by the Capital Region Community Foundation (CRCF) on behalf of the City, from which only a certain component is spendable. During 2025 the City contributed \$10,000. The expenditure related to the contribution is recorded within a nonmajor capital project fund. The CRCF has explicit variance power and therefore these amounts are not shown in the financial statements of the City. This variance power allows CRCF to modify any restrictions or considerations on the distribution of the funds. Distributions will be made to the City annually as requested, according to the spending guidelines. The City elected not to receive any distributions this year. At June 30, 2025, the fund has a value of \$2,079,748.

NOTE 20 - LEASE RECEIVABLE

The City leases one of its buildings to a third party. The lease is for 20 years and the City will receive annual payments of \$24,600, increasing by 2.5% annually. The City recognized \$16,117 in lease revenue and \$9,098 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was \$385,193. Also, the City has deferred the inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was \$379,759.

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 21 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences* and GASB No. 102, *Certain Risk Disclosures*.

GASB 101 Summary:

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. There was not a material impact on the financial statements due to this statement.

GASB 102 Summary:

This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government’s vulnerability to the risk of substantial impact. There was not a material impact on the financial statements due to this statement.

NOTE 22 - ADJUSTMENT TO BEGINNING NET POSITION

During fiscal year 2025, the change to beginning net position related to a restatement of long-term obligations:

	Component Units
Net position (deficit), beginning of year, as previously reported	\$ (54,497,630)
Correction of an error	239,030
Net position (deficit), beginning of year, as restated	\$ (54,258,600)

**CITY OF LANSING
NOTES TO FINANCIAL STATEMENTS**

NOTE 23 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 53,925,000	\$ 53,925,000	\$ 54,828,119	\$ 903,119
Income taxes	42,750,000	42,750,000	45,547,274	2,797,274
Licenses and permits	1,875,500	1,875,499	1,534,016	(341,483)
Intergovernmental	29,695,000	25,695,000	25,380,715	(314,285)
Charges for services	10,734,500	10,734,500	10,935,424	200,924
Fines and forfeits	1,576,000	1,576,000	1,461,644	(114,356)
Interest and rents	665,677	665,677	1,446,495	780,818
Other				
Donations and contributions	27,501,500	28,001,500	28,057,140	55,640
Miscellaneous	529,823	529,824	609,626	79,802
TOTAL REVENUES	169,253,000	165,753,000	169,800,453	4,047,453
EXPENDITURES				
Current				
General government				
City clerk				
Personnel	1,209,251	1,209,251	1,264,415	(55,164)
Operating	744,810	744,810	665,914	78,896
Total city clerk	1,954,061	1,954,061	1,930,329	23,732
Council				
Personnel	541,858	541,858	565,672	(23,814)
Operating	193,843	221,612	136,454	85,158
Total council	735,701	763,470	702,126	61,344
Finance and related				
Personnel	5,045,721	4,896,721	4,882,168	14,553
Operating	1,717,903	1,717,903	2,348,716	(630,813)
Total finance and related	6,763,624	6,614,624	7,230,884	(616,260)
Internal audit				
Personnel	195,192	162,192	178,179	(15,987)
Operating	8,159	8,159	7,336	823
Total internal audit	203,351	170,351	185,515	(15,164)
Library rental				
Operating	145,000	145,000	152,929	(7,929)
Human resources				
Personnel	1,874,163	1,888,163	1,873,246	14,917
Operating	652,126	652,126	621,909	30,217
Total human resources	2,526,289	2,540,289	2,495,155	45,134
City supported agencies				
Personnel	-	6,490,000	21,851,169	(15,361,169)
Operating	547,500	1,125,760	1,281,092	(155,332)
Total city supported agencies	547,500	7,615,760	23,132,261	(15,516,501)
Mayor				
Personnel	1,034,509	1,034,509	1,155,786	(121,277)
Operating	282,089	282,089	241,618	40,471
Total mayor	1,316,598	1,316,598	1,397,404	(80,806)
Office of community media				
Personnel	651,522	651,522	657,648	(6,126)
Operating	76,009	90,017	85,261	4,756
Total office of community media	727,531	741,539	742,909	(1,370)
Contingency				
	(1,500,000)	-	-	-
Total general government	13,419,655	21,861,692	37,969,512	(16,107,820)

CONTINUED

**CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Judicial				
Personnel	\$ 8,395,224	\$ 8,037,224	\$ 7,730,636	\$ 306,588
Operating	<u>630,998</u>	<u>630,998</u>	<u>1,854,721</u>	<u>(1,223,723)</u>
Total judicial	<u>9,026,222</u>	<u>8,668,222</u>	<u>9,585,357</u>	<u>(917,135)</u>
Public safety				
Police				
Personnel	50,438,586	47,257,586	47,288,210	(30,624)
Operating	<u>10,179,341</u>	<u>9,284,341</u>	<u>7,197,198</u>	<u>2,087,143</u>
Total police	<u>60,617,927</u>	<u>56,541,927</u>	<u>54,485,408</u>	<u>2,056,519</u>
Fire				
Personnel	37,119,450	37,554,450	38,434,838	(880,388)
Operating	<u>6,098,360</u>	<u>6,098,360</u>	<u>5,058,393</u>	<u>1,039,967</u>
Total fire	<u>43,217,810</u>	<u>43,652,810</u>	<u>43,493,231</u>	<u>159,579</u>
Total public safety	<u>103,835,737</u>	<u>100,194,737</u>	<u>97,978,639</u>	<u>2,216,098</u>
Public works				
Personnel	3,150,362	3,087,362	3,496,799	(409,437)
Operating	<u>9,858,342</u>	<u>9,858,342</u>	<u>10,886,813</u>	<u>(1,028,471)</u>
Total public works	<u>13,008,704</u>	<u>12,945,704</u>	<u>14,383,612</u>	<u>(1,437,908)</u>
Recreation and culture				
Personnel	5,675,739	5,177,739	5,216,917	(39,178)
Operating	<u>3,434,057</u>	<u>3,434,057</u>	<u>4,780,897</u>	<u>(1,346,840)</u>
Total recreation and culture	<u>9,109,796</u>	<u>8,611,796</u>	<u>9,997,814</u>	<u>(1,386,018)</u>
Health and welfare				
Human services/community support				
Operating	<u>2,235,000</u>	<u>3,719,414</u>	<u>2,373,153</u>	<u>1,346,261</u>
Community and economic development				
Economic development & planning				
Personnel	3,883,414	3,648,414	3,687,100	(38,686)
Operating	<u>2,760,027</u>	<u>2,760,027</u>	<u>3,268,053</u>	<u>(508,026)</u>
Total economic development & planning	<u>6,643,441</u>	<u>6,408,441</u>	<u>6,955,153</u>	<u>(546,712)</u>
Neighborhood & community engagement				
Personnel	1,094,223	1,121,223	1,141,832	(20,609)
Operating	<u>608,913</u>	<u>608,913</u>	<u>356,645</u>	<u>252,268</u>
Total neighborhood & community engagement	<u>1,703,136</u>	<u>1,730,136</u>	<u>1,498,477</u>	<u>231,659</u>
Human relations/community services				
Personnel	1,832,040	1,768,040	1,769,605	(1,565)
Operating	<u>248,553</u>	<u>315,235</u>	<u>289,792</u>	<u>25,443</u>
Total human relations/community services	<u>2,080,593</u>	<u>2,083,275</u>	<u>2,059,397</u>	<u>23,878</u>
Total community and economic development	<u>10,427,170</u>	<u>10,221,852</u>	<u>10,513,027</u>	<u>(291,175)</u>

**CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (concluded)
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (concluded)				
Debt service				
Principal	\$ 1,731,000	\$ 1,731,000	\$ 1,465,000	\$ 266,000
Interest and fiscal charges	470,591	470,591	389,980	80,611
Total debt service	<u>2,201,591</u>	<u>2,201,591</u>	<u>1,854,980</u>	<u>346,611</u>
TOTAL EXPENDITURES	<u>163,263,875</u>	<u>168,425,008</u>	<u>184,656,094</u>	<u>(16,231,086)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,989,125</u>	<u>(2,672,008)</u>	<u>(14,855,641)</u>	<u>(12,183,633)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	333,000	333,000	5,298,206	4,965,206
Transfers out	<u>(6,497,125)</u>	<u>(6,497,125)</u>	<u>(1,104,132)</u>	<u>5,392,993</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,164,125)</u>	<u>(6,164,125)</u>	<u>4,194,074</u>	<u>10,358,199</u>
NET CHANGE IN FUND BALANCE	(175,000)	(8,836,133)	(10,661,567)	(1,825,434)
Fund balance, beginning of year	<u>40,651,846</u>	<u>40,651,846</u>	<u>40,651,846</u>	<u>-</u>
Fund balance, end of year	<u>\$ 40,476,846</u>	<u>\$ 31,815,713</u>	<u>\$ 29,990,279</u>	<u>\$ (1,825,434)</u>

**CITY OF LANSING
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,814,987	\$ 8,642,381	\$ 26,843,269	\$ 18,200,888
Interest and rents	-	-	1,219,309	1,219,309
Other revenues	25,000	25,000	9,761	(15,239)
TOTAL REVENUES	1,839,987	8,667,381	28,072,339	19,404,958
EXPENDITURES				
Current				
General government				
Personnel	-	143,386	279,888	(136,502)
Operations	-	1,073,780	602,386	471,394
Total general government	-	1,217,166	882,274	334,892
Public safety				
Personnel	-	1,450	1,041,686	(1,040,236)
Operations	-	286,762	653,115	(366,353)
Total public safety	-	288,212	1,694,801	(1,406,589)
Public works				
Operations	800,000	2,001,356	5,634,406	(3,633,050)
Health and welfare				
Personnel	-	-	6,591	(6,591)
Operations	181,593	181,593	365,673	(184,080)
Total health and welfare	181,593	181,593	372,264	(190,671)
Community and economic development				
Personnel	91,330	91,330	543,454	(452,124)
Operations	867,064	4,987,724	14,832,153	(9,844,429)
Total community and economic development	958,394	5,079,054	15,375,607	(10,296,553)
Recreation and culture				
Personnel	-	-	100	(100)
Operations	-	-	38,046	(38,046)
Total recreation and culture	-	-	38,146	(38,146)
TOTAL EXPENDITURES	1,939,987	8,767,381	23,997,498	(15,230,117)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(100,000)	4,074,841	4,174,841
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	186,132	86,132
Transfers out	-	-	(4,260,973)	(4,260,973)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	(4,074,841)	(4,174,841)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	\$ 3,086,827	\$ 3,074,831	\$ 2,889,649	\$ 2,827,879	\$ 2,943,847	\$ 2,738,099	\$ 2,719,559	\$ 2,538,487	\$ 2,711,461	\$ 2,977,084
Interest	21,107,684	21,073,196	21,220,221	21,523,899	21,890,652	21,360,398	21,512,099	21,994,837	22,403,009	22,268,516
Difference between expected and actual experience	(1,980,044)	931,426	(2,085,433)	(4,473,505)	(2,504,529)	7,219,344	(2,559,726)	(6,451,827)	(23,183,264)	(4,937,823)
Changes of assumptions	-	-	-	-	7,666,292	-	-	3,099,448	3,706,512	7,575,775
Benefit payments, including employee refunds	(24,793,019)	(24,410,966)	(24,212,331)	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)
Net Change in Total Pension Liability	(2,578,552)	668,487	(2,187,894)	(4,463,818)	5,680,007	7,210,938	(1,798,108)	(1,921,279)	(17,275,496)	5,023,103
Total Pension Liability, beginning	310,638,367	309,969,880	312,157,774	316,621,592	310,941,585	303,730,647	305,528,755	307,450,034	324,725,530	319,702,427
Total Pension Liability, ending	\$ 308,059,815	\$ 310,638,367	\$ 309,969,880	\$ 312,157,774	\$ 316,621,592	\$ 310,941,585	\$ 303,730,647	\$ 305,528,755	\$ 307,450,034	\$ 324,725,530
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 12,776,200	\$ 13,793,087	\$ 11,675,068	\$ 13,494,287	\$ 12,649,529	\$ 10,698,401	\$ 10,880,932	\$ 10,843,000	\$ 10,246,872	\$ 10,181,620
Contributions - employee	1,536,435	1,417,258	1,418,513	1,289,306	1,172,409	1,286,273	1,220,657	1,230,857	1,216,519	1,088,943
Contributions - state grant	2,361,715	11,551,892	-	-	-	-	-	-	-	-
Net investment income (loss)	20,138,188	16,452,547	3,436,309	(15,129,738)	36,047,284	(540,861)	8,437,568	9,679,565	17,412,568	(2,790,190)
Benefit payments, including employee refunds	(24,793,019)	(24,410,966)	(24,212,331)	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)
Administrative expenses	(219,606)	(86,560)	(114,853)	(66,474)	(20,367)	(34,016)	(42,364)	(57,822)	(47,217)	(126,486)
Net Change in Plan Fiduciary Net Position	11,799,913	18,717,258	(7,797,294)	(24,754,710)	25,532,600	(12,697,106)	(2,973,247)	(1,406,624)	5,915,528	(14,506,562)
Plan Fiduciary Net Position, beginning	164,586,317	145,869,059	153,666,353	178,421,063	152,888,463	165,585,569	168,558,816	169,965,440	164,049,912	178,556,474
Plan Fiduciary Net Position, ending	\$ 176,386,230	\$ 164,586,317	\$ 145,869,059	\$ 153,666,353	\$ 178,421,063	\$ 152,888,463	\$ 165,585,569	\$ 168,558,816	\$ 169,965,440	\$ 164,049,912
City's Net Pension Liability	\$ 131,673,585	\$ 146,052,050	\$ 164,100,821	\$ 158,491,421	\$ 138,200,529	\$ 158,053,122	\$ 138,145,078	\$ 136,969,939	\$ 137,484,594	\$ 160,675,618
Plan fiduciary net position as a percentage of the total pension liability	57.26%	52.98%	47.06%	49.23%	56.35%	49.17%	54.52%	55.17%	55.28%	50.52%
Covered payroll	\$ 31,613,907	\$ 21,858,025	\$ 27,348,422	\$ 24,509,599	\$ 26,001,896	\$ 24,304,971	\$ 23,265,437	\$ 22,672,891	\$ 20,901,389	\$ 23,085,894
City's net pension liability as a percentage of covered payroll	416.5%	668.2%	600.0%	646.7%	531.5%	650.3%	593.8%	604.1%	657.8%	696.0%

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2025. More details regarding actuarial assumptions can be found in the December 31, 2024, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

**CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	\$ 12,776,200	\$ 13,165,598	\$ 12,194,686	\$ 12,737,487	\$ 12,349,529	\$ 10,698,401	\$ 10,880,932	\$ 10,185,060	\$ 10,246,872	\$ 10,181,620
Contributions in relation to the actuarially determined contribution	15,137,915	13,793,087	11,675,068	12,737,487	12,349,529	10,698,401	10,880,932	10,843,000	10,246,872	10,181,620
Contribution deficiency (excess)	<u>\$ (2,361,715)</u>	<u>\$ (627,489)</u>	<u>\$ 519,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (657,940)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 31,613,907	\$ 21,858,025	\$ 27,348,422	\$ 24,509,899	\$ 26,001,896	\$ 24,304,971	\$ 23,265,437	\$ 22,672,891	\$ 20,901,389	\$ 23,085,894
Contributions as a percentage of covered payroll	47.88%	63.10%	42.69%	51.97%	47.49%	44.02%	46.77%	47.82%	49.02%	44.10%

The actuarially determined contribution was based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially determined contribution has been expressed above as a percentage of actual payroll.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: Inflation, plus service-based increases.

Investment rate of return: 7.00%, net of investment expense, including inflation.

Mortality is based on the Pub2010S tables (below median), 50% for pre-retirement deaths. For Disabled members, the disabled versions of these tables are used. Each of these tables is projected generationally with Scale SSA (2020).

The actuarial assumptions used in the December 31, 2024 valuation were based on the 2015-2019 experience study.

**CITY OF LANSING
 DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
 SCHEDULE OF INVESTMENT RETURNS
 LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	12.61%	10.97%	2.29%	-8.82%	24.71%	-0.34%	5.17%	5.87%	10.91%	-1.60%

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	\$ 7,449,286	\$ 7,023,797	\$ 7,853,786	\$ 7,269,988	\$ 6,961,705	\$ 6,526,273	\$ 6,801,669	\$ 6,533,877	\$ 6,133,683	\$ 6,371,845
Interest	36,785,873	35,852,495	34,431,238	33,647,916	32,984,834	32,689,419	31,573,535	30,641,722	30,519,676	30,197,513
Changes of benefit terms	-	-	295,273	-	-	-	-	779	-	-
Difference between expected and actual experience	13,590,233	9,526,686	17,292,601	6,641,422	(2,944,445)	(1,062,537)	10,590,030	8,263,623	(19,308,117)	7,884,167
Changes of assumptions	-	-	-	-	24,025,142	-	-	1,647,044	25,078,592	3,281,341
Benefit payments, including employee refunds	<u>(39,228,002)</u>	<u>(39,760,974)</u>	<u>(37,717,498)</u>	<u>(36,188,116)</u>	<u>(35,040,363)</u>	<u>(33,987,421)</u>	<u>(32,609,254)</u>	<u>(31,757,151)</u>	<u>(31,102,186)</u>	<u>(29,503,964)</u>
Net Change in Total Pension Liability	18,597,390	12,642,004	22,155,400	11,371,210	25,986,873	4,165,734	16,355,980	15,329,894	11,321,648	18,230,902
Total Pension Liability, beginning	<u>537,677,193</u>	<u>525,035,189</u>	<u>502,879,789</u>	<u>491,508,579</u>	<u>465,521,706</u>	<u>461,355,972</u>	<u>444,999,992</u>	<u>429,670,098</u>	<u>418,348,450</u>	<u>400,117,548</u>
Total Pension Liability, ending	<u>\$ 556,274,583</u>	<u>\$ 537,677,193</u>	<u>\$ 525,035,189</u>	<u>\$ 502,879,789</u>	<u>\$ 491,508,579</u>	<u>\$ 465,521,706</u>	<u>\$ 461,355,972</u>	<u>\$ 444,999,992</u>	<u>\$ 429,670,098</u>	<u>\$ 418,348,450</u>
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 21,648,376	\$ 20,638,901	\$ 18,165,988	\$ 19,609,552	\$ 18,250,155	\$ 15,457,647	\$ 13,554,239	\$ 12,686,000	\$ 11,521,768	\$ 10,884,312
Contributions - employee	3,275,511	3,232,535	2,967,886	2,722,350	3,207,122	3,459,452	3,485,891	2,650,019	2,840,914	2,608,214
Net investment income (loss)	36,900,141	35,058,403	13,936,766	(32,083,115)	68,910,089	1,047,240	17,943,950	19,937,149	32,116,305	(6,040,910)
Benefit payments, including employee refunds	(39,228,002)	(39,760,974)	(37,717,498)	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)
Administrative expenses	<u>(316,957)</u>	<u>(113,104)</u>	<u>(126,049)</u>	<u>(88,992)</u>	<u>(24,177)</u>	<u>(41,599)</u>	<u>(53,318)</u>	<u>(77,237)</u>	<u>(50,996)</u>	<u>(128,903)</u>
Net Change in Plan Fiduciary Net Position	22,279,069	19,055,761	(2,772,907)	(46,028,321)	55,302,826	(14,064,681)	2,321,508	3,438,780	15,325,805	(22,181,251)
Plan Fiduciary Net Position, beginning	<u>305,694,169</u>	<u>286,638,408</u>	<u>289,411,315</u>	<u>335,439,636</u>	<u>280,136,810</u>	<u>294,201,491</u>	<u>291,879,983</u>	<u>288,441,203</u>	<u>273,115,398</u>	<u>295,296,649</u>
Plan Fiduciary Net Position, ending	<u>\$ 327,973,238</u>	<u>\$ 305,694,169</u>	<u>\$ 286,638,408</u>	<u>\$ 289,411,315</u>	<u>\$ 335,439,636</u>	<u>\$ 280,136,810</u>	<u>\$ 294,201,491</u>	<u>\$ 291,879,983</u>	<u>\$ 288,441,203</u>	<u>\$ 273,115,398</u>
City's Net Pension Liability	<u>\$ 228,301,345</u>	<u>\$ 231,983,024</u>	<u>\$ 238,396,781</u>	<u>\$ 213,468,474</u>	<u>\$ 156,068,943</u>	<u>\$ 185,384,896</u>	<u>\$ 167,154,481</u>	<u>\$ 153,120,009</u>	<u>\$ 141,228,895</u>	<u>\$ 145,233,052</u>
Plan fiduciary net position as a percentage of the total pension liability	58.96%	56.85%	54.59%	57.55%	68.25%	60.18%	63.77%	65.59%	67.13%	65.28%
Covered payroll	\$ 29,612,198	\$ 27,834,051	\$ 33,120,012	\$ 31,354,796	\$ 29,636,017	\$ 28,977,408	\$ 29,638,532	\$ 28,435,952	\$ 27,585,521	\$ 27,078,405
City's net pension asset as a percentage of covered payroll	771.0%	833.5%	719.8%	680.8%	526.6%	639.8%	564.0%	538.5%	512.0%	536.3%

Assumption changes - there were no changes in actuarial assumptions during fiscal year 2025. More details regarding actuarial assumptions can be found in the December 31, 2024, valuation reports for each system.

Benefit changes - there were no changes to benefits in the current year.

**CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	\$ 21,648,376	\$ 20,638,901	\$ 18,165,988	\$ 18,263,635	\$ 16,950,155	\$ 15,457,647	\$ 13,554,239	\$ 12,562,547	\$ 11,521,768	\$ 10,884,312
Contributions in relation to the actuarially determined contribution	21,648,376	20,638,901	18,165,988	18,263,635	16,950,155	15,457,647	13,554,239	12,686,000	11,521,768	10,884,312
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (123,453)	\$ -	\$ -
Covered payroll	\$ 29,612,198	\$ 27,834,051	\$ 33,120,012	\$ 31,354,796	\$ 29,636,017	\$ 28,977,408	\$ 29,638,532	\$ 28,435,952	\$ 27,585,521	\$ 27,078,405
Contributions as a percentage of covered payroll	73.11%	74.15%	54.85%	58.25%	57.19%	53.34%	45.73%	44.61%	41.77%	40.20%

The actuarially determined contribution was based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially determined contribution has been expressed above as a percentage of actual payroll.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: Inflation, plus service-based increases.

Investment rate of return: 7.00%, net of investment expense, including inflation.

Mortality is based on the Pub2010S (below median), 50% for pre-retirement deaths. For Disabled members, the disabled version of these tables is used. Each of these tables is projected generationally with Scale SSA (2020).

The actuarial assumptions used in the December 31, 2024 valuation were based on the 2015-2019 experience study.

**CITY OF LANSING
 DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
 SCHEDULE OF INVESTMENT RETURNS
 LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	12.48%	11.65%	4.84%	-9.86%	25.50%	0.37%	6.30%	7.10%	12.06%	-2.09%

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - VEBA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**

	2025	2024
CHANGE IN TOTAL OPEB LIABILITY		
Service cost	\$ 830,825	\$ 643,122
Interest	4,958,390	4,135,397
Difference between expected and actual return on investments	(2,539,569)	(3,816,996)
Net Change in Total OPEB Liability	3,249,646	961,523
Total OPEB Liability, beginning	57,744,273	56,782,750
Total OPEB Liability, ending	\$ 60,993,919	\$ 57,744,273
CHANGE IN PLAN FIDUCIARY NET POSITION		
Employer contributions	\$ 2,009,261	\$ 1,492,189
OPEB plan net investment income	4,938,931	4,518,211
Administrative expenses	(180,082)	(119,803)
Net Change in Plan Fiduciary Net Position	6,768,110	5,890,597
Plan Fiduciary Net Position, beginning	45,008,901	39,118,304
Plan Fiduciary Net Position, ending	\$ 51,777,011	\$ 45,008,901
Plan's Net OPEB Liability	\$ 9,216,908	\$ 12,735,372
Plan fiduciary net position as a percentage of the total OPEB liability	84.89%	77.95%
Covered payroll	\$ 9,627,920	\$ 11,539,732
Plan's net OPEB liability as a percentage of covered payroll	95.73%	110.36%

This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

Note: The VEBA other postemployment benefit plan was previously reported with the ERS other postemployment benefit plan.

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - VEBA
SCHEDULE OF CONTRIBUTIONS
LAST TWO FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**

	2025	2024
Actuarially determined contributions	\$ 2,953,772	\$ 1,960,255
Contributions in relation to the actuarially determined contribution	2,009,261	1,492,189
Contribution deficiency	\$ 944,511	\$ 468,066
Covered payroll	\$ 9,627,920	\$ 11,539,732
Contributions as a percentage of covered payroll	20.9%	12.9%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Investment rate of return: 7.00%, net of OPEB plan investment expense, including inflation.

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the 2015-2019 experience study.

Note: The VEBA other postemployment benefit plan was previously reported with the ERS other postemployment benefit plan.

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - VEBA
SCHEDULE OF INVESTMENT RETURNS
LAST TWO FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**

	<u>2025</u>	<u>2024</u>
Annual money-weighted rate of return, net of investment expense	10.21%	10.74%

This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Note: The VEBA other postemployment benefit plan was previously reported with the ERS other postemployment benefit plan.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST NINE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2025	2024	2023*	2022*	2021*	2020*	2019*	2018*	2017*
CHANGE IN TOTAL OPEB LIABILITY									
Service cost	\$ 908,142	\$ 1,049,303	\$ 1,647,129	\$ 1,603,045	\$ 1,560,141	\$ 1,518,385	\$ 1,477,747	\$ 1,438,197	\$ 1,550,428
Interest	5,419,816	6,747,227	10,762,261	10,562,939	11,335,921	13,143,168	12,990,219	13,221,134	12,976,683
Difference between expected and actual return on investments	(2,775,900)	(6,227,729)	-	-	(39,503,661)	(19,498,451)	-	(9,321,837)	-
Changes of assumptions	-	-	-	-	(66,716,444)	39,986,554	3,614,432	(2,727,829)	-
Benefit payments, including refunds of member contributions	(8,449,770)	(11,071,584)	(10,410,016)	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Net Change in Total OPEB Liability	(4,897,712)	(9,502,783)	1,999,374	3,815,932	(102,719,637)	24,704,778	7,508,910	(7,676,584)	4,410,518
Total OPEB Liability, beginning	92,930,271	102,433,054	157,216,430	153,400,498	256,120,135	231,415,357	223,906,447	231,583,031	227,172,513
Total OPEB Liability, ending	\$ 88,032,559	\$ 92,930,271	\$ 159,215,804	\$ 157,216,430	\$ 153,400,498	\$ 256,120,135	\$ 231,415,357	\$ 223,906,447	\$ 231,583,031
CHANGE IN PLAN FIDUCIARY NET POSITION									
Employer contributions	\$ 14,390,709	\$ 11,886,843	\$ 12,126,259	\$ 10,643,555	\$ 10,424,468	\$ 11,461,488	\$ 11,848,485	\$ 11,436,222	\$ 11,305,756
OPEB plan net investment income (loss)	3,653,498	2,455,416	12,596,837	(11,324,122)	11,001,355	4,366,514	3,040,683	4,329,577	5,209,669
Benefit payments, including refunds of member contributions	(8,449,770)	(11,071,584)	(10,410,016)	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Administrative expenses	(503,094)	(151,356)	(697,661)	(611,703)	(728,874)	(636,610)	(548,939)	(444,973)	(389,163)
Net Change in Plan Fiduciary Net Position	9,091,343	3,119,319	13,615,419	(9,642,322)	11,301,355	4,746,514	3,766,741	5,034,577	6,009,669
Plan Fiduciary Net Position, beginning	47,504,025	44,384,706	69,887,591	79,529,913	68,228,558	63,482,044	59,715,303	54,680,726	48,671,057
Plan Fiduciary Net Position, ending	\$ 56,595,368	\$ 47,504,025	\$ 83,503,010	\$ 69,887,591	\$ 79,529,913	\$ 68,228,558	\$ 63,482,044	\$ 59,715,303	\$ 54,680,726
Plan's Net OPEB Liability	\$ 31,437,191	\$ 45,426,246	\$ 75,712,794	\$ 87,328,839	\$ 73,870,585	\$ 187,891,577	\$ 167,933,313	\$ 164,191,144	\$ 176,902,305
Plan fiduciary net position as a percentage of the total OPEB liability	64.29%	51.12%	52.45%	44.45%	51.84%	26.64%	27.43%	26.67%	23.61%
Covered payroll	\$ 20,058,166	\$ 18,827,984	\$ 26,458,716	\$ 26,747,483	\$ 24,292,037	\$ 25,453,989	\$ 23,720,424	\$ 21,251,418	\$ 20,901,289
Plan's net OPEB liability as a percentage of covered payroll	156.73%	241.27%	286.15%	326.49%	304.09%	738.16%	707.97%	772.61%	846.37%

*Includes ERS and VEBA OPEB plan activity.

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

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2025	2024	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*
Actuarially determined contributions	\$ 3,228,650	\$ 7,165,814	\$ 7,313,859	\$ 7,100,834	\$ 7,100,834	\$ 10,504,140	\$ 10,198,194	\$ 10,910,284	\$ 10,582,235	\$ 11,447,334
Contributions in relation to the actuarially determined contribution	<u>14,390,709</u>	<u>11,886,843</u>	<u>12,126,259</u>	<u>10,643,555</u>	<u>10,424,468</u>	<u>11,461,488</u>	<u>11,848,485</u>	<u>11,436,222</u>	<u>11,305,756</u>	<u>8,814,471</u>
Contribution deficiency (excess)	<u>\$ (11,162,059)</u>	<u>\$ (4,721,029)</u>	<u>\$ (4,812,400)</u>	<u>\$ (3,542,721)</u>	<u>\$ (3,323,634)</u>	<u>\$ (957,348)</u>	<u>\$ (1,650,291)</u>	<u>\$ (525,938)</u>	<u>\$ (723,521)</u>	<u>\$ 2,632,863</u>
Covered payroll	\$ 20,058,166	\$ 18,827,984	\$ 26,458,716	\$ 26,747,483	\$ 24,292,037	\$ 25,435,989	\$ 23,720,424	\$ 21,251,418	\$ 20,901,389	\$ 23,085,894
Contributions as a percentage of covered payroll	71.7%	63.1%	45.8%	39.8%	42.9%	45.1%	50.0%	53.8%	54.1%	38.2%

*Includes ERS and VEBA OPEB plan activity.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Investment rate of return: 7.00%, net of OPEB plan investment expense, including inflation.

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the 2015-2019 experience study.

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
LAST NINE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)**

	2025	2024	2023*	2022*	2021*	2020*	2019*	2018*	2017*
Annual money-weighted rate of return, net of investment expense	7.02%	5.34%	16.42%	-15.16%	14.89%	6.63%	4.17%	7.10%	9.90%

*Includes ERS and VEBA OPEB plan activity.

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

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST NINE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY									
Service cost	\$ 1,220,106	\$ 1,566,323	\$ 3,904,624	\$ 3,800,121	\$ 3,698,415	\$ 3,599,431	\$ 3,503,096	\$ 3,409,339	\$ 3,749,359
Interest	14,400,929	14,585,580	14,158,158	13,536,620	15,112,018	15,551,609	15,565,892	15,994,328	15,584,783
Difference between expected and actual return on investments	8,433,995	(7,287,277)	-	-	(71,213,994)	18,584,560	-	(17,811,401)	-
Changes of assumptions	-	-	-	-	(162,399,773)	91,997,958	18,652,834	(7,445,354)	-
Benefit payments, including refunds of member contributions	(12,287,069)	(10,063,103)	(9,188,608)	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Net Change in Total OPEB Liability	11,767,961	(1,198,477)	8,874,174	9,380,270	(225,639,411)	116,601,160	25,450,808	(17,813,645)	8,268,702
Total OPEB Liability, beginning	210,547,076	211,745,553	202,871,379	193,491,109	419,130,520	302,529,360	277,078,552	294,892,197	286,623,495
Total OPEB Liability, ending	\$ 222,315,037	\$ 210,547,076	\$ 211,745,553	\$ 202,871,379	\$ 193,491,109	\$ 419,130,520	\$ 302,529,360	\$ 277,078,552	\$ 294,892,197
CHANGE IN PLAN FIDUCIARY NET POSITION									
Employer contributions	\$ 27,808,338	\$ 13,313,395	\$ 11,304,220	\$ 9,974,904	\$ 12,951,908	\$ 14,971,737	\$ 13,500,687	\$ 13,163,201	\$ 12,290,749
OPEB plan net investment income (loss)	4,326,161	1,471,511	11,844,067	(7,645,295)	3,408,741	2,998,056	290,543	3,572,965	3,487,200
Benefit payments, including refunds of member contributions	(12,287,069)	(10,063,103)	(9,188,608)	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Administrative expenses	(1,163,925)	(365,017)	(765,612)	(672,516)	(815,831)	(529,339)	(627,673)	(600,644)	(525,309)
Net Change in Plan Fiduciary Net Position	18,683,505	4,356,786	13,194,067	(6,299,378)	4,708,741	4,308,056	892,543	4,174,965	4,187,200
Plan Fiduciary Net Position, beginning	59,469,018	55,112,232	41,918,165	48,217,543	43,508,802	39,200,746	38,308,203	34,133,238	29,946,038
Plan Fiduciary Net Position, ending	\$ 78,152,523	\$ 59,469,018	\$ 55,112,232	\$ 41,918,165	\$ 48,217,543	\$ 43,508,802	\$ 39,200,746	\$ 38,308,203	\$ 34,133,238
Plan's Net OPEB Liability	\$ 144,162,514	\$ 151,078,058	\$ 156,633,321	\$ 160,953,214	\$ 145,273,566	\$ 375,621,718	\$ 263,328,614	\$ 238,770,349	\$ 260,758,959
Plan fiduciary net position as a percentage of the total OPEB liability	35.15%	28.24%	26.03%	20.66%	24.92%	10.38%	12.96%	13.83%	11.57%
Covered payroll	\$ 29,612,198	\$ 28,983,627	\$ 31,220,001	\$ 27,116,594	\$ 29,636,017	\$ 29,774,287	\$ 28,435,953	\$ 20,667,007	\$ 27,585,521
Plan's net OPEB liability as a percentage of covered payroll	486.83%	521.25%	501.71%	593.56%	490.19%	1261.56%	926.04%	1155.32%	945.27%

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

Assumption changes - there were no changes of assumptions in 2025.

Benefit changes - there were no changes to benefits in 2025.

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	\$ 14,954,563	\$ 14,366,476	\$ 13,573,857	\$ 13,178,502	\$ 13,178,502	\$ 15,674,604	\$ 15,218,062	\$ 15,968,029	\$ 19,759,521	\$ 17,276,901
Contributions in relation to the actuarially determined contribution	<u>27,808,338</u>	<u>13,313,395</u>	<u>11,304,220</u>	<u>9,974,904</u>	<u>12,951,908</u>	<u>14,971,737</u>	<u>13,500,687</u>	<u>13,163,201</u>	<u>12,290,749</u>	<u>12,879,016</u>
Contribution deficiency (excess)	<u>\$ (12,853,775)</u>	<u>\$ 1,053,081</u>	<u>\$ 2,269,637</u>	<u>\$ 3,203,598</u>	<u>\$ 226,594</u>	<u>\$ 702,867</u>	<u>\$ 1,717,375</u>	<u>\$ 2,804,828</u>	<u>\$ 7,468,772</u>	<u>\$ 4,397,885</u>
Covered payroll	\$ 25,816,255	\$ 28,983,627	\$ 31,220,001	\$ 27,116,594	\$ 29,636,017	\$ 29,774,287	\$ 28,435,953	\$ 20,667,007	\$ 27,585,521	\$ 27,078,405
Contributions as a percentage of covered payroll	107.7%	45.9%	36.2%	36.8%	43.7%	50.3%	47.5%	63.7%	44.6%	47.6%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Investment rate of return: 7.00%, net of OPEB plan investment expense, including inflation.

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2021.

The actuarial assumptions used in the January 1, 2024, valuation were based on the 2015-2019 experience study.

**CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
LAST NINE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	6.29%	7.92%	24.41%	-16.96%	7.43%	7.25%	-0.88%	8.71%	9.89%

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

**CITY OF LANSING
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local government unit not incur expenditures in excess of the amounts appropriated. The City's budgeted expenditures for the General Fund have been shown at the activity level. Within the General Fund, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within each department. Within other funds, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within that fund. Transfers between appropriations (mandatory accounts) required City Council approval. An exception to City Council approval is allowed by City Charter for transfers between appropriations (mandatory accounts) for amounts less than five thousand dollars, but not in excess of 15% of the appropriation in cases where five thousand dollars exceeds 15% of the appropriation. The budgets are adopted on a basis consistent with generally accepted accounting principles.

During the year ended June 30, 2025, the City incurred expenditures in the General Fund and Special Revenue Funds as noted in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
General government			
City clerk - personnel	\$ 1,209,251	\$ 1,264,415	\$ 55,164
Council - personnel	541,858	565,672	23,814
Finance - operating	1,717,903	2,348,716	630,813
Internal audit - personnel	162,192	178,179	15,987
Library rental - operating	145,000	152,929	7,929
City supported agencies - personnel	6,490,000	21,851,169	15,361,169
City supported agencies - operating	1,125,760	1,281,092	155,332
Mayor - personnel	1,034,509	1,155,786	121,277
Office of community media - personnel	651,522	657,648	6,126
Judicial - operating	630,998	1,854,721	1,223,723
Public safety - personnel	47,257,586	47,288,210	30,624
Fire - personnel	37,554,450	38,434,838	880,388
Public works - personnel	3,087,362	3,496,799	409,437
Public works - operating	9,858,342	10,886,813	1,028,471
Recreation and culture - personnel	5,177,739	5,216,917	39,178
Recreation and culture - operating	3,434,057	4,780,897	1,346,840
Community and economic development			
Economic development & planning - personnel	3,648,414	3,687,100	38,686
Economic development & planning - operating	2,760,027	3,268,053	508,026
Neighborhood & community engagement - personnel	1,121,223	1,141,832	20,609
Human relations/community services - personnel	1,768,040	1,769,605	1,565
State and Federal Grants Fund			
Current			
General government - personnel	143,386	279,888	136,502
Public safety - personnel	1,450	1,041,686	1,040,236
Public safety - operations	286,762	653,115	366,353
Public works - operations	2,001,356	5,634,406	3,633,050
Health and welfare - personnel	-	6,591	6,591
Health and welfare - operations	181,593	365,673	184,080
Community and economic development - personnel	91,330	543,454	452,124
Community and economic development - operations	4,987,724	14,832,153	9,844,429
Recreation and culture - personnel	-	100	100
Recreation and culture - operations	-	38,046	38,046
Transfers out	-	4,260,973	4,260,973

CITY OF LANSING
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS (concluded)

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
Major Streets Fund			
Current			
Highways and streets - personnel	\$ 2,306,683	\$ 2,940,711	\$ 634,028
Debt service	252,606	438,323	185,717
Local Streets Fund			
Current			
Highways and streets - personnel	2,817,127	3,369,527	552,400
CERA-MSHDA Fund			
Current			
Community and economic development - operations	-	115,091	115,091
Drug Law Enforcement Federal Fund			
Current			
Public safety - operations	200	587	387
CDBG Program Fund			
Current			
Community development - operations	1,747,239	2,207,577	460,338
Disaster Contingency Fund			
Current			
Public safety - operations	500,000	910,000	410,000
Downtown Lansing Inc. Fund			
Current			
General government - operations	1,508,690	2,274,765	766,075
Debt service	-	62,235	62,235
Capital outlay	-	385,798	385,798
Building Department Fund			
Current			
Public safety - personnel	2,654,057	3,446,861	792,804
Tri-County Metro Fund			
Current			
Public safety - operations	166,000	202,188	36,188

OTHER SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

**CITY OF LANSING
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
ASSETS					
Cash and cash equivalents	\$ 777,980	\$ -	\$ 393,772	\$ -	\$ 1,171,752
Cash and cash equivalents - restricted	-	11,003,980	35,362,506	-	46,366,486
Equity in pooled cash and investments	35,700,702	1,800,603	8,180,833	207,929	45,890,067
Investments	-	-	-	2,026,085	2,026,085
Receivables					
Accounts, net	896,069	-	4,857,640	-	5,753,709
Loans	1,185,000	-	-	-	1,185,000
Accrued interest	2,527,946	-	-	-	2,527,946
Special assessments					
Current	-	-	410,894	-	410,894
Noncurrent	-	-	9,382,100	-	9,382,100
Due from other governmental units	6,360,445	-	-	-	6,360,445
Inventories	1,858,900	-	-	-	1,858,900
TOTAL ASSETS	\$ 49,307,042	\$ 12,804,583	\$ 58,587,745	\$ 2,234,014	\$ 122,933,384
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,542,513	\$ -	\$ 2,508,920	\$ -	\$ 4,051,433
Accrued liabilities	71,494	-	-	-	71,494
Indemnity bonds	43,867	-	-	-	43,867
Due to other funds	424,862	-	-	-	424,862
Due to other governmental units	250,000	-	-	-	250,000
Undistributed forfeitures	39,918	-	-	-	39,918
Unearned revenue	384,546	-	50,000	-	434,546
TOTAL LIABILITIES	2,757,200	-	2,558,920	-	5,316,120
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - loans and accrued interest receivable	5,754,596	-	4,725,000	-	10,479,596
Unavailable revenue - special assessments	-	-	9,792,994	-	9,792,994
TOTAL DEFERRED INFLOWS OF RESOURCES	5,754,596	-	14,517,994	-	20,272,590
FUND BALANCES					
Nonspendable	1,858,900	-	-	2,234,014	4,092,914
Restricted	37,772,738	12,804,583	35,416,424	-	85,993,745
Committed	1,163,608	-	6,094,407	-	7,258,015
TOTAL FUND BALANCES	40,795,246	12,804,583	41,510,831	2,234,014	97,344,674
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 49,307,042	\$ 12,804,583	\$ 58,587,745	\$ 2,234,014	\$ 122,933,384

**CITY OF LANSING
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
REVENUES					
Property taxes and special assessments	\$ 472,619	\$ 10,271,803	\$ 1,801,246	\$ -	\$ 12,545,668
Intergovernmental	30,179,679	-	20,000,000	-	50,179,679
Charges for services	5,624,754	-	372,401	-	5,997,155
Fines and forfeits	76,483	-	-	-	76,483
Interest income and rents	1,266,361	641,153	1,148,992	180,058	3,236,564
Other	554,321	-	14,845	-	569,166
TOTAL REVENUES	38,174,217	10,912,956	23,337,484	180,058	72,604,715
EXPENDITURES					
Current					
General government	2,648,869	-	-	-	2,648,869
Public safety	5,765,704	-	-	-	5,765,704
Highways and streets	11,063,994	-	-	-	11,063,994
Community and economic development	3,176,712	-	-	-	3,176,712
Debt service					
Principal	733,115	1,970,000	1,430,000	-	4,133,115
Interest and fiscal charges	205,765	8,916,538	974,540	-	10,096,843
Capital outlay	11,270,044	-	8,942,458	-	20,212,502
TOTAL EXPENDITURES	34,864,203	10,886,538	11,346,998	-	57,097,739
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,310,014	26,418	11,990,486	180,058	15,506,976
OTHER FINANCING SOURCES (USES)					
Lease related	385,798	-	-	-	385,798
Transfers in	4,085,000	901,525	600,000	-	5,586,525
Transfers out	(4,000,000)	-	(2,441,758)	-	(6,441,758)
TOTAL OTHER FINANCING SOURCES (USES)	470,798	901,525	(1,841,758)	-	(469,435)
NET CHANGE IN FUND BALANCES	3,780,812	927,943	10,148,728	180,058	15,037,541
Fund balances, beginning of year	37,014,434	11,876,640	31,362,103	2,053,956	82,307,133
Fund balances, end of year	\$ 40,795,246	\$ 12,804,583	\$ 41,510,831	\$ 2,234,014	\$ 97,344,674

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS**

Major Streets Fund

This fund accounts for revenues received from the State of Michigan for the City's share of state gasoline and weight taxes, which is restricted for maintenance of major streets.

Local Streets Fund

This fund accounts for revenues received from the State of Michigan for the City's share of state gasoline and weight taxes, which is restricted for maintenance of local streets.

CERA-MSHDA Grant Fund

This fund accounts for all revenues received from the CERA grant through Michigan State Housing Development Authority. These revenues are used for projects as detailed in individual grant applications.

Drug Law Enforcement Federal Fund

This fund accounts for federal revenues, from the Departments of Justice and Treasury, set aside for drug law enforcement under the provisions of Federal Grant Agreements.

Drug Law Enforcement State and Local Fund

This fund accounts for state and local revenues, from the Departments of Justice and Treasury, set aside for drug law enforcement under the provisions of State of Michigan Public Act 135 of 1985, as amended.

Community Development Block Grant Program Fund

This fund accounts for revenues received from the Department of Housing and Urban Development. These revenues are restricted to accomplishing the various objectives of Community Development Block Grant Programs, within specific target areas.

Disaster Contingency Fund

This fund accounts for revenues received from Disaster Contingency funds and related restricted expenditures.

Opioid Settlement Fund

This fund accounts for revenues received from Opioid Settlement funds, and restricted for treatment, prevention, and remediation.

Downtown Lansing, Inc. Fund

This fund accounts for assessments received from businesses located in the district. The revenues are used for special events and maintenance of the district.

Building Department Fund

This fund accounts for revenues and expenditures resulting from the enforcement of the State Construction Code Act of 1999 (PA 245 of 1999).

Parks Department Fund

This fund accounts for contributions and transfers which are restricted for park expenditures.

Tri-County Metro Fund

This fund accounts for the operations of the Tri-County Metro Narcotics Squad.

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Major Streets	Local Streets	CERA - MSHDA	Drug Law Enforcement Federal	Drug Law Enforcement State and Local
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 23,000
Equity in pooled cash and investments	24,811,909	4,025,914	-	266,200	296,371
Receivables					
Accounts, net	63,452	808,822	-	-	-
Loans	-	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	2,415,218	643,815	400,000	-	-
Inventories	1,858,900	-	-	-	-
	<u>\$ 29,149,479</u>	<u>\$ 5,478,551</u>	<u>\$ 400,000</u>	<u>\$ 266,200</u>	<u>\$ 319,371</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 598,703	\$ 504,201	\$ -	\$ -	\$ 25,750
Accrued payroll and related	4,556	1,425	-	-	-
Indemnity bonds	43,867	-	-	-	-
Due to other funds	-	-	16,824	-	-
Due to other governmental units	-	-	-	-	-
Undistributed forfeitures	-	-	-	-	-
Unearned revenue	-	-	383,176	-	-
	<u>647,126</u>	<u>505,626</u>	<u>400,000</u>	<u>-</u>	<u>25,750</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCES					
Nonspendable	1,858,900	-	-	-	-
Restricted	26,643,453	4,972,925	-	266,200	293,621
Committed	-	-	-	-	-
	<u>28,502,353</u>	<u>4,972,925</u>	<u>-</u>	<u>266,200</u>	<u>293,621</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 29,149,479</u>	<u>\$ 5,478,551</u>	<u>\$ 400,000</u>	<u>\$ 266,200</u>	<u>\$ 319,371</u>

Community Development Block Grant Program	Disaster Contingency Fund	Opioid Settlement	Downtown Lansing, Inc.	Building Department	Parks Department	Tri-County Metro	Total
\$ -	\$ -	\$ 729,980	\$ -	\$ -	\$ -	\$ 25,000	\$ 777,980
-	288,568	-	700,928	4,299,245	546,042	465,525	35,700,702
-	-	-	-	23,795	-	-	896,069
1,185,000	-	-	-	-	-	-	1,185,000
2,527,946	-	-	-	-	-	-	2,527,946
-	-	-	-	-	-	-	-
603,451	-	2,134,366	14	-	-	163,581	6,360,445
-	-	-	-	-	-	-	1,858,900
<u>\$ 4,316,397</u>	<u>\$ 288,568</u>	<u>\$ 2,864,346</u>	<u>\$ 700,942</u>	<u>\$ 4,323,040</u>	<u>\$ 546,042</u>	<u>\$ 654,106</u>	<u>\$ 49,307,042</u>
\$ 272,320	\$ -	\$ 74,065	\$ 36,378	\$ 5,826	\$ -	\$ 25,270	\$ 1,542,513
15,509	-	-	8,602	38,305	-	3,097	71,494
-	-	-	-	-	-	-	43,867
408,038	-	-	-	-	-	-	424,862
-	-	-	-	-	-	250,000	250,000
-	-	-	-	-	-	39,918	39,918
300	-	-	-	1,070	-	-	384,546
<u>696,167</u>	<u>-</u>	<u>74,065</u>	<u>44,980</u>	<u>45,201</u>	<u>-</u>	<u>318,285</u>	<u>2,757,200</u>
<u>3,620,230</u>	<u>-</u>	<u>2,134,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,754,596</u>
-	-	-	-	-	-	-	1,858,900
-	-	655,915	655,962	3,948,841	-	335,821	37,772,738
-	288,568	-	-	328,998	546,042	-	1,163,608
<u>-</u>	<u>288,568</u>	<u>655,915</u>	<u>655,962</u>	<u>4,277,839</u>	<u>546,042</u>	<u>335,821</u>	<u>40,795,246</u>
<u>\$ 4,316,397</u>	<u>\$ 288,568</u>	<u>\$ 2,864,346</u>	<u>\$ 700,942</u>	<u>\$ 4,323,040</u>	<u>\$ 546,042</u>	<u>\$ 654,106</u>	<u>\$ 49,307,042</u>

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Major Streets	Local Streets	CERA - MSHDA	Drug Law Enforcement Federal	Drug Law Enforcement State and Local
REVENUES					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,335,653	4,039,049	115,091	-	-
Charges for services	1,575,245	-	-	-	-
Fines and forfeits	-	-	-	-	5,772
Interest and rents	1,051,509	115,540	-	10,930	15,531
Other revenues	157,192	-	-	-	-
TOTAL REVENUES	23,119,599	4,154,589	115,091	10,930	21,303
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	587	124,326
Highways and streets	5,719,988	5,344,006	-	-	-
Community development	-	-	115,091	-	-
Debt service					
Principal	342,050	342,049	-	-	-
Interest	96,273	96,273	-	-	-
Capital outlay	9,281,022	1,603,224	-	-	-
TOTAL EXPENDITURES	15,439,333	7,385,552	115,091	587	124,326
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,680,266	(3,230,963)	-	10,343	(103,023)
OTHER FINANCING SOURCES (USES)					
Lease related	-	-	-	-	-
Transfers in	-	4,000,000	-	-	-
Transfers out	(4,000,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,000,000)	4,000,000	-	-	-
NET CHANGE IN FUND BALANCES	3,680,266	769,037	-	10,343	(103,023)
Fund balances, beginning of year	24,822,087	4,203,888	-	255,857	396,644
Fund balances, end of year	<u>\$ 28,502,353</u>	<u>\$ 4,972,925</u>	<u>\$ -</u>	<u>\$ 266,200</u>	<u>\$ 293,621</u>

Community Development Block Grant Program	Disaster Contingency Fund	Opioid Settlement	Downtown Lansing, Inc.	Building Department	Parks Department	Tri-County Metro	Total
\$ -	\$ -	\$ -	\$ 472,619	\$ -	\$ -	\$ -	\$ 472,619
2,955,274	-	215,947	2,518,665	-	-	-	30,179,679
-	-	-	-	4,049,509	-	-	5,624,754
-	-	-	-	-	-	70,711	76,483
-	-	29,663	-	-	22,397	20,791	1,266,361
106,347	-	-	290,782	-	-	-	554,321
<u>3,061,621</u>	<u>-</u>	<u>245,610</u>	<u>3,282,066</u>	<u>4,049,509</u>	<u>22,397</u>	<u>91,502</u>	<u>38,174,217</u>
-	-	-	2,648,869	-	-	-	2,648,869
-	910,000	378,984	-	4,109,515	-	242,292	5,765,704
-	-	-	-	-	-	-	11,063,994
3,061,621	-	-	-	-	-	-	3,176,712
-	-	-	49,016	-	-	-	733,115
-	-	-	13,219	-	-	-	205,765
-	-	-	385,798	-	-	-	11,270,044
<u>3,061,621</u>	<u>910,000</u>	<u>378,984</u>	<u>3,096,902</u>	<u>4,109,515</u>	<u>-</u>	<u>242,292</u>	<u>34,864,203</u>
<u>-</u>	<u>(910,000)</u>	<u>(133,374)</u>	<u>185,164</u>	<u>(60,006)</u>	<u>22,397</u>	<u>(150,790)</u>	<u>3,310,014</u>
-	-	-	385,798	-	-	-	385,798
-	-	-	85,000	-	-	-	4,085,000
-	-	-	-	-	-	-	(4,000,000)
-	-	-	470,798	-	-	-	470,798
-	(910,000)	(133,374)	655,962	(60,006)	22,397	(150,790)	3,780,812
-	1,198,568	789,289	-	4,337,845	523,645	486,611	37,014,434
<u>\$ -</u>	<u>\$ 288,568</u>	<u>\$ 655,915</u>	<u>\$ 655,962</u>	<u>\$ 4,277,839</u>	<u>\$ 546,042</u>	<u>\$ 335,821</u>	<u>\$ 40,795,246</u>

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	<u>Major Streets Fund</u>			Variances with Final Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
REVENUES				
Intergovernmental	\$ 20,750,000	\$ 20,750,000	\$ 20,335,653	\$ (414,347)
Charges for services	1,310,000	1,310,000	1,575,245	265,245
Interest and rents	-	-	1,051,509	1,051,509
Other revenues	10,000	10,000	157,192	147,192
TOTAL REVENUES	22,070,000	22,070,000	23,119,599	1,049,599
EXPENDITURES				
Current				
Highways and streets				
Personnel	2,166,683	2,306,683	2,940,711	(634,028)
Operations	3,925,711	3,925,711	2,779,277	1,146,434
Debt service				
Principal	206,438	206,438	342,050	(135,612)
Interest	46,168	46,168	96,273	(50,105)
Capital outlay	13,125,000	13,125,000	9,281,022	3,843,978
TOTAL EXPENDITURES	19,470,000	19,610,000	15,439,333	4,170,667
EXCESS OF REVENUES OVER EXPENDITURES	2,600,000	2,460,000	7,680,266	5,220,266
OTHER FINANCING (USES)				
Transfers out	(4,000,000)	(4,000,000)	(4,000,000)	-
NET CHANGE IN FUND BALANCE	(1,400,000)	(1,540,000)	3,680,266	5,220,266
Fund balance, beginning of year	24,822,087	24,822,087	24,822,087	-
Fund balance, end of year	<u>\$ 23,422,087</u>	<u>\$ 23,282,087</u>	<u>\$ 28,502,353</u>	<u>\$ 5,220,266</u>

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	<u>Local Streets Fund</u>			Variances with Final Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
REVENUES				
Intergovernmental	\$ 4,450,000	\$ 4,450,000	\$ 4,039,049	\$ (410,951)
Interest and rents	-	-	115,540	115,540
TOTAL REVENUES	4,450,000	4,450,000	4,154,589	(295,411)
EXPENDITURES				
Current				
Highways and streets				
Personnel	2,677,127	2,817,127	3,369,527	(552,400)
Operations	3,532,773	3,532,773	1,974,479	1,558,294
Debt service				
Principal	477,750	477,750	342,049	135,701
Interest	142,350	142,350	96,273	46,077
Capital outlay	4,330,000	4,330,000	1,603,224	2,726,776
TOTAL EXPENDITURES	11,160,000	11,300,000	7,385,552	3,914,448
EXCESS OF REVENUES (UNDER) EXPENDITURES	(6,710,000)	(6,850,000)	(3,230,963)	3,619,037
OTHER FINANCING SOURCES				
Transfers in	6,710,000	6,710,000	4,000,000	(2,710,000)
NET CHANGE IN FUND BALANCE	-	(140,000)	769,037	909,037
Fund balance, beginning of year	4,203,888	4,203,888	4,203,888	-
Fund balance, end of year	\$ 4,203,888	\$ 4,063,888	\$ 4,972,925	\$ 909,037

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	<u>CERA-MSHDA Fund</u>			Variances with Final Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 115,091	\$ 115,091
EXPENDITURES				
Current				
Community and economic development Operations	-	-	115,091	(115,091)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

Drug Law Enforcement Federal Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest and rents	200	200	10,930	10,730
TOTAL REVENUES	200	200	10,930	10,730
EXPENDITURES				
Current				
Public safety - operations	200	200	587	(387)
NET CHANGE IN FUND BALANCE	-	-	10,343	10,343
Fund balance, beginning of year	255,857	255,857	255,857	-
Fund balance, end of year	<u>\$ 255,857</u>	<u>\$ 255,857</u>	<u>\$ 266,200</u>	<u>\$ 10,343</u>

Drug Law Enforcement State and Local Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 60,500	\$ 60,500	\$ 5,772	\$ (54,728)
Interest and rents	500	500	15,531	15,031
TOTAL REVENUES	61,000	61,000	21,303	(39,697)
EXPENDITURES				
Current				
Public safety - operations	161,000	161,000	124,326	36,674
NET CHANGE IN FUND BALANCE	(100,000)	(100,000)	(103,023)	(3,023)
Fund balance, beginning of year	396,644	396,644	396,644	-
Fund balance, end of year	<u>\$ 296,644</u>	<u>\$ 296,644</u>	<u>\$ 293,621</u>	<u>\$ (3,023)</u>

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	<u>CDBG Program Fund</u>			Variances with Final Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
REVENUES				
Intergovernmental	\$ 2,070,597	\$ 2,070,597	\$ 2,955,274	\$ 884,677
Other revenues	600,000	600,000	106,347	(493,653)
TOTAL REVENUES	<u>2,670,597</u>	<u>2,670,597</u>	<u>3,061,621</u>	<u>391,024</u>
EXPENDITURES				
Current				
Community development				
Personnel	1,057,483	1,057,483	854,044	203,439
Operations	1,747,239	1,747,239	2,207,577	(460,338)
TOTAL EXPENDITURES	<u>2,804,722</u>	<u>2,804,722</u>	<u>3,061,621</u>	<u>(256,899)</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(134,125)	(134,125)	-	134,125
OTHER FINANCING SOURCES				
Transfers in	134,125	134,125	-	(134,125)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	<u>Disaster Contingency Fund</u>			Variances with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
EXPENDITURES				
Current				
Public safety - operations	500,000	500,000	910,000	(410,000)
NET CHANGE IN FUND BALANCE	-	-	(910,000)	(910,000)
Fund balance, beginning	1,198,568	1,198,568	1,198,568	-
Fund balance, ending	<u>\$ 1,198,568</u>	<u>\$ 1,198,568</u>	<u>\$ 288,568</u>	<u>\$ (910,000)</u>

	<u>Opioid Settlement Fund</u>			Variances with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 201,000	\$ 201,000	\$ 215,947	\$ 14,947
Interest	-	-	29,663	29,663
TOTAL REVENUES	201,000	201,000	245,610	44,610
EXPENDITURES				
Current				
Public safety - operations	201,000	939,674	378,984	560,690
NET CHANGE IN FUND BALANCE	-	(738,674)	(133,374)	605,300
Fund balance, beginning	789,289	789,289	789,289	-
Fund balance, ending	<u>\$ 789,289</u>	<u>\$ 50,615</u>	<u>\$ 655,915</u>	<u>\$ 605,300</u>

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	<u>Downtown Lansing, Inc. Fund</u>			Variances with Final Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
REVENUES				
Property taxes and special assessments	\$ 467,000	\$ 467,000	\$ 472,619	\$ 5,619
Intergovernmental	1,095,000	1,095,000	2,518,665	1,423,665
Other revenues	288,200	288,200	290,782	2,582
TOTAL REVENUES	1,850,200	1,850,200	3,282,066	1,431,866
EXPENDITURES				
Current				
General government				
Personnel	426,510	426,510	374,104	52,406
Operations	1,508,690	1,508,690	2,274,765	(766,075)
Debt service				
Principal	-	-	49,016	(49,016)
Interest	-	-	13,219	(13,219)
Capital outlay	-	-	385,798	(385,798)
TOTAL EXPENDITURES	1,935,200	1,935,200	3,096,902	(1,161,702)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(85,000)	(85,000)	185,164	270,164
OTHER FINANCING SOURCES				
Lease related	-	-	385,798	385,798
Transfers in	85,000	85,000	85,000	-
TOTAL OTHER FINANCING SOURCES	85,000	85,000	470,798	385,798
NET CHANGE IN FUND BALANCE	-	-	655,962	655,962
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 655,962	\$ 655,962

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

Building Department Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 2,865,000	\$ 2,865,000	\$ 4,049,509	\$ 1,184,509
EXPENDITURES				
Current				
Public safety				
Personnel	2,554,057	2,654,057	3,446,861	(792,804)
Operations	810,943	810,943	662,654	148,289
TOTAL EXPENDITURES	3,365,000	3,465,000	4,109,515	(644,515)
NET CHANGE IN FUND BALANCE	(500,000)	(600,000)	(60,006)	539,994
Fund balance, beginning of year	4,337,845	4,337,845	4,337,845	-
Fund balance, end of year	\$ 3,837,845	\$ 3,737,845	\$ 4,277,839	\$ 539,994

Parks Department Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	\$ -	\$ -	\$ 22,397	\$ 22,397
NET CHANGE IN FUND BALANCE	-	-	22,397	22,397
Fund balance, beginning of year	523,645	523,645	523,645	-
Fund balance, end of year	\$ 523,645	\$ 523,645	\$ 546,042	\$ 22,397

**CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025**

	<u>Tri-County Metro Fund</u>			Variances with Final Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Fines and forfeitures	50,000	50,000	70,711	20,711
Interest and rents	-	-	20,791	20,791
TOTAL REVENUES	<u>450,000</u>	<u>450,000</u>	<u>91,502</u>	<u>(358,498)</u>
EXPENDITURES				
Current				
Public safety				
Personnel	84,000	84,000	40,104	43,896
Operations	166,000	166,000	202,188	(36,188)
TOTAL EXPENDITURES	<u>250,000</u>	<u>250,000</u>	<u>242,292</u>	<u>7,708</u>
NET CHANGE IN FUND BALANCE	200,000	200,000	(150,790)	(350,790)
Fund balance, beginning of year	<u>486,611</u>	<u>486,611</u>	<u>486,611</u>	<u>-</u>
Fund balance, end of year	<u>\$ 686,611</u>	<u>\$ 686,611</u>	<u>\$ 335,821</u>	<u>\$ (350,790)</u>

**CITY OF LANSING
NONMAJOR DEBT SERVICE FUNDS**

1999 Fire Station Fund

This fund accounts for the accumulation of resources for payment of the 1999 \$3,000,000 Unlimited Tax General Obligation Bonds (which was refunding in 2007 in the amount of \$1,780,000).

Public Safety Fund

This fund accounts for the premium related to the 2023B Capital Improvement Bond.

Ovation Fund

This fund accounts for the premium related to the Capital Improvement Bonds, Series 2023.

**CITY OF LANSING
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	<u>1999 Fire Station</u>	<u>Public Safety Debt Service</u>	<u>Ovation Debt Service</u>	<u>Total</u>
ASSETS				
Equity in pooled cash and investments	\$ 29,361	\$ 1,771,242	\$ -	\$ 1,800,603
Cash and cash equivalents - restricted	-	11,003,980	-	11,003,980
TOTAL ASSETS	<u>\$ 29,361</u>	<u>\$ 12,775,222</u>	<u>\$ -</u>	<u>\$ 12,804,583</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES				
Restricted	<u>29,361</u>	<u>12,775,222</u>	<u>-</u>	<u>12,804,583</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,361</u>	<u>\$ 12,775,222</u>	<u>\$ -</u>	<u>\$ 12,804,583</u>

**CITY OF LANSING
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	1999 Fire Station	Public Safety Debt Service	Ovation Debt Service	Total
REVENUES				
Property taxes and special assessments	\$ -	\$ 10,271,803	\$ -	\$ 10,271,803
Interest and rents	-	641,153	-	641,153
TOTAL REVENUES	-	10,912,956	-	10,912,956
EXPENDITURES				
Debt service				
Principal	-	1,970,000	-	1,970,000
Interest and fiscal charges	-	8,015,013	901,525	8,916,538
TOTAL EXPENDITURES	-	9,985,013	901,525	10,886,538
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	927,943	(901,525)	26,418
OTHER FINANCING SOURCES				
Transfers in	-	-	901,525	901,525
NET CHANGE IN FUND BALANCES	-	927,943	-	927,943
Fund balances, beginning of year	29,361	11,847,279	-	11,876,640
Fund balances, end of year	<u>\$ 29,361</u>	<u>\$ 12,775,222</u>	<u>\$ -</u>	<u>\$ 12,804,583</u>

**CITY OF LANSING
NONMAJOR CAPITAL PROJECTS FUNDS**

Special Assessments Fund

This fund is used to account for the financing of public improvements deemed to benefit the properties against which special assessments are levied.

Montgomery Drain Fund

This fund is used to account for the financing of public improvements deemed to benefit the properties against which special assessments are levied, specifically for the Montgomery Drain.

Ovation Capital Projects Fund

This fund is used to account for the capital project activity, not including financing, related to the Ovation project.

Ovation Capital Improvements Fund

This fund is used to account for the financing and capital project activity related to the Ovation project.

City Hall Capital Projects Fund

This fund is used to account for the financing and capital project activity related to the City Hall project.

Other Capital Projects Fund

This fund accounts for miscellaneous capital projects.

**CITY OF LANSING
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Special Assessments	Montgomery Drain	Ovation Capital Project Fund	Ovation Capital Improvements	City Hall Capital Projects	Other Capital Projects	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,772	\$ 393,772
Cash and cash equivalents - restricted	-	-	-	17,975,861	17,386,645	-	35,362,506
Equity in pooled cash and investments	89,951	1,788,653	750	172,810	-	6,128,669	8,180,833
Receivables							
Accounts and loan receivable	-	-	-	-	-	4,857,640	4,857,640
Special assessments							
Current	17,035	393,859	-	-	-	-	410,894
Noncurrent	12,196	9,369,904	-	-	-	-	9,382,100
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 119,182	\$ 11,552,416	\$ 750	\$ 18,148,671	\$ 17,386,645	\$ 11,380,081	\$ 58,587,745
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 750	\$ 126,377	\$ 1,871,119	\$ 510,674	\$ 2,508,920
Unearned revenue	-	-	-	-	-	50,000	50,000
TOTAL LIABILITIES	-	-	750	126,377	1,871,119	560,674	2,558,920
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue							
Loans and accrued interest receivable	-	-	-	-	-	4,725,000	4,725,000
Special assessments	29,231	9,763,763	-	-	-	-	9,792,994
TOTAL DEFERRED INFLOWS OF RESOURCES	29,231	9,763,763	-	-	-	4,725,000	14,517,994
FUND BALANCES							
Restricted	89,951	1,788,653	-	18,022,294	15,515,526	-	35,416,424
Committed	-	-	-	-	-	6,094,407	6,094,407
TOTAL FUND BALANCES	89,951	1,788,653	-	18,022,294	15,515,526	6,094,407	41,510,831
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 119,182	\$ 11,552,416	\$ 750	\$ 18,148,671	\$ 17,386,645	\$ 11,380,081	\$ 58,587,745

**CITY OF LANSING
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Special Assessments	Montgomery Drain	Ovation Capital Project Fund	Ovation Capital Improvements	City Hall Capital Projects	Other Capital Projects	Total
REVENUES							
Property taxes and special assessments	\$ 17,034	\$ 1,784,212	\$ -	\$ -	\$ -	\$ -	\$ 1,801,246
Intergovernmental	-	-	-	-	20,000,000	-	20,000,000
Charges for services	-	-	-	-	-	372,401	372,401
Interest and rents	-	-	-	246,520	347,104	555,368	1,148,992
Other	-	-	-	-	-	-	-
Donations and contributions	-	-	-	-	-	14,845	14,845
TOTAL REVENUES	17,034	1,784,212	-	246,520	20,347,104	942,614	23,337,484
EXPENDITURES							
Debt service							
Principal	-	730,000	-	-	-	700,000	1,430,000
Interest and fiscal charges	-	760,622	-	-	-	213,918	974,540
Capital outlay	-	-	750	2,248,969	4,831,578	1,861,161	8,942,458
TOTAL EXPENDITURES	-	1,490,622	750	2,248,969	4,831,578	2,775,079	11,346,998
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,034	293,590	(750)	(2,002,449)	15,515,526	(1,832,465)	11,990,486
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	600,000	600,000
Transfers out	-	-	(704,233)	-	-	(1,737,525)	(2,441,758)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(704,233)	-	-	(1,137,525)	(1,841,758)
NET CHANGE IN FUND BALANCES	17,034	293,590	(704,983)	(2,002,449)	15,515,526	(2,969,990)	10,148,728
Fund balances, beginning of year	72,917	1,495,063	704,983	20,024,743	-	9,064,397	31,362,103
Fund balances, end of year	<u>\$ 89,951</u>	<u>\$ 1,788,653</u>	<u>\$ -</u>	<u>\$ 18,022,294</u>	<u>\$ 15,515,526</u>	<u>\$ 6,094,407</u>	<u>\$ 41,510,831</u>

**CITY OF LANSING
NONMAJOR PERMANENT FUNDS**

Cemetery Perpetual Care Fund

This fund accounts for transfers from the Cemetery Fund, representing 15% of lot sales. These funds are invested, and all investment earnings are transferred to the Cemetery Fund for lot maintenance.

Parks Trust Fund

This fund accounts for contributions made for City parks, the principal of which must be preserved in accordance with the trust indentures. Income derived from these contributions is transferred to the Parks Department special revenue fund.

**CITY OF LANSING
NONMAJOR PERMANENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Cemetery Perpetual Care	Parks Trust	Total
ASSETS			
Equity in pooled cash and investments	\$ 206,476	\$ 1,453	\$ 207,929
Investments	2,026,085	-	2,026,085
 TOTAL ASSETS	 \$ 2,232,561	 \$ 1,453	 \$ 2,234,014
 FUND BALANCES			
Nonspendable	\$ 2,232,561	\$ 1,453	\$ 2,234,014

**CITY OF LANSING
NONMAJOR PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	Cemetery <u>Perpetual Care</u>	<u>Parks Trust</u>	<u>Total</u>
REVENUES			
Interest income and rents	\$ 179,998	\$ 60	\$ 180,058
Fund balances, beginning of year	<u>2,052,563</u>	<u>1,393</u>	<u>2,053,956</u>
Fund balances, end of year	<u>\$ 2,232,561</u>	<u>\$ 1,453</u>	<u>\$ 2,234,014</u>

**CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS**

Cemetery Fund

This fund accounts for the operation of City-owned cemeteries.

Golf Fund

This fund accounts for the operation of the City-owned golf courses.

Garbage and Rubbish Collection Fund

This fund accounts for the provision of household solid waste disposal services to participating residents of the City.

Recycling Fund

This fund accounts for the provision of recycling services to participating residents of the City.

**CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	Cemetery	Golf	Garbage and Rubbish Collection	Recycling	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 200	\$ -	\$ -	\$ -	\$ 200
Equity in pooled cash and investments	687,614	22,600	2,756,138	3,404,519	6,870,871
Accounts receivable, net	-	-	479,187	-	479,187
Inventories	53,372	-	-	-	53,372
Total current assets	741,186	22,600	3,235,325	3,404,519	7,403,630
Noncurrent assets					
Capital assets not being depreciated	57,740	345,647	-	-	403,387
Capital assets being depreciated, net	28,261	1,415,272	-	567,498	2,011,031
Total noncurrent assets	86,001	1,760,919	-	567,498	2,414,418
TOTAL ASSETS	827,187	1,783,519	3,235,325	3,972,017	9,818,048
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflows of resources related to pension	3,217	-	5,961	7,558	16,736
LIABILITIES					
Current liabilities					
Accounts payable	34,987	-	101,467	592,351	728,805
Accrued payroll	3,057	-	2,156	-	5,213
Current portion of compensated absences	1,700	-	3,397	3,723	8,820
Total current liabilities	39,744	-	107,020	596,074	742,838
Noncurrent liabilities					
Compensated absences, net of current portion	37,844	-	75,651	82,910	196,405
Net pension liability	1,364,472	-	2,528,270	3,205,518	7,098,260
Net other postemployment benefit liability	421,279	-	780,601	989,701	2,191,581
Total noncurrent liabilities	1,823,595	-	3,384,522	4,278,129	9,486,246
TOTAL LIABILITIES	1,863,339	-	3,491,542	4,874,203	10,229,084
DEFERRED INFLOW OF RESOURCES					
Deferred inflows of resources related to pension	40,546	-	75,129	95,254	210,929
Deferred inflows of resources related to OPEB	89,943	-	166,658	211,300	467,901
TOTAL DEFERRED INFLOWS OF RESOURCES	130,489	-	241,787	306,554	678,830
NET POSITION (DEFICIT)					
Investment in capital assets	86,001	1,760,919	-	567,498	2,414,418
Unrestricted	(1,249,425)	22,600	(492,043)	(1,768,680)	(3,487,548)
TOTAL NET POSITION (DEFICIT)	\$ (1,163,424)	\$ 1,783,519	\$ (492,043)	\$ (1,201,182)	\$ (1,073,130)

**CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	Cemetery	Golf	Garbage and Rubbish Collection	Recycling	Total
OPERATING REVENUES					
Charges for services	\$ 512,978	\$ -	\$ 3,894,988	\$ 4,896,765	\$ 9,304,731
OPERATING EXPENSES					
Personnel services	1,038,420	-	1,321,385	1,398,976	3,758,781
Purchase of goods and services	325,098	85,161	1,999,190	1,731,425	4,140,874
Depreciation	9,827	56,742	-	17,866	84,435
TOTAL OPERATING EXPENSES	1,373,345	141,903	3,320,575	3,148,267	7,984,090
OPERATING INCOME (LOSS)	(860,367)	(141,903)	574,413	1,748,498	1,320,641
NONOPERATING REVENUES					
Interest revenue	-	-	-	154,737	154,737
NET INCOME (LOSS) BEFORE TRANSFERS	(860,367)	(141,903)	574,413	1,903,235	1,475,378
TRANSFERS					
Transfers in	636,000	100,000	-	-	736,000
CHANGE IN NET POSITION	(224,367)	(41,903)	574,413	1,903,235	2,211,378
Net position (deficit), beginning of year	(939,057)	1,825,422	(1,066,456)	(3,104,417)	(3,284,508)
Net position (deficit), end of year	<u>\$ (1,163,424)</u>	<u>\$ 1,783,519</u>	<u>\$ (492,043)</u>	<u>\$ (1,201,182)</u>	<u>\$ (1,073,130)</u>

**CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Cemetery	Golf	Garbage and Rubbish Collection	Recycling	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 512,978	\$ -	\$ 3,863,222	\$ 4,896,765	\$ 9,272,965
Cash payments for good and services	(325,100)	(85,161)	(2,101,965)	(1,739,568)	(4,251,794)
Cash payments to employees	(688,003)	-	(1,898,922)	(2,080,504)	(4,667,429)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(500,125)	(85,161)	(137,665)	1,076,693	353,742
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	636,000	100,000	-	-	736,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	-	-	-	(579,997)	(579,997)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	-	-	-	-	-
Interest and dividends received	-	-	-	154,737	154,737
NET CHANGE IN CASH AND CASH EQUIVALENTS	135,875	14,839	(137,665)	651,433	664,482
Cash and cash equivalents, beginning of year	551,939	7,761	2,893,803	2,753,086	6,206,589
Cash and cash equivalents, end of year	<u>\$ 687,814</u>	<u>\$ 22,600</u>	<u>\$ 2,756,138</u>	<u>\$ 3,404,519</u>	<u>\$ 6,871,071</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (860,367)	\$ (141,903)	\$ 574,413	\$ 1,748,498	\$ 1,320,641
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	9,827	56,742	-	17,866	84,435
Changes in:					
Accounts receivable	-	-	(31,766)	-	(31,766)
Inventory	(851)	-	-	-	(851)
Deferred outflows - pension	39,840	-	106,618	133,703	280,161
Deferred outflows - OPEB	442	-	1,155	1,450	3,047
Accounts payable	849	-	(102,775)	(8,143)	(110,069)
Accrued payroll	1,561	-	2,156	-	3,717
Compensated absences	11,067	-	(5,695)	(7,710)	(2,338)
Net pension liability	247,207	-	(392,994)	(460,010)	(605,797)
Deferred inflows - pension	35,228	-	61,225	77,808	174,261
Net other postemployment benefit liability	(23,644)	-	(382,720)	(470,005)	(876,369)
Deferred inflows - OPEB	38,716	-	32,718	43,236	114,670
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (500,125)	\$ (85,161)	\$ (137,665)	\$ 1,076,693	\$ 353,742

**CITY OF LANSING
INTERNAL SERVICE FUNDS**

Fleet Maintenance Fund

This fund accounts for the costs of maintaining the City's fleet of vehicles and heavy equipment.

Fringe Benefits Fund

This fund accounts for the costs of the City's fringe benefits.

Engineering Fund

This fund accounts for the operations of the City's engineering department.

Information Technology Fund

This fund accounts for the operations of the City's information technology department.

City 311 Fund

This fund accounts for the operations of the City's 311 department.

**CITY OF LANSING
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	Fleet Maintenance	Fringe Benefits	Engineering	Information Technology	City 311	Total
ASSETS						
Current assets						
Equity in pooled cash and investments	\$ 1,696,549	\$ 2,984,950	\$ 1,358,032	\$ 1,311,068	\$ 44,161	\$ 7,394,760
Accounts receivable, net	28,004	2,233,713	-	80	-	2,261,797
Inventories	605,119	-	-	-	-	605,119
Prepays	-	1,774,403	-	-	-	1,774,403
Total current assets	2,329,672	6,993,066	1,358,032	1,311,148	44,161	12,036,079
Noncurrent assets						
Capital assets not being depreciated/amortized	92,892	-	-	-	-	92,892
Capital assets being depreciated/amortized, net	12,132,942	-	1,207,379	2,261,215	-	15,601,536
Total noncurrent assets	12,225,834	-	1,207,379	2,261,215	-	15,694,428
TOTAL ASSETS	14,555,506	6,993,066	2,565,411	3,572,363	44,161	27,730,507
LIABILITIES						
Current liabilities						
Accounts payable	276,310	1,628,037	6,769	146,126	73	2,057,315
Accrued payroll	58,144	21,579	64,885	38,872	12,392	195,872
Accrued interest payable	2,701	-	-	-	-	2,701
Claims incurred but not reported	-	1,741,866	-	-	-	1,741,866
Due to other funds	-	3,543,795	-	-	-	3,543,795
Current portion of:						
Long-term obligations	135,183	-	-	788,077	-	923,260
Compensated absences	871	-	-	3,806	-	4,677
Total current liabilities	473,209	6,935,277	71,654	976,881	12,465	8,469,486
Noncurrent liabilities						
Long-term obligations, net of current portion	636,330	-	-	1,564,906	-	2,201,236
Compensated absences, net of current portion	164,540	55,929	522,385	266,301	23,999	1,033,154
Total noncurrent liabilities	800,870	55,929	522,385	1,831,207	23,999	3,234,390
TOTAL LIABILITIES	1,274,079	6,991,206	594,039	2,808,088	36,464	11,703,876
NET POSITION						
Net investment in capital assets	11,454,321	-	1,207,379	(91,768)	-	12,569,932
Unrestricted	1,827,106	1,860	763,993	856,043	7,697	3,456,699
TOTAL NET POSITION	\$ 13,281,427	\$ 1,860	\$ 1,971,372	\$ 764,275	\$ 7,697	\$ 16,026,631

**CITY OF LANSING
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	Fleet Maintenance	Fringe Benefits	Engineering	Information Technology	City 311	Total
OPERATING REVENUES						
Charges for services	\$ 3,497,107	\$ 103,958,741	\$ 3,900,545	\$ 8,532,503	\$ 1,080,000	\$ 120,968,896
Miscellaneous	63,476	217,601	1,758	-	-	282,835
TOTAL OPERATING REVENUES	3,560,583	104,176,342	3,902,303	8,532,503	1,080,000	121,251,731
OPERATING EXPENSES						
Personnel services	4,783,077	357,857	5,076,799	3,274,225	1,043,283	14,535,241
Purchase of goods and services	3,649,480	98,779,285	632,614	5,210,177	173,168	108,444,724
Depreciation/amortization	2,267,934	-	43,905	1,124,066	-	3,435,905
TOTAL OPERATING EXPENSES	10,700,491	99,137,142	5,753,318	9,608,468	1,216,451	126,415,870
OPERATING INCOME (LOSS)	(7,139,908)	5,039,200	(1,851,015)	(1,075,965)	(136,451)	(5,164,139)
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	-	-	-	48,196	-	48,196
Gain on sale of capital assets	181,242	-	-	-	-	181,242
Interest expense and fees	(11,737)	-	-	(23,647)	-	(35,384)
TOTAL NONOPERATING REVENUES (EXPENSES)	169,505	-	-	24,549	-	194,054
INCOME (LOSS) BEFORE TRANSFERS	(6,970,403)	5,039,200	(1,851,015)	(1,051,416)	(136,451)	(4,970,085)
TRANSFERS						
Transfer out	(287,726)	-	-	-	-	(287,726)
CHANGE IN NET POSITION	(7,258,129)	5,039,200	(1,851,015)	(1,051,416)	(136,451)	(5,257,811)
Net position (deficit), beginning of year	20,539,556	(5,037,340)	3,822,387	1,815,691	144,148	21,284,442
Net position, end of year	<u>\$ 13,281,427</u>	<u>\$ 1,860</u>	<u>\$ 1,971,372</u>	<u>\$ 764,275</u>	<u>\$ 7,697</u>	<u>\$ 16,026,631</u>

**CITY OF LANSING
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Fleet Maintenance	Fringe Benefits	Engineering	Information Technology	City 311	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from interfund services	\$ 3,536,091	\$ 102,421,999	\$ 3,902,303	\$ 8,532,503	\$ 1,080,000	\$ 119,472,896
Cash payments for goods and services	(3,982,590)	(99,173,031)	(638,544)	(5,308,117)	(173,120)	(109,275,402)
Cash payments to employees	(4,784,870)	(264,018)	(4,994,828)	(3,242,577)	(1,029,695)	(14,315,988)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,231,369)</u>	<u>2,984,950</u>	<u>(1,731,069)</u>	<u>(18,191)</u>	<u>(122,815)</u>	<u>(4,118,494)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of capital assets	184,324	-	-	-	-	184,324
Purchase of capital assets	(3,867,881)	-	-	-	-	(3,867,881)
Principal paid on long-term obligations	(133,311)	-	-	(1,095,554)	-	(1,228,865)
Interest paid on long-term obligations	(12,203)	-	-	(23,647)	-	(35,850)
Transfers out	(287,726)	-	-	-	-	(287,726)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,116,797)</u>	<u>-</u>	<u>-</u>	<u>(1,119,201)</u>	<u>-</u>	<u>(5,235,998)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	-	-	48,196	-	48,196
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(9,348,166)</u>	<u>2,984,950</u>	<u>(1,731,069)</u>	<u>(1,089,196)</u>	<u>(122,815)</u>	<u>(9,306,296)</u>
Cash and cash equivalents, beginning of year	<u>11,044,715</u>	<u>-</u>	<u>3,089,101</u>	<u>2,400,264</u>	<u>166,976</u>	<u>16,701,056</u>
Cash and cash equivalents, end of year	<u>\$ 1,696,549</u>	<u>\$ 2,984,950</u>	<u>\$ 1,358,032</u>	<u>\$ 1,311,068</u>	<u>\$ 44,161</u>	<u>\$ 7,394,760</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (7,139,908)	\$ 5,039,200	\$ (1,851,015)	\$ (1,075,965)	\$ (136,451)	\$ (5,164,139)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation/amortization	2,267,934	-	43,905	1,124,066	-	3,435,905
Change in:						
Accounts receivable	(24,492)	(1,754,343)	-	(80)	-	(1,778,915)
Prepays	-	(274,403)	-	-	-	(274,403)
Inventories	54,846	-	-	-	-	54,846
Accounts payable	(387,956)	(119,343)	(5,930)	(97,860)	48	(611,041)
Due to other funds	-	-	-	-	-	-
Accrued payroll	16,332	(133,335)	29,625	14,677	5,893	(66,808)
Claims incurred but not reported	-	241,276	-	-	-	241,276
Compensated absences	(18,125)	(14,102)	52,346	16,971	7,695	44,785
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (5,231,369)</u>	<u>\$ 2,984,950</u>	<u>\$ (1,731,069)</u>	<u>\$ (18,191)</u>	<u>\$ (122,815)</u>	<u>\$ (4,118,494)</u>

**CITY OF LANSING
FIDUCIARY FUNDS**

Fiduciary Funds are funds set up to account for assets held by the City in a fiduciary capacity, for individuals, organizations, other units of government or other funds. The City's fiduciary funds include pension and other postemployment benefits trust funds and custodial funds.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS

Employees' Retirement System Pension

This fund accounts for all eligible employees (non-police and fire) activity, including investing fund resources and calculating and paying pension benefits to applicable retirees (or beneficiaries).

Employees' Retirement System OPEB

This fund accounts for all eligible employees (non-police and fire) activities related to postemployment healthcare coverage for applicable individuals.

Police and Fire Retirement System Pension

This fund accounts for all eligible employees' activity including investing fund resources and calculating and paying pension benefits to applicable retirees (or beneficiaries).

Police and Fire Retirement System OPEB

This fund accounts for all eligible employees' activities related to postemployment healthcare coverage for applicable individuals.

Employees' Money Purchase Pension Plan

This fund accounts for all newly hired eligible employees who participate in the City's defined contribution plan to account for paying pension benefits to eligible retirees (or beneficiaries).

Retiree Healthcare VEBA

This fund accounts for all eligible employee's activity related to the defined benefit of postemployment healthcare to provide medical and healthcare benefits for retirees and their beneficiaries.

CUSTODIAL FUNDS

Custodial funds account for resources received and held by the City, in a custodial capacity, for individuals, organizations and other governments.

54-A District Court Fund

This fund is used to hold cash received by the District Court for bail bonds, for garnishment payments until claimed, and to hold indemnity bonds deposited relating to civil disputes until the Court rules on the case.

Current Tax Collection Fund

This fund is used to account for property taxes collected and distributed to other governments.

**CITY OF LANSING
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	Pension and Other Postemployment Benefits Trust Funds						Totals
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	
ASSETS							
Cash and cash equivalents	\$ 4,457,121	\$ 1,430,114	\$ 14,136,413	\$ 3,368,556	\$ -	\$ 1,039,681	\$ 24,431,885
Investments							
Mutual funds	124,468,786	39,922,498	228,301,996	54,401,928	9,040,140	48,933,819	505,069,167
Domestic equities	42,648,125	13,684,097	81,541,435	19,430,454	-	-	157,304,111
International equities	766,666	245,993	1,471,408	350,621	-	-	2,834,688
Emerging market equities	10,369,174	3,327,058	15,834,950	3,773,300	-	677,266	33,981,748
Money market funds	2,706,196	882,926	4,227,409	1,007,346	-	1,126,245	9,950,122
Dividends and interest receivable	69,592	22,329	83,706	19,946	-	-	195,573
TOTAL ASSETS	185,485,660	59,515,015	345,597,317	82,352,151	9,040,140	51,777,011	733,767,294
LIABILITIES							
Accounts payable	116,442	37,361	342,864	81,699	-	-	578,366
Due to other governmental units	8,982,988	2,882,286	17,281,215	4,117,929	4,653	-	33,269,071
TOTAL LIABILITIES	9,099,430	2,919,647	17,624,079	4,199,628	4,653	-	33,847,437
NET POSITION							
Restricted for:							
Pension benefits	176,386,230	-	327,973,238	-	9,035,487	-	513,394,955
Other postemployment benefits	-	56,595,368	-	78,152,523	-	51,777,011	186,524,902
TOTAL NET POSITION	\$ 176,386,230	\$ 56,595,368	\$ 327,973,238	\$ 78,152,523	\$ 9,035,487	\$ 51,777,011	\$ 699,919,857

**CITY OF LANSING
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	Changes in Pension and Other Postemployment Benefits Net Position						Totals
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	
ADDITIONS							
Investment income							
Net appreciation (decrease) in fair value of investments	\$ 20,474,055	\$ 3,653,498	\$ 37,733,484	\$ 4,326,161	\$ 1,545,958	\$ 3,954,359	\$ 71,687,515
Interest income (loss)	231,624	-	(26,976)	-	-	984,572	1,189,220
Investment expenses	(567,491)	-	(806,367)	-	-	-	(1,373,858)
Net investment income	<u>20,138,188</u>	<u>3,653,498</u>	<u>36,900,141</u>	<u>4,326,161</u>	<u>1,545,958</u>	<u>4,938,931</u>	<u>71,502,877</u>
Contributions							
Employer	12,776,200	14,390,709	21,648,376	27,808,338	175,607	2,009,261	78,808,491
Nonemployer	2,361,715	-	-	-	-	-	2,361,715
Plan members	1,536,435	-	3,275,511	-	664,948	-	5,476,894
Total contributions	<u>16,674,350</u>	<u>14,390,709</u>	<u>24,923,887</u>	<u>27,808,338</u>	<u>840,555</u>	<u>2,009,261</u>	<u>86,647,100</u>
TOTAL ADDITIONS	36,812,538	18,044,207	61,824,028	32,134,499	2,386,513	6,948,192	158,149,977
DEDUCTIONS							
Participant benefits	24,793,019	8,449,770	39,228,002	12,287,069	-	-	84,757,860
Administrative expense	219,606	503,094	316,957	1,163,925	1,055,061	180,082	3,438,725
TOTAL DEDUCTIONS	25,012,625	8,952,864	39,544,959	13,450,994	1,055,061	180,082	88,196,585
CHANGE IN NET POSITION	11,799,913	9,091,343	22,279,069	18,683,505	1,331,452	6,768,110	69,953,392
NET POSITION							
Restricted for pension and other postemployment benefits							
Beginning of year	164,586,317	47,504,025	305,694,169	59,469,018	7,704,035	45,008,901	629,966,465
End of year	<u>\$ 176,386,230</u>	<u>\$ 56,595,368</u>	<u>\$ 327,973,238</u>	<u>\$ 78,152,523</u>	<u>\$ 9,035,487</u>	<u>\$ 51,777,011</u>	<u>\$ 699,919,857</u>

**CITY OF LANSING
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	54-A District Court	Current Tax Collection	Total
ASSETS			
Equity in pooled cash and investments	\$ 184,739	\$ -	\$ 184,739
LIABILITIES			
Due to individuals and agencies	184,739	-	184,739
NET POSITION			
Restricted for individuals and agencies	\$ -	\$ -	\$ -

**CITY OF LANSING
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	54-A District Court	Current Tax Collections	Total
ADDITIONS TO NET POSITION			
Collections from or on behalf of individuals	\$ 1,076,594	\$ -	\$ 1,076,594
Collections of taxes for other governments	-	161,871,591	161,871,591
TOTAL ADDITIONS	1,076,594	161,871,591	162,948,185
DEDUCTIONS FROM NET POSITION			
Payments to or on behalf of individuals	1,076,594	-	1,076,594
Payment of taxes collected for other governments	-	161,871,591	161,871,591
TOTAL DEDUCTIONS	1,076,594	161,871,591	162,948,185
NET CHANGE IN NET POSITION	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Lansing, Michigan's (the "City") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

		<u>Page</u>
Financial Trends (Tables 1-4)	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	182
Revenue Capacity (Tables 5-8)	These schedules contain information to help the reader assess factors affecting the City's ability to generate its property taxes.	187
Debt Capacity (Tables 9-13)	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	191
Demographic and Economic Information (Tables 14-15)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	196
Operating Information (Tables 16-18)	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	198

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**CITY OF LANSING
NET POSITION BY COMPONENT
2016-2025
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

Table 1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 149,676,860	\$ 149,533,948	\$ 148,263,240	\$ 146,153,309	\$ 143,583,186	\$ 153,733,211	\$ 159,442,216	\$ 152,933,894	\$ 176,420,751	\$ 205,735,308
Restricted	12,922,525	10,993,950	15,189,723	23,505,738	20,495,617	24,518,910	28,101,348	42,209,665	58,248,755	93,840,171
Unrestricted	(265,678,371)	(276,790,945)	(606,529,375)	(629,587,773)	(674,087,826)	(603,922,567)	(578,995,034)	(531,190,813)	(471,192,524)	(489,790,244)
Total governmental activities net position	\$ (103,078,986)	\$ (116,263,047)	\$ (443,076,412)	\$ (459,928,726)	\$ (510,009,023)	\$ (425,670,446)	\$ (391,451,470)	\$ (336,047,254)	\$ (236,523,018)	\$ (190,214,765)
Business-type activities										
Net investment in capital assets	\$ 220,436,882	\$ 224,161,744	\$ 227,127,434	\$ 233,988,263	\$ 234,126,397	\$ 219,824,056	\$ 232,446,124	\$ 227,979,176	\$ 235,698,400	\$ 240,137,502
Restricted	2,764,963	1,818,671	1,886,620	1,953,175	2,432,963	2,437,390	2,441,780	2,486,846	2,555,433	2,614,049
Unrestricted	19,401,320	25,415,447	(13,854,833)	(7,299,147)	(13,397,777)	19,032,067	21,195,582	39,837,334	49,776,732	61,126,185
Total business-type activities net position	\$ 242,603,165	\$ 251,395,862	\$ 215,159,221	\$ 228,642,291	\$ 223,161,583	\$ 241,293,513	\$ 256,083,486	\$ 270,303,356	\$ 288,030,565	\$ 303,877,736
Primary government										
Net investment in capital assets	\$ 370,113,742	\$ 373,695,692	\$ 375,390,674	\$ 380,141,572	\$ 377,709,583	\$ 373,557,267	\$ 391,888,340	\$ 380,913,070	\$ 412,119,151	\$ 445,872,810
Restricted	15,687,488	12,812,621	17,076,343	25,458,913	22,928,580	26,956,300	30,543,128	44,696,511	60,804,188	96,454,220
Unrestricted	(246,277,051)	(251,375,498)	(620,384,208)	(636,886,920)	(687,485,603)	(584,890,500)	(557,799,452)	(491,353,479)	(421,415,792)	(428,664,059)
Total primary government net position	\$ 139,524,179	\$ 135,132,815	\$ (227,917,191)	\$ (231,286,435)	\$ (286,847,440)	\$ (184,376,933)	\$ (135,367,984)	\$ (65,743,898)	\$ 51,507,547	\$ 113,662,971

Note: No discretely presented component units shown

- GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.
- GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018. This resulted in presentation of the City's net OPEB liability on the statement of net position. Prior years were not restated.

**CITY OF LANSING
CHANGES IN NET POSITION
2016-2025
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government	\$ 27,993,414	\$ 21,778,154	\$ 16,995,976	\$ 26,679,840	\$30,400,643	\$ 11,196,979	\$ 19,628,516	\$ 20,719,165	\$ 21,814,859	\$ 40,902,819
Judicial	-	-	-	-	-	-	-	4,437,374	7,054,673	7,770,640
Health and welfare	-	-	-	-	-	-	-	6,658,603	1,938,213	2,439,927
Public safety	85,739,408	91,829,441	87,352,251	97,391,612	121,102,641	57,170,988	78,113,026	88,377,091	57,755,851	98,437,224
Public works	28,212,049	28,983,891	26,485,877	29,644,398	35,288,254	32,334,504	27,316,002	16,436,242	34,560,876	36,107,434
Recreation and culture	10,336,168	9,441,519	8,302,243	7,650,889	11,238,934	4,125,852	6,707,099	13,784,687	10,664,726	9,921,532
Community and economic development	10,642,102	12,349,663	16,150,417	21,046,090	20,731,730	34,764,843	75,618,986	18,257,010	15,909,940	26,405,304
Interest on long-term debt	1,424,215	1,201,846	1,137,561	1,182,488	733,925	1,072,610	1,845,964	2,993,891	9,387,497	9,429,656
Total governmental activities expenses	<u>164,347,356</u>	<u>165,584,514</u>	<u>156,424,325</u>	<u>183,595,317</u>	<u>219,496,127</u>	<u>140,665,776</u>	<u>209,229,593</u>	<u>171,664,063</u>	<u>159,086,635</u>	<u>231,414,536</u>
Business-type activities										
Sewage disposal system	28,487,957	27,567,228	28,552,143	31,939,976	32,605,664	20,828,495	22,239,978	30,964,460	27,098,938	31,760,216
Municipal parking system	7,651,077	6,866,747	9,888,246	7,081,998	12,716,606	3,183,095	10,110,065	6,717,635	8,016,197	7,528,763
Cemetery	708,545	886,579	1,379,877	470,220	1,652,255	300,009	98,394	703,931	265,303	1,373,345
Golf	845,575	802,564	(372,775)	278,501	229,467	198,889	164,878	165,530	165,498	141,903
Garbage and rubbish collection	2,085,728	1,543,380	3,101,893	1,035,262	2,431,066	1,753,713	1,509,140	2,425,495	4,170,087	3,320,575
Recycling	4,092,278	3,667,899	3,859,496	3,856,764	5,576,963	2,613,739	1,656,519	4,005,120	2,636,909	3,148,267
Total business-type activities expenses	<u>43,871,160</u>	<u>41,334,397</u>	<u>46,408,880</u>	<u>44,662,721</u>	<u>55,212,021</u>	<u>28,877,940</u>	<u>35,778,974</u>	<u>44,982,171</u>	<u>42,352,932</u>	<u>47,273,069</u>
Total primary government expenses	<u>\$ 208,218,516</u>	<u>\$ 206,918,911</u>	<u>\$ 202,833,205</u>	<u>\$ 228,258,038</u>	<u>\$ 274,708,148</u>	<u>\$ 169,543,716</u>	<u>\$ 245,008,567</u>	<u>\$ 216,646,234</u>	<u>\$ 201,439,567</u>	<u>\$ 278,687,605</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 7,279,427	\$ 7,295,556	\$ 7,038,702	\$ 7,567,720	\$7,616,658	\$ 10,158,500	\$ 9,406,822	\$ 13,093,046	\$ 23,247,155	\$ 25,637,343
Public safety	2,909,054	3,476,966	4,140,682	3,935,250	4,770,026	3,553,105	4,423,872	237,161	188,724	2,468,492
Public works	3,011,894	1,836,466	716,322	2,978,549	536,961	560,343	1,165,080	732,020	680,959	1,792,020
Recreation and culture	673,840	617,604	831,816	1,092,232	1,038,740	1,188,287	1,192,891	-	-	-
Community and economic development	67,272	67,312	-	-	-	-	-	2,931,128	-	-
Operating grants and contributions	24,561,960	25,157,629	28,983,936	29,663,253	28,534,469	61,065,241	90,177,926	70,476,683	59,174,797	60,541,900
Capital grants and contributions	904,298	63,488	855,760	3,313,872	285,075	15,693,491	5,283,332	1,490,181	7,674,594	20,324,049
Total governmental activities program revenues	<u>39,407,745</u>	<u>38,515,021</u>	<u>42,567,218</u>	<u>48,550,876</u>	<u>42,781,929</u>	<u>92,218,967</u>	<u>111,649,923</u>	<u>88,960,219</u>	<u>90,966,229</u>	<u>110,763,804</u>
Business-type activities										
Charges for services										
Sewage disposal system	32,368,491	34,755,896	35,107,570	35,752,812	34,968,585	38,471,972	35,943,034	38,710,464	39,752,999	43,171,746
Municipal parking system	7,090,335	6,906,091	7,436,552	8,422,161	6,211,685	2,710,377	5,101,852	5,018,385	5,731,892	5,737,880
Cemetery	312,929	403,663	351,204	415,757	403,030	558,744	526,299	487,209	386,335	512,978
Golf	313,164	256,218	179,464	-	3,091	-	-	-	-	-
Garbage and rubbish collection	1,871,665	1,952,897	2,072,454	2,243,627	2,278,024	2,796,524	3,246,590	3,333,884	4,201,763	3,894,988
Recycling	3,627,070	3,614,794	3,779,468	4,081,700	4,376,310	4,504,054	4,455,510	4,553,007	4,774,154	4,896,765
Operating grants and contributions	1,312,362	1,391,326	1,603,942	6,648,917	2,000,000	-	-	-	-	-
Capital grants and contributions	-	100,000	-	-	-	-	-	5,000,000	-	-
Total business-type activities program revenues	<u>46,896,016</u>	<u>49,380,885</u>	<u>50,530,654</u>	<u>57,564,974</u>	<u>50,240,725</u>	<u>49,041,671</u>	<u>49,273,285</u>	<u>57,102,949</u>	<u>54,847,143</u>	<u>58,214,357</u>
Total primary government program revenues	<u>\$ 86,303,761</u>	<u>\$ 87,895,906</u>	<u>\$ 93,097,872</u>	<u>\$ 106,115,850</u>	<u>\$93,022,654</u>	<u>\$ 141,260,638</u>	<u>\$ 160,923,208</u>	<u>\$ 146,063,168</u>	<u>\$ 145,813,372</u>	<u>\$ 168,978,161</u>
Net (Expense) Revenue										
Governmental activities	\$ (124,939,611)	\$ (127,069,493)	\$ (113,857,107)	\$ (135,044,441)	\$ (176,714,198)	\$ (48,446,809)	\$ (97,579,670)	\$ (82,703,844)	\$ (68,120,406)	\$ (120,650,732)
Business-type activities	3,024,856	8,046,488	4,121,774	12,902,253	(4,971,296)	20,163,731	13,494,311	12,120,778	12,494,211	10,941,288
Total primary government net expense	<u>\$ (121,914,755)</u>	<u>\$ (119,023,005)</u>	<u>\$ (109,735,333)</u>	<u>\$ (122,142,188)</u>	<u>\$ (181,685,494)</u>	<u>\$ (28,283,078)</u>	<u>\$ (84,085,359)</u>	<u>\$ (70,583,066)</u>	<u>\$ (55,626,195)</u>	<u>\$ (109,709,444)</u>

CITY OF LANSING
CHANGES IN NET POSITION (concluded)
2016-2025
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities										
General revenues										
Property taxes	\$ 38,578,548	\$ 40,568,278	\$ 39,573,468	\$ 41,692,930	\$41,675,711	\$ 45,690,419	\$ 47,620,607	\$ 47,447,205	\$ 65,740,941	\$ 61,843,047
Income taxes	34,573,130	35,694,010	38,455,296	37,021,436	37,438,724	37,005,040	37,087,593	40,957,011	42,027,787	45,379,062
Unrestricted grants contributions	36,532,275	38,108,544	39,419,658	39,530,073	42,029,100	46,503,607	47,820,068	47,216,650	47,725,948	49,625,403
Unrestricted investment earnings	99,058	125,539	216,239	463,685	707,383	187,320	(94,154)	3,211,843	10,901,323	9,885,180
Miscellaneous	63,079	135,270	-	64,820	91,088	177,521	(38,468)	18,602	1,472,393	1,250,019
Transfers - internal activities	(629,715)	(746,209)	(912,186)	(580,817)	4,691,895	3,221,479	(597,000)	(743,251)	(223,750)	(1,023,726)
Total governmental activities	<u>109,216,375</u>	<u>113,885,432</u>	<u>116,752,475</u>	<u>118,192,127</u>	<u>126,633,901</u>	<u>132,785,386</u>	<u>131,798,646</u>	<u>138,108,060</u>	<u>167,644,642</u>	<u>166,958,985</u>
Business-type activities										
Unrestricted investment earnings	-	-	-	-	2,061,667	1,189,678	698,662	1,216,752	4,980,460	3,853,815
Miscellaneous	3,853	-	-	-	-	-	-	15,498	28,788	28,342
Transfers - internal activities	629,715	746,209	912,186	580,817	(4,691,895)	(3,221,479)	597,000	743,251	223,750	1,023,726
Gain on sale of assets	-	-	-	-	2,120,816	-	-	123,591	-	-
Total business-type activities	<u>633,568</u>	<u>746,209</u>	<u>912,186</u>	<u>580,817</u>	<u>(509,412)</u>	<u>(2,031,801)</u>	<u>1,295,662</u>	<u>2,099,092</u>	<u>5,232,998</u>	<u>4,905,883</u>
Total primary government	<u>\$ 109,849,943</u>	<u>\$ 114,631,641</u>	<u>\$ 117,664,661</u>	<u>\$ 118,772,944</u>	<u>\$ 126,124,489</u>	<u>\$ 130,753,585</u>	<u>\$ 133,094,308</u>	<u>\$ 140,207,152</u>	<u>\$ 172,877,640</u>	<u>\$ 171,864,868</u>
Change in Net Position										
Governmental activities	\$ (15,723,236)	\$ (13,184,061)	\$ 2,895,368	\$ (16,852,314)	\$ (50,080,297)	\$ 84,338,577	\$ 34,218,976	\$ 55,404,216	\$ 99,524,236	\$ 46,308,253
Business-type activities	3,658,424	8,792,697	5,033,960	13,483,070	(5,480,708)	18,131,930	14,789,973	14,219,870	17,727,209	15,847,171
Total primary government	<u>\$ (12,064,812)</u>	<u>\$ (4,391,364)</u>	<u>\$ 7,929,328</u>	<u>\$ (3,369,244)</u>	<u>\$ (55,561,005)</u>	<u>\$ 102,470,507</u>	<u>\$ 49,008,949</u>	<u>\$ 69,624,086</u>	<u>\$ 117,251,445</u>	<u>\$ 62,155,424</u>

**CITY OF LANSING
FUND BALANCE
GOVERNMENTAL FUNDS
2016-2025
(UNAUDITED)**

Table 3

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	\$ 492,549	\$ 28,342	\$ 39,437	\$ 38,605	\$ 185,369	\$ 570,654	\$ 759,490	\$ 951,644	\$ 1,035,441	\$ 1,174,318
Restricted	-	-	-	-	-	-	-	7,792,610	7,792,610	7,792,610
Committed	428,106	385,067	283,815	-	-	7,972,836	785,099	-	282,524	-
Assigned	-	-	-	-	-	-	-	-	175,000	67,000
Unassigned	12,407,748	15,283,857	17,003,260	9,992,885	9,935,641	21,229,263	21,907,213	20,917,243	31,366,271	20,956,351
Total general fund	<u>13,328,403</u>	<u>15,697,266</u>	<u>17,326,512</u>	<u>10,031,490</u>	<u>10,121,010</u>	<u>29,772,753</u>	<u>23,451,802</u>	<u>29,661,497</u>	<u>40,651,846</u>	<u>29,990,279</u>
All other governmental funds										
Nonspendable	2,578,331	2,618,884	2,842,489	2,952,027	3,169,987	3,283,816	3,153,577	3,130,406	3,515,175	4,103,579
Restricted	6,934,665	4,730,012	9,009,438	17,038,777	18,550,655	21,235,094	35,877,471	208,470,546	241,078,850	230,106,850
Committed	8,427,253	10,426,961	8,837,341	9,147,988	10,637,417	2,546,040	5,192,514	8,268,306	10,417,040	7,258,015
Unassigned (deficit)	(410,252)	(411,098)	(155,261)	(115,546)	(82,237)	-	-	-	-	-
Total all other governmental funds	<u>17,529,997</u>	<u>17,364,759</u>	<u>20,534,007</u>	<u>29,023,246</u>	<u>32,275,822</u>	<u>27,064,950</u>	<u>44,223,562</u>	<u>219,869,258</u>	<u>255,011,065</u>	<u>241,468,444</u>
Total all governmental funds	<u>\$ 30,858,400</u>	<u>\$ 33,062,025</u>	<u>\$ 37,860,519</u>	<u>\$ 39,054,736</u>	<u>\$ 42,396,832</u>	<u>\$ 56,837,703</u>	<u>\$ 67,675,364</u>	<u>\$ 249,530,755</u>	<u>\$ 295,662,911</u>	<u>\$ 271,458,723</u>

Note: GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in 2011. Further information on the fund balances are found in the footnotes to the financial statements.

**CITY OF LANSING
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
2016-2025
(UNAUDITED)**

Table 4

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes and special assessments	\$ 38,782,759	\$ 40,691,325	\$ 39,629,305	\$ 41,732,645	\$ 41,709,020	\$ 45,712,919	\$ 48,010,607	\$ 47,447,205	\$ 69,193,966	\$ 67,373,787
Income taxes	34,573,130	35,694,010	38,455,296	37,021,436	37,438,724	37,005,040	37,087,593	40,957,011	42,184,295	45,547,274
Licenses and permits	1,559,638	1,494,298	2,113,824	1,399,881	2,427,866	1,930,169	1,932,281	2,000,219	1,871,789	1,534,016
Intergovernmental revenue	34,175,112	36,391,761	41,848,072	45,586,152	44,166,490	77,368,957	113,084,026	85,389,115	87,611,412	102,403,663
Charges for services	14,102,447	13,230,822	12,432,770	15,235,656	13,048,934	15,525,892	15,574,570	15,887,520	16,634,650	16,932,579
Fines and forfeits	3,455,541	2,510,945	2,601,063	2,306,990	1,589,733	1,491,641	1,576,283	1,654,848	1,773,554	1,538,127
Interest and rents	145,011	201,367	284,165	631,812	911,454	402,443	119,690	3,428,063	11,553,772	10,941,322
Other	22,854,314	22,952,587	22,101,917	22,391,478	23,371,306	26,397,782	25,760,762	29,361,388	27,306,679	29,245,693
Total revenues	149,647,952	153,167,115	159,466,412	166,306,050	164,663,527	205,834,843	243,145,812	226,125,369	258,130,117	275,516,461
Expenditures										
Current Expenditures										
General government	23,386,445	23,948,368	22,281,236	27,340,931	23,111,276	19,864,962	25,473,276	22,250,278	24,966,681	41,500,655
Public safety	72,264,468	73,683,246	75,859,065	78,659,682	80,863,159	76,213,091	90,331,314	95,649,361	104,173,303	105,439,144
Public works	11,715,510	11,201,515	11,087,884	11,632,895	12,368,707	11,010,619	12,955,334	16,350,906	18,707,105	20,018,018
Judicial	-	-	-	-	-	-	-	8,516,032	8,644,768	9,585,357
Health and welfare	-	-	-	-	-	-	-	893,963	2,193,446	2,745,417
Highway and streets	10,838,473	10,969,516	10,104,034	11,984,896	10,711,027	10,857,448	11,450,485	13,687,366	11,649,145	11,063,994
Recreation and culture	7,719,906	7,749,245	8,236,872	8,138,369	7,420,052	6,497,239	9,134,233	13,980,828	9,032,477	10,035,960
Community and economic development	3,442,110	4,142,612	15,947,504	19,435,277	18,699,058	43,174,711	76,784,433	28,379,853	19,198,586	29,065,346
Other	2,927,391	2,710,979	-	-	-	-	-	-	-	-
Debt service										
Principal	3,892,862	4,596,159	3,622,053	3,183,595	3,286,705	3,359,672	4,518,916	6,280,885	5,908,306	5,598,115
Interest and fiscal charges	1,275,957	1,120,518	949,318	1,000,307	823,907	798,387	2,003,677	3,941,234	10,011,958	10,486,823
Capital outlay	7,221,346	9,328,278	5,146,742	4,798,070	7,891,788	21,325,057	18,396,917	22,230,357	18,083,630	53,831,618
Total expenditures	144,684,468	149,450,436	153,234,708	166,174,022	165,175,679	193,101,186	251,048,585	232,161,063	232,569,405	299,370,447
Excess (deficiency) of revenues over expenditures	4,963,484	3,716,679	6,231,704	132,028	(512,152)	12,733,657	(7,902,773)	(6,035,694)	25,560,712	(23,853,986)
Other financing sources (uses)										
Transfers in	9,207,856	9,887,627	7,721,661	8,749,296	16,980,511	8,542,188	10,210,859	9,927,805	21,593,195	11,070,863
Transfers out	(10,055,346)	(11,497,936)	(9,283,847)	(9,330,113)	(13,218,616)	(7,325,709)	(10,807,859)	(10,449,805)	(21,593,195)	(11,806,863)
Issuance of debt	2,090,000	-	-	8,603,699	-	-	27,559,000	177,400,000	20,000,000	-
Proceeds from the sale of capital assets	268	97,255	128,976	-	92,353	490,735	400,000	23,532	-	-
Lease related	-	-	-	-	-	-	-	-	-	385,798
Payments to advance refunding escrow agent	(2,162,163)	-	-	(7,741,363)	-	-	(8,621,566)	-	-	-
Bond premium	80,175	-	-	780,670	-	-	-	10,989,553	571,444	-
Total other financing sources (uses)	(839,210)	(1,513,054)	(1,433,210)	1,062,189	3,854,248	1,707,214	18,740,434	187,891,085	20,571,444	(350,202)
Net change in fund balances	\$ 4,124,274	\$ 2,203,625	\$ 4,798,494	\$ 1,194,217	\$ 3,342,096	\$ 14,440,871	\$ 10,837,661	\$ 181,855,391	\$ 46,132,156	\$ (24,204,188)
Debt service as a percentage of noncapital expenditures	3.6%	3.8%	3.0%	2.5%	2.5%	2.7%	2.8%	5.2%	5.2%	6.6%

Table 5

CITY OF LANSING
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Taxable Assessed Value					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
	Real	Personal	Industrial and Commercial Subject to Act 198	Agricultural	Developmental				
2016	\$ 1,162,708,909	\$ 196,143,891	\$ 806,360,800	\$ 175,600	\$ 2,900	\$ 2,165,392,100	19.70	\$ 4,330,784,200	50.0%
2017	1,285,584,500	144,076,700	837,758,400	172,500	-	2,267,592,100	19.70	4,535,184,200	50.0%
2018	1,325,754,900	131,924,900	892,135,800	180,000	-	2,349,995,600	19.70	4,699,991,200	50.0%
2019	1,422,412,200	143,567,100	1,000,797,500	185,300	-	2,566,962,100	19.70	5,133,924,200	50.0%
2020	1,537,030,826	157,132,900	1,143,059,850	211,800	-	2,837,435,376	19.70	5,674,870,752	50.0%
2021	1,638,136,900	171,927,400	1,247,559,700	192,100	1	3,057,816,101	19.70	6,115,632,202	50.0%
2022	1,766,415,343	172,959,000	1,285,295,000	206,900	-	3,224,876,243	19.70	6,449,752,486	50.0%
2023	1,965,466,450	201,680,300	1,387,333,702	216,700	-	3,554,697,152	19.70	7,109,394,304	50.0%
2024	2,818,948,085	232,512,700	1,286,067,531	195,227	-	4,337,723,543	23.20	8,675,447,086	50.0%
2025	2,483,090,196	227,145,900	1,646,425,421	261,000	-	4,356,922,517	23.20	8,713,845,034	50.0%

Source: Lansing City Assessor

**CITY OF LANSING
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)
(RATE PER \$1,000 OF ASSESSED VALUE)**

Table 6

Year Ended June 30,	Tax Year	City of Lansing				Overlapping Rates					Totals
		Operating Millage	Public Safety Millage	Service Millage	Total City Millage	Schools Millage (1)	County Millage	State Education Tax	College Millage	Other (2) Millage	Total
2016	2015	19.44	-	.26	19.70	21.83	9.83	6.00	3.81	9.96	71.13
2017	2016	19.44	-	.26	19.70	22.57	10.06	6.00	3.81	9.96	72.10
2018	2017	19.44	-	.26	19.70	22.60	10.07	6.00	3.81	11.25	73.43
2019	2018	19.44	-	.26	19.70	22.50	11.34	6.00	3.81	11.26	74.61
2020	2019	19.44	-	.26	19.70	25.38	11.34	6.00	3.81	9.97	76.20
2021	2020	19.44	-	.26	19.70	25.10	11.91	6.00	3.77	10.20	76.68
2022	2021	19.44	-	.26	19.70	24.51	11.98	6.00	3.77	10.18	76.14
2023	2022	19.44	-	.26	19.70	24.51	11.31	6.00	3.77	10.19	75.48
2024	2023	19.44	3.50	.26	23.20	25.41	11.31	6.00	3.77	10.19	79.88
2025	2024	19.44	3.50	.26	23.20	24.51	12.39	6.00	3.77	10.19	80.06

(1) rates for Lansing School District only, using non-principal residency rates

(2) includes Intermediate School, Airport Authority, Capital Area Transit Authority and Capital Area District Library

Source: Lansing City Treasurer

**CITY OF LANSING
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Table 7

Taxpayer	2025			2016		
	Taxable Assessed Valuation	Rank	Percent of Total	Taxable Assessed Valuation	Rank	Percent of Total
Consumers Energy	\$ 107,287,966	1	3.27%	\$ 29,103,467	2	1.34%
Ultium Cell LLC	87,500,866	2	2.67%			
General Motors LLC	49,069,602	3	1.50%	59,302,202	1	2.74%
Jackson National Life	42,865,778	4	1.31%	27,829,926	3	1.29%
Accident Fund	29,008,800	5	0.88%			
GS Skyvue Property Owner LLC	26,950,500	6	0.82%			
Neogen Corporation	24,007,246	7	0.73%			
USSH MSU Propco. LLC	23,163,423	8	0.71%			
General Motors Co.	19,921,817	9	0.61%			
Lansing Retail Center LLC	15,066,629	10	0.46%	11,863,110	8	0.55%
Demmer Corporation				12,287,800	7	0.57%
Sprint Spectrum L.P.				19,326,303	4	0.89%
Emergency Biodefense Operations				13,360,674	6	0.62%
Eyde Knapp Development LLC				7,940,150	10	0.37%
Phoenix Development Part I LLC				17,022,933	5	0.79%
Phoenix Development Part II LLC				8,133,041	9	0.38%
	<u>\$ 424,842,627</u>		<u>12.95%</u>	<u>\$ 206,169,606</u>		<u>9.54%</u>

Source: Lansing City Assessor

**CITY OF LANSING
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 8

Tax Year	Fiscal Year	(A) Total Adjusted Tax Levy	Collection of Current Year's Taxes During Year Levied	Percent of Levy Collected During Year Levied	(B) Collection Subsequent to the Year of Tax Levy	Total Collections	Percent of Total Collections to Tax Levy
2015	2016	\$ 38,538,226	\$ 38,461,152	99.80%	\$ 52,758	\$ 38,513,910	99.94%
2016	2017	38,431,072	38,370,929	99.84%	50,344	38,421,273	99.97%
2017	2018	39,234,692	39,165,577	99.82%	67,348	39,232,925	100.00%
2018	2019	40,231,255	40,160,674	99.82%	42,639	40,203,313	99.93%
2019	2020	42,128,760	42,106,756	99.95%	17,175	42,123,931	99.99%
2020	2021	43,098,838	42,919,114	99.58%	132,556	43,051,670	99.89%
2021	2022	47,200,360	47,111,175	99.81%	85,532	47,196,707	99.99%
2022	2023	49,459,123	49,441,589	99.96%	15,067	49,456,656	100.00%
2023	2024	53,754,724	53,673,520	99.85%	77,468	53,750,988	99.99%
2024	2025	57,912,663	57,889,469	99.96%	23,194	57,912,663	100.00%

Note: Amounts are net of chargebacks from the County Tax Revolving Funds for taxes still delinquent after three years.

Note: Delinquent Tax Collection represents amounts received in the indicated fiscal year.

Source: City of Lansing Treasurer

**CITY OF LANSING
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 9

Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita	Population (1)	
	General Obligation Bonds	Installment Purchase Contracts	Net Unamortized Premiums/ Discounts	Other Loans	SBITA	Leases	General Obligation Bonds	Revenue Bonds	Installment Purchase Agreements/ Loans	Net Unamortized Premiums/ Discounts					
2016	\$ 21,968,330	\$ 15,268,317	\$ 68,330	\$ 7,872,600	\$ -	\$ -	\$ 154,303,563	\$ 20,671,135	\$ 1,246,673	\$ 1,715,511	\$ 223,114,459	9.42%	2	1,955	114,110
2017	18,080,040	13,757,531	15,040	7,728,428	-	-	143,761,916	18,982,246	1,029,723	1,552,355	204,907,279	8.04%	2	1,745	117,400
2018	15,325,818	12,289,396	19,222	7,476,545	-	-	136,938,668	17,258,138	808,500	1,389,200	191,505,487	7.18%	2	1,637	116,986
2019	14,925,420	11,274,020	761,721	7,242,002	-	-	117,713,909	14,075,000	582,920	2,097,766	168,672,758	6.41%	2	1,437	117,388
2020	11,792,231	10,230,073	748,067	7,000,422	-	-	112,290,745	12,525,000	352,897	1,890,331	156,829,766	5.96%	2	1,327	118,210
2021	27,958,180	9,156,735	663,565	7,660,461	-	-	115,160,822	10,975,000	118,343	2,142,487	173,835,593	6.85%	2	1,543	112,664
2022	29,629,300	22,457,000	586,222	6,160,061	726,265	-	103,495,891	9,425,000	-	1,998,159	174,477,898	6.85%	2	1,548	114,297
2023	214,543,986	21,048,000	11,526,235	6,092,706	4,524,170	-	115,004,650	7,875,000	-	1,892,933	382,507,680	14.30%	2	3,361	112,460
2024	230,753,750	19,612,000	11,479,613	5,279,173	3,448,537	-	108,093,995	6,300,000	-	1,782,501	386,749,569	14.47%	2	3,433	112,644
2025	227,149,000	18,147,000	10,861,547	4,666,513	2,352,983	336,782	111,524,480	4,725,000	-	1,613,941	381,377,246	14.27%	2	3,386	114,336

(1) population per decennial census by the U.S. Census Bureau

(2) personal income data comes from U.S. Census Bureau, American Community Survey 2009

**CITY OF LANSING
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Population(1)	Taxable Assessed Value(3)	Gross Bonded Debt(2)	Debt Service Monies Available	Debt Payable From Restricted Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Value	Net Bonded Debt per Capita
2016	114,110	\$ 2,165,392,100	\$ 178,055,734	\$ 1,000	\$ 156,019,074	\$ 22,035,660	0.0102	\$ 179
2017	117,400	2,267,592,100	163,409,357	1,000	145,314,271	18,094,086	0.0080	150
2018	116,986	2,349,995,600	153,772,908	1,000	138,327,868	15,444,040	0.0066	131
2019	117,388	2,566,962,100	135,498,816	30,111	119,811,675	15,657,030	0.0061	127
2020	118,210	2,837,435,376	126,721,374	29,361	114,181,076	12,510,937	0.0044	100
2021	112,664	3,057,816,101	145,925,054	29,361	117,303,309	28,592,384	0.0094	254
2022	114,297	3,224,876,243	135,709,572	29,361	105,494,050	30,186,161	0.0094	264
2023	112,460	3,060,880,895	342,967,804	29,361	116,897,583	226,040,860	0.0738	2,010
2024	112,644	3,295,900,629	352,109,859	29,361	109,876,496	242,204,002	0.0735	2,150
2025	114,336	3,281,185,484	351,148,968	29,361	113,138,421	237,981,186	0.0725	2,081

(1) Source: 2000 and 2020 Census by the U.S. Census Bureau (www.census.gov/quickfacts/lansingcitymichigan)

(2) includes all general obligation debt and special assessment debt with governmental obligation

(3) the tax assessment day is December 31 prior to beginning of fiscal year

**CITY OF LANSING
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025
(UNAUDITED)**

Table 11

Overlapping

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct - City	\$ 249,962,513	100.00%	\$ 249,962,513
Share of County-issued bonds			
Drain Commission	30,279,129	100.00%	30,279,129
Other Overlapping Debt			
Eaton Intermediate School District	2,475,000	1.48%	36,630
Ingham Intermediate School District	9,207,000	25.71%	2,367,120
Waverly School District	106,565,000	0.29%	309,039
Lansing School District	200,385,000	83.72%	167,762,322
East Lansing School District	101,898,377	5.92%	6,032,384
Holt School District	108,618,286	2.32%	2,519,944
Ingham County	110,935,001	29.59%	32,825,667
Eaton County	37,215,529	2.39%	889,451
Clinton County	21,317,877	0.32%	68,217
Lansing Community College	59,500,000	21.12%	12,566,400
Okemos School District	82,491,460	5.35%	4,413,293
Mason School District	56,710,000	1.21%	686,191
Grand Ledge School District	138,770,000	2.84%	3,941,068
Total Overlapping			<u>\$ 264,696,855</u>
Total Direct and Overlapping			<u><u>\$ 514,659,368</u></u>

Sources: Municipal Advisory Council

Note: Overlapping debt percentages are apportioned based upon relative assessed values.

**CITY OF LANSING
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 12

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value, real and personal property		\$ 3,281,185,484		
Legal debt margin				
Debt limitation - 10 percent of total valuation		<u>328,118,548</u>		
Debt applicable to limit				
Total City Bonded Debt		351,148,968		
City Share:				
Drain Commission-County Issued		30,279,129		
TIF Supported Bonds		<u>27,250,000</u>		
		408,678,097		
Less:				
Brownfield Redevelopment Authority Bonds	\$ (37,470,000)			
Sewage Disposal Revenue Bonds	(4,725,000)			
Pollution Abatement (CSO Project) Bonds	(90,309,480)			
Share of County-issued bonds	<u>(30,279,129)</u>	<u>(162,783,609)</u>		
Total net debt applicable to limit		<u>245,894,488</u>		
Legal debt margin		<u>\$ 82,224,060</u>		

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 328,118,548	\$ 329,590,063	\$ 306,088,090	\$ 322,487,624	\$ 283,743,538	\$ 256,696,210	\$ 207,850,642	\$ 233,606,400	\$ 223,687,492	\$ 216,539,210
Total net debt applicable to limit	<u>245,894,488</u>	<u>248,305,215</u>	<u>229,128,807</u>	<u>48,804,421</u>	<u>81,956,344</u>	<u>81,532,491</u>	<u>72,669,623</u>	<u>87,295,949</u>	<u>81,398,300</u>	<u>86,432,459</u>
Legal debt margin	<u>\$ 82,224,060</u>	<u>\$ 81,284,848</u>	<u>\$ 76,959,283</u>	<u>\$ 273,683,203</u>	<u>\$ 201,787,194</u>	<u>\$ 175,163,719</u>	<u>\$ 135,181,019</u>	<u>\$ 146,310,451</u>	<u>\$ 142,289,192</u>	<u>\$ 130,106,751</u>
Total net debt applicable to the limit as a percentage of debt limit	74.94%	75.34%	74.86%	15.13%	28.88%	31.76%	34.96%	37.37%	36.39%	39.92%

**CITY OF LANSING
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Table 13

Sewage Disposal Bonds							
	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (2)
				Principal	Interest	Total	
2016	\$ 32,676,182	\$ 14,066,527	\$ 18,609,655	\$ 1,550,000	\$ 861,188	\$ 2,411,188	7.72
2017	35,053,701	13,843,649	21,210,052	1,550,000	799,188	2,349,188	9.03
2018	35,608,454	14,994,871	20,613,583	1,550,000	737,188	2,287,188	9.01
2019	36,696,367	18,587,607	18,108,760	1,550,000	690,688	2,240,688	8.08
2020	34,968,585	19,568,461	15,400,124	1,550,000	613,188	2,163,188	7.12
2021	38,635,421	28,902,815	9,732,606	1,550,000	535,688	2,085,688	4.67
2022	36,142,653	10,866,625	25,276,028	1,550,000	458,188	2,008,188	12.59
2023	38,710,464	17,775,903	20,934,561	1,550,000	380,688	1,930,688	10.84
2024	39,752,999	13,767,150	25,985,849	1,575,000	303,188	1,878,188	13.84
2025	43,171,746	16,156,383	27,015,363	1,575,000	224,438	1,799,438	15.01

(1) Operating expenses less depreciation

(2) Coverage is defined as net revenue available for debt service divided by debt service requirements

**CITY OF LANSING
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 14

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>	<u>Median Age (1)</u>	<u>Lansing School District Enrollment (2)</u>	<u>Unemployment Rate (3)</u>	<u>Labor Force (3)</u>
2016	114,110	\$ 2,368,467,160	\$ 20,756	32.10	11,014	6.0%	58,009
2017	117,400	2,548,754,000	21,710	32.00	10,873	6.5%	59,321
2018	116,986	2,666,695,870	22,795	32.30	10,641	5.8%	59,537
2019	117,388	2,629,725,976	22,402	32.70	10,462	5.0%	59,251
2020	118,210	2,536,936,212	22,196	31.90	10,661	16.0%	63,541
2021	112,664	2,616,734,064	23,226	35.50	10,031	5.5%	59,058
2022	112,684	2,674,442,056	23,734	34.50	10,173	4.7%	57,447
2023	112,460	2,669,125,640	23,734	32.80	10,173	6.4%	57,447
2024	112,644	2,673,492,696	23,734	32.80	10,525	4.0%	57,447
2025	114,336	2,730,686,688	23,883	33.50	10,773	7.4%	62,026

(1) Source: U.S. Census Bureau

(2) Source: Lansing School District

(3) Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

**CITY OF LANSING
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR
(UNAUDITED)**

Company	2025			2016		
	Employees (1)	Rank	Percentage of Employment (2)	Employees (1)	Rank	Percentage of Employment (2)
STATE OF MICHIGAN	13,880	1	6.57%	13,700	1	5.97%
MICHIGAN STATE UNIVERSITY	10,253	2	4.85%	10,725	2	4.67%
UNIVERSITY OF MICHIGAN SPARROW HEALTH SYSTEM	9,000	3	4.26%	5,735	3	2.50%
GENERAL MOTORS	4,549	4	2.15%	5,222	4	2.28%
MCLAREN HEALTH ⁽³⁾	3,000	5	1.42%	2,400	6	1.05%
AUTO OWNERS	2,720	6	1.29%	1,400	9	0.61%
PECKHAM	2,510	7	1.19%			
JACKSON NATIONAL LIFE INS CO	2,439	8	1.15%	1,400	10	0.61%
DART CONTAINER CORP	2,000	9	0.95%			
LANSING COMMUNITY COLLEGE	1,957	10	0.93%	2,990	4	1.30%
MEIJER				1,500	8	0.65%
LANSING SCHOOL DISTRICT				1,613	7	0.70%
Greater Lansing metropolitan area employment			211,208			229,466

(1) Data is representative of the Greater Lansing Region

(2) Source: [www.purelansing.com/Workforce & Data>Top Employers for data](http://www.purelansing.com/Workforce%20&%20Data%20>Top%20Employers%20for%20data)

(3) Formerly Ingham Regional Medical Center

CITY OF LANSING
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Full-time Equivalent Employees									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
City council	10	10	10	10	10	10	10	11	10	10
Mayor's office	6	6	7 (G)	7	11	12	12	9	8	9
City clerk	5	5	5	6	6	6	6	8	6	11
54-A district court	45	45	45	45	45	45	45	41	43	45
City attorney's office	11	11	11	12	11	12	13	12	13	12
City TV	2	2	2	2	3	2	2	2	2	2
Internal auditor	1	1	1	1	1	1	1	1	1	1
Human resources	12	12	11	11	11	11	11	14	15	15
Information technology	11	11	16	16	15	15	14	13	16	13
Finance										
Accounting/budget/purchasing	8 (E)	8	8	8	7	8	14	14	14	15
Treasury/income tax	10	11	11	13	16	14	12	12	15	14
Assessing	11	11	11	11	11	11	11	6	11	10
Property management	-	-	-	-	-	-	-	-	-	-
Fleet management	-	-	-	-	-	-	-	-	-	-
	132	133	138	142	147	147	151	143	154	157
Planning & neighborhood development										
Administration	2	2	2	2	3	3	3	3	3	3
Code compliance	-	-	14 (F)	15	19	19	19	17	17	17
Building safety	13	13	13	13	15	14	14	14	14	14
Planning	4	4	3 (G)	4	4	3	3	3	3	3
Development	10	9	9	9	7	8	8	8	8	8
Parking & transportation	14	14	14	14	19	19	19	23	23	23
	43	42	55	57	67	66	66	68	68	68
Neighborhood & Citizen Engagement	-	-	1 (G)	5	5	5	12	13	13	13
Police	239	240	241	243	239	240	251	237	258	260
Fire	181	181	181	182	186	183	184	170	170	195
Code Compliance	14	14	- (F)	-	-	-	-	14	14	14
	195	195	181	182	186	183	184	184	184	209
Public services										
Administration & engineering	20	20	20	21	22	23	23	22	22	20
Operations & maintenance	117	117	118	118	113	116	116	114	114	114
Service garage	-	-	-	-	1	1	1	1	1	1
Wastewater	41	41	42	42	42	42	42	42	42	42
Property Management	18	16	16	16	19	18	18	18	18	18
Fleet Management	26	30	30	30	29	29	29	29	29	27
	222	224	226	227	226	229	229	226	226	222
Human relations & community services	7	8	9	10	11	10	10	8	11	13
Parks & recreation										
Administration & design	6	6	6	6	6	6	6	6	7	7
Leisure & special recreation	6	6	6	6	10	6	6	6	7	7
Cemeteries	1	1	1	1	1	1	1	1	1	1
Golf/ice arena	3	3	3	-	-	-	-	-	-	-
	16	16	16	13	17	13	13	13	15	15
Total	854	858	867	879	898	893	916	892	929	957

Source: The City of Lansing

The following restructuring of departments have occurred:

(E) Purchasing operations were transferred to the Lansing Board of Water and Light for FY 2016.

(F) Code Compliance was transferred from Fire to ED&P.

(G) One (1) position was transferred from Human Resources to Mayor's Office and one (1) position was transferred from ED&P to N&CE in FY 2018.

**CITY OF LANSING
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 17

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Public safety										
Fire department responses	21,115	21,902	22,767	22,389	21,904	21,650	25,994	19,661	27,544	27,080
EMS related	18,275	18,827	19,264	19,655	18,975	18,381	21,511	15,543	21,847	21,254
Fire related	2,840	3,075	3,063	2,734	2,929	3,269	4,483	4,118	5,697	5,826
Police department responses	71,468	82,722	107,379	84,869	80,449	77,399	78,500	78,239	79,186	79,511
Arrests	3,880	5,710	4,507	4,418	3,524	2,446	2,601	2,871	3,005	2,998
Traffic violations	7,334	9,385	6,496	6,963	5,054	4,287	6,801	6,882	7,447	8,975
Public works										
Potholes filled	53,488	53,332	54,773	2,589	1,042	698	4,997	1,254	1,116	1,861
Streets resurfaced (miles)	8.8	8.7	6.0	4.6	11.0	13.6	1.9	7.0	12.0	9.0
Recreation										
Recreation participation	101,335	98,978	120,245	93,264	29,313	58,284	109,582	129,387	153,421	153,421
Pavilion rentals	242	180	202	222	78	140	142	105	111	111
Sewage disposal										
Average amount processed daily (gal)	15.46 million	16.32 million	14.45 million	16.60 million	14.18 million	10.61 million	12.1 million	13.3 million	14.64 million	12.98 million
Parking system										
Average number of monthly permits	3,218	2,581	3,310	2,500	869	1,203	1,200	1,200	1,300	1,300
Parking tickets issued	32,990	33,492	32,587	37,105	16,481	19,876	30,306	34,881	35,353	35,353
Cemetery										
Lots sold	115	162	88	103	121	119	85	56	12	85
Golf										
Annual rounds played	13,325	14,508	20,492	-	-	-	-	-	-	-
Garbage and rubbish										
Yards sent to landfill	20,115	20,007	20,492	20,957	22,825	27,865	26,885	27,344	27,987	33,417
Recycling										
Recycled goods sold (tons)	5,940	5,834	5,593	5,407	5,322	6,258	6,310	5,840	5,951	5,756
Yards composted	24,413	24,223	20,031	21,198	14,262	19,888	13,864	14,340	15,421	14,757

Source: The City of Lansing, Michigan

CITY OF LANSING
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 18

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police stations	2	2	2	2	2	2	2	2	2	2
Police patrol units	60	60	60	58	58	60	57	57	58	59
Fire stations	6	6	6	8	8	8	8	8	7	7
Emergency Vehicles	0	0	0	55	27	31	44	44	44	40
Public works										
Streets (miles)	414.00	414.00	414.00	413.00	413.23	413.23	412.00	412.00	412.00	417.00
Traffic signals	200	200	200	184	206	206	206	206	205	206
Recreation										
Park acreage	2,134.26	2,134.26	2,017.56	2,174	1,659	1,659	1,641	1,641	1,641	1,642
Playgrounds	74	74	74	76	77	76	76	76	77	73
Baseball/softball fields	25	25	25	22	22	22	22	22	22	22
Soccer/football fields	14	15	15	15	16	16	16	16	16	16
Community centers	4	4	4	4	4	4	4	4	4	4
Sewage disposal										
Sanitary sewers (miles)	361	361	363	364	365	365	367	369	388	390
Storm sewers (miles)	235	235	237	238	239	239	241	243	302	294
Combined sewers (miles)	188	188	187	185	185	184	183	181	68	64
Parking system										
Ramps	4	4	4	3	3	3	3	3	3	3
Lots	16	16	16	16	16	17	14	14	14	11
Meters	2,166	2,166	2,166	2166	500	200	200	200	653	653
On-street Pay Stations					134	128	128	128	156	156
Cemetery										
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Golf										
Number of courses	1	1	1	1	1	1	1	1	1	1
Acreage	115	115	115	115	115	115	115	115	119	119
Garbage and rubbish										
Refuse collection trucks	14	14	16	8	7	7	7	9	9	9
Recycling										
Recycling trucks	5	5	7	8	8	8	8	9	9	9
Compost trucks	0	0	0	8	7	7	7	5	5	5

Sources: The City of Lansing, Michigan

Agenda Item 6. J.

ACT-7-2025; Sale of Property and Z-+2-21025 Conditional Rezoning
Presentation by Economic Development & Planning along with LBWL

No materials provided at this time.



Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

An Act 33 Review is a planning level review of the **location, character, and extent** of public improvements and City property transactions. Act 33 Reviews are conducted by the City of Lansing pursuant to the provisions of the Michigan Planning Enabling Act (P.A. 33 of 2008) and Section 208 of the Lansing Code of Ordinances.

APPLICANT Deep Green Technologies USA LLC
1007 N Orange St. 4th Floor, Suite 1382
Wilmington, DE 19801

PROPOSAL: Sale of Real Property, three properties along 200 block of S Cedar St..

PARCEL(S): 501 E Kalamazoo St. PID # 33-01-01-16-427-122
229 S Cedar St. PID # 33-01-01-16-427-082
0 S Cedar St. PID # 33-01-01-16-427-051

CURRENT OWNER(S): City of Lansing
316 N Capitol Ave., Suite D1.
Lansing, MI 48933

EXISTING LAND USE & ZONING Use: Vacant – surface parking lot,
Zoning: DT-3 Downtown Core

PROPERTY SIZE AND SHAPE: L-shaped, irregular, 99,560 square feet, 2.28 acres total
-122 – 50,750.5 square feet
-082 – 43,908.5 square feet
-051 – 4,901 square feet

SURROUNDING ZONING & LAND USE North: DT-3; infrastructure, solar array
East: DT-3; motor vehicle service station
South: DT-2; commercial, restaurant
West: DT-3; infrastructure, Dye Water Conditioning Plant

ANALYSIS

BACKGROUND:

Note: This report will refer to Lot 49 as 501 E Kalamazoo St. and Lot 49a as 229 S Cedar St.

The City of Lansing proposes to sell three parcels of real property totaling 2.28 acres, two of which are being used as City parking lots commonly known as Lot 49 and Lot 49a, to Deep Green for redevelopment for a data center. Lot 49 was acquired in 1990 for \$600,000. Lot 49a was purchased in 2010 for \$350,000.

The properties were historically developed with several single-family residences from at least 1906. In the late 1940s or early 1950s, the southern portion of the property was developed with

Submitted @ mls 1/26/26

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

two gasoline service stations. These buildings were razed in the late 1950s or early 1960s when the Imperial 400 Motel was constructed. The motel buildings remained until the early 1990s when the structures were razed and the City’s public parking lot. State of Michigan records state that an oil tank was removed from the property in 1992.

Lot 49a (229 S Cedar St.) was formerly the Yellow Cab headquarters. In 2007 the City proposed to swap Lot 49 along E Kalamazoo St. for this property to help facilitate the ‘Kalamazoo Gateway’, a mixed-use redevelopment which ultimately did not happen due to the Great Recession. (Z-12-2007, Act-17-2007). The subject properties were both included in the Z-12-2007 rezoning request from H – Light Industrial to G-1 – Business well before the 2012 *Design Lansing* Plan and the Form-Based Zoning Code, explicitly to permit the redevelopment from parking lots to a four-story mixed-use development. That rezoning case was recommended for approval by that Planning Board.

City Council ultimately followed through with the purchase in 2010 for \$350,000, with a long-term vision for prominent redevelopment at the intersection of Downtown and the Stadium District. During the 2010 purchase process it was stated that there was some site contamination, estimated at a \$50,000 clean up.

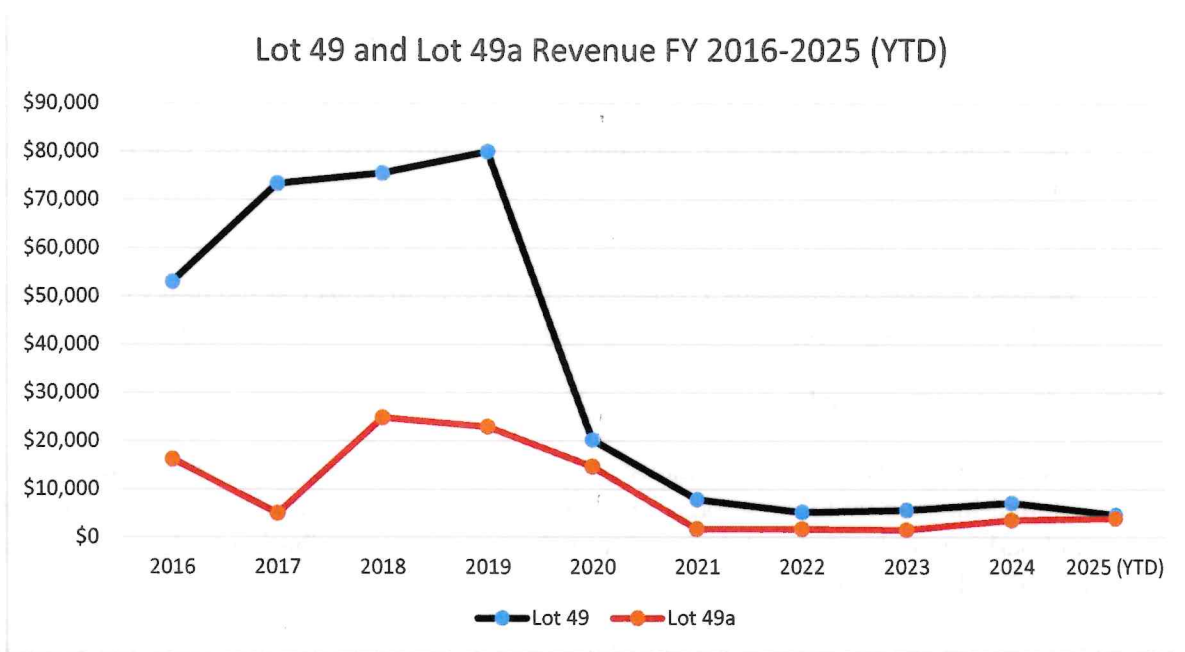
Lot 49 contains 81 parking spaces, while Lot 49a has 64 spaces. While there are a handful of regular permit holders they typically serve overflow or event parking for Lansing Lugnuts games, Lansing Center events, and Choose Lansing. Some of this parking is formalized in individual agreements. These users have been notified of the proposed sale and the Parking Services Office is working to select new sites based on individual needs.

Below is a ten-year review of revenue for the lots. There has been a marked decline since the 2020 Covid-19 pandemic.

Year	Lot 49	Lot 49a
FY 2025 (YTD)	\$ 4610.80	\$ 3979.00
FY 2024	\$ 7113.50	\$ 3547.00
FY 2023	\$ 5626.00	\$ 1560.00
FY 2022	\$ 5143.00	\$ 1700.00
FY 2021	\$ 7771.00	\$ 1745.00
FY 2020	\$ 20,234.00	\$ 14,674.00
FY 2019	\$ 79,957.74	\$ 22,958.00
FY 2018	\$ 75,569.01	\$ 24,866.00
FY 2017	\$ 73,386.52	\$ 4,998.00*
FY 2016	\$ 53,028	\$ 16,265.00
2020 – 2025 (YTD) Total	\$ 49,528.30	\$ 27,205
2016 – 2019 Total	\$ 281,941.27	\$ 69,087

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

* Note: Lot 49a 2017 decline due to a resurfacing project.



The properties were included amongst the assets recommended for sale in the 2023 Parking Study, conducted by Walker Consultants. A March 7, 2023 appraisal valued the two parking lot properties at \$1,450,000. The appraisal did not include the small 4,901 square foot lot (-051). These parcels are under-utilized and are not necessary for the City parking system nor other City operations.

Lansing Economic Development Corporation (LEDC) in partnership with the City, released a request for proposals for these parcels in 2023. Only one respondent submitted a plan. That proposal for multi-family residential development fell through during 2023.

Since the beginning of Mayor Schor's 'Build Lansing Initiative' in 2021 the City has maintained a review of any and every proposal for redevelopment of non-park City-owned property. Deep Green has been only the second entity to submit a purchase offer for Lot 49/49a since 2023.

The subject parcels along with 220 S Larch St. are part of a conditional rezoning request (Z-2-2025) from DT-3 Downtown Core to IND-1 Industrial to permit the data center land use.

LOCATION:

The subject properties are located along the 200 blocks of S Cedar St. at the intersections with the 500 block of E Kalamazoo St. This area is the southern end of the Stadium District. The area bordered by the Grand River and Pere Marquette Railroad from E Kalamazoo St. north to E Shiawassee St. was designated as the DT-3 Downtown Core zoning district to permit redevelopment with the greatest density and mix of uses.

CHARACTER:

The subject area is specifically mentioned in the 2012 *Design Lansing* Comprehensive Plan (pgs. 63-64).

“This zone creates unappealing vehicular entries to downtown from the east and barriers that discourage pedestrian access to and from near-downtown neighborhoods. Along East Michigan Avenue, a transition to urban mixed use has begun...”

“Design Lansing recommends a continued transition from industrial and heavy commercial to a mix of office, retail, entertainment, arts/cultural live-work and residential uses.”

However, it goes on to concede:

“Except on the riverfront, light industry can continue to be part of this mixed-use area if external impacts (outdoor storage, noise and truck traffic) are minimized, and buildings and parking are located and designed to make a positive contribution to the area’s visual appeal and walkability.”

During the drafting and the subsequent amendments to the form-based zoning code, the Stadium District from Cedar Street to Pere Marquette Railroad, from Kalamazoo Street to Shiawassee Street, was included in the DT-3 Downtown Core zoning district to encourage the dynamic mixed-use redevelopment envisioned in the comprehensive plan.

Staff recognizes that redevelopment has so far failed to extend to the 500-600 block of E Kalamazoo St. even with major projects such as Block 600 on E Michigan Ave. The 600 block of E Kalamazoo St. is still dominated by motor vehicle and light industrial uses, or worse, vacancies. There are four major vacant parcels across the street that have been on the market for years.

Part of the sale agreement placed on file November 14, 2025, includes conditions to require development of the site to follow Zoning Ordinance Site Layout Requirements for the DT-3 district as well as Chapter 1254 Architectural Standards for Commercial/Mixed-Use buildings (of DT-3) rather than Industrial buildings, thereby requiring the building to be sited at the street frontage without front yard parking, and requiring the building to have a pedestrian-friendly and pedestrian-scaled architecture, thereby furthering goals of the master plan and the zoning ordinance for the subject area.

EXTENT:

The extent of the proposed sale is three parcels totaling 2.28 acres to facilitate a data center and accessory infrastructure uses/structures. The parcels must be combined prior to construction. If approved, the property will return to the tax rolls with a more productive land use.

The sale price is \$1,400,000.

AGENCY REFERRALS

Lansing Board of Water and Light (BWL)

- *(Dick Peffley General Manager)* BWL owns and operates the John F. Dye Water Conditioning Plant west of subject matter property, and we look forward to having Deep Green as our new neighbor.

Public Service Department:

(Dan Danke, Engineer)

- Cedar Street and Larch Street are MDOT roads and will require MDOT permit for construction in the ROW.
- The sewers appear to be City of Lansing sewers and not MDOT's.
- There is sanitary sewer on all sides of the property. Proposed sanitary flow needs to be provide in order to ascertain capacity issues, if any, and determine which sewer should be used.
- The south lot looks like it discharges storm sewer to Kalamazoo Street. The north lot looks like it sheet flows to Cedar Street. A catch basin system will be required for the new development.
- Compliance with stormwater ordinance is required.
- Public Service will need to know if the LBWL plans to discharge the "hot water" to the public sewers.
- The sewers on the north may not be in an easement, since they are located on LBWL property.
- Sanitary sewer adjoining the development are old and may need lining.

Lansing Assessor's Office

(Jennifer Czeiszperger, Director)

- We have done a work-up for an estimated true cash value:
 - Estimated building with land, land improvements, and specialty building items (i.e. generators etc) \$14,000,000
 - Personal property items (i.e. servers, routers etc) \$10,000,000

These values would result in an annual potential tax bill of \$560,363 for the real property and \$313,020 for the personal property. (\$873,383 total taxes for year – with City of Lansing portion being \$233,280 annually)

Lansing Fire Department:

- *(Jared Nisch, Fire Marshal)* No objection.

Parks and Recreation Department

- *(Brett Kaschinske, Director)* No objection.

EDP – Development Office

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

- *(Erin Buitendorp, Manager)* No objection.

STAFF RECOMMENDATION

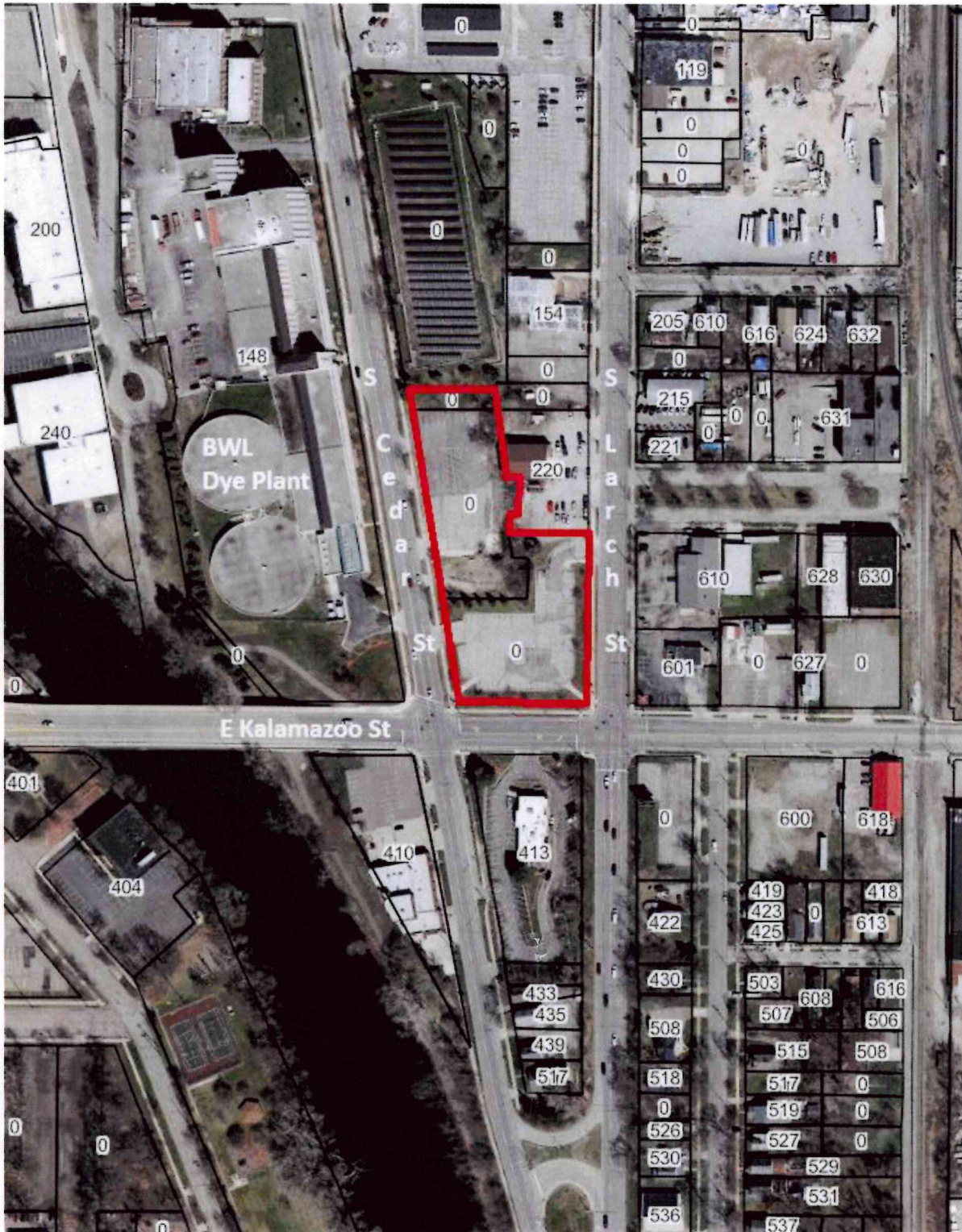
Staff recommends approval of Act-7-2025, to return under-utilized property back to the tax rolls and to support redevelopment of underutilized city parking lots with the following conditions:

1. All exterior mechanical equipment, including roof-mounted equipment and any proposed or future back-up generators, shall be screened behind a ten-foot tall masonry screen wall and utilize noise-dampening materials or methods to mitigate noise pollution stemming from site operations.
2. Site operations shall not produce any nuisance impacts including noise, vibration, or fumes, on neighboring residential property.

**Respectfully submitted,
Andy Fedewa, Planner**

Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Aerial:



Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Zoning:



Act-7-2025, Lot 49, 200 block S Cedar St., Sale of Real Property - STAFF REPORT

Streetview: (looking northwest, July 2025)



City Council Meeting: Lansing Data Center Inquiry (Jan 26, 2026)

1. Grid Management & Priority (Target: BWL)

- **Local Curtailment:** On a 100-degree day when the local grid reaches 95% capacity, is this data center on an "**Interruptible**" rate status? Does the BWL have the contractual right to curtail the center's power to protect residential AC units, or is this considered "**Firm Load**" with the same priority as a hospital?
- **Reserve Margins:** What is the projected **Reserve Margin** for the downtown grid after adding this 24MW load? Does this project move us closer to the threshold where voluntary conservation requests become necessary for residents?

2. The "Digital Boiler" & Thermal Efficiency (Target: BWL/Deep Green)

- **The 15-Year Timeline:** While Phase 1 starts in 2026, critics suggest the full loop won't be completed for 15 years. Will the estimated **\$1.1M in natural gas savings** begin immediately, or is that a "full capacity" figure that residents won't see for a decade?
- **Heat Grade:** Server waste heat is often considered "low-grade" (30–50°C). Is this heat at a high enough temperature to truly displace natural gas boilers for downtown buildings, or does it require significant additional energy (heat pumps) to reach a useful temperature?
- **The Carbon Trade-off:** If the data center uses 24MW of power—much of which is generated by natural gas—does the carbon saved in the water loop truly outweigh the carbon emitted to power the servers 24/7? Can you provide a **Net Carbon Impact** report for the community?

3. Water Technicals (Target: BWL Engineers)

- **The "Topping Off" Math:** You've compared the annual 550,000-gallon consumption to a local restaurant. What is the **initial fill quantity** required to start the system versus the annual **evaporative loss**? Specifically, how many gallons are used per "topping off" session, and how frequent are these refills?

(Handout continued on Page 2)

Submittal @ mtg

4. Client Pipeline & Industry Standards (Target: Deep Green)

- **The Industry Tier:** Is this facility being built to **Tier III or Tier IV** standards? (For context, Lansing's Liquid Web is Tier IV). Understanding this helps us verify if you are truly equipped for the "mission-critical" government and academic work you've described.
- **Contractual Guardrails:** You've identified universities, state government, and insurance as targets. Since you do not yet have confirmed tenants, what **contractual guarantees** can you offer to ensure this remains a civic/academic resource rather than being sold to a "hyperscale" tech giant?

5. The "Bill Math" & Public Audit (Target: City Council/BWL)

- **The WPCCA Credit:** We are told the \$1.1M gas savings will lower the **WPCCA (Water Power & Chemical Cost Adjustment)** on our water bills. How will the BWL ensure this specific credit is clearly identified so residents can see the direct benefit on their statements?
- **Audit Trail:** Will these savings be independently audited to ensure they aren't absorbed into the general fund but are instead passed directly to ratepayers through these cost-recovery line items?

6. Decision Criteria & Public Sentiment (Target: City Council)

- **The Decision Scorecard:** Beyond basic zoning law, what specific criteria will guide your vote?
 - **Resident Benefit:** Does this provide a verified net benefit without increasing residential rates?
 - **Zoning Precedent:** Is this "Industrial" rezoning narrow enough to prevent massive, non-heat-reusing projects from following in its footsteps?
- **The Sensitivity Question:** You have seen strong public emotion based on "hyperscale" projects elsewhere. **How do you balance "public mood" against the technical facts of *this* specific micro-project?** Does vocal opposition hold more weight in your decision than the long-term engineering and economic data presented by the BWL?



Michigan HOPE
Helping Others with Purpose and Empathy.

January 26, 2026

City of Lansing

Subject: Request for Review Regarding Access to Homelessness Services

To the City of Lansing,

I am writing to respectfully request review and clarification regarding the administration of publicly funded housing and homelessness services within the City of Lansing.

Based on publicly available information and community observation, the City of Lansing and its partner agencies are currently providing recurring housing-related services funded through federal and state sources at the Causeway Bay Hotel, where individuals relocated from a single encampment are being housed. These services reportedly occur every Tuesday and Thursday from 2:00 p.m. to 4:00 p.m. and include coordinated entry participation, housing navigation, case management, and assistance with applications for housing programs.

At the same time, individuals who remain unsheltered in other encampments and locations throughout the City of Lansing appear to have more limited access to these services. Outreach and housing resources do not seem to be available at the same level for people who continue to live outdoors within the city limits.

This situation raises concerns about whether housing services are being delivered equitably across the broader unhoused population. While prioritization of limited resources is understandable, access to housing assistance ideally should not depend solely on location, particularly when individuals who remain unsheltered may not have meaningful opportunities to receive comparable support.

The concern expressed here is not related to the amount of funding allocated to any particular group, but rather whether publicly funded housing services are being administered in a manner that ensures fair and reasonable access for all individuals experiencing homelessness in Lansing.

This correspondence is submitted in the spirit of transparency and collaboration, and to request City review of current practices. I respectfully ask that this letter be entered into the public record and that a written response be provided.

Thank you for your time and consideration

Respectfully,

Greg Pratt
President
Michigan Helping Others with Purpose and Empathy (HOPE)

Submitted @mtg

517-402-6158

MiHOPE2024@gmail.com

Agenda Item 6. K.

HRCS Update on Moving Forward with Individuals at Causeway Bay

No materials provided at this time.

