



## **Board of Directors Meeting**

Friday, April 10, 2026 – 8:30 AM

Lansing EDC Office - 401 S. Washington Sq. Suite 101, Lansing, MI 48933

### **AGENDA**

- 1) Call to Order/Rollcall
- 2) Approval of LEDC Board Meeting Minutes – Friday, March 6, 2026
- 3) Financial Update
- 4) Lansing EDC FY2024/2025 Audited Financial Statements (ACTION)
- 5) Lansing EDC FY2024/2025 Federal Single Audit (ACTION)
- 6) Michigan Talent Partnership Grant Update
- 7) Operations Update
  - a. HR Recommendations
  - b. Outreach and Engagement
  - c. Marketing
- 8) Project and Program Updates
  - a. Project Statuses
  - b. LEED Initiative
  - c. Incentive Policy Revisions
- 9) Training: Business Development Strategies & Case Studies
- 10) Open Forum for LEDC Board Members
- 11) Other Business
- 12) Public Comment
- 13) Adjournment





# Lansing Economic Development Corporation

Board of Directors Meeting

**Friday, March 06, 2026 – 8:30 A.M.**

Lansing EDC Office – 401 S. Washington Sq., Suite 101, Lansing, MI 48933

## MINUTES

**Members Present:** Shelley Davis Boyd, Calvin Jones, Rawley Van Fossen, Bryan Britten, Jonathan Smith, Chaz Carrillo, Dr. Cristina Benton (arrived 8:41am)

**Members Absent:** Dr. Alane Laws-Barker, Catherine Rathbun

**Staff Present:** Kris Klein, Amiee Evans, Alex Watkins, Chelsea Dowler, Aurelius Christian, Kahleea Washington, Shay Manawar, Brian Swett

**Guests:** Brent Forsberg and Melissa Hall of CityCraft

### Call to Order

Chair Boyd called the Lansing Economic Development Corporation meeting to order at 8:30 A.M.

### Approval of LEDC Board Meeting Minutes – Friday, February 6, 2026 (ACTION)

MOTION: Member Carrillo moved to approve the LEDC meeting minutes from Friday, February 6, 2026, Board of Directors meeting, as presented. Motion seconded by Member Smith.

YEAS: Six (6); unanimous; motion carried.

### Financial and Audit Update

Swett provided updates on the Lansing EDC financials for January 2026 draft report by Clark, Schaffer, Hackett. Swett also noted that Rehmann, the auditor, is performing their final review of the audit reports and will submit the draft reports today for Lansing EDC review.

### Submittal of Draft FY2027 LEDC Budget (Action Item)

Klein presented the draft LEDC Budget for Fiscal Year 2027 to be submitted for the City Budget Book.

MOTION: Member Jones moved to approve the Draft FY2027 LEDC Budget, as presented. Motion seconded by Member Britten.

YEAS: Seven (7); Unanimous; motion carried.

Chair Boyd called for a motion directing the Lansing EDC President and CEO to finalize the draft FY2027 budgets for the LEDC, LBRA, and TIFA, including any necessary revisions, and submit them to the City of Lansing for inclusion in the FY2027 Budget Book.

*The Lansing EDC's Mission is to improve the Lansing community by fostering economic growth that is strategic, sustainable and equitable.*

**MOTION:** Member Carrillo moved to direct the Lansing EDC President and CEO to finalize the draft FY2027 budget, including any necessary revisions, and submit it to the City of Lansing for inclusion in the FY2027 Budget Book. Motion seconded by Member Jones.

**YEAS:** Seven (7); unanimous; motion carried.

### **Operations Update**

Klein provided organizational updates, including:

- **HR Recommendations:**
  - Working with People Matters on creating a performance measurement process which will be shared with the Governance Committee for review and recommendation to be used for the President and CEO.
- **Professional Development**
  - Dowler successfully completed the first course towards Housing Development Finance Professional Certification.
  - Evans began the Indispensable Supervisor Program.
  - Lansing EDC staff will attend the Building Michigan Communities Conference in May.
- **Community Outreach:**

The Lansing EDC team is involved in various outreach and engagement efforts, including:

  - Meeting with the Riverfront Champions group.
  - Hosting a session for 517 Entrepreneurship + Innovation Week on April 10, 2026.
  - Participating in the Neighborhood Resource Summit on April 15, 2026
  - Presenting at REO Town's 25th Anniversary Annual Meeting on April 21, 2026.
  - Speaking on multiple panels at the Michigan Economic Developers Association Emerging Leaders Spring Training on May 7, 2026
  - Speaking on the Downtown Lansing focused panel for Lansing Regional Chamber of Commerce's Leadership Lansing program on May 12, 2026.
  - Presenting to the City of Lansing's Citizens Academy in Fall 2026.
- **Marketing:**
  - Progress is being made on a new Lansing EDC website and 2025 Annual Report under the contract with Redhead, plan to launch new website and publish report in March.
  - Making progress with plans to celebrate Lansing EDC's 50<sup>th</sup> Anniversary, including a new logo and marketing efforts, as well as a celebration later in 2025.
- **Board Training/Education Options:**
  - The first training opportunity will be in April or May of this year and will cover the topic of business retention and expansion.
  - Also planning a dedicated session mid-year on Brownfield TIF and Tax Abatements at a former project site with an external subject matter expert. Klein will send out survey on best days/times for Board members.
  - Looking at a session to be held at a regular board meeting later in the year that will focus on tools and strategies to prioritize, evaluate, and support economic development projects.

### **Project and Program Updates**

Updates were presented on the following:

- **Lansing Shuffle:**

Klein provided an update on Lansing Shuffle seeking an opportunity to buy the City of Lansing-owned building they occupy which would require a public vote. Member Smith inquired if the City would include in the sale agreement some way to limit future uses of the property. Member Benton asked what the zoning for the building is. Member Carrillo asked if any of the surrounding property would be part of the sale. Ensuing discussion clarified that a sale agreement would be negotiated if the request moves forward and the property is approved for sale, that the property is zoned DT-3, and that just the portion of the property currently leased by Lansing Shuffle that includes the building and patio would be considered for the property sale.
- **Turner North Development:**

Dowler gave an update on the project, including that the developer has closed on the purchase of the property, that the Public Service Department is working with the developer on Dodge River Drive sidewalk widths, that demolition is anticipated to begin mid-March and conclude in May, and that the developer is applying for the MSHDA strategic funding round this month.
- **Holmes & Pleasant Grove Development:**

Christian offered updates on the project, including that senior financing has been approved, additional funding has been offered by the Ingham County Housing Trust Fund, and that construction is estimated to start by the end of March with project completion estimated by January 2027.
- **Capital Walk Development:**

Dowler presented an update on the project, including that the Brownfield Plan is up for consideration by Lansing City Council on March 9<sup>th</sup>, that the developer is performing additional community outreach such as informing Metro Place residents of the development, and that construction is anticipated to begin November 2026 following all appropriate approvals.
- **Niowave Expansion:**

Watkins presented an update on the project, including current operations and the proposed expansion at the Capital Region International Airport to increase production of medical radioisotopes for cancer treatment, that the expansion would add a new 65,000 SF facility adjacent to their existing 14,000 SF operation, that the investment is over \$65 million and will create 70 new jobs, and construction will commence in spring 2026 and operations will begin in fall 2027.
- **LEED Initiative:**

Klein, Christian and Washington provided the following updates:

  - Empower Cohort Four Applications will open on March 23<sup>rd</sup>.
  - Lansing EDC is hosting a SEED Academy Networking Mixer on March 26<sup>th</sup>.
  - The SEED Academy Capstone Presentation and Graduation for Cohort Two will be held on April 13.

- The Targeted Redevelopment Community-Based Neighborhood Planning RFQP closes March 27 significant inquiries have been received from local and national firms.
- Melissa Hall and Brent Forsberg of the CityCraft team were introduced and provided update on the work completed and upcoming efforts.

**Open Forum for LEDC Board Members**

Chair Boyd reminded the Board members about the ethics training material that they are required to complete. The link is being emailed to each member to review.

Chair Boyd announced she was appointed to the Oakland University Board of Trustees.

Member Carrillo let the members know about a Home Ownership Education lunch and learn, Friday March 20, 2026.

**Other Business**

None

**Public Comment**

None

**Adjournment**

Chair Boyd called the Lansing Economic Development Corporation meeting to adjournment at 9:13 A.M.



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Kris Klein, President & CEO

Lansing Economic Development Corporation (LEDC)



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# **LANSING ECONOMIC DEVELOPMENT CORPORATION**

## Financial Statements

For the One Month and Eight Months Ended February 28, 2026 and 2025

# Lansing Economic Development Corporation

## Statements of Financial Position

	Feb 28, 26	Feb 28, 25
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
10000 · PNC - General Fund - 2612	70,575.00	75,000.00
10001 · PNC - COVID19 Rescue Fund -2583	104.30	104.30
10002 · PNC - Business Fund - 2575	75,000.00	75,000.00
10004 · PNC - Business Fund Sweep -2647	1,279,256.16	1,271,945.28
10005 · PNC - General Fund Sweep - 2639	1,256,273.52	710,320.23
10007 · PNC - Energy Eff Rev Sav - 0696	229,866.06	226,153.91
10008 · PNC - ARPA - 8494	787.11	0.00
10009 · PNC - ARPA Money Market - 8451	1,592,925.40	2,324,616.18
10010 · PNC - SSRP Money Market - 8634	813,391.50	0.00
<b>Total Checking/Savings</b>	5,318,179.05	4,683,139.90
<b>Accounts Receivable</b>		
11000 · Accounts Receivable	262,327.50	418,677.72
<b>Total Accounts Receivable</b>	262,327.50	418,677.72
<b>Other Current Assets</b>		
11113 · Receivable Brownfield Redevelop	4,925.75	4,187.14
11119 · Prepaid Insurance	5,874.93	7,211.59
11121 · Prepaid Health Insurance	0.00	4,967.68
11122 · Prepaid Expenses	3,723.50	3,309.96
11127 · RBM Properties-Cur Portion	33,527.47	31,890.80
11139 · The 517 Coffee Co-Current Port	5,530.24	5,701.94
11141 · Sweet Encounter Bakery -Current	1,584.62	3,886.46
11143 · Irie Smoke Shack LLC-Cur Por	0.00	10,771.29
11146 · Mossman, LLC - Cur Por	18,184.24	9,974.52
11148 · REO Town Clubhouse - Cur Port	9,412.20	0.00
<b>Total Other Current Assets</b>	82,762.95	81,901.38
<b>Total Current Assets</b>	5,663,269.50	5,183,719.00
<b>Fixed Assets</b>		
13010 · Office Furniture	72,849.74	72,849.74
13015 · Computer Equipment	8,715.08	8,715.08
13025 · Leasehold Improvements	33,595.97	37,821.50
13050 · Accumulated Depreciation	-42,657.95	-24,477.59
<b>Total Fixed Assets</b>	72,502.84	94,908.73
<b>Other Assets</b>		
<b>15000 · Loans Receivable</b>		
15126 · RBM Properties-Loan Rec	58,739.55	85,968.09
15127 · RBM Properties- Cur Portion	-33,527.47	-31,890.80
15149 · The 517 Coffee Co. - Loan Rec.	28,732.86	5,701.94
15150 · The 517 Coffee Co-Current Port	-5,530.24	-5,701.94
15154 · Sweet Encounter Bakery-Loan Rec	1,584.62	6,260.57
15155 · Sweet Encounter Bakery -Cur Por	-1,584.62	-3,886.46
15159 · Irie Smoke Shack, LLC-Loan Rec	0.00	10,771.29
15160 · Irie Smoke Shack, LLC-Curr Por	0.00	-10,771.29
15163 · Mossman, LLC - Loan Rec.	46,871.07	48,363.47
15164 · Mossman, LLC - Curr Port	-18,184.24	-9,974.52
15169 · REO Town Clubhouse - Loan Rec.	44,074.70	0.00
15170 · REO Town Clubhouse - Curr Port	-9,412.20	0.00
15190 · Allowance for credit losses	-17,683.00	-15,650.00
<b>Total 15000 · Loans Receivable</b>	94,081.03	79,190.35
17100 · Security Deposit	3,678.28	3,678.28
17300 · ROU Asset Net of Amortization	562,770.44	593,307.22
<b>Total Other Assets</b>	660,529.75	676,175.85
<b>TOTAL ASSETS</b>	<b>6,396,302.09</b>	<b>5,954,803.58</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		

No assurance is provided on these financial statements or supplementary information. The financial statements omit substantially all disclosures and the statement of cash flows, revenue and expenses related to certain contracts are recognized when received and paid, all of which are not in accordance with accounting principles generally accepted in the United States of America.

## Lansing Economic Development Corporation Statements of Financial Position

	Feb 28, 26	Feb 28, 25
20000 · Accounts Payable	11,547.13	45,825.62
<b>Total Accounts Payable</b>	11,547.13	45,825.62
<b>Credit Cards</b>		
20104 · CC Payable-PNC-3118	0.00	1,101.41
20105 · CC Payable - PNC 6778	2,643.20	0.00
<b>Total Credit Cards</b>	2,643.20	1,101.41
<b>Other Current Liabilities</b>		
20200 · Accrued Accounting Fees	2,700.00	0.00
20400 · Refundable Advance-ARPA	1,231,631.46	2,177,708.02
20410 · Ref Adv-SSRP Verlinden	749,984.54	0.00
21320 · Lease Obligation-Current	22,908.89	21,294.86
<b>24000 · Payroll Liabilities</b>		
24005 · Accrued Vacation	32,303.42	31,240.24
24016 · Accrued & WH 401k	2,986.36	545.35
<b>Total 24000 · Payroll Liabilities</b>	35,289.78	31,785.59
<b>Total Other Current Liabilities</b>	2,042,514.67	2,230,788.47
<b>Total Current Liabilities</b>	2,056,705.00	2,277,715.50
<b>Long Term Liabilities</b>		
27300 · Building Rental Lease Liability		
27310 · Lease Obligation	590,966.39	612,261.25
27320 · Lease Obligation-Cur Portion	-22,908.89	-21,294.86
<b>Total 27300 · Building Rental Lease Liability</b>	568,057.50	590,966.39
<b>Total Long Term Liabilities</b>	568,057.50	590,966.39
<b>Total Liabilities</b>	2,624,762.50	2,868,681.89
<b>Equity</b>		
32000 · Without donor restrictions	3,505,893.44	3,058,531.63
32100 · With donor restrictions	208,079.56	208,079.56
Net Income	57,566.59	-180,489.50
<b>Total Equity</b>	3,771,539.59	3,086,121.69
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,396,302.09</b>	<b>5,954,803.58</b>

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# Lansing Economic Development Corporation

## Statements of Activities

	Feb 26	Feb 25
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>40000 · Contract Income</b>		
40040 · Annual Issuer's Fees	0.00	2,731.25
40080 · Facade Grant Contract	250,000.00	0.00
40088 · ARPA Contract City of Lansing		
40088.1 · ARPA - Grant Contract	54,616.80	45,298.18
<b>Total 40088 · ARPA Contract City of Lansing</b>	54,616.80	45,298.18
40096 · SSRP Verlinden Grant	55,840.50	0.00
<b>Total 40000 · Contract Income</b>	360,457.30	48,029.43
<b>41000 · Loan Interest</b>		
41099 · REO Town Clubhouse Interest	190.39	0.00
41091 · The 517 Coffee Company Interest	123.91	23.73
41093 · Sweet Encounter Bakery Cafe Int	5.04	16.93
41094 · Irie Smoke Shack-Interest	0.00	46.31
41095 · RBM Properties Interest	250.95	362.39
<b>Total 41000 · Loan Interest</b>	570.29	449.36
<b>42000 · Investments</b>		
42010 · Interest-Savings, Short-term CD	5,945.28	7,753.88
<b>Total 42000 · Investments</b>	5,945.28	7,753.88
<b>43000 · Other Types of Income</b>		
43010 · Miscellaneous Revenue	0.00	43.30
43037 · Application Fees	0.00	5,000.00
<b>Total 43000 · Other Types of Income</b>	0.00	5,043.30
<b>Total Income</b>	366,972.87	61,275.97
<b>Gross Profit</b>	366,972.87	61,275.97
<b>Expense</b>		
<b>61000 · Contract Services</b>		
61010 · Accounting Fees	2,700.00	0.00
61015 · Payroll Fees	376.00	331.34
61020 · Legal Fees	0.00	5,828.50
61030 · Outside Contract Services	3,883.83	1,807.50
<b>Total 61000 · Contract Services</b>	6,959.83	7,967.34
<b>62000 · Facilities and Equipment</b>		
62010 · Depreciation	0.00	1,661.75
62020 · Office Expense	146.07	1,164.27
62045 · Utilities	432.44	555.88
62050 · Rent	5,609.64	5,587.15
62055 · Software Subscriptions	3,358.92	1,148.92
62060 · Telephone/Communications	798.84	850.83
<b>Total 62000 · Facilities and Equipment</b>	10,345.91	10,968.80
<b>63000 · Development</b>		
63050 · Insurance & Bonds	875.16	1,040.49
63055 · Marketing & Promotions	4,900.00	8,735.50
63056 · Travel & Conferences & Training	0.00	8,741.00
63060 · Operating Expense	856.25	696.27
63080 · Bank Fees	1,126.11	388.78
<b>Total 63000 · Development</b>	7,757.52	19,602.04
<b>65000 · Grant and Program Expenses</b>		
65020 · Facade Grants	0.00	700.32
65025 · EGLE Allen Place Grant Contract	-210.80	0.00
65088 · ARPA Grant		
65088.1 · ARPA LEED Initiative	42,666.80	37,156.50
65088.3 · ARPA Facade Program	0.00	8,141.68
65088.8 · MACIA ARPA Funds	11,950.00	0.00

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## Lansing Economic Development Corporation Statements of Activities

	Feb 26	Feb 25
Total 65088 · ARPA Grant	54,616.80	45,298.18
65096 · SSRP Verlinden Grant Expense	55,840.50	12,251.84
<b>Total 65000 · Grant and Program Expenses</b>	<b>110,246.50</b>	<b>58,250.34</b>
<b>66000 · Payroll &amp; Empl Benefit Expenses</b>		
66100 · Payroll Expenses		
66110 · Salaries - Staff	55,275.00	60,191.68
66120 · Taxes-FICA	4,199.84	4,604.68
66125 · Taxes-unemployment	472.18	676.32
<b>Total 66100 · Payroll Expenses</b>	<b>59,947.02</b>	<b>65,472.68</b>
66500 · Employee Benefits		
66510 · Health Insurance-Employees	6,539.46	3,608.60
66515 · Life/Disability Ins - Employees	746.56	657.69
66520 · Retirement Expense	2,754.00	2,876.50
66525 · Parking-Employees	675.00	743.07
66530 · Workers Comp Insurance	52.13	0.00
<b>Total 66500 · Employee Benefits</b>	<b>10,767.15</b>	<b>7,885.86</b>
<b>Total 66000 · Payroll &amp; Empl Benefit Expenses</b>	<b>70,714.17</b>	<b>73,358.54</b>
<b>Total Expense</b>	<b>206,023.93</b>	<b>170,147.06</b>
<b>Net Ordinary Income</b>	<b>160,948.94</b>	<b>-108,871.09</b>
<b>Net Income</b>	<b>160,948.94</b>	<b>-108,871.09</b>

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# Lansing Economic Development Corporation

## Statements of Activities

	Jul '25 - Feb 26	Jul '24 - Feb 25
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>40000 · Contract Income</b>		
40010 · Brownfield		
40010.2 · Brownfield Admin	247,822.09	0.00
<b>Total 40010 · Brownfield</b>	247,822.09	0.00
40020 · City of Lansing Contract	300,000.00	300,000.00
40040 · Annual Issuer's Fees	0.00	2,731.25
40080 · Facade Grant Contract	250,000.00	175,000.00
40088 · ARPA Contract City of Lansing		
40088.1 · ARPA - Grant Contract	272,812.39	170,391.28
<b>Total 40088 · ARPA Contract City of Lansing</b>	272,812.39	170,391.28
40090 · EGLE Allen Place-Grant Contract		
40090.1 · EGLE Allen Place Grant Contract	0.00	44,350.50
<b>Total 40090 · EGLE Allen Place-Grant Contract</b>	0.00	44,350.50
40096 · SSRP Verlinden Grant		
40096.1 · SSRP Verlinden Grant Contract	8,229.34	0.00
40096 · SSRP Verlinden Grant - Other	56,450.50	0.00
<b>Total 40096 · SSRP Verlinden Grant</b>	64,679.84	0.00
<b>Total 40000 · Contract Income</b>	1,135,314.32	692,473.03
<b>41000 · Loan Interest</b>		
41099 · REO Town Clubhouse Interest	1,674.70	0.00
41098 · Mossman, LLC Interest	0.00	263.47
41091 · The 517 Coffee Company Interest	487.07	240.36
41093 · Sweet Encounter Bakery Cafe Int	67.09	159.33
41094 · Irie Smoke Shack-Interest	60.12	373.06
41095 · RBM Properties Interest	2,645.64	3,202.24
41097 · Irie Smoke Shack LLC	-37.90	54.69
<b>Total 41000 · Loan Interest</b>	4,896.72	4,293.15
<b>42000 · Investments</b>		
42010 · Interest-Savings, Short-term CD	58,074.24	82,158.14
<b>Total 42000 · Investments</b>	58,074.24	82,158.14
<b>43000 · Other Types of Income</b>		
43010 · Miscellaneous Revenue	2,800.00	3,024.92
43037 · Application Fees	9,800.00	26,500.00
<b>Total 43000 · Other Types of Income</b>	12,600.00	29,524.92
<b>Total Income</b>	1,210,885.28	808,449.24
<b>Gross Profit</b>	1,210,885.28	808,449.24
<b>Expense</b>		
<b>61000 · Contract Services</b>		
61010 · Accounting Fees	47,900.00	33,792.50
61015 · Payroll Fees	3,718.98	2,770.01
61020 · Legal Fees	11,284.50	31,087.50
61030 · Outside Contract Services	19,878.03	18,072.18
<b>Total 61000 · Contract Services</b>	82,781.51	85,722.19
<b>62000 · Facilities and Equipment</b>		
62010 · Depreciation	12,730.56	12,933.70
62020 · Office Expense	2,579.55	4,934.32
62025 · Equipment	644.91	7,524.27
62045 · Utilities	3,127.10	5,281.25
62050 · Rent	44,874.63	44,677.20
62055 · Software Subscriptions	23,442.47	12,672.59
62060 · Telephone/Communications	8,040.96	4,516.23

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# Lansing Economic Development Corporation

## Statements of Activities

	Jul '25 - Feb 26	Jul '24 - Feb 25
<b>Total 62000 · Facilities and Equipment</b>	95,440.18	92,539.56
<b>63000 · Development</b>		
63050 · Insurance & Bonds	7,771.60	9,622.68
63055 · Marketing & Promotions	20,797.48	15,853.00
63056 · Travel & Conferences & Training	11,794.58	17,057.00
63060 · Operating Expense	4,502.34	7,865.17
63080 · Bank Fees	6,231.58	2,794.78
63081 · Bank Fees-2575	0.00	50.00
<b>Total 63000 · Development</b>	51,097.58	53,242.63
<b>65000 · Grant and Program Expenses</b>		
65022 · PNC CFE Seminar Expenses	0.00	1,266.74
65020 · Facade Grants	21,211.92	8,200.32
65025 · EGLE Allen Place Grant Contract	-210.80	44,350.50
65088 · ARPA Grant		
65088.0 · Lansing Gateway CIA ARPA Funds	1,214.69	9,294.08
65088.1 · ARPA LEED Initiative	230,191.30	141,405.17
65088.3 · ARPA Facade Program	0.00	8,141.68
65088.7 · SSCIA CIA ARPA Funds	5,938.40	11,550.35
65088.8 · MACIA ARPA Funds	11,950.00	0.00
65088.9 · MLK CIA ARPA Funds	23,518.00	0.00
<b>Total 65088 · ARPA Grant</b>	272,812.39	170,391.28
65095 · Placemaking - CEDAM Exp.	0.00	3,929.92
65096 · SSRP Verlinden Grant Expense	64,679.84	33,011.22
<b>Total 65000 · Grant and Program Expenses</b>	358,493.35	261,149.88
<b>66000 · Payroll &amp; Empl Benefit Expenses</b>		
66100 · Payroll Expenses		
66110 · Salaries - Staff	447,408.41	407,306.27
66120 · Taxes-FICA	34,102.10	31,159.13
66125 · Taxes-unemployment	2,639.20	2,956.20
<b>Total 66100 · Payroll Expenses</b>	484,149.71	441,421.60
66500 · Employee Benefits		
66510 · Health Insurance-Employees	48,054.43	26,893.38
66515 · Life/Disability Ins - Employees	5,545.31	4,355.33
66520 · Retirement Expense	21,869.51	19,874.50
66525 · Parking-Employees	5,414.00	4,722.51
66530 · Workers Comp Insurance	693.32	0.00
<b>Total 66500 · Employee Benefits</b>	81,576.57	55,845.72
<b>Total 66000 · Payroll &amp; Empl Benefit Expenses</b>	565,726.28	497,267.32
67000 · Credit Loss Expense	0.00	-746.47
<b>Total Expense</b>	1,153,538.90	989,175.21
<b>Net Ordinary Income</b>	57,346.38	-180,725.97
<b>Other Income/Expense</b>		
<b>Other Income</b>		
80030 · Credit Card Reward Income	220.21	236.47
<b>Total Other Income</b>	220.21	236.47
<b>Net Other Income</b>	220.21	236.47
<b>Net Income</b>	<b>57,566.59</b>	<b>-180,489.50</b>

No assurance is provided on these financial statements or supplementary information. The financial statements omit substantially all disclosures and the statement of cash flows, revenue and expenses related to certain contracts are recognized when received and paid, all of which are not in accordance with accounting principles generally accepted in the United States of America.

**SUPPLEMENTARY INFORMATION**

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## Lansing Economic Development Corporation Statement of Activities - Actual vs. Budget

	Jul '25 - Feb 26	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>40000 · Contract Income</b>				
40077 · RAP Grant	0.00	500,000.00	-500,000.00	0.0%
<b>40010 · Brownfield</b>				
40010.2 · Brownfield Admin	247,822.09	0.00	247,822.09	100.0%
40010 · Brownfield - Other	0.00	405,218.00	-405,218.00	0.0%
<b>Total 40010 · Brownfield</b>	247,822.09	405,218.00	-157,395.91	61.2%
40020 · City of Lansing Contract	300,000.00	325,000.00	-25,000.00	92.3%
40040 · Annual Issuer's Fees	0.00	48,061.00	-48,061.00	0.0%
40050 · TIFA Admin	0.00	350,650.00	-350,650.00	0.0%
40070 · Fund Balance	0.00	158,924.00	-158,924.00	0.0%
40080 · Facade Grant Contract	250,000.00	225,000.00	25,000.00	111.1%
<b>40088 · ARPA Contract City of Lansing</b>				
40088.1 · ARPA - Grant Contract	272,812.39	0.00	272,812.39	100.0%
<b>Total 40088 · ARPA Contract City of Lansing</b>	272,812.39	0.00	272,812.39	100.0%
40096 · SSRP Verlinden Grant				
40096.1 · SSRP Verlinden Grant Contract	8,229.34	0.00	8,229.34	100.0%
40096 · SSRP Verlinden Grant - Other	56,450.50			
<b>Total 40096 · SSRP Verlinden Grant</b>	64,679.84	0.00	64,679.84	100.0%
<b>Total 40000 · Contract Income</b>	1,135,314.32	2,012,853.00	-877,538.68	56.4%
<b>41000 · Loan Interest</b>				
41099 · REO Town Clubhouse Interest	1,674.70	0.00	1,674.70	100.0%
41091 · The 517 Coffee Company Interest	487.07	0.00	487.07	100.0%
41093 · Sweet Encounter Bakery Cafe Int	67.09	0.00	67.09	100.0%
41094 · Irie Smoke Shack-Interest	60.12	0.00	60.12	100.0%
41095 · RBM Properties Interest	2,645.64	0.00	2,645.64	100.0%
41097 · Irie Smoke Shack LLC	-37.90	0.00	-37.90	100.0%
41000 · Loan Interest - Other	0.00	5,544.00	-5,544.00	0.0%
<b>Total 41000 · Loan Interest</b>	4,896.72	5,544.00	-647.28	88.3%
<b>42000 · Investments</b>				
42010 · Interest-Savings, Short-term CD	58,074.24	71,293.00	-13,218.76	81.5%
<b>Total 42000 · Investments</b>	58,074.24	71,293.00	-13,218.76	81.5%
<b>43000 · Other Types of Income</b>				
43010 · Miscellaneous Revenue	2,800.00	1,000.00	1,800.00	280.0%
43037 · Application Fees	9,800.00	30,000.00	-20,200.00	32.7%
<b>Total 43000 · Other Types of Income</b>	12,600.00	31,000.00	-18,400.00	40.6%
<b>Total Income</b>	1,210,885.28	2,120,690.00	-909,804.72	57.1%
<b>Gross Profit</b>	1,210,885.28	2,120,690.00	-909,804.72	57.1%
<b>Expense</b>				
<b>61000 · Contract Services</b>				
61010 · Accounting Fees	47,900.00	0.00	47,900.00	100.0%
61015 · Payroll Fees	3,718.98	0.00	3,718.98	100.0%
61020 · Legal Fees	11,284.50	0.00	11,284.50	100.0%
61030 · Outside Contract Services	19,878.03	0.00	19,878.03	100.0%
61000 · Contract Services - Other	0.00	122,270.00	-122,270.00	0.0%
<b>Total 61000 · Contract Services</b>	82,781.51	122,270.00	-39,488.49	67.7%
<b>62000 · Facilities and Equipment</b>				
62010 · Depreciation	12,730.56	23,000.00	-10,269.44	55.4%
62020 · Office Expense	2,579.55	10,000.00	-7,420.45	25.8%
62025 · Equipment	644.91	15,000.00	-14,355.09	4.3%
62045 · Utilities	3,127.10	12,000.00	-8,872.90	26.1%
62050 · Rent	44,874.63	67,000.00	-22,125.37	67.0%
62055 · Software Subscriptions	23,442.47	50,000.00	-26,557.53	46.9%
62060 · Telephone/Communications	8,040.96	15,000.00	-6,959.04	53.6%

No assurance is provided on these financial statements or supplementary information. The financial statements omit substantially all disclosures and the statement of cash flows, revenue and expenses related to certain contracts are recognized when received and paid, all of which are not in accordance with accounting principles generally accepted in the United States of America.

## Lansing Economic Development Corporation Statement of Activities - Actual vs. Budget

	Jul '25 - Feb 26	Budget	\$ Over Budget	% of Budget
<b>Total 62000 · Facilities and Equipment</b>	95,440.18	192,000.00	-96,559.82	49.7%
<b>63000 · Development</b>				
63050 · Insurance & Bonds	7,771.60	24,000.00	-16,228.40	32.4%
63055 · Marketing & Promotions	20,797.48	75,000.00	-54,202.52	27.7%
63056 · Travel & Conferences & Training	11,794.58	36,000.00	-24,205.42	32.8%
63060 · Operating Expense	4,502.34	14,000.00	-9,497.66	32.2%
63080 · Bank Fees	6,231.58	8,500.00	-2,268.42	73.3%
<b>Total 63000 · Development</b>	51,097.58	157,500.00	-106,402.42	32.4%
<b>65000 · Grant and Program Expenses</b>				
65020 · Facade Grants	21,211.92	225,000.00	-203,788.08	9.4%
65025 · EGLE Allen Place Grant Contract	-210.80	0.00	-210.80	100.0%
65088 · ARPA Grant				
65088.0 · Lansing Gateway CIA ARPA Funds	1,214.69	0.00	1,214.69	100.0%
65088.1 · ARPA LEED Initiative	230,191.30	0.00	230,191.30	100.0%
65088.7 · SSCIA CIA ARPA Funds	5,938.40	0.00	5,938.40	100.0%
65088.8 · MACIA ARPA Funds	11,950.00	0.00	11,950.00	100.0%
65088.9 · MLK CIA ARPA Funds	23,518.00	0.00	23,518.00	100.0%
<b>Total 65088 · ARPA Grant</b>	272,812.39	0.00	272,812.39	100.0%
65096 · SSRP Verlinden Grant Expense	64,679.84	0.00	64,679.84	100.0%
<b>Total 65000 · Grant and Program Expenses</b>	358,493.35	225,000.00	133,493.35	159.3%
<b>66000 · Payroll &amp; Empl Benefit Expenses</b>				
66100 · Payroll Expenses				
66110 · Salaries - Staff	447,408.41	0.00	447,408.41	100.0%
66120 · Taxes-FICA	34,102.10	0.00	34,102.10	100.0%
66125 · Taxes-unemployment	2,639.20	0.00	2,639.20	100.0%
<b>Total 66100 · Payroll Expenses</b>	484,149.71	0.00	484,149.71	100.0%
66500 · Employee Benefits				
66510 · Health Insurance-Employees	48,054.43	0.00	48,054.43	100.0%
66515 · Life/Disability Ins - Employees	5,545.31	0.00	5,545.31	100.0%
66520 · Retirement Expense	21,869.51	0.00	21,869.51	100.0%
66525 · Parking-Employees	5,414.00	0.00	5,414.00	100.0%
66530 · Workers Comp Insurance	693.32	0.00	693.32	100.0%
66500 · Employee Benefits - Other	0.00	125,000.00	-125,000.00	0.0%
<b>Total 66500 · Employee Benefits</b>	81,576.57	125,000.00	-43,423.43	65.3%
66000 · Payroll & Empl Benefit Expenses - Other	0.00	821,920.00	-821,920.00	0.0%
<b>Total 66000 · Payroll &amp; Empl Benefit Expenses</b>	565,726.28	946,920.00	-381,193.72	59.7%
<b>Total Expense</b>	1,153,538.90	1,643,690.00	-490,151.10	70.2%
<b>Net Ordinary Income</b>	57,346.38	477,000.00	-419,653.62	12.0%
<b>Other Income/Expense</b>				
Other Income				
80030 · Credit Card Reward Income	220.21	0.00	220.21	100.0%
<b>Total Other Income</b>	220.21	0.00	220.21	100.0%
<b>Net Other Income</b>	220.21	0.00	220.21	100.0%
<b>Net Income</b>	<b>57,566.59</b>	<b>477,000.00</b>	<b>-419,433.41</b>	<b>12.1%</b>

No assurance is provided on these financial statements or supplementary information. The financial statements omit substantially all disclosures and the statement of cash flows, revenue and expenses related to certain contracts are recognized when received and paid, all of which are not in accordance with accounting principles generally accepted in the United States of America.



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**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

March 30, 2026

Board of Directors  
The Economic Development Corporation  
of the City of Lansing  
Lansing, Michigan

We have audited the financial statements of ***The Economic Development Corporation of the City of Lansing*** (the "Corporation") (a Michigan not-for-profit organization), as of and for the year ended June 30, 2025, and have issued our report thereon dated March 30, 2026. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated February 3, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated March 30, 2026.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on December 19, 2025.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Corporation's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. There have been no changes to significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. No significant estimates have been identified.

### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no adjustments proposed to or passed by management.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Corporation's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment A to this letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Corporation's auditors.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. 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.

This information is intended solely for the use of the governing body and management of ***The Economic Development Corporation of the City of Lansing*** and is not intended to be and should not be used by anyone other than these specified parties.

*Rehmann Lohman LLC*

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Attachment A - Management Representations

For the June 30, 2025 Audit

The following pages contain the written representations that we requested from management.



# Lansing Economic Development Corporation

March 30, 2026

Rehmann Robson  
2330 East Paris Avenue  
Grand Rapids, Michigan 49546

This representation letter is provided in connection with your audits of the financial statements of ***The Economic Development Corporation of the City of Lansing*** (the "Corporation"), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, 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.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 30, 2026:

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 3, 2026, for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework we have chosen, which is accounting principles generally accepted in the United States of America.
2. The financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.

For the purposes of this letter, related parties mean affiliated or financially interrelated organizations; entities for which investments are accounted for by the equity method by the Corporation; trusts for the benefit of employees, such as pension trusts that are managed by or under the trusteeship of management or the governing board; members of the Corporation's management and governing board and their immediate families; and other parties with which the Corporation may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests, such as significant contributors. Another party also is a related party if it can significantly influence management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. Additional related parties may include certain national and local affiliates and a separate entity with officers or directors also on the nonprofit Corporation's governing board.

7. There were no events subsequent to the date of the financial statements for which accounting principles generally accepted in the United States of America require adjustment to or disclosure in the financial statements.
8. With respect to the preparation of the draft financial statements, including note disclosures, proposing standard, adjusting or correcting journal entries, or other changes affecting the financial statements and assistance in completing portions of the data collection form, we have:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.
9. We have complied with all contractual agreements, grants, and donor restrictions.
10. We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
11. We have accurately presented the Corporation's position regarding taxation and tax-exempt status.
12. The bases used for allocation of functional expenses are reasonable and appropriate.

13. We have included in the financial statements all assets and liabilities under the Corporation's control.
14. We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
15. Reclassifications between net asset classes are proper.
16. Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

**Information Provided**

17. We have provided you with:
  - a. Access to all information that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
18. All transactions have been recorded in the accounting records and are reflected in the financial statements.
19. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
20. We have evaluated the entity's ability to meet its obligations as they become due, and have not identified any conditions or events, individually or in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern.
21. We have no knowledge of any fraud or suspected fraud that affects the Corporation and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
22. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Corporation's financial statements communicated by employees, former employees, analysts, regulators or others.

23. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
24. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
25. We have disclosed to you the identity of the Corporation's related parties and all the related party relationships and transactions of which we are aware.

**Supplementary Information in Relation to the Financial Statements as a Whole**

28. With respect to the schedule of expenditures of federal awards accompanying the financial statements (the "supplementary information"):
  - a. We acknowledge our responsibility for the presentation of the supplementary information.
  - b. We believe the supplementary information, including its form and content, is fairly presented in relation to the financial statements as a whole, which statements are presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

**Uniform Guidance (2 CFR 200)**

26. With respect to federal awards, we represent the following to you:
  - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
  - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
  - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
  - d. The methods of measurement or presentation have not changed from those used in the prior period.

- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.

- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- v. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- w. The reporting package does not contain protected personally identifiable information.
- x. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the Corporation.

- y. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- z. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



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Kris Klein, President



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Brian Swett, Office and Finance Manager

The Economic  
Development  
Corporation of  
the City of  
Lansing



Years Ended  
June 30, 2025 and  
2024

Financial  
Statements

**Rehmann**

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

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## INDEPENDENT AUDITORS' REPORT

March 30, 2026

Board of Directors  
The Economic Development Corporation  
of the City of Lansing  
Lansing, Michigan

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of ***The Economic Development Corporation of the City of Lansing*** (the "Corporation") (a Michigan not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ***The Economic Development Corporation of the City of Lansing*** as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Corporation'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 Corporation'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report, under separate cover, dated March 30, 2026 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Corporation's internal control over financial reporting and compliance.

*Rehmann Lobson LLC*

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Statements of Financial Position

	June 30	
	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash	\$ 5,061,841	\$ 5,036,110
Receivables:		
Administration fees	777,072	409,596
Grants	26,328	7,282
Prepaid expenses	15,002	12,815
Notes receivable, current portion - Business Financing Assistance Program	70,880	49,182
Total current assets	<u>5,951,123</u>	<u>5,514,985</u>
Noncurrent assets:		
Property and equipment:		
Furniture and equipment	81,565	77,962
Leasehold improvements	33,596	37,822
	<u>115,161</u>	<u>115,784</u>
Accumulated depreciation	<u>(29,927)</u>	<u>(11,544)</u>
Property and equipment, net	85,234	104,240
Business Financing Assistance Program, net of current portion, less allowance for credit losses of \$17,683 and \$15,650 in 2025 and 2024, respectively	103,893	71,618
Net operating lease right-of-use asset	583,245	613,104
Deposits	3,678	3,678
Total noncurrent assets	<u>776,050</u>	<u>792,640</u>
<b>Total assets</b>	<b><u>\$ 6,727,173</u></b>	<b><u>\$ 6,307,625</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 56,173	\$ 36,450
Accrued liabilities	32,303	31,240
Refundable advances on conditional contributions	2,319,108	2,348,099
Current portion of operating lease obligation	22,159	19,608
Total current liabilities	<u>2,429,743</u>	<u>2,435,397</u>
Noncurrent liabilities - Operating lease obligation, net of current portion	<u>583,457</u>	<u>605,616</u>
<b>Total liabilities</b>	<b><u>3,013,200</u></b>	<b><u>3,041,013</u></b>
<b>Net assets</b>		
Without donor restrictions	3,340,593	3,058,532
With donor restrictions	<u>373,380</u>	<u>208,080</u>
<b>Total net assets</b>	<b><u>3,713,973</u></b>	<b><u>3,266,612</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 6,727,173</u></b>	<b><u>\$ 6,307,625</u></b>

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

## THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

### Statement of Activities

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Grant revenue	\$ 967,995	\$ 175,000	\$ 1,142,995
Administration fees	739,324	-	739,324
Contractual revenue	303,505	-	303,505
Authority fees	92,456	-	92,456
Issuer fees	2,731	-	2,731
Loan interest revenue	6,015	-	6,015
Investment income, net	116,365	-	116,365
Other revenues	743	-	743
Total support and revenues	2,229,134	175,000	2,404,134
Net assets released from restrictions	9,700	(9,700)	-
<b>Total support, revenues and net assets released from restrictions</b>	<b>2,238,834</b>	<b>165,300</b>	<b>2,404,134</b>
<b>Expenses</b>			
Program services:			
Economic development	1,436,599	-	1,436,599
Supporting services:			
Management and general	520,174	-	520,174
<b>Total expenses</b>	<b>1,956,773</b>	<b>-</b>	<b>1,956,773</b>
<b>Change in net assets</b>	<b>282,061</b>	<b>165,300</b>	<b>447,361</b>
Net assets, beginning of year	3,058,532	208,080	3,266,612
<b>Net assets, end of year</b>	<b>\$ 3,340,593</b>	<b>\$ 373,380</b>	<b>\$ 3,713,973</b>

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

## THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

### Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Grant revenue	\$ 320,541	\$ 175,000	\$ 495,541
Administration fees	688,824	-	688,824
Contractual revenue	301,428	-	301,428
Authority fees	198,894	-	198,894
Issuer fees	106,519	-	106,519
Loan interest revenue	7,779	-	7,779
Investment income, net	100,117	-	100,117
Other revenues	150,368	-	150,368
<b>Total support and revenues</b>	<b>1,874,470</b>	<b>175,000</b>	<b>2,049,470</b>
Net assets released from restrictions	98,197	(98,197)	-
<b>Total support, revenues and net assets released from restrictions</b>	<b>1,972,667</b>	<b>76,803</b>	<b>2,049,470</b>
<b>Expenses</b>			
Program services:			
Economic development	821,635	-	821,635
Supporting services:			
Management and general	379,416	-	379,416
<b>Total expenses</b>	<b>1,201,051</b>	<b>-</b>	<b>1,201,051</b>
<b>Change in net assets</b>	<b>771,616</b>	<b>76,803</b>	<b>848,419</b>
Net assets, beginning of year	2,286,916	131,277	2,418,193
<b>Net assets, end of year</b>	<b>\$ 3,058,532</b>	<b>\$ 208,080</b>	<b>\$ 3,266,612</b>

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

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Statement of Functional Expenses

For the Year Ended June 30, 2025

	Program Services	Supporting Services	
	Economic Development	Management and General	Total Expenses
<b>Expenses</b>			
Payroll and related expenses:			
Salaries	\$ 491,204	\$ 182,694	\$ 673,898
Payroll taxes	39,891	14,836	54,727
Employee benefits	63,224	23,514	86,738
	<u>594,319</u>	<u>221,044</u>	<u>815,363</u>
Other expenses:			
Contracted services	3,029	174,818	177,847
Direct financial assistance to other entities	736,083	-	736,083
Office supplies	9,586	5,873	15,459
Facilities	53,683	19,967	73,650
Dues and subscriptions	-	18,847	18,847
Communications	8,565	-	8,565
Marketing	-	31,651	31,651
Travel	20,875	-	20,875
Other	10,409	-	10,409
Professional fees	50	12,514	12,564
Insurance	-	13,988	13,988
Depreciation	-	19,439	19,439
Credit losses	-	2,033	2,033
	<u>842,280</u>	<u>299,130</u>	<u>1,141,410</u>
<b>Total expenses</b>	<u>\$ 1,436,599</u>	<u>\$ 520,174</u>	<u>\$ 1,956,773</u>

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

## THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

### Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services	Supporting Services	
	Economic Development	Management and General	Total Expenses
<b>Expenses</b>			
Payroll and related expenses:			
Salaries	\$ 318,562	\$ 151,293	\$ 469,855
Payroll taxes	25,442	12,083	37,525
Employee benefits	50,237	23,859	74,096
	<u>394,241</u>	<u>187,235</u>	<u>581,476</u>
Other expenses:			
Contracted services	2,115	79,731	81,846
Direct financial assistance to other entities	333,192	-	333,192
Office supplies	10,572	8,668	19,240
Facilities	47,029	22,336	69,365
Dues and subscriptions	-	11,111	11,111
Communications	7,989	-	7,989
Marketing	-	8,285	8,285
Travel	16,552	-	16,552
Other	9,640	-	9,640
Professional fees	305	1,331	1,636
Insurance	-	15,842	15,842
Depreciation	-	11,544	11,544
Credit losses	-	33,333	33,333
	<u>427,394</u>	<u>192,181</u>	<u>619,575</u>
<b>Total expenses</b>	<u>\$ 821,635</u>	<u>\$ 379,416</u>	<u>\$ 1,201,051</u>

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

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Statements of Cash Flows

	For the Year Ended June 30,	
	2025	2024
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 447,361	\$ 848,419
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	19,439	11,544
Gain on disposal of property and equipment	(56)	-
Amortization of right-to-use asset	29,859	28,945
Credit losses	2,033	33,333
Changes in operating assets and liabilities which provided (used) cash:		
Receivables:		
Administration fees	(367,476)	(347,360)
Grants	(19,046)	930,135
Prepaid expenses	(2,187)	710
Deposits	-	18,024
Accounts payable	19,723	(930,536)
Accrued liabilities	1,063	12,696
Refundable advances on conditional contributions	(28,991)	(297,044)
Operating lease obligations	(19,608)	(16,825)
<b>Net cash from operating activities</b>	<b>82,114</b>	<b>292,041</b>
<b>Cash flows from investing activities</b>		
Issuance of notes receivable - Business Financing Assistance Program	(100,000)	-
Collections of notes receivable - Business Financing Assistance Program	43,994	40,443
Purchases of property and equipment	(3,603)	(115,784)
Insurance proceeds for damaged equipment	3,226	-
<b>Net cash from investing activities</b>	<b>(56,383)</b>	<b>(75,341)</b>
<b>Net change in cash</b>	<b>25,731</b>	<b>216,700</b>
Cash, beginning of year	5,036,110	4,819,410
<b>Cash, end of year</b>	<b>\$ 5,061,841</b>	<b>\$ 5,036,110</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

### 1. NATURE OF CORPORATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Corporation

*The Economic Development Corporation of the City of Lansing* (the "Corporation"), was incorporated February 6, 1976, as a nonstock, nonprofit corporation under the laws of the State of Michigan. Its purpose is to engage in economic development activities as an economic development corporation for the City of Lansing, Michigan (the "City"), in accordance with Act 338 of the Public Acts of 1974. The Board of Directors of the Corporation are appointed by the Mayor of the City of Lansing, Michigan, with the advice and consent of the Lansing City Council.

The Corporation acts as a liaison between companies seeking financing and providers of financing in an effort to further the economic development of the City of Lansing. Under the bond financing agreements, the Corporation has no obligation for repayment, as the transactions are directly between the bond trustee and the obligor. See footnote 6 for further details on the agreements.

#### Use of Estimates

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

#### Basis of Presentation

Net assets, support and revenues are classified based on the existence or absence of donor or grantor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes of net assets: with and without donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Cash

Cash consists of demand deposits in banks. The Corporation maintains its deposits in one local financial institution, which at times may exceed the federally insured limits. Management does not believe the Corporation is exposed to any significant interest rate or other financial risk as a result of these deposits.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

The Corporation 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 Corporation evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

### Administration Fees Receivable

Administration fees receivable consist of amounts to be paid from the captured taxes related to the Corporation's administration of the individual economic development plans carried out by the City of Lansing Brownfield Redevelopment Authority (LBRA) and the Tax Increment Financing Authority of the City of Lansing (TIFA) and also for authority and issuer fees related to outstanding bonds issued by the LBRA.

### Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. At June 30, 2025 and 2024, the allowance related to these receivables was not material. Grants receivable at June 30, 2025 and 2024 are expected to be received in less than a year.

### Notes Receivable

Notes receivable are carried at the value of the unpaid principal balances. Loans are considered uncollectible if full principal or interest payments are not anticipated in accordance with the contractual terms. The Corporation's practice is to charge off any note or portion of a note when the note is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, or for other reasons. Management estimates an allowance for expected credit losses based on the amount it expects to collect from note holders, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. The expense associated with the allowance for credit losses of \$2,033 and \$33,333 for the years ended June 30, 2025 and 2024, respectively, is recognized in the statement of activities. At June 30, 2025 and 2024, management has estimated future credit losses to be \$17,683 and \$15,650, respectively. There were write-offs of \$0 and \$17,683 for the years ended June 30, 2025 and 2024, respectively.

Interest on these notes is recognized over the term of the note and is calculated using the simple-interest method on principal amounts outstanding.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

The accrual of interest on notes receivable is discontinued at the time the loan is 120 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the note.

### ***Property and Equipment and Depreciation***

Property and equipment consists of furniture, equipment and leasehold improvements that are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Depreciation is provided over the estimated useful lives of the respective assets on the straight-line basis, which range generally from 5 to 7 years.

### **Refundable Advances on Conditional Contributions**

Refundable advances on conditional contributions represents advances received on conditional grants that have not been expended for allowable purposes.

### **Leases**

The Corporation determines if an arrangement is a lease at inception and considers classification of leases as operating or finance. Operating leases are included in net operating lease right-of-use ("ROU") assets, the current portion of operating leases obligation, and the operating leases obligation, net of current portion on the Corporation's statements of financial position.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Corporation's leases do not provide an implicit rate, the Corporation uses the risk free rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and initial direct costs incurred and excludes lease incentives. The Corporation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable rent payments are expensed as incurred. The Corporation does not have any variable lease payments for the year ended June 30, 2024.

The Corporation has elected to exclude short-term leases from the recognition requirements of Accounting Standards Codification ("ASC") 842, *Leases*. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Management reviews these ROU assets for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

### Support and Revenue Recognition

#### ***Contributions***

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions received without donor restrictions in the accompanying financial statements.

#### ***Administration Fees***

Administration fees are received from the City of Lansing for administration of the LBRA and the TIFA, both component units of the City. Annual fees are based on a fixed percentage of taxes captured by these two component units. As these taxes are initially paid by property owners, many of which will not receive a direct benefit from the activities of the LBRA or the TIFA, these revenues are considered nonexchange transactions in accordance with Accounting Standards Codification ("ASC") Topic 958-605, *Not-for-Profit Entities - Revenue Recognition*.

#### ***Authority and Issuer Fees***

Authority and Issuer fees are percentage-based on the year-end balance of bonds issued by the LBRA that the Corporation is responsible for administering. The annual fee is recognized at June 30 of the fiscal year based on percentages established in the bond documents and the balance of the outstanding principal at the Corporation's year-end. These revenues, including application fees, are considered exchange transactions in accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenues from Contracts with Customers*.

#### ***Contractual Revenue and Grant Awards***

Contractual revenue and grant awards are either recorded as conditional contributions or exchange transactions based on criteria contained in the contract or grant award:

*Contractual revenue and grant awards that are conditional contributions* – Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred in accordance with the terms of the award with the funding source. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances on conditional contributions. Contractual and grant revenues that are contributions totaled \$1,491,000 and \$812,469 for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, contributions of grants from governments of approximately \$2,319,000 and \$2,348,000, respectively, have not yet been recognized because qualifying expenses have not yet been incurred. Refundable advances relating to these conditional contributions amounted to \$2,319,108 and \$2,348,099 as of June 30, 2025 and 2024, respectively. Amounts questioned as a result of audits, if any, may result in refunds to governmental agencies. Management does not believe any liability for reimbursements, which may arise as the result of these audits, would be material.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

*Contractual revenue and grant awards that are exchange transactions* – Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There were no contractual revenues or grant awards that were considered exchange transactions during the years ended June 30, 2025 and 2024.

### Functional Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, grant and contractually obligated costs have been allocated among the programs and supporting services benefited. Facilities expenses are allocated on a square footage basis. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

The Corporation allocates payroll and related expenses between program and administrative functions with detailed timesheets that track each employee's allocation of hours spent on specific administrative and program categories. Sum totals for categories by employee, program or function can then be calculated, tracked and monitored and adjustments/amendments made by management as is necessary.

### Income Taxes

The Corporation qualifies as a tax-exempt quasi-governmental corporation and is exempt from federal, state and local income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

### Subsequent Events

In preparing these financial statements, the Corporation has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent statement of financial position presented herein, through the date these financial statements were available to be issued. No significant such events or transactions were identified.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

### 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	2025	2024
Cash	\$ 5,061,841	\$ 5,036,110
Receivables:		
Administration fees	777,072	409,596
Grants	26,328	7,282
Notes receivable	70,880	49,182
Less: Net assets with donor restrictions	<u>(373,380)</u>	<u>(208,080)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u><u>\$ 5,562,741</u></u>	<u><u>\$ 5,294,090</u></u>

As part of the Corporation's liquidity management, the Corporation structures its financial assets to be available as its general expenses, liabilities and other obligations come due. In addition to the financial assets available to meet cash needs for general expenses within one year, as detailed above, the Corporation is primarily supported by administration fees, grants and contract revenues.

### 3. NOTES RECEIVABLE

Outstanding notes receivable consist of the following at June 30:

	2025	2024
Note receivable from the 517 Coffee Company, LLC (517 Coffee) for \$25,000 at an interest rate of 4.50%. Proceeds from this note were used to repay the principal and accrued interest on the 2019 note. Beginning February 15, 2024, 8 monthly payments of interest only are required in the amount of \$94. Beginning October 15, 2024, 52 monthly payments of principal and interest are required in the amount of \$530. On January 15, 2026 a balloon payment in the amount of any remaining principal and accrued interest is due. The note is guaranteed by a continuing unlimited guaranty from proprietors of 517 Coffee.	\$ 3,655	\$ 9,702

continued...

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

	2025	2024
<p>Note receivable from Sweet Encounter Bakery Cafe, LLC (Sweet Encounter) for \$20,176 at an interest rate of 3.00%. Beginning October 15, 2024, 6 monthly payments of interest only are required. Beginning April 15, 2025, 54 monthly payments of principal and interest are required in the amount of \$400. On October 15, 2026, a balloon payment in the amount of any remaining principal and accrued interest is due. The note is guaranteed by a continuing unlimited guaranty from proprietors of Sweet Encounter.</p>	\$ 4,718	\$ 9,301
<p>Note receivable from RBM Properties, LLC for \$136,500 at an interest rate of 5.00%. Beginning January 12, 2025, 60 monthly payments of principal and interest are required in the amount of \$2,576. On December 12, 2027, a balloon payment in the amount of any remaining principal and accrued interest is due. The note is guaranteed by a continuing unlimited guaranty from proprietors of RBM Properties, LLC.</p>	79,275	103,371
<p>Note receivable from Irie Smoke Shack LLC for \$25,000 at an interest rate of 4.75%. Beginning September 22, 2024, 60 monthly payments of principal and interest are required in the amount of \$747. On August 22, 2025, a balloon payment in the amount of any remaining principal and accrued interest is due. The note is guaranteed by a continuing unlimited guaranty from proprietors of Irie Smoke Shack LLC.</p>	7,937	14,076
<p>Note receivable from Mossman LLC for \$50,000 at an interest rate of 7.50%. Beginning December 1, 2024, 60 monthly payments of principal and interest are required in the amount of \$950. On November 1, 2029, a balloon payment in the amount of any remaining principal and accrued interest is due. The note is guaranteed by a continuing unlimited guaranty from proprietors of Mossman LLC.</p>	46,871	-

continued...

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

	2025	2026
Note receivable from REO Town Clubhouse LLC for \$50,000 at an interest rate of 6.50%. Beginning July 1, 2025, 60 monthly payments of principal and interest are required in the amount of \$950. On June 1, 2030, a balloon payment in the amount of any remaining principal and accrued interest is due. The note is guaranteed by a continuing unlimited guaranty from proprietors of REO Town Clubhouse LLC.	\$ 50,000	\$ -
	<u>192,456</u>	<u>136,450</u>
Less: allowance for credit losses	<u>(17,683)</u>	<u>(15,650)</u>
Total business financing assistance program notes receivable	174,773	120,800
Less: current portion	<u>(70,880)</u>	<u>(49,182)</u>
<b>Business financing assistance program notes receivable, net of current portion</b>	<u><u>\$ 103,893</u></u>	<u><u>\$ 71,618</u></u>

concluded

The following table presents future maturities of the Corporation's notes receivable recorded on the statement of financial position as of June 30, 2025:

Year	Principal	Interest
2026	\$ 70,880	\$ 10,889
2027	48,018	6,485
2028	34,428	3,858
2029	19,179	2,238
2030	<u>19,951</u>	<u>722</u>
Total notes receivable	<u><u>\$ 192,456</u></u>	<u><u>\$ 24,192</u></u>

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

### 4. LEASES

The Corporation is party to an operating lease for office space, that was signed in June 2024, with rent payments beginning on July 1, 2024 which expires in July 2038.

The following table summarizes other information related to the Corporation's lease during the years ended June 30:

	2025	2024
Operating lease cost	\$ 60,675	\$ 63,682
Variable lease cost	6,351	-
Cash paid for amounts included in the measurement of lease obligations:		
Operating cash flows from operating leases	50,424	48,554
Weighted-average remaining lease-term - operating leases	13 years	14 years
Weighted-average discount rate - operating leases	5.00%	5.00%

The following table presents a maturity analysis summary of the Corporation's lease obligation recorded on the statement of financial position as of June 30, 2025:

Year	Operating Leases
2026	\$ 52,975
2027	54,665
2028	56,411
2029	56,522
2030	56,596
Thereafter	<u>584,396</u>
Total lease payments	861,565
Less discount to present value	<u>(255,949)</u>
Total lease obligation	605,616
Less current portion	<u>(22,159)</u>
<b>Long-term lease obligation</b>	<b><u>\$ 583,457</u></b>

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

### 5. RELATED PARTY TRANSACTIONS

The Corporation provides administration services to the TIFA. Administration service fees, consisting of operating costs, charged to TIFA by the Corporation totaled \$343,774 and \$344,060 for the years ended June 30, 2025 and 2024, respectively. There were outstanding invoices due from the City of Lansing related to TIFA administration service fees, authority fees, and issuer fees in the amounts of \$343,774 and \$0 at June 30, 2025 and 2024, respectively, presented on the statements of financial position as part of administration fees receivable. The Corporation and TIFA share a common Board of Directors.

The Corporation provides administration services to the LBRA. Administration service fees, consisting of operating costs, and reimbursement of project expenses charged to LBRA by the Corporation totaled \$395,550 and \$344,764 for the years ended June 30, 2025 and 2024, respectively. In addition, the City pays Authority and Issuer fees to the Corporation related to bonds issued by the LBRA that the Corporation is responsible for administrating in the amount of \$50,687 and \$289,913 for the years ended June 30, 2025 and 2024, respectively. There were outstanding invoices due from the City of Lansing related to LBRA administration service fees, authority fees, and issuer fees in the amounts of \$429,173 and \$409,596 at June 30, 2025 and 2024, respectively, presented on the statements of financial position as part of administration fees receivable. The Corporation and LBRA share a common Board of Directors.

The Corporation contracted with M3 Group, LLC for marketing and brand creation. One of the board members is an employee of M3 Group, LLC, but did not work on the project. Total payments made to M3 Group, LLC during the year ended June 30, 2025 and 2024 totaled \$14,350 and \$2,500, respectively.

#### *Contracts with the City of Lansing*

As discussed in Note 1, the Corporation's Board of Directors is appointed by the Mayor of the City of Lansing, Michigan, with the advice and consent of the Lansing City Council.

The Corporation administers economic development activities that benefit the citizens of the Greater Lansing area under a contract with the City of Lansing. Payments received from the City of Lansing totaled \$300,000 for the years ended June 30, 2025 and 2024 under this agreement and are classified as contractual revenue on the statements of activities.

The Corporation entered into annual agreements for a Facade Improvement Grant Program from the City of Lansing to allow property owners, tenants and others to apply for matching grant funds to make permanent improvements to commercial building exteriors located in the City of Lansing. Revenue was recognized in the amount of \$175,000 during the year ended June 30, 2025 and 2024, of which \$373,380 remains in net assets with donor restrictions at June 30, 2025. There were no outstanding reimbursement requests with the City of Lansing related to this program at June 30, 2025.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Financial Statements

### 6. CONDUIT DEBT OBLIGATIONS

Not included in the accompanying financial statements are various conduit debt obligations issued under the name of the Corporation. The bonds are not secured by or payable from revenues or assets of the Corporation. The faith and credit of the Corporation is not pledged to the payment of the principal of and interest on bonds nor is the Corporation in any manner obligated to make any appropriations for payments on these bonds. The aggregate principal amount of conduit debt obligations outstanding related to the Phoenix Development Partners for the Accident Fund Parking Ramp were \$2,850,000 and \$5,035,000 as of June 30, 2025 and 2024, respectively.

### 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions subject to expenditures for specified purposes are as follows as of June 30:

	2025	2024
Façade improvement program	<u>\$ 373,380</u>	<u>\$ 208,080</u>

### 8. RETIREMENT PLAN

The Corporation offers its employees a defined contribution pension plan created in accordance with Section 401(k) of the Internal Revenue Code. The plan is available to all full-time team members who meet guidelines as established by the designated plan provider and the Internal Revenue Service (IRS). The Corporation may contribute a fixed percentage of base salary into an eligible team member's plans, at a rate to be determined on an annual basis by the President and CEO. The rate for 2025 and 2024 was 6%. The Corporation contributed \$31,635 and \$23,351 to the plan for the years ended June 30, 2025 and 2024, respectively.



The Economic  
Development  
Corporation of  
the City of  
Lansing



Year Ended  
June 30, 2025

Single Audit Act  
Compliance

**Rehmann**

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

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## INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

March 30, 2026

Board of Directors  
The Economic Development Corporation  
of the City of Lansing  
Lansing, Michigan

We have audited the financial statements of ***The Economic Development Corporation of the City of Lansing*** (the "Corporation"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Rehmann Lobson LLC*



**THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING**

**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2025

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Treasury</b> COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COL	-n/a-	<u>\$ 843,655</u>

See notes to schedule of expenditures of federal awards.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Notes to Schedule of Expenditures of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of *The Economic Development Corporation of the City of Lansing* (the "Corporation") under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Corporation.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Corporation's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### 2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the Corporation has not elected to use the de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. PASS-THROUGH AGENCY

The Corporation receives certain federal grants as subawards from a non-federal entity. The pass-through entity has been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
----------------------------------	--------------------------

COL City of Lansing, Michigan



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

March 30, 2026

Board of Directors  
The Economic Development Corporation  
of the City of Lansing  
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 Economic Development Corporation of the City of Lansing*** (the "Corporation"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2026.

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

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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



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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

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

March 30, 2026

Board of Directors  
The Economic Development Corporation  
of the City of Lansing  
Lansing, Michigan

### Report on Compliance for the Major Federal Program

#### *Opinion on the Major Federal Program*

We have audited the compliance of ***The Economic Development Corporation of the City of Lansing*** (the "Corporation"), with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Corporation's major federal program for the year ended June 30, 2025. The Corporation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

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

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

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.



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

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

### ***Independent Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 through 2025-004. Our opinion on the major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Corporation's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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

Our consideration of internal control over compliance was for the limited purpose described in the Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 through 2025-004 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the Corporation's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

***Purpose of this Report***

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

*Rehmann Loborn LLC*

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes     X     no

Significant deficiency(ies) identified?            yes     X     none reported

Noncompliance material to financial statements            yes     X     no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?            yes     X     no

Significant deficiency(ies) identified?     X     yes            none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

    X     yes            no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs:

    \$    750,000    

Auditee qualified as low-risk auditee?

           yes     X     no

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

### SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### 2025-001 - Charging of Indirect Costs to Federal Program

**Finding Type.** Immaterial Noncompliance / Significant Deficiency in Internal Control over Compliance (Allowable Cost/Cost Principles).

**Program.** Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027; Passed through the City of Lansing.

**Criteria.** When calculating an indirect cost application rate, the rate must be determined using actual costs. Budgeted costs may be used only if there is a process to true up to actual costs periodically.

**Condition.** The Corporation used budgeted amounts as direct costs for calculating the administrative cost charged to the grant. When recalculated using actual costs, the amount calculated did support the amount charged, but the control system and methodology was not in compliance with federal cost principles.

**Cause.** This condition was caused by a lack of understanding of the cost principles applicable to the charging of indirect costs to federal programs.

**Effect.** As a result of this condition, the Corporation had an increased risk of charging an unallowable amount of indirect cost to the federal award.

**Questioned Costs.** No costs are required to be questioned as a result of this finding, inasmuch as the recalculation with actual costs did not result in the grant being overcharged.

**Recommendation.** We recommend that grant staff become better acquainted with the portion of the Uniform Guidance that deals with the allocation of indirect costs.

**View of Responsible Officials.** Management will use actual costs of the prior year audited financial books to determine indirect / other administrative cost rates charged to the grant. If administrative costs are charged to the grant prior to audited financial records are available, they shall be re-calculated when the audited financial records are available and an adjustment made.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### 2025-002 - Suspension and Debarment Checks

**Finding Type.** Immaterial Noncompliance / Significant Deficiency in Internal Control over Compliance (Procurement, Suspension and Debarment).

**Program.** Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027; Passed through the City of Lansing.

**Criteria.** Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR 180.220.

**Condition.** Although the Corporation provided debarment check documentation from [www.sam.gov](http://www.sam.gov) showing all vendors tested were not under any active exclusions, these checks were not done prior to entering into a contract with these vendors.

**Cause.** This condition was caused by a lack of understanding of the procurement and suspension and debarment requirements applicable to federal programs.

**Effect.** As a result of this condition, the Corporation had an increased risk of contracting and doing business with entities that were suspended or debarred from federal award work.

**Questioned Costs.** No costs are required to be questioned as a result of this finding, inasmuch as no suspended or debarred entities were found.

**Recommendation.** We recommend that the Corporation periodically check vendors that have or may reach the \$25,000 threshold with [www.sam.gov](http://www.sam.gov) for potential exclusions from federal work. We further recommend that the Corporation do a similar check for each entity for which they are entering into a purchase contract for \$25,000 or more, before signing the contract.

**View of Responsible Officials.** Management will perform and document debarment checks for all contracts for goods or services expected to equal or exceed \$25,000, or if a contract requires the consent of an official of a federal agency, or meets certain other criteria as specified in 2 CFR 180.220. We will also incorporate in future contracts for which this requirement applies, so that the vendor certifies that they are not suspended or debarred.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### 2025-003 - Quarterly Report Reconciliation and Independent Review and Approval of Reporting

**Finding Type.** Immaterial Noncompliance / Significant Deficiency in Internal Control over Compliance (Reporting).

**Program.** Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027; Passed through the City of Lansing.

**Criteria.** The subrecipient is required to submit quarterly project and expenditure reports to the pass-through agency throughout the life of the grant. Reported information should be supported by the entity's accounting records and subjected to an independent review and approval prior to submission in order to detect and correct any errors or omissions.

**Condition.** Quarterly reported cumulative expenditures do not reconcile to total expenditures reported in the financial records for fiscal years 2023 through 2025. In addition, total fiscal year expenditures per quarterly reporting do not reconcile to the current year general ledger for the federal program. Further, there does not appear to be any evidence of a review or reconciling process being done at the time reports are created.

**Cause.** This condition was caused by the reporting process not taking the reconciled general ledger balances into account when preparing the reports and lack of understanding by program staff of the specific requirements over reporting.

**Effect.** As a result of this condition, the Corporation had increased risk of communicating inaccurate information to the pass-through agency.

**Questioned Costs.** No costs are required to be questioned as a result of this finding, inasmuch as no unallowed costs were noted in our transactional testing.

**Recommendation.** We recommend that all financial reporting to grantor agencies or pass-through agencies be reviewed by an individual independent of the report preparation. We further recommend that the reviews include reconciling amounts to the general ledger. Copies of the general ledger and any reconciling items should be retained for review by auditors or other program reviewers.

**View of Responsible Officials.** Management will perform reviews of expenditure reports, including reconciling them to the general ledger for the company, not less often than quarterly. We will also attach a copy of the supporting general ledger transactions to each quarter's report.

# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### 2025-004 - Written Policies Required by the Uniform Guidance

**Finding Type.** Immaterial Noncompliance / Significant Deficiency in Internal Control over Compliance (Allowable Costs/Cost Principles, Cash Management and Procurement, Suspension and Debarment).

**Program.** Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027; Passed through the City of Lansing.

**Criteria.** The Uniform Guidance requires a non-federal entity that has expended federal awards for a grant awarded on or after December 26, 2014 to have written policies pertaining to various areas, including: 1) Payments (draws of federal funds and how to minimize the time elapsing between the receipt of federal funds and the disbursement to contractors/employees/subrecipients) (§200.302 (6)); 2) Procurement (including bidding and a conflict of interest policy) (§200.318); 3) Allowability of costs charged to federal programs (§200.302 (7)); 4) Compensation (personnel and benefits policy) (§200.430 and §200.431); and 5) Travel costs (including mileage and per diem) (§200.474).

**Condition.** Although the Corporation has processes in place to cover all of these areas, the Corporation has no formal written policies covering payments, procurement or allowable costs that address all of the areas required by the Uniform Guidance.

**Cause.** This condition appears to be the result of a lack of understanding of the written policy requirements contained in the Uniform Guidance.

**Effect.** As a result of this condition, the Corporation did not fully comply with requirements of the Uniform Guidance.

**Questioned Costs.** No costs were required to be questioned as a result of this finding inasmuch as our testing did not reveal any unallowed costs.

**Recommendation.** We recommend that the Corporation draft and implement the required policies as soon as practical, but no later than the end of fiscal year 2026.

**View of Responsible Officials.** Management will draft and implement the required policies covering payments, procurement, and allowable costs that address all the areas required by the Uniform Guidance and follow them.



# THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF LANSING

## Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2025

An audit subject to the Uniform Guidance was not required and therefore no matters were reported.

