AGENDA

Committee of the Whole
AGENDA FOR JANUARY 23, 2023 AT 5:00 PM

Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor
To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting..

Council Member Wood, Chairperson
Council Member Garza, Vice Chairperson

1. Call to Order

2. Roll Call

3. Minutes

A. January 9, 2023

4. Public Comment on Agenda Items (Up to 3 Minutes)

5. Presentations:

B. Ingham County Prosecutor - John Dewane

C. Auditor Presentation - Maner Costerisan

6. Other

7. Adjourn

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

MINUTES
Committee of the Whole
Monday, January 9, 2023 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Wood called the meeting to order at 5:30 p.m.

PRESENT
Council Member Carol Wood
Council Member Jeremy Garza
Councilmember Adam Hussain
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Ryan Kost

OTHERS PRESENT
Sherrie Boak, Council Office Manager
Jane DiSessa, Deputy Mayor
Jim Smiertka, City Attorney
Lisa Hagen-Lawrence, OCA
Andy Kilpatrick, Public Service
Eric Sudol
Stan Shuck
Desiree Kirkland
Scott Keith, LEPFA
Chris Swope, City Clerk
Daphine Whitfield, ARPA Fund Manager

Minutes
MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM DECEMBER 12, 2022, AS PRESENTED. MOTION CARRIED 8-0.

Public Comment
Mr. Shuck spoke on the “chip sealing” process on streets in the City and his frustration with the quality of the work performed by the contractor.

Presentations
2022 Street Project Updates and 2023 Planning Street Projects
Mr. Kilpatrick acknowledged Council for the opportunity. Mr. Kilpatrick then went through the handout which included a project map, the project summary that outlined the location, type,

length, cost start and projected finish date. Mr. Kilpatrick stated if they wanted detailed breakdowns they can in the future.

Council Member Garza asked about a project on Northrup, and if there was information on the application process, and details on sweeping of chip and seal. He asked for what the application of the material is. Mr. Kilpatrick provided examples of chip seal in rural roads, they do not sweep because there is a gravel shoulder. In the City there is a "fog" seal because there are curb and gutter, and in this case there was not a specification on when contractor had to come back for the fog. In that case, there could have been more stone that left then the City wanted, they would have liked 2-3 weeks for stone to get into the cracks and then sweep. They will start placing that requirement in the bids in the future so the contract or comes back in a more timely fashion. Council Member Wood, if not sweeping and going into the storm gutter, does it not then go into the drains and clogging. Mr. Kilpatrick confirmed it is a possibility not a guarantee it will get in the drain. In those drains there is a catch basin, and they do some cleaning those out just not as frequently. The storm sewers will flush themselves out faster because of the rain pattern. Council Member Jackson asked about the timing of the projects on Cooper Street as well. Mr. Kilpatrick stated he would have to check on the project engineer.

Council Member Spadafore stepped away at 5:45 p.m.

Mr. Kilpatrick stated he would look at dates for specific streets and let Council aware. Council Member Jackson asked if they did not come back, was it out of their contract. Mr. Kilpatrick confirmed that the City did not list a "time between applications" in their specifications. What currently the City is a "final completion date". Council Member Jackson asked if there is a best practice, and if they go outside of that they are in fault. Mr. Kilpatrick confirmed there is, but if it is not in the contract they cannot go back on them.

Council Member Spitzley asked what recourse does a neighborhood have; what can they do to get it evaluated. Mr. Kilpatrick stated on the Public Service website where the construction map is, each project lists the project engineer, and that is best way to get in contact with that contractor and project engineer.

Council Member Spadafore returned at 5:49 p.m.

Council Member Spitzley asked Public Service to look at the 800 block of Cooper Street.

Council Member Hussain acknowledged the City addressing the deficiencies on the practice, but asked if there is a "claw back" on the contractor not meeting the quality for what the contract was for. Mr. Kilpatrick confirmed the projects have not been closed out yet, but if it is not in writing it is hard to enforce.

Council Member Spitzley stepped away at 5:50 p.m.

Council Member Hussain asked about the Miller Road project with the mounding and the man covers. Mr. Kilpatrick acknowledged they are looking at that project and not sure if it would be in the contract.

Council Member Spitzley returned to the meeting at 5:51 p.m.

Council Member Hussain asked how which projects get funded in each construction season. Mr. Kilpatrick noted in major streets that get federal funding, they look at projects that might have sewer or water, and generally might have $1.5 million per year, and try to get larger projects. Council Member Hussain where the complaints and the pacer rating come into consideration. Mr. Kilpatrick noted they to consider, but they try to spread throughout the City, but certain maintenance projects depending on pacer rating they might not do because the road has failed. Council Member Hussain spoke in opposition to location of projects, noting in his opinion there is not a lot of projects in the 3rd and 2nd Ward compared to the North.

Council Member Garza asked about why Schafer project was so expensive, but other areas were not. Mr. Kilpatrick stated it was the cost of the entire project, but not by foot or mile of specific street. He offered to do a breakdown on a per foot basis.

Council Member Brown asked about the process with contracting and prevent the current challenge going forward. Mr. Kilpatrick stated with a new type of work, they will use other practices from other areas and modify for the City. The contract and specifications has a timeline and completion date, however if they start they have to finish out, and if they don't the City has liquidated procedures. In general there is a 12 month performance contingency. Council Member Brown asked if there are public sites where the public can list where they want projects, and where the City can justify where they chose.

Council Member Kost asked about the chip and seal lifespan. Mr. Kilpatrick stated it depends on the volume of the street, but expect 5-8 years. Council Member Kost voiced his concern of multiple roads that are not lasting under this type of treatment. He then asked about turn around time on pot hole filling right now. Mr. Kilpatrick stated 24-48 hours. Council Member Kost referenced the use of Lansing Connect and if they are going through, specifically on Sheldon. Mr. Kilpatrick asked for a specific house or complaint number to check on.

Council President Wood referenced Pennsylvania and what the hold up on this area and why. In addition she asked about the reconfiguration in the project. Mr. Kilpatrick stated this project has water main also, the contract went through MDOT, there was pipe supply chain orders, cement shortage with the concrete work, and so at the end of the season that was why the curb gutter and sidewalk was delayed. The configuration was done for the end of season and will go back to 2 lane when project is done next year. Council President Wood suggested a "speed bump" sign for the mound mentioned earlier at Miller.

<u>Mayor ARPA Community Grants Awards- Overview on Determination</u>

Ms. DiSessa stated they did receive a great response on the applications, and then outlined the number of applications. She began with the process of a total of 67 applications and $17,829,00 in the terms for the amount request of the $1.9 million. The intent of the ARPA funds is to provide support to respond to the COVID-19 impacts. On November 21, 2022 the ARPA Committee convened and reviewed the 67 applications, of those they recommended 27. As far as process, the prime directive was to review the qualify applications, and when reviewing they agreed to protocols. That was in addition to the questions on the applications. Those included did the request comply with ARPA regulations, it fell under ARPA usage category code, and use the Matrix as a guide. The Committee reviewed the matrix in the packet. Ms. DiSessa stated that as of today, all applicants have been informed. For those that did not meet qualifications, they were provided with recommendations for other funding that they may qualify for. The qualified applicants have received information on how to meet the ARPA guidelines. Ms. Daphine Whitfield was present as the ARPA Fund Manager.

Council President Wood asked for copies of the individual matrix for each applicant so they can explain how the scoring was done for the results.

Council Member Hussain asked if they got tailored feedback, and Ms. DiSessa confirmed they did. Ms. DiSessa noted that the matrix is one part of the evaluation, and when looking at other items such as ARPA qualifications and qualifications under the code. They also looked to make sure they served the citizens of Lansing.

Ms. Whitfield acknowledged that she was not part of the review process, and she is currently doing follow up with those that received funding and those that did not. She confirmed she has received positive feedback. She added that during the application process she spoke to many applicants and during that process they knew the "ask" was incredible, and informed them then that if they do not receive the funds, to reach back out and the City can assist with helping them other resources. The letters went out the week of January 3, 2023 and she has started verbal communications with people this week.

Council Member Jackson referenced the list of awarded applications, specifically Riverwalk Theatre, and how they obtain. Ms. Whitfield outlined the ARPA review qualifications, and Riverwalk lost revenue which met the requirement. Ms. DiSessa it is a non-profit entity, they provide services to the community and they met ARPA regulations. It also depends on what they asked for and it might not have qualified for ARPA.

Council Member Brown asked about what all the factors are.

Council Member Garza stepped away at 6:30 p.m.

Council Member Brown noted there is an interest in the score card, and the full picture on how the Committee looked at it.

Council Member Garza returned to the meeting at 6:31 p.m.

Ms. DiSessa reiterated that the key qualification was to meet the ARPA regulations, especially when they meet the future reporting. They also had to fall under a specific usage category code. Council Member Brown asked why some were not qualified and those details. Ms. DiSessa stated if they do not meet ARPA qualifications they were not funded, and that could include the project or fund request did not meet the ARPA qualifications.

Council President Wood asked again for the breakdown.

Ms. Whitfield stated a lot of people were disqualified due to the definition of ARPA, and Council President Wood stated Council needs details to explain to the public. Ms. DiSessa stated they applications that were awarded did meet all the top 3 qualifications.

Council Member Hussain asked how the Committee decided on the final amounts for the applications. Ms. DiSessa stated sometime they submitted a request with the breakdown, and looking at ARPA qualifications some of their projects did not qualify so they did not get the full funds.

Discussion/Action

RESOLUTION – Appointment; Eric Sudol; At Large Member; LEPFA for a term to Expire Jun 30, 2025

Mr. Sudol introduced himself, noting he has been in hospitality for over 35 years, and at the Marriott for 28 years. He has been appointed by the Visitors Convention Bureau Board to serve on the LEPFA Board, and has an interest in serving.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF ERIC SUDOL TO LEPFA FOR A TERM TO EXPIRE JUNE 30, 2025. MOTION CARRIED 8-0.

RESOLUTION – Outside Legal Counsel – Board of Trustees of the City of Lansing Employee's Retirement System and the City of Lansing Police and Fire Retirement System
Council President Wood outlined the resolution adding VanOverbeke, Michaud & Timmony, P.C.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION FOR THE ADDITION OF OUTSIDE LEGAL COUNSEL FOR THE RETIREMENT BOARD. MOTION CARRIED 8-0.

CLOSED SESSION
MOTION BY COUNCIL MEMBER GARZA AT 6:44 p.m. pursuant to MCL 15.268(h), City Council will recess into closed session to consult with the City Attorney to consider material exempt from discussion or disclosure by State Statute. Specially to discuss a written legal opinion from the City Attorney provided under attorney-client privilege and attorney work-product, and which is also exempt from discussion under the Freedom of Information Act pursuant to MCL 15.243(g). Deputy Mayor DiSessa will also be included in this Closed Session.

ROLL CALL VOTE, MOTION CARRIED 7-1.

RECONVENE
Council President Wood reconvened the meeting at 7:07 p.m.

Adjourn
The meeting adjourned at 7:08 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee

City of Lansing
Year Ended June 30, 2022

Audit Presentation

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

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors

SETTING THE STANDARD FOR QUALITY GOVERNMENTAL AUDITS

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City of Lansing
Michigan

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Opinions

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

Responsibilities of Management of the Financial Statements

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

Audit Objective

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

Auditor's Responsibility for the Audit of the Financial Statements

- Express opinions on the financial statements based on our audit

CITY OF LANSING
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 44,330,183	$ 3,188,457	$ 47,518,640	$ 18,909,171
Equity in pooled cash and investments	63,438,072	15,510,034	78,948,106	7,552,207
Cash and cash equivalents, restricted	2,992,454	2,441,780	5,434,234	5,097,644
Current portion of receivables, net	19,370,703	8,559,994	27,930,697	1,165,675
Due from other governmental units	22,567,378	26,101,046	48,668,424	114
Internal balances	(4,268,394)	4,268,394	-	-
Inventories	1,879,085	467,401	2,346,486	72,221
Prepaids	2,267,302	-	2,267,302	62,598
Total current assets	152,576,783	60,537,106	213,113,889	32,859,630
Noncurrent assets				
Noncurrent portion of receivables, net	19,718,161	17,867,866	37,586,027	100,487
Investments - restricted	-	-	-	14,827
Capital assets not being depreciated	48,963,925	33,527,775	82,491,700	-
Capital assets, net of accumulated depreciation	158,878,808	309,874,601	468,753,409	86,948
Total noncurrent assets	227,560,894	361,270,242	588,831,136	202,262
TOTAL ASSETS	380,137,677	421,807,348	801,945,025	33,061,892
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	228,881	3,962,798	4,191,679	-
Deferred outflows of resources related to pensions	51,094,001	2,455,787	53,549,788	-
Deferred outflows of resources related to OPEB	44,986,680	1,736,424	46,723,104	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	96,309,562	8,155,009	104,464,571	-
LIABILITIES				
Current liabilities				
Accounts payable	16,329,860	6,512,718	22,842,578	4,560,121
Accrued payroll	3,402,638	192,504	3,595,142	-
Deposits payable	-	81,782	81,782	-
Due to other governmental units	1,770,692	-	1,770,692	8,041,034
Claims incurred but not reported	1,500,000	-	1,500,000	-
Indemnity bonds	43,867	-	43,867	-
Other accrued liabilities	2,041,114	-	2,041,114	403,742
Accrued interest payable	603,045	2,202,129	2,805,174	278,754
Unearned revenue	39,680,581	-	39,680,581	459,428
Current portion of compensated absences	1,146,442	68,559	1,215,001	-
Current portion of long-term obligations	4,056,034	12,159,780	16,215,814	2,833,569
Total current liabilities	70,574,273	21,217,472	91,791,745	16,576,648

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

CONTINUED

CITY OF LANSING
STATEMENT OF NET POSITION (concluded)
JUNE 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES (concluded)				
Noncurrent liabilities				
Noncurrent portion of compensated absences	$ 9,816,316	$ 814,674	$ 10,630,990	$ -
Noncurrent portion of long-term obligations	58,585,005	102,759,270	161,344,275	79,075,774
Accrued interest payable, net of current portion	-	-	-	95,898
Net pension liability	344,666,086	27,293,809	371,959,895	-
Net other post-employment benefits liability	233,243,153	15,038,900	248,282,053	-
Total noncurrent liabilities	646,310,560	145,906,653	792,217,213	79,171,672
TOTAL LIABILITIES	716,884,833	167,124,125	884,008,958	95,748,320
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	4,897,680	657,358	5,555,038	1,131,356
Deferred inflows of resources related to OPEB	146,116,196	6,097,388	152,213,584	-
TOTAL DEFERRED INFLOWS OF RESOURCES	151,013,876	6,754,746	157,768,622	1,131,356
NET POSITION (DEFICIT)				
Net investment in capital assets	159,442,216	232,446,124	391,888,340	25,864
Restricted				
Public safety	729,503	-	729,503	-
Public works	20,769,263	-	20,769,263	-
Community development	401,620	-	401,620	-
Building department	4,366,574	-	4,366,574	-
Debt service	29,361	2,441,780	2,471,141	-
Revelopment projects	-	-	-	5,017,644
Cooley stadium capital projects	-	-	-	80,000
Endowments (nonexpendable)	1,805,027	-	1,805,027	-
Unrestricted	(578,995,034)	21,195,582	(557,799,452)	(68,941,292)
TOTAL NET POSITION (DEFICIT)	$ (391,451,470)	$ 256,083,486	$ (135,367,984)	$ (63,817,784)

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

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN TOTAL PENSION LIABILITY									
Service cost	$ 2,827,879	$ 2,943,847	$ 2,738,099	$ 2,719,559	$ 2,538,487	$ 2,711,461	$ 2,977,084	$ 2,857,948	$ 2,982,624
Interest	21,523,899	21,890,652	21,360,398	21,512,099	21,994,837	22,403,009	22,268,516	22,671,909	22,722,630
Difference between expected and actual experience	(4,473,505)	(2,504,529)	7,219,344	(2,559,726)	(6,451,827)	(23,183,264)	(4,937,823)	(6,422,330)	-
Changes of assumptions	-	7,666,292	-	-	3,099,448	3,706,512	7,575,775	-	-
Benefit payments, including employee refunds	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)	(22,462,587)	(22,790,522)
Net Change in Total Pension Liability	(4,463,818)	5,680,007	7,210,938	(1,798,108)	(1,921,279)	(17,275,496)	5,023,103	(3,355,060)	2,914,732
Total Pension Liability, beginning	316,621,592	310,941,585	303,730,647	305,528,755	307,450,034	324,725,530	319,702,427	323,057,487	320,142,755
Total Pension Liability, ending	$ 312,157,774	$ 316,621,592	$ 310,941,585	$ 303,730,647	$ 305,528,755	$ 307,450,034	$ 324,725,530	$ 319,702,427	$ 323,057,487
CHANGE IN PLAN FIDUCIARY NET POSITION									
Contributions - employer	$ 13,494,287	$ 12,649,529	$ 10,698,401	$ 10,880,932	$ 10,843,000	$ 10,246,872	$ 10,181,620	$ 10,547,556	$ 9,361,009
Contributions - employee	1,289,306	1,172,409	1,286,273	1,220,657	1,230,857	1,216,519	1,088,943	1,128,120	1,290,678
Net investment income (loss)	(15,129,738)	36,047,284	(540,861)	8,437,568	9,679,565	17,412,568	(2,790,190)	4,399,543	17,887,635
Benefit payments, including employee refunds	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)	(22,462,587)	(22,957,379)
Administrative expenses	(66,474)	(20,367)	(34,016)	(42,364)	(57,822)	(47,217)	(126,486)	(174,818)	(741,037)
Net Change in Plan Fiduciary Net Position	(24,754,710)	25,532,600	(12,697,106)	(2,973,247)	(1,406,624)	5,915,528	(14,506,562)	(6,562,186)	4,840,906
Plan Fiduciary Net Position, beginning	178,421,063	152,888,463	165,585,569	168,558,816	169,965,440	164,049,912	178,556,474	185,118,660	180,277,754
Plan Fiduciary Net Position, ending	$ 153,666,353	$ 178,421,063	$ 152,888,463	$ 165,585,569	$ 168,558,816	$ 169,965,440	$ 164,049,912	$ 178,556,474	$ 185,118,660
City's Net Pension Liability	$ 158,491,421	$ 138,200,529	$ 158,053,122	$ 138,145,078	$ 136,969,939	$ 137,484,594	$ 160,675,618	$ 141,145,953	$ 137,938,827
Plan fiduciary net position as a percentage of the total pension liability	49.23%	56.35%	49.17%	54.52%	55.17%	55.28%	50.52%	55.85%	57.30%
Covered payroll	$ 24,509,599	$ 26,001,896	$ 24,304,971	$ 23,265,437	$ 22,672,891	$ 20,901,389	$ 23,085,894	$ 19,769,460	$ 21,521,242
City's net pension liability as a percentage of covered payroll	646.7%	531.5%	650.3%	593.8%	604.1%	657.8%	696.0%	714.0%	640.9%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were several changes in actuarial assumptions during fiscal year 2022, based on an experience study completed in 2021, covering experience from 2015 through 2019. More details regarding actuarial assumptions can be found in the December 31, 2021 valuation reports for each system.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN TOTAL PENSION LIABILITY									
Service cost	$ 7,269,988	$ 6,961,705	$ 6,526,273	$ 6,801,669	$ 6,533,877	$ 6,133,683	$ 6,371,845	$ 6,350,378	$ 6,614,784
Interest	33,647,916	32,984,834	32,689,419	31,573,535	30,641,722	30,519,676	30,197,513	29,159,382	27,896,927
Changes of benefit terms	-	-	-	-	779	-	-	-	-
Difference between expected and actual experience	6,641,422	(2,944,445)	(1,062,537)	10,590,030	8,263,623	(19,308,117)	7,884,167	3,159,996	-
Changes of assumptions	-	24,025,142	-	-	1,647,044	25,078,592	3,281,341	-	-
Benefit payments, including employee refunds	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)	(27,969,021)	(26,270,724)
Net Change in Total Pension Liability	11,371,210	25,986,873	4,165,734	16,355,980	15,329,894	11,321,648	18,230,902	10,700,735	8,240,987
Total Pension Liability, beginning	491,508,579	465,521,706	461,355,972	444,999,992	429,670,098	418,348,450	400,117,548	389,416,813	381,175,826
Total Pension Liability, ending	$ 502,879,789	$ 491,508,579	$ 465,521,706	$ 461,355,972	$ 444,999,992	$ 429,670,098	$ 418,348,450	$ 400,117,548	$ 389,416,813
CHANGE IN PLAN FIDUCIARY NET POSITION									
Contributions - employer	$ 19,609,552	$ 18,250,155	$ 15,457,647	$ 13,554,239	$ 12,686,000	$ 11,521,768	$ 10,884,312	$ 11,050,091	$ 11,248,857
Contributions - employee	2,722,350	3,207,122	3,459,452	3,485,891	2,650,019	2,840,914	2,608,214	2,950,832	2,911,896
Net investment income (loss)	(32,083,115)	68,910,089	1,047,240	17,943,950	19,937,149	32,116,305	(6,040,910)	8,965,080	34,016,621
Benefit payments, including employee refunds	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)	(27,969,021)	(26,852,038)
Administrative expenses	(88,992)	(24,177)	(41,599)	(53,318)	(77,237)	(50,996)	(128,903)	(173,849)	(1,141,506)
Net Change in Plan Fiduciary Net Position	(46,028,321)	55,302,826	(14,064,681)	2,321,508	3,438,780	15,325,805	(22,181,251)	(5,176,867)	20,183,830
Plan Fiduciary Net Position, beginning	335,439,636	280,136,810	294,201,491	291,879,983	288,441,203	273,115,398	295,296,649	300,473,516	280,289,686
Plan Fiduciary Net Position, ending	$ 289,411,315	$ 335,439,636	$ 280,136,810	$ 294,201,491	$ 291,879,983	$ 288,441,203	$ 273,115,398	$ 295,296,649	$ 300,473,516
City's Net Pension Liability	$ 213,468,474	$ 156,068,943	$ 185,384,896	$ 167,154,481	$ 153,120,009	$ 141,228,895	$ 145,233,052	$ 104,820,899	$ 88,943,297
Plan fiduciary net position as a percentage of the total pension liability	57.55%	68.25%	60.18%	63.77%	65.59%	67.13%	65.28%	73.80%	77.16%
Covered payroll	$ 31,354,796	$ 29,636,017	$ 28,977,408	$ 29,638,532	$ 28,435,952	$ 27,585,521	$ 27,078,405	$ 24,407,740	$ 25,611,974
City's net pension asset as a percentage of covered payroll	680.8%	526.6%	639.8%	564.0%	538.5%	512.0%	536.3%	429.5%	347.3%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were several changes in actuarial assumptions during fiscal year 2022, based on an experience study completed in 2021, covering experience from 2015 through 2019. More details regarding actuarial assumptions can be found in the December 31, 2021 valuation reports for each system.

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

	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY						
Service cost	$ 1,603,045	$ 1,560,141	$ 1,518,385	$ 1,477,747	$ 1,438,197	$ 1,550,428
Interest	10,562,939	11,335,921	13,143,168	12,990,219	13,221,134	12,976,683
Difference between expected and actual experience	-	(39,503,661)	(19,498,451)	-	(9,321,837)	-
Changes of assumptions	-	(66,716,444)	39,986,554	3,614,432	(2,727,829)	-
Benefit payments, including refunds of member contributions	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Net Change in Total OPEB Liability	3,815,932	(102,719,637)	24,704,778	7,508,910	(7,676,584)	4,410,518
Total OPEB Liability, beginning	153,400,498	256,120,135	231,415,357	223,906,447	231,583,031	227,172,513
Total OPEB Liability, ending	$ 157,216,430	$ 153,400,498	$ 256,120,135	$ 231,415,357	$ 223,906,447	$ 231,583,031
CHANGE IN PLAN FIDUCIARY NET POSITION						
Employer contributions	$ 10,643,555	$ 10,424,468	$ 11,461,488	$ 11,848,485	$ 11,436,222	$ 11,305,756
OPEB plan net investment income	(11,324,122)	11,001,355	4,366,514	3,040,683	4,329,577	5,209,669
Benefit payments, including refunds of member contributions	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Administrative expenses	(611,703)	(728,874)	(636,610)	(548,939)	(444,973)	(389,163)
Net Change in Plan Fiduciary Net Position	(9,642,322)	11,301,355	4,746,514	3,766,741	5,034,577	6,009,669
Plan Fiduciary Net Position, beginning	79,529,913	68,228,558	63,482,044	59,715,303	54,680,726	48,671,057
Plan Fiduciary Net Position, ending	$ 69,887,591	$ 79,529,913	$ 68,228,558	$ 63,482,044	$ 59,715,303	$ 54,680,726
Plan's Net OPEB Liability	$ 87,328,839	$ 73,870,585	$ 187,891,577	$ 167,933,313	$ 164,191,144	$ 176,902,305
Plan fiduciary net position as a percentage of the total OPEB liability	44.45%	51.84%	26.64%	27.43%	26.67%	23.61%
Covered payroll	$ 26,747,483	$ 24,292,037	$ 25,453,989	$ 23,720,424	$ 21,251,418	$ 20,901,289
Plan's net OPEB liability as a percentage of covered payroll	326.49%	304.09%	738.16%	707.97%	772.61%	846.37%

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

Assumption changes - there were no changes of assumptions in 2022.

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

	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY						
Service cost	$ 3,800,121	$ 3,698,415	$ 3,599,431	$ 3,503,096	$ 3,409,339	$ 3,749,359
Interest	13,536,620	15,112,018	15,551,609	15,565,892	15,994,328	15,584,783
Difference between expected and actual experience	-	(71,213,994)	18,584,560	-	(17,811,401)	-
Changes of assumptions	-	(162,399,773)	91,997,958	18,652,834	(7,445,354)	-
Benefit payments, including refunds of member contributions	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Net Change in Total OPEB Liability	9,380,270	(225,639,411)	116,601,160	25,450,808	(17,813,645)	8,268,702
Total OPEB Liability, beginning	193,491,109	419,130,520	302,529,360	277,078,552	294,892,197	286,623,495
Total OPEB Liability, ending	$ 202,871,379	$ 193,491,109	$ 419,130,520	$ 302,529,360	$ 277,078,552	$ 294,892,197
CHANGE IN PLAN FIDUCIARY NET POSITION						
Employer contributions	$ 9,974,904	$ 12,951,908	$ 14,971,737	$ 13,500,687	$ 13,163,201	$ 12,290,749
OPEB plan net investment income	(7,645,295)	3,408,741	2,998,056	290,543	3,572,965	3,487,200
Benefit payments, including refunds of member contributions	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Administrative expenses	(672,516)	(815,831)	(529,339)	(627,673)	(600,644)	(525,309)
Net Change in Plan Fiduciary Net Position	(6,299,378)	4,708,741	4,308,056	892,543	4,174,965	4,187,200
Plan Fiduciary Net Position, beginning	48,217,543	43,508,802	39,200,746	38,308,203	34,133,238	29,946,038
Plan Fiduciary Net Position, ending	$ 41,918,165	$ 48,217,543	$ 43,508,802	$ 39,200,746	$ 38,308,203	$ 34,133,238
Plan's Net OPEB Liability	$ 160,953,214	$ 145,273,566	$ 375,621,718	$ 263,328,614	$ 238,770,349	$ 260,758,959
Plan fiduciary net position as a percentage of the total OPEB liability	20.66%	24.92%	10.38%	12.96%	13.83%	11.57%
Covered payroll	$ 27,116,594	$ 29,636,017	$ 29,774,287	$ 28,435,953	$ 20,667,007	$ 27,585,521
Plan's net OPEB liability as a percentage of covered payroll	593.56%	490.19%	1261.56%	926.04%	1155.32%	945.27%

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

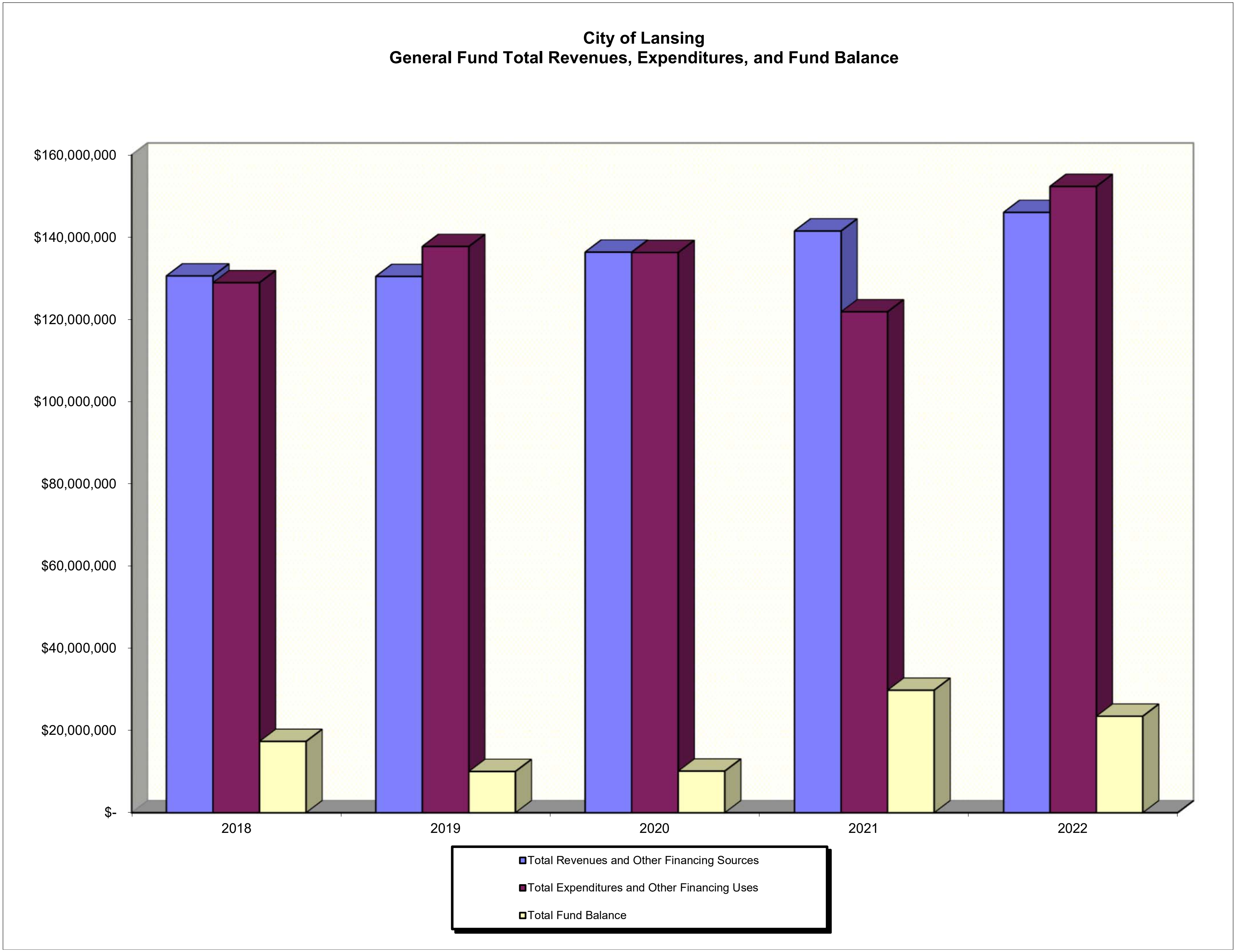
Assumption changes - there were no changes of assumptions in 2022.

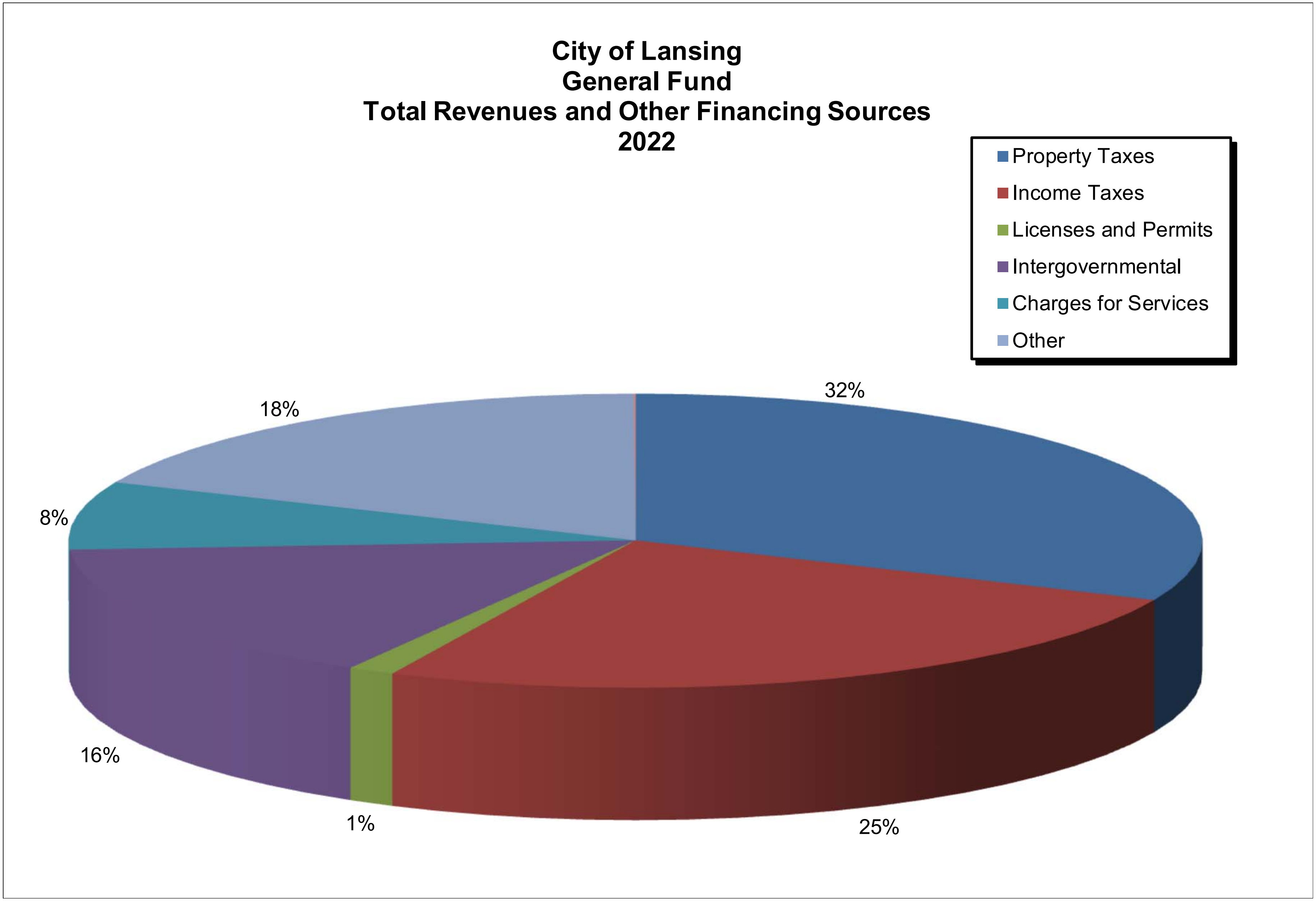
CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

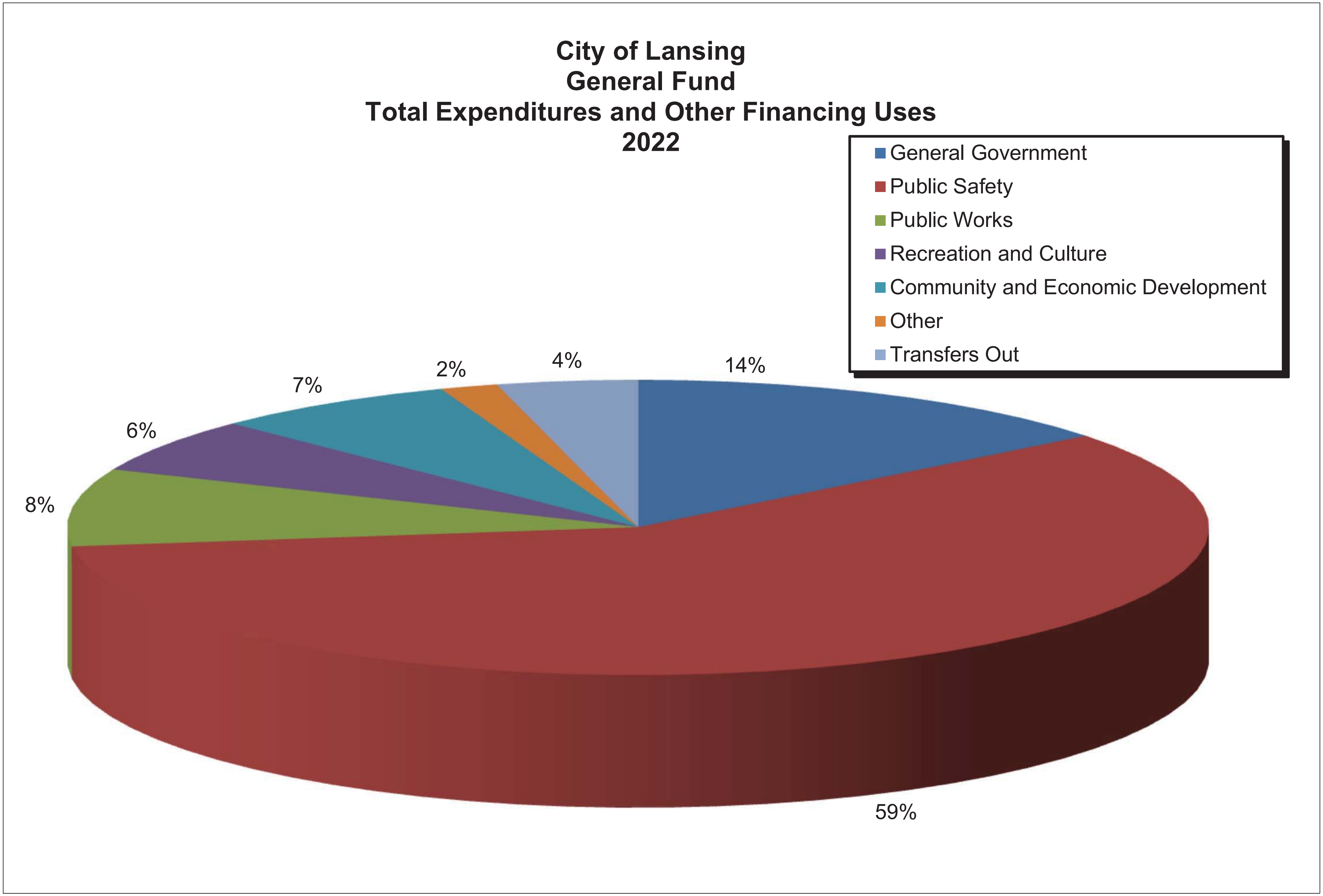
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 46,075,000	$ 46,075,000	$ 46,226,914	$ 151,914
Income taxes	29,380,800	37,241,000	37,087,593	(153,407)
Licenses and permits	1,715,600	1,720,100	1,932,281	212,181
Intergovernmental	20,168,000	20,718,000	22,818,693	2,100,693
Charges for services	8,941,350	9,086,850	10,925,736	1,838,886
Fines and forfeits	1,777,600	1,777,600	1,335,250	(442,350)
Interest and rents	210,000	210,000	268,225	58,225
Other				
Donations and contributions	25,065,000	25,378,614	25,213,665	(164,949)
Miscellaneous	19,048,000	173,000	139,730	(33,270)
TOTAL REVENUES	152,381,350	142,380,164	145,948,087	3,567,923
EXPENDITURES				
Current				
General government				
Attorney's office	2,450,461	3,964,001	2,311,544	1,652,457
City clerk	1,485,525	1,485,525	1,589,380	(103,855)
Council	664,446	664,446	630,820	33,626
Courts	6,614,859	6,614,859	6,320,992	293,867
Internal audit	194,724	194,724	178,413	16,311
Finance	6,384,489	6,384,489	5,928,898	455,591
Library rental	(1,265,000)	(1,265,000)	519,080	(1,784,080)
Human resources	2,572,681	2,572,681	2,195,657	377,024
Mayor	1,618,281	1,618,281	1,650,918	(32,637)
Office of community media	583,262	583,262	557,793	25,469
Contingency	300,000	-	-	-
Total general government	21,603,728	22,817,268	21,883,495	933,773
Public safety				
Police	49,911,211	50,004,825	49,770,377	234,448
Fire	38,811,479	38,811,479	39,436,031	(624,552)
Total public safety	88,722,690	88,816,304	89,206,408	(390,104)
Public works	12,677,987	12,677,987	12,941,208	(263,221)

CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (concluded)
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (concluded)				
Current (concluded)				
Recreation and culture	$ 9,017,392	$ 9,017,392	$ 9,134,233	$ (116,841)
Community and economic development				
Economic development & planning	6,083,740	6,268,740	5,971,011	297,729
Neighborhood & community engagement	1,232,199	1,332,199	1,288,676	43,523
Human relations/community services	1,934,094	1,934,094	1,700,434	233,660
Human services/community support	2,252,500	2,002,500	1,672,224	330,276
Total community and economic development	11,502,533	11,537,533	10,632,345	905,188
Debt service				
Principal	1,860,400	1,860,400	2,018,747	(158,347)
Interest and fiscal charges	541,620	541,620	469,743	71,877
Total debt service	2,402,020	2,402,020	2,488,490	(86,470)
TOTAL EXPENDITURES	145,926,350	147,268,504	146,286,179	982,325
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,455,000	(4,888,340)	(338,092)	4,550,248
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	102,000	102,000	-	(102,000)
Transfers in	100,000	100,000	100,000	-
Transfers out	(5,957,000)	(6,507,000)	(6,082,859)	424,141
TOTAL OTHER FINANCING SOURCES (USES)	(5,755,000)	(6,305,000)	(5,982,859)	322,141
NET CHANGE IN FUND BALANCE	700,000	(11,193,340)	(6,320,951)	4,872,389
Fund balance, beginning of year	29,772,753	29,772,753	29,772,753	-
Fund balance, end of year	$ 30,472,753	$ 18,579,413	$ 23,451,802	$ 4,872,389


City of Lansing
General Fund Total Revenues, Expenditures, and Fund Balance
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
2018
2019
2020
2021
2022
Total Revenues and Other Financing Sources
Total Expenditures and Other Financing Uses
Total Fund Balance


City of Lansing
General Fund
Total Revenues and Other Financing Sources
2022
Property Taxes
Income Taxes
Licenses and Permits
Intergovernmental
Charges for Services
Other
32%
25%
1%
16%
8%
18%


City of Lansing
General Fund
Total Expenditures and Other Financing Uses
2022
General Government
Public Safety
Public Works
Recreation and Culture
Community and Economic Development
Other
Transfers Out
14%
59%
8%
6%
7%
2%
4%

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Current Year Defeasances of Debt

On August 18, 2021, the City defeased the 2015 Ballpark Improvements Installment Purchase, which were due and payable through 2030. This was accomplished by establishing irrevocable trust with an escrow agent composed of U.S. Government Securities sufficient to meet the applicable principal and interest payments. The City issued 2021 Installment Purchase Agreement in the amount of $10,569,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As a result of the advance refunding, the City decreased its total debt service requirements by $468,598, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $325,899.

Prior Year Defeased Debt

As of June 30, 2022, defeased bonds related to the prior year refunding of the 2009 Building Authority Capital Appreciation Bonds were still outstanding in the amount of $1,009,386. The defeased bonds are scheduled to be paid by the escrow agent in installments on June 1 of years 2023 through 2024.

As of June 30, 2022, defeased bonds related to the prior year refunding of the 2018 Building Authority Refunding Bonds were still outstanding in the amount of $4,205,000. The defeased bonds are scheduled to be paid by the escrow agent in installments through 2027.

As of June 30, 2022, defeased bonds related to the prior year refunding of the 2014 TIFA and BA Refunding Bonds were still outstanding in the amount of $10,965,000. The defeased bonds are scheduled to be paid by the escrow agent in June 2024.

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2022.

	As restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	$ 27,958,180	$ 4,490,000	$ (2,818,880)	$ 29,629,300	$ 1,206,300
Notes from direct borrowings and direct placements					
Installment purchase agreements	9,156,735	23,069,000	(9,768,735)	22,457,000	1,409,000
Loans payable	7,660,461	-	(774,135)	6,886,326	793,620
	44,775,376	27,559,000	(13,361,750)	58,972,626	3,408,920
Deferred amounts for issuance premiums	663,565	-	(77,343)	586,222	-
Compensated absences	11,032,557	1,076,643	(1,146,442)	10,962,758	1,146,442
Accrued workers compensation	2,789,472	1,758,032	(1,465,313)	3,082,191	647,114
	$ 59,260,970	$ 30,393,675	$ (16,050,848)	$ 73,603,797	$ 5,202,476

NOTE 22 - SUBSEQUENT EVENT

Subsequent to year end, the State of Michigan approved two draws for the City of Lansing from the State Clean Water Revolving Fund Loan program. The draws were on July 14, 2022, in the amount of $4,528,834 and August 11, 2022, in the amount of $3,533,600.

Maner Costerisan

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiency to be a material weakness:

2022-001 MATERIAL JOURNAL ENTRIES

Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in early December 2022), each of which contained material corrections to previous trial balances. The City made improvements this year in recording material journal entries, but there still were several adjustments proposed subsequent to commencement of audit fieldwork. A similar issue was noted and reported last year as 2021-001.

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

Cause: Over the past several years, the City's Finance Department, who prepares the reconciliations of all accounts, has reduced in size due to budget reductions, staffing reductions, and staffing turnover. In addition, the Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City.

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

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

Corrective Action Response: The Finance Team will continue the efforts begun this year regarding the identification and correction of potential errors in the financial statements prior to the beginning of future audits. The Finance Team will meet to review adjustments made to this year's financial statements and bottlenecks that were encountered and will develop a plan to address the most significant issues in a more timely manner going forward. Within budget constraints, Management will look to increase staffing levels and/or obtain temporary assistance earlier in the fiscal year, both within the Finance Department as well as other key departments, in order to perform more timely analyses of the various account balances. In FY23, Finance will also begin working on the implementation of a new General Ledger software package, which ultimately will also help to resolve this issue.

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. We consider the following deficiency described below to be a significant deficiency:

2022-002 PAYROLL PROCESS

Condition: The City has procedures in place to ensure that employees are being paid at the correct rate and for the actual number of hours worked, but much of the data entry of this process continues to be manual and payroll can be submitted and paid before applicable department management reviews and approves their departmental staff payroll data. While no inappropriate transactions were noted during our testing of the payroll process, this is a systemic issue. A similar issue was noted and reported last year as 2021-006.

Criteria: Payroll should be reviewed and approved prior to disbursement of funds.

2022-002 PAYROLL PROCESS (concluded)

Cause: Proper up-front detective internal controls over the payroll process were not put in place to prevent inaccurate amounts being paid to an employee.

Effect: Unauthorized amounts could be disbursed either as a result of an error or fraud and those transactions could go undetected by management until "after the fact".

Recommendation: We recommend an appropriate level of management, with no other access to the payroll process, be authorized to approve payroll for their respective departments. There also should be an overarching review of the payroll reports prior to each disbursement and that review should be documented.

Corrective Action Response: Payroll now runs a listing of all transactions entered manually into the payroll system outside of those entered on timecards. The report is reviewed, signed, and saved by the Payroll Tech and the Payroll and Benefits Administrator to confirm no errors are made in typing. In addition, a summary report of payroll totals is run and compared to prior payrolls for any significant differences. The report is reviewed, signed, and saved by the Payroll Tech and the Payroll and Benefits Administrator. The Human Resources Department, to whom Payroll reports, will work to implement appropriate corrective action over the payroll process at the department level, as noted above, through the implementation process of the new General Ledger software package, the beginning phase of which will start in FY23.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

2022-003 UNFAVORABLE BUDGET VARIANCES

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

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

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

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

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

2022-003 UNFAVORABLE BUDGET VARIANCES (concluded)

Corrective Action Response: The City will continue to make improvements in control of revenue and expenditures and budget conservatively in order to maintain the City's fiscal health. The Finance Department recently added a new Budget Director and Budget Analyst as part of its team and is working with departments to be more proactive and responsive to City needs and to identify necessary changes during the fiscal year. Correcting this issue will be one of their principal tasks. We will continue to work with the various departments to be more aware of the status of their actual vs budget status throughout the year. A decision was made to implement a new ERP system, which will also help with this in the future.

City of Lansing's Responses to Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Maner Costerisan PC

December 20, 2022

Questions?

Thank you for your time.

William I. Tucker IV, CPA
Principal

Tyler P. Baker, CPA
Senior Manager

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December 20, 2022

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to City Council dated November 9, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Lansing are described in Note 1 to the financial statements. As described in Note 20 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year ended June 30, 2022. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental activities, the business-type activities, the aggregate discretely presented component units, the General Fund, the Sewage Disposal System Fund, the Municipal Parking System Fund, and the aggregate remaining fund information was:

> Management's calculation of the fair market value of pooled investments, which is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, is generally measured by quoted market prices. The City's investments are carried at fair market value.
>
> Management's calculation of the percentages for the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
>
> Management's calculation of the income tax receivable balance is based on past experience utilizing the first 45 days collections of income tax withholdings.
>
> Management's calculation of the other accrued liability for claims payable balance is based on past experience and future expectation for payments of various legal claims against the City.

The most sensitive estimates affecting the governmental activities, the business-type activities, the aggregate discretely presented component units, the Sewage Disposal System Fund, the Municipal Parking System Fund, and the aggregate remaining fund information were:

> Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.
>
> Management's calculation of the net pension liability and changes therein was based on actuarial assumptions and the use of a specialist (actuary).
>
> Management's calculation of the percentages for current and noncurrent compensated absence payments is based on an estimate of the percentage of employees' use of compensated absences.
>
> Management's calculation of the net other post-employment benefits liability is calculated using the individual entry age actuarial method of calculation based upon certain actuarial assumptions.

The most sensitive estimate affecting the governmental activities and the aggregate remaining fund information was:

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

The most sensitive estimate affecting the Sewage Disposal System Fund, the Municipal Parking Fund, and business-type activities was:

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

<u>Other Matters</u>

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and the historical pension and other post-employment benefits supplementary information, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

<u>Restriction on Use</u>

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

Very truly yours,

Maner Costerisan PC

CITY OF LANSING, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

Andy Schor, Mayor

Prepared by:
Department of Finance

Chief Financial Officer/Finance Director
Desiree A. Kirkland

Controller
Jeffery D. Scharnowske

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CITY OF LANSING, MICHIGAN

LANSING CITY GOVERNMENT

Fiscal Year Ended June 30, 2022

MAYOR
Andy Schor

CITY COUNCIL
Adam Hussain, Council President, 3rd Ward
Carol Wood, Council Vice President, At Large
Peter Spadafore, At Large
Jeffrey Brown, At Large
Patricia Spitzley, At Large
Brian M. Daniels, 1st Ward
Jeremy A. Garza, 2nd Ward
Brian T. Jackson, 4th Ward

CLERK
Chris Swope

DISTRICT COURT JUDGES
Stacia Buchanan, Chief Judge
Kristen D. Simmons
Cynthia M. Ward
Tony Flores
Laura Millmore

OFFICERS

Chief Information Officer	Christopher Mumby
Chief Strategy Officer	Shelbi Frayer
Chief Labor Negotiator	Elizabeth O'Leary
City Assessor	Sharon Frischman
City Attorney	Jim Smiertka
Communications Director	Scott Bean
City Treasurer/Chief Financial Officer	Desiree Kirkland
Court Administrator	Anethia Brewer
Deputy Mayor/Chief of Staff	Jane Bais DiSessa
Executive Assistant	Mark Lawrence
Economic Development & Planning Director	Brian McGrain
Fire Chief	Brian Sturdivant
Human Relations & Community Service Director	Kimberly Coleman
Human Resources Director	Linda Sanchez-Gazella
Neighborhoods & Citizen Engagement	DeLisa Fountain
Parks & Recreation Director	Brett Kaschinske
Police Chief	Ellery Sosebee
Public Service Director	Andrew Kilpatrick

Andy Schor, Mayor

2021 FINANCE DEPARTMENT
124 W. Michigan Ave., 8th Floor
Lansing, Michigan 48933
517.483.4500

December 20, 2022

Council President Adam Hussain and Council Members
10th Floor City Hall
Lansing, Michigan 48933-1694

Dear President Hussain and Council Members,

The Finance Department is pleased to submit the comprehensive annual financial report for the City of Lansing, Michigan, for the fiscal year ended June 30, 2022.

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

The City's fiscal year 2021/2022 financial statements have been audited by Maner Costerisan, an independent firm of licensed, certified public accountants located within the Capital Region. The goal of the independent audit is to provide reasonable assurance that the financial statements for the City for the fiscal year-end June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures contained in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent audit concluded with the rendering of an unmodified opinion on the statements, meaning the financial statements present fairly and accurately in all material respects in conformity with the Generally Accepted Accounting Principles (GAAP). The Independent Auditor Report is presented as the first component of the financial section of this report.

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

Profile of the City of Lansing

Serving as Michigan's capital since 1848, the City of Lansing was incorporated in 1859 and operates under provisions of Public Act 279 of 1909, as amended (Home Rule City Act). The City incorporates 34.7 square miles and is located in Michigan's Lower Peninsula within the northwestern corner of Ingham County and the northeastern corner of Eaton County. The City operates under a mayor/council form of government, where the Mayor serves as the chief executive of the City and is elected on an at-large basis to serve a four-year term. Lansing is a mature core city with a population of 112,644 according to the 2020 census and offers a full range of services. During the fiscal year ended June 30, 2022, the City operated a police headquarters and precinct with 211 sworn police officers, six fire stations with a fire protection force of 170, over 365 miles of sanitary sewers, 239 miles of storm sewers and 184 miles of combined sewers, over 413 miles of roads, 113 parks, a District Court and support for human services and cultural events. The City's main sources of revenue are property taxes, income taxes, State revenue sharing, Federal entitlement grants and charges for services including utility billings.

Reporting Entity

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

Financial Management and Control

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

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

Financial results and applicable policies affecting year-end results for the fiscal year ended June 30, 2022 are discussed in the Management Discussion and Analysis (MD&A), located immediately following the Independent Auditor Reports.

Budgeting Controls

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

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

Local Economy

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

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

Some notable business expansion and real estate projects that are attributed to the success of the City's economic development include:

- In 2022 the Mayor announced $175,000 in funding for the Façade Improvement Program which assists businesses and property owners with matching grants to improve storefronts throughout Lansing's commercial corridors.

- The City's Arts grant program continues to support local arts and culture organizations including the Lansing Art Gallery, Impression 5, and the Lansing Symphony Orchestra. In addition, the City will be providing $167,500 of arts impact grants through the Fiscal Year 2021/2022 City of Lansing budget.

- City View Apartments, Building #1: The first phase of the City View project at the site of the former Lake Trust Headquarters (500 S. Capitol Ave.) opened for leasing in November. This adaptive reuse project includes 55 new residential units in downtown Lansing. The rest of the 500 Block redevelopment is nearing completion. This will be a $32 million development project in downtown Lansing and includes the creation of 172 multifamily apartment units scheduled for completion in 2023.

- Construction on the Temple Lofts project commenced in late 2020 and was completed in December 2022. This $10.5 million redevelopment of one of Old Town's most storied buildings includes the construction of 31 market-rate apartments, 4,000 square feet of first-floor office and commercial space

- 637 E. Michigan Ave. (former Clara's) Redevelopment: The $3,100,000 investment to restore an iconic Lansing train station includes nearly 6,000 SF of completely renovated commercial space. The building will be occupied by two new tenants, a recently opened Starbucks community store and Bobcat Bonnies, a Michigan-based restaurant scheduled to open in 2023.

- Construction of McLaren Greater Lansing's new state of the art $600 million healthcare campus at Forest and Collins Rd. in Lansing was completed in March 2022.

Future development projects currently underway include:

- $175 million Lansing public safety bond will pay for newly constructed public safety and courts campus. This new facility will house the headquarters of the Lansing Fire Department, the Lansing Police Department, a new fire station, temporary detention facility, and the 54-A District Court. The new, central location for public safety services will be on S. Washington Ave, next to the City's South Washington Office Complex.

- The Ovation Music and Arts Center, which will be located downtown next to the former Lake Trust location will be a new, state of the art live performance venue.

- Lansing Shuffleboard and Social Club: The Lansing Shuffle project includes a full renovation of the former Lansing City Market building and upgrades to the patio. The opening is scheduled for early 2023 and will offer a variety of food and drink options from local food entrepreneurs, full-sized shuffleboard courts, and community event space. This project will serve as a hub for delicious food and unique entertainment and continue the momentum of riverfront activation, adding to the flourishing lifestyle amenities in downtown Lansing. The total project investment is estimated at over $3,000,000.

- Hall 224: The transformation of 224 S. Washington Sq. into a live music and event venue is nearing completion. The estimated $1.4 million development plans to open in 2023 and have a capacity of about 600 for general admission and 250 people for tabled events.

- Grand River Pedway Improvements: The complete refurbishment of the city owned pedway that provides pedestrian access across the Grand River is well underway. The Lansing Brownfield Redevelopment Authority was able to leverage private development investment from its Brownfield Revolving Fund to help finance this important public improvement. The update pedway will promote stronger connections across downtown and improve access to several assets such as the river trail, the Lansing Center, and numerous local businesses.

- Holmes Street School Redevelopment: The former Holmes Street School is currently being redeveloped into 47 new residential units with completion by spring 2023. The project will incorporate many of the original details of the building in the redevelopment such as high ceilings, large windows, and original terrazzo as well as using reclaimed wood floors.

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

For the year 2022, the City and our EDC was able to get 15 projects from the Prospect to the Approved stage. These projects represent nearly $3.3 billion in new investment in Lansing and are now ready to start construction or are already underway.

- Notable Real Estate and Placemaking Projects Approved in 2022
    - 2130 W. Holmes Redevelopment Project: Multi-Family Residential and Commercial
    - 700 May St./The Cottages: Multi-Family Residential
    - Stadium North Lofts/Senior Lofts: Multi-Family Residential

- Notable Business Development Projects Approved in 2022
    - Ultium Cells/General Motors: Business Retention and Expansion
    - Neogen Corporation: Business Retention and Expansion
    - Moneyball Sportswear: Business Retention and Expansion

Commercial Corridor Improvement

The City and Lansing EDC has also targeted four commercial corridors throughout the city to focus special redevelopment efforts. These Corridor Improvement Authorities are the Michigan Avenue Corridor Improvement Authority (MACIA), Saginaw Street Corridor Improvement Authority (SSCIA), South Martin Luther King Jr. Blvd. Corridor Improvement Authority (SMLKCIA) and the Lansing Gateway (North Grand River) Corridor Improvement Authority.

Throughout the course of 2022 significant progress was made by the Corridor Improvement Authorities. As a part of the City of Lansing's American Rescue Plan Act (ARPA) allocation, Mayor Schor allocated $100,000 to each of the Corridor Improvement Authorities to provide resources to jumpstart project implementation along the targeted commercial corridors. The S. MLK CIA, with assistance from the Lansing EDC staff, made great strides by adopting its Development & Finance Plan in 2022 and will formally get further underway in 2023. The MACIA continued the implementation of their Development & Finance Plan to further efforts of corridor revitalization. The MACIA along with the City of Lansing, and the Capital Region Community Foundation are funding façade improvements of all the businesses on the entire north side of the 2000 block of E. Michigan Avenue to create a cohesive refresh. The revitalization of the Saginaw corridor has begun to generate momentum with the acquisition of key vacant properties. Moneyball Sportswear, a homegrown athletic apparel company, will consolidate their locations in neighboring municipalities and locate their headquarters at 923-927 W. Saginaw Street. The Park Furniture building along with the property at 1001 W. Saginaw Street (neighboring the new location of Moneyball Sportswear) was acquired and will be home to the operations of DRM International Learning Center, a workforce development company in the healthcare industry. The Lansing Gateway CIA took steps to begin formulation of its board and will work diligently to have their Development & Finance Plan approved in 2023.

The need and demand for equitable development has never been greater. By using key findings from the Mayor's Racial Justice Equity Alliance (MRJEA) report, the Lansing EDC has begun the development of critical programs that will push Lansing forward to a place of shared prosperity and economic resilience. These funds will be used to support BIPOC entrepreneurs to start and expand businesses in the City of Lansing, reduce ALICE households in city, workforce development, and provide the training and resources to enable community development. On July 25th, Lansing City Council approved the allocation of $2 million of ARPA funds to the Lansing Equitable Economic Development (LEED) Initiative. The initiative is planning to begin rolling out the programs in early 2023.

Cordially,

Desiree A. Kirkland

Desiree A. Kirkland, Chief Finance Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lansing
Michigan

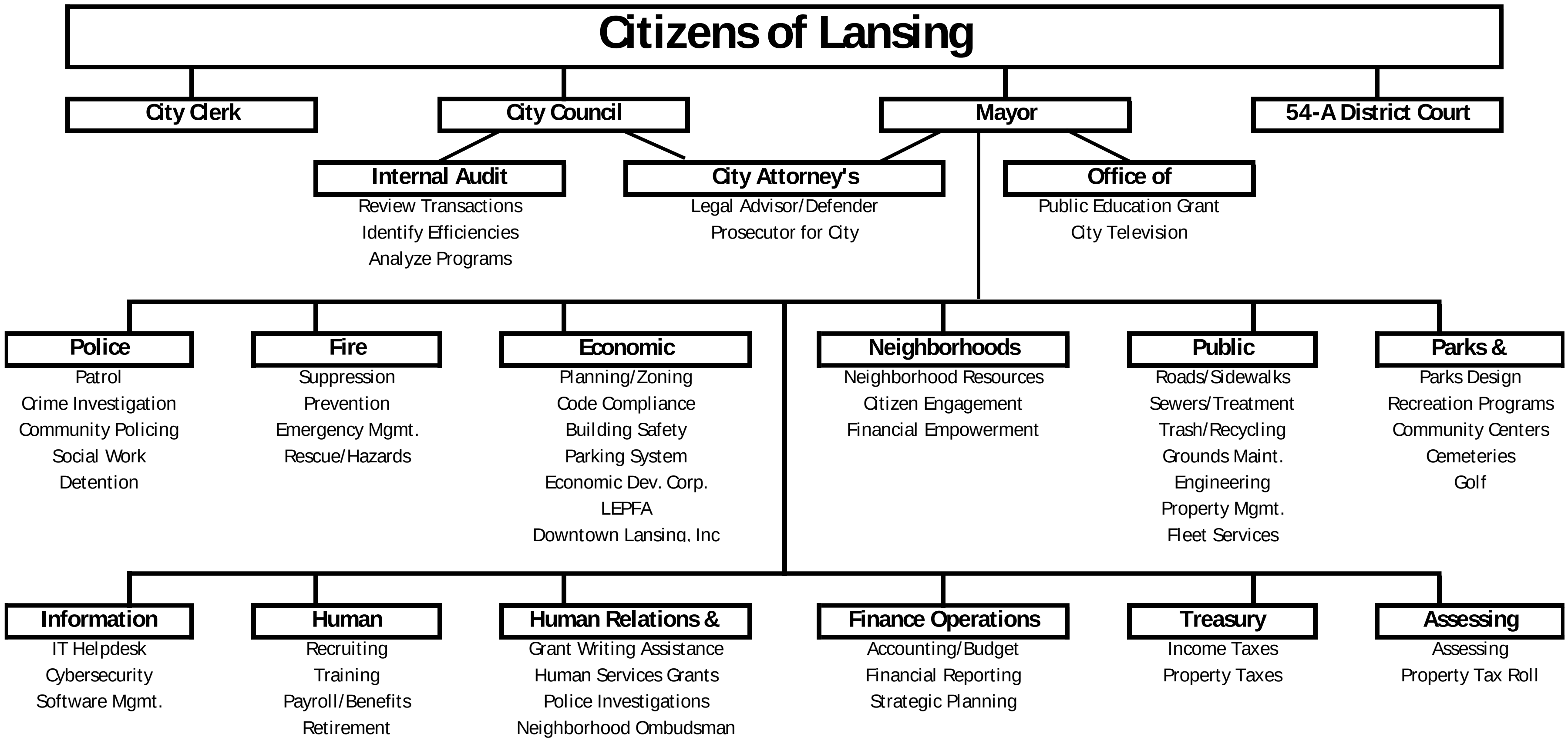
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Table of Organization



FINANCIAL SECTION

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, as of June 30, 2022, and the respective changes in financial position, and, when applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lansing and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lansing's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lansing's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lansing's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and OPEB schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purpose of additional analysis and is not a require part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, other supplementary information, as identified in the table contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maner Costerisan PC

December 20, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Lansing, Michigan ("the City") provides this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022 for the benefit of the readers of these financial statements. This management's discussion and analysis ("MD&A") is intended to assist the reader in focusing on significant financial issues and provide an overview of the City's financial activity. The City encourages the readers to consider the following information here in conjunction with the financial statements taken as a whole, which follow this section.

Financial Highlights

Total net position	$ (135,367,984)
Change in total net position	49,008,949
Fund balances, governmental funds	67,675,364
Change in fund balances, governmental funds	10,837,661
Unassigned fund balance, general fund	21,907,213
Change in fund balance, general fund	(6,320,951)
Long-term obligations outstanding	189,406,080
Change in long-term debt	928,301

Overview of the Financial Statements

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

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

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

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

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

- *Governmental Activities.* Most of the City's basic services are reported under this category. Property taxes, income taxes, and intergovernmental revenues generally fund these services. The Council (legislative branch), the District Court (judicial branch), and general operations of the executive branch departments, such as police, fire, parks, public works, and other general staff departments fall within the governmental activities.

- *Business-type Activities.* The City charges fees to customers to help cover all or most of the costs of certain services it provides. Sewage collection and treatment and commercial area parking are examples of business-type activities.

- *Discretely Presented Component Units.* Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City has various discretely presented units: the Brownfield Redevelopment Authority, the Tax Increment Finance Authority, Saginaw Street Corridor Improvement Authority, Michigan Avenue Corridor Improvement Authority, and the Lansing Entertainment and Public Facilities Authority.

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

- Capital assets used in governmental activities are not reported on governmental fund statements.

- Certain revenues that are earned, but not available for use within the reporting period, are reported as revenues for governmental activities, but are reported as deferred inflows of resources on the governmental fund statements.

- Other long-term assets that are not available to pay for current period expenditures are deferred in governmental fund statements, but not deferred on the government-wide statements.

- Internal service funds are reported as governmental activities but reported as proprietary funds in the fund financial statements.

- Bond discounts and premiums in connection with the issuance of long-term obligations are reported as other financing sources/uses in governmental fund statements but are capitalized and amortized in the government-wide statements.

- Unless due and payable, long-term liabilities, such as capital lease obligations, compensated absences, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending in excess of capitalization thresholds are recorded as capital assets on the government- wide statements but are reported as expenditures on the governmental fund statements.

- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund statements.

- Certain other outflows, such as debt service principal payments, represent decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.

- Pension and other postemployment benefits liabilities and related deferrals relating to governmental funds are only reported in the government-wide statements.

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

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

- *Governmental funds.* Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds include the General Fund and special revenue, capital projects, debt service, and permanent funds.

- *Proprietary funds.* When the City charges customers for the services it provides, whether to outside customers or to other agencies within the City, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. Examples are the Sewage Disposal Fund and the Municipal Parking Fund. Internal service funds are reported as governmental activities on the government-wide statements.

- *Fiduciary Funds.* The City acts as a trustee or fiduciary, for its employee pension and other postemployment benefit plans and for the 54-A District Court. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension and other postemployment benefit funds, 54-A District Court Agency Fund, and Current Tax Collections Fund are reported using full accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent spendable assets of the City to finance its operations.

Required Supplementary Information

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

Other Supplementary Information

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

Government-wide Financial Analysis

The City's combined net position increased $102.5 million over the course of this fiscal year's operations and came to a total of $(184.4) million. Net position of governmental activities increased $84.3 million, and business-type activities increased $18.1 million. Explanations for those changes are described below under the governmental activities and business-type activities sections of this Management Discussion and Analysis.

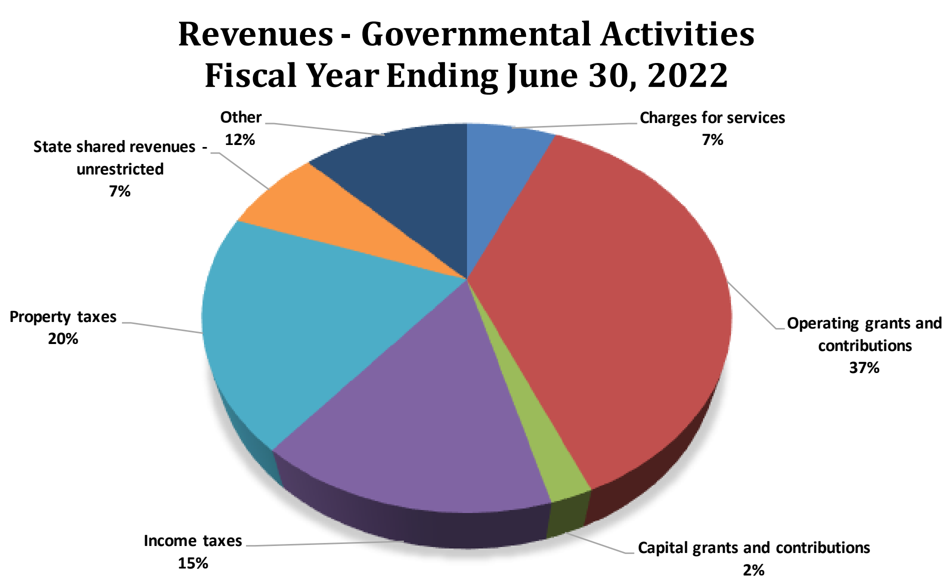
	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	$ 131,028,770	$ 172,294,944	$ 87,638,273	$ 78,404,972	$ 218,667,043	$ 250,699,916
Capital assets, net	198,918,343	207,842,733	343,948,727	343,402,376	542,867,070	551,245,109
Total assets	329,947,113	380,137,677	431,587,000	421,807,348	761,534,113	801,945,025
Deferred outflows of resources	97,877,469	96,309,562	8,447,468	8,155,009	106,324,937	104,464,571
Current liabilities	47,972,442	70,574,273	22,021,840	21,217,472	69,994,282	91,791,745
Noncurrent liabilities	524,484,592	646,310,560	157,674,615	145,906,653	682,159,207	792,217,213
Total liabilities	572,457,034	716,884,833	179,696,455	167,124,125	752,153,489	884,008,958
Deferred inflows of resources	281,037,994	151,013,876	19,044,500	6,754,746	300,082,494	157,768,622
Net position						
Investment in capital assets	153,733,211	159,442,216	219,824,056	232,446,124	373,557,267	391,888,340
Restricted	24,518,910	28,101,348	2,437,390	2,441,780	26,956,300	30,543,128
Unrestricted	(603,922,567)	(578,995,034)	19,032,067	21,195,582	(584,890,500)	(557,799,452)
Total net position	$ (425,670,446)	$ (391,451,470)	$ 241,293,513	$ 256,083,486	$ (184,376,933)	$ (135,367,984)

The largest component of the City's net position reflects its net investment in capital assets (e.g., land, buildings, equipment, infrastructure, and others). Restricted net position is the next largest component, which represents amounts subject to external restrictions such as bond covenants, State legislation or Constitutional provision. The remaining portion, unrestricted net position are resources that may be used at the City's discretion, but often have limitations based on policy action. The large increase in unrestricted net position of governmental activities was primarily due to the decrease in the net pension and net other postemployment benefits liabilities of $19.8 million and $114.0 million, respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenue						
Program revenue						
Charges for services	$ 15,460,235	$ 16,188,665	$ 49,041,671	$ 49,273,285	$ 64,501,906	$ 65,461,950
Operating grants and contributions	61,065,241	90,177,926	-	-	61,065,241	90,177,926
Capital grants and contributions	15,693,491	5,283,332	-	-	15,693,491	5,283,332
General revenue						
Taxes	82,695,459	84,708,200	-	-	82,695,459	84,708,200
State shared revenues - unrestricted	16,612,094	17,704,794	-	-	16,612,094	17,704,794
Other	30,256,354	29,982,652	1,189,678	698,662	31,446,032	30,681,314
Total revenue	221,782,874	244,045,569	50,231,349	49,971,947	272,014,223	294,017,516
Expenses						
General government	11,196,979	19,628,516	-	-	11,196,979	19,628,516
Public safety	57,170,988	78,113,026	-	-	57,170,988	78,113,026
Public works	32,334,504	27,316,002	-	-	32,334,504	27,316,002
Recreation and culture	4,125,852	6,707,099	-	-	4,125,852	6,707,099
Community and economic development	34,764,843	75,618,986	-	-	34,764,843	75,618,986
Interest on long-term debt	1,072,610	1,845,964	-	-	1,072,610	1,845,964
Sewage disposal system	-	-	20,828,495	22,239,978	20,828,495	22,239,978
Municipal parking system	-	-	3,183,095	10,110,065	3,183,095	10,110,065
Cemetery	-	-	300,009	98,394	300,009	98,394
Golf	-	-	198,889	164,878	198,889	164,878
Garbage and rubbish collection	-	-	1,753,713	1,509,140	1,753,713	1,509,140
Recycling	-	-	2,613,739	1,656,519	2,613,739	1,656,519
Total expenses	140,665,776	209,229,593	28,877,940	35,778,974	169,543,716	245,008,567
Change in net position before transfers	81,117,098	34,815,976	21,353,409	14,192,973	102,470,507	49,008,949
Transfers (out) in	3,221,479	(597,000)	(3,221,479)	597,000	-	-
Change in net position	84,338,577	34,218,976	18,131,930	14,789,973	102,470,507	49,008,949
Net position - beginning of year	(510,009,023)	(425,670,446)	223,161,583	241,293,513	(286,847,440)	(184,376,933)
Net position - end of year	$ (425,670,446)	$ (391,451,470)	$ 241,293,513	$ 256,083,486	$ (184,376,933)	$ (135,367,984)

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



In total, governmental activity revenues increased $22.3 million from FY 2021 to FY 2022, with trends of the major revenue categories as follows:

Restricted operating and capital grants and contributions comprised the largest portion of governmental revenues of $90.2 million, or 37.0% of governmental activity revenue for fiscal year 2022, a $29.1 million, or 48% increase from fiscal year 2021. State Gas and Weight tax revenues restricted for streets, and Community Development, HOME, and Emergency Shelter entitlement grant revenues held constant with mild growth; increase in this category came largely from non-entitlement restricted grant revenues resulting from State and Federal Stimulus such as the CERA-MSHDA grant efforts.

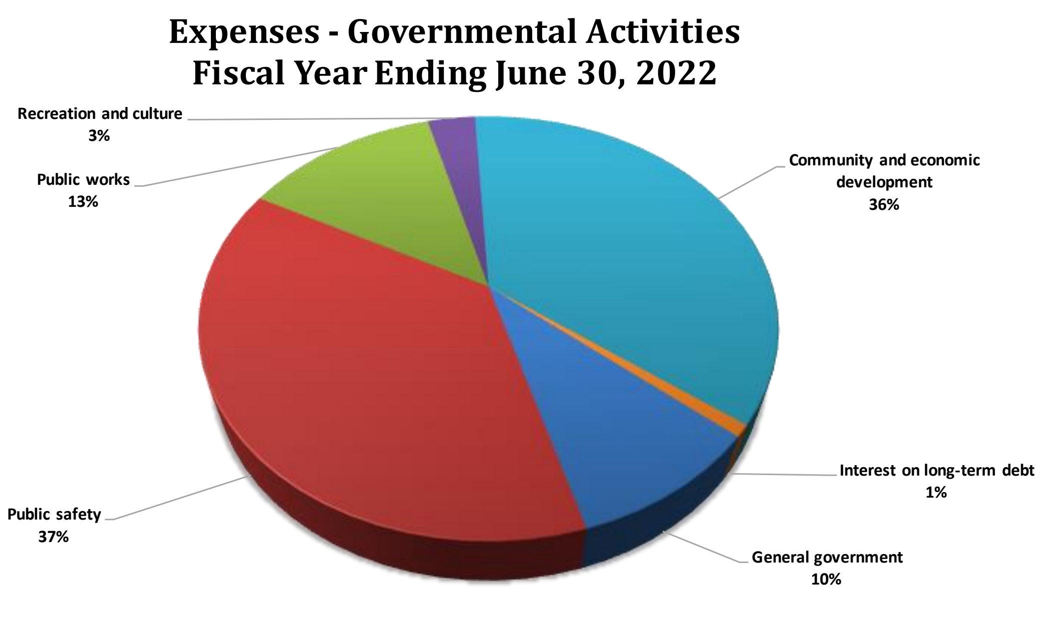
Property taxes revenue was 19.5% of governmental revenues, or $47.6 million, which is an increase of $2.0 million, or 4.2% increase from 2021.

Income taxes comprised 15.2%, or $37.1 million, of governmental activity revenue, the full amount of which is revenue to the General Fund. This represents a $83,000, or 0.2%, increase from fiscal year 2021. Local income tax rates are prescribed by State law and limited in Lansing's case to 1% of resident income and 0.5% of the income of persons working in the City but living outside of its corporate boundaries. Local income tax rates are also limited to 0.5% for Lansing residents working subject to East Lansing's income tax.

Unrestricted grants and contributions (including state shared sales tax revenue) comprised 20%, or $47.8 million, of revenues, a $1.3 million, or 2.8% increase from fiscal year 2021. More than half of this category, $17.7 million, is attributed to State revenue sharing, an amount distributed to municipalities by the State of Michigan by formula allocation of portions of the State sales tax.

Charges for services are program-specific revenues generated for services provided. Governmental activity charges for services increased $728,000 from FY 2021 to FY 2022.

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



Total expenses for governmental activities increased $68.8 million, 48.7%, from FY 2021 to FY 2022, with trends of the major expense categories as follows:

The largest component of governmental activities was public safety, accounting for 37%, or $78.1 million, a 36.6% ($20.9 million) increase from FY 2021, largely resulting from increase in postemployment and pension liabilities and the resulting impact to long-term liabilities.

Community and economic development represented 36%, or $75.6 million, of total governmental activities expenses. This category increased $40.9 million, or 118% from FY 2021 due to increased grant programs as part of federal recovery efforts, such as the CERA grant projects.

Public works comprises the third largest component of governmental activity expenses, at 13.0%, or $27.3 million, an 15.5% ($5.0 million) decrease from FY 2021, due to a decrease in expenses.

Business-type Activities. Net position of the business-type activities increased by $14.8 million from FY 2021 to $256.1 million. This increase was largely attributable to less funding being transferred to fund governmental activities.

Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported combined ending fund balances of $67.7 million, a $10.8 million increase from fiscal year 2021. Of the $67.7 million fiscal year 2022 combined ending fund balance, $3.9 million is unavailable to spend (i.e., amounts tied up in inventories, prepaids, and endowments), $35.9 million is legally restricted, and $6.0 million is committed for designated projects, leaving $21.9 million unassigned.

The unassigned fund balance for the General Fund was $21.9 million, an increase of approximately $700,000 from FY 2021, which is further described in the General Fund Budgetary Highlights section.

Sewage Disposal System Fund

Net position increased $13.9 million to $263.5 million in FY 2022. Unrestricted net position increased $2.5 million, from $21.5 million to $24.0 million.

Municipal Parking System Fund

Net position decreased $4.5 million to approximately $(540,000). Unrestricted net position decreased $5.7 million, from $11.9 million to $6.2 million. The system continues to experience significantly depressed revenues resulting from 1) many employers allowing their downtown employees to work a hybrid/remote work schedule and 2) downtown college students still allowed to take online classes rather than in-person classes.

General Fund Budgetary Highlights

The FY 2022 General Fund budget was adopted as a balanced budget with a usage of fund balance. The City budgeted a vacancy factor in its General Fund to account for anticipated positions that would become vacant during the course of the year. Because vacancies that will occur within each department cannot be projected, the vacancy factor is budgeted as a single line item of the General Fund and allocated to various departments through a budget amendment during the year. During the course of the fiscal year, the General Fund revenue budget was amended from $152.4 million to $142.4 million.

General Fund reserves combined with the Budget Stabilization Fund (combined for financial statement purposes) decreased $6.3 million from FY 2021 to $18.6 million. Unassigned fund balance increased approximately $700,000, or 3% from fiscal year 2021. The City also benefited from state and federal grants used to pay for public safety expenditures for eligible employees.

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

Capital Assets. At the end of the fiscal year 2022, the City had invested $552 million, net of accumulated depreciation, in a broad range of capital assets (see the table below). Additional information regarding the City's capital assets can be found in Footnote 6 of the of the Notes to the Financial Statements section of the ACFR.

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	$ 25,435,297	$ 25,435,297	$ 12,369,507	$ 12,369,507	$ 37,804,804	$ 37,804,804
Land improvements	13,872,508	12,926,012	13,570,456	2,345,583	27,442,964	15,271,595
Buildings and improvements	36,667,578	34,191,717	68,564,717	69,837,354	105,232,295	104,029,071
Equipment	7,739,183	7,110,279	2,405,017	2,910,621	10,144,200	10,020,900
Flowage rights	20,032,880	19,365,117	-	-	20,032,880	19,365,117
Infrastructure	86,057,449	85,285,683	215,398,478	234,781,043	301,455,927	320,066,726
Construction in progress	9,113,448	23,528,628	31,640,552	21,158,268	40,754,000	44,686,896
Total	$ 198,918,343	$ 207,842,733	$ 343,948,727	$ 343,402,376	$ 542,867,070	$ 551,245,109

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

	2021	2022
Governmental activities		
General obligation bonds	$ 27,958,180	$ 29,629,300
Deferred amounts		
For issuance premiums	663,565	586,222
Installment purchase contracts	9,156,735	22,457,000
Loans	7,660,461	6,886,326
Compensated absences	11,032,557	10,962,758
Workers compensation	2,789,472	3,082,191
Total governmental activities	59,260,970	73,603,797
Business-type activities		
General obligation bonds	115,160,822	103,495,891
Deferred amounts		
For issuance discounts	(210,232)	(144,942)
For issuance premiums	2,352,719	2,143,101
Revenue bonds	10,975,000	9,425,000
Installment purchase agreements	118,343	-
Compensated absences	820,157	883,233
Total business-type activities	129,216,809	115,802,283
Total outstanding debt	$ 188,477,779	$ 189,406,080

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

Economic Condition and Outlook

The City has received substantial support from the federal stimulus American Rescue Plan Act (ARPA) and is reviewing potential support on infrastructure. These have empowered ARPA funds have allowed the City to maintain government services, increase community support-without sacrificing financial health. Many of the employers in the City continue to have staff work remotely or remote hybrid, resulting in reduced business activity downtown impacting income tax and parking revenues.

The 2021/2022 fiscal year resulted in a $678,000 increase to General Fund unassigned reserves, bringing unassigned General Fund reserves up to $21.9 million, or 15.0% of General Fund revenues., which is within the City's 12%-15% fund balance policy Additional savings exceeding the City's 12%-15% fund balance policy are committed toward reducing unfunded liabilities for retirement pension or healthcare per the City's fund balance policy. Significant challenges remain in the longer-term. Going forward, State-imposed limitations on municipal revenues, most notably those on property tax growth, will continue to constrain resources, which in context of projected increases in pension, healthcare, and infrastructure needs will present budgetary challenges.

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LANSING
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 44,330,183	$ 3,188,457	$ 47,518,640	$ 18,909,171
Equity in pooled cash and investments	63,438,072	15,510,034	78,948,106	7,552,207
Cash and cash equivalents, restricted	2,992,454	2,441,780	5,434,234	5,097,644
Current portion of receivables, net	19,370,703	8,559,994	27,930,697	1,165,675
Due from other governmental units	22,567,378	26,101,046	48,668,424	114
Internal balances	(4,268,394)	4,268,394	-	-
Inventories	1,879,085	467,401	2,346,486	72,221
Prepaids	2,267,302	-	2,267,302	62,598
Total current assets	152,576,783	60,537,106	213,113,889	32,859,630
Noncurrent assets				
Noncurrent portion of receivables, net	19,718,161	17,867,866	37,586,027	100,487
Investments - restricted	-	-	-	14,827
Capital assets not being depreciated	48,963,925	33,527,775	82,491,700	-
Capital assets, net of accumulated depreciation	158,878,808	309,874,601	468,753,409	86,948
Total noncurrent assets	227,560,894	361,270,242	588,831,136	202,262
TOTAL ASSETS	380,137,677	421,807,348	801,945,025	33,061,892
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	228,881	3,962,798	4,191,679	-
Deferred outflows of resources related to pensions	51,094,001	2,455,787	53,549,788	-
Deferred outflows of resources related to OPEB	44,986,680	1,736,424	46,723,104	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	96,309,562	8,155,009	104,464,571	-
LIABILITIES				
Current liabilities				
Accounts payable	16,329,860	6,512,718	22,842,578	4,560,121
Accrued payroll	3,402,638	192,504	3,595,142	-
Deposits payable	-	81,782	81,782	-
Due to other governmental units	1,770,692	-	1,770,692	8,041,034
Claims incurred but not reported	1,500,000	-	1,500,000	-
Indemnity bonds	43,867	-	43,867	-
Other accrued liabilities	2,041,114	-	2,041,114	403,742
Accrued interest payable	603,045	2,202,129	2,805,174	278,754
Unearned revenue	39,680,581	-	39,680,581	459,428
Current portion of compensated absences	1,146,442	68,559	1,215,001	-
Current portion of long-term obligations	4,056,034	12,159,780	16,215,814	2,833,569
Total current liabilities	70,574,273	21,217,472	91,791,745	16,576,648

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

CITY OF LANSING
STATEMENT OF NET POSITION (concluded)
JUNE 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES (concluded)				
Noncurrent liabilities				
Noncurrent portion of compensated absences	$ 9,816,316	$ 814,674	$ 10,630,990	$ -
Noncurrent portion of long-term obligations	58,585,005	102,759,270	161,344,275	79,075,774
Accrued interest payable, net of current portion	-	-	-	95,898
Net pension liability	344,666,086	27,293,809	371,959,895	-
Net other post-employment benefits liability	233,243,153	15,038,900	248,282,053	-
Total noncurrent liabilities	646,310,560	145,906,653	792,217,213	79,171,672
TOTAL LIABILITIES	716,884,833	167,124,125	884,008,958	95,748,320
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	4,897,680	657,358	5,555,038	1,131,356
Deferred inflows of resources related to OPEB	146,116,196	6,097,388	152,213,584	-
TOTAL DEFERRED INFLOWS OF RESOURCES	151,013,876	6,754,746	157,768,622	1,131,356
NET POSITION (DEFICIT)				
Net investment in capital assets	159,442,216	232,446,124	391,888,340	25,864
Restricted				
Public safety	729,503	-	729,503	-
Public works	20,769,263	-	20,769,263	-
Community development	401,620	-	401,620	-
Building department	4,366,574	-	4,366,574	-
Debt service	29,361	2,441,780	2,471,141	-
Revelopment projects	-	-	-	5,017,644
Cooley stadium capital projects	-	-	-	80,000
Endowments (nonexpendable)	1,805,027	-	1,805,027	-
Unrestricted	(578,995,034)	21,195,582	(557,799,452)	(68,941,292)
TOTAL NET POSITION (DEFICIT)	$ (391,451,470)	$ 256,083,486	$ (135,367,984)	$ (63,817,784)

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

CITY OF LANSING
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary government								
Governmental activities								
General government	$ 19,628,516	$ 9,406,822	$ 8,400,585	$ 1,322,060	$ (499,049)	$ -	$ (499,049)	$ -
Public safety	78,113,026	4,423,872	3,038,693	-	(70,650,461)	-	(70,650,461)	-
Public works	27,316,002	1,165,080	19,252,127	3,961,272	(2,937,523)	-	(2,937,523)	-
Recreation and culture	6,707,099	1,192,891	364,571	-	(5,149,637)	-	(5,149,637)	-
Community and economic development	75,618,986	-	59,121,950	-	(16,497,036)	-	(16,497,036)	-
Interest on long-term debt	1,845,964	-	-	-	(1,845,964)	-	(1,845,964)	-
Total governmental activities	209,229,593	16,188,665	90,177,926	5,283,332	(97,579,670)	-	(97,579,670)	-
Business-type activities								
Sewage disposal system	22,239,978	35,943,034	-	-	-	13,703,056	13,703,056	-
Municipal parking system	10,110,065	5,101,852	-	-	-	(5,008,213)	(5,008,213)	-
Cemetery	98,394	526,299	-	-	-	427,905	427,905	-
Golf	164,878	-	-	-	-	(164,878)	(164,878)	-
Garbage and rubbish collection	1,509,140	3,246,590	-	-	-	1,737,450	1,737,450	-
Recycling	1,656,519	4,455,510	-	-	-	2,798,991	2,798,991	-
Total business-type activities	35,778,974	49,273,285	-	-	-	13,494,311	13,494,311	-
Total primary government	$ 245,008,567	$ 65,461,950	$ 90,177,926	$ 5,283,332	(97,579,670)	13,494,311	(84,085,359)	-
Component units								
Brownfield Redevelopment Authority	$ 17,427,056	$ -	$ 194,444	$ -	-	-	-	(17,232,612)
Tax Increment Finance Authority	(2,257,609)	-	-	-	-	-	-	2,257,609
Saginaw Street Corridor Improvement Authority	-	-	-	-	-	-	-	-
Michigan Avenue Corridor Improvement Authority	-	-	-	-	-	-	-	-
Lansing Entertainment & Public Facilities Authority	6,485,452	5,428,872	1,539,600	-	-	-	-	483,020
Total component units	$ 21,654,899	$ 5,428,872	$ 1,734,044	$ -	-	-	-	(14,491,983)
General revenues								
Property taxes					47,620,607	-	47,620,607	12,225,147
Income taxes					37,087,593	-	37,087,593	-
Unrestricted state shared revenues					17,704,794	-	17,704,794	-
Grants and contributions not restricted to specific programs					30,115,274	-	30,115,274	-
Investment earnings (loss)					(94,154)	698,662	604,508	(1,840)
Miscellaneous					(38,468)	-	(38,468)	680,163
Transfers					(597,000)	597,000	-	-
Total general revenues and transfers					131,798,646	1,295,662	133,094,308	12,903,470
Change in net position					34,218,976	14,789,973	49,008,949	(1,588,513)
Net position (deficit), beginning of the year					(425,670,446)	241,293,513	(184,376,933)	(62,229,271)
Net position (deficit), end of the year					$ (391,451,470)	$ 256,083,486	$ (135,367,984)	$ (63,817,784)

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

FUND FINANCIAL STATEMENTS

CITY OF LANSING
GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Fund

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

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

CERA-MSHDA Grant Fund - This fund accounts for all revenues received from the CERA grant through the Michigan State Housing Development Authority. These revenues are used for projects as detailed in individual grant applications.

Nonmajor Funds

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

CITY OF LANSING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	State and Federal Grants - Special Revenue	CERA - MSHDA	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 3,958,024	$ 24,941,930	$ 6,872,941	$ 8,557,288	$ 44,330,183
Cash and cash equivalents - restricted	2,992,454	-	-	-	2,992,454
Equity in pooled cash and investments	10,737,817	-	-	34,100,474	44,838,291
Receivables					
Accounts, net	16,299,119	-	-	5,330,320	21,629,439
Taxes receivable, net	986,572	-	-	-	986,572
Special assessments	-	-	-	10,714,739	10,714,739
Contracts	1,322,060	-	-	-	1,322,060
Loans	-	31,880	-	1,185,000	1,216,880
Accrued interest	-	-	-	2,350,196	2,350,196
Due from other governmental units	5,728,497	11,371,436	1,886,840	3,580,605	22,567,378
Inventories	-	-	-	1,348,300	1,348,300
Prepaids	759,490	-	-	250	759,740
TOTAL ASSETS	$ 42,784,033	$ 36,345,246	$ 8,759,781	$ 67,167,172	$ 155,056,232
LIABILITIES					
Accounts payable	$ 9,899,478	$ 1,443,755	$ 498,498	$ 3,015,275	$ 14,857,006
Accrued payroll	2,891,822	35,851	2,032	92,912	3,022,617
Due to other governmental units	1,433,211	27,005	-	310,476	1,770,692
Indemnity bonds	-	-	-	43,867	43,867
Other liabilities	2,026,514	-	-	14,600	2,041,114
Due to other funds	-	3,738,427	51,133	478,834	4,268,394
Unearned revenue	285,856	31,060,602	8,208,118	126,005	39,680,581
TOTAL LIABILITIES	16,536,881	36,305,640	8,759,781	4,081,969	65,684,271
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - fees	1,473,290	-	-	-	1,473,290
Unavailable revenue - contracts	1,322,060	-	-	-	1,322,060
Unavailable revenue - loans and accrued interest receivable	-	39,606	-	8,567,480	8,607,086
Unavailable revenue - special assessments	-	-	-	10,294,161	10,294,161
TOTAL DEFERRED INFLOWS OF RESOURCES	2,795,350	39,606	-	18,861,641	21,696,597
FUND BALANCES					
Nonspendable	759,490	-	-	3,153,577	3,913,067
Restricted	-	-	-	35,877,471	35,877,471
Committed	785,099	-	-	5,192,514	5,977,613
Unassigned	21,907,213	-	-	-	21,907,213
TOTAL FUND BALANCES	23,451,802	-	-	44,223,562	67,675,364
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 42,784,033	$ 36,345,246	$ 8,759,781	$ 67,167,172	$ 155,056,232

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

CITY OF LANSING
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances - total governmental funds		$ 67,675,364
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 600,015,832	
Accumulated depreciation is	(392,173,099)	
Capital assets accounted for in the internal service funds, net	(9,323,211)	
Capital assets, net		198,519,522
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Deferred ambulance fees receivable	769,473	
Deferred nuisance fees receivable	703,817	
Deferred loans receivable	6,256,890	
Deferred long-term interest receivable	2,350,196	
Deferred long-term special assessments receivable	10,294,161	
Deferred contract receivable	1,322,060	
Deferred outflows of resources related to pensions	51,094,001	
Deferred outflows of resources related to OPEB	44,986,680	
Deferred inflows of resources related to pensions	(4,897,680)	
Deferred inflows of resources related to OPEB	(146,116,196)	
		(33,236,598)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.		
Net position of governmental activities accounted for in governmental activities internal service funds		25,354,248
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Bonds and loans payable	(58,392,919)	
Deferred charges on refunding	228,881	
Compensated absences	(10,009,574)	
Workers compensation	(3,082,191)	
Accrued interest payable	(598,964)	
Net pension liability	(344,666,086)	
Net other post-employment benefits liability	(233,243,153)	
		(649,764,006)
Net position of governmental activities		$ (391,451,470)

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

CITY OF LANSING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	State and Federal Grants - Special Revenue	CERA - MSHDA	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes and special assessments	$ 46,226,914	$ -	$ -	$ 1,783,693	$ 48,010,607
Income taxes	37,087,593	-	-	-	37,087,593
Licenses and permits	1,932,281	-	-	-	1,932,281
Intergovernmental	22,818,693	13,381,019	51,092,362	25,791,952	113,084,026
Charges for services	10,925,736	639,413	-	4,009,421	15,574,570
Fines and forfeits	1,335,250	-	-	241,033	1,576,283
Interest and rents	268,225	27,262	-	(175,797)	119,690
Other	25,353,395	(28,091)	-	435,458	25,760,762
TOTAL REVENUES	145,948,087	14,019,603	51,092,362	32,085,760	243,145,812
EXPENDITURES					
Current					
General government	21,883,495	-	59,047	3,530,734	25,473,276
Public safety	89,206,408	377,964	-	746,942	90,331,314
Public works	12,941,208	14,126	-	-	12,955,334
Highways and streets	-	-	-	11,450,485	11,450,485
Recreation and culture	9,134,233	-	-	-	9,134,233
Community and economic development	10,632,345	13,863,374	50,898,386	1,390,328	76,784,433
Debt service					
Principal	2,018,747	-	-	2,500,169	4,518,916
Interest and fiscal charges	469,743	-	134,929	1,399,005	2,003,677
Capital outlay	-	-	-	18,396,917	18,396,917
TOTAL EXPENDITURES	146,286,179	14,255,464	51,092,362	39,414,580	251,048,585
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(338,092)	(235,861)	-	(7,328,820)	(7,902,773)
OTHER FINANCING SOURCES (USES)					
Proceeds from debt issuances	-	-	-	27,559,000	27,559,000
Payment to refunding bond escrow agent	-	-	-	(8,621,566)	(8,621,566)
Proceeds from sale of capital assets	-	-	-	400,000	400,000
Transfers in	100,000	235,859	-	9,875,000	10,210,859
Transfers out	(6,082,859)	-	-	(4,725,000)	(10,807,859)
TOTAL OTHER FINANCING SOURCES (USES)	(5,982,859)	235,859	-	24,487,434	18,740,434
NET CHANGE IN FUND BALANCES	(6,320,951)	(2)	-	17,158,614	10,837,661
Fund balances, beginning of year	29,772,753	2	-	27,064,948	56,837,703
Fund balances, end of year	$ 23,451,802	$ -	$ -	$ 44,223,562	$ 67,675,364

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

CITY OF LANSING
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		$ 10,837,661
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	$ 21,729,246	
Depreciation expense	(11,882,675)	
Loss on disposal of capital assets	(50,755)	
Excess of capital outlay over depreciation expense		9,795,816
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred ambulance fees receivable	(295,275)	
Change in deferred nuisance fees receivable	345,679	
Change in deferred loans receivable	(436,659)	
Change in deferred contract receivable	1,322,060	
Change in deferred long-term interest receivable	59,250	
Change in deferred special assessments receivable	(454,176)	
		540,879
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.		
Change in net position of governmental activities internal service funds		6,102,511
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Premium on bond issuance	77,343	
Deferred charges on refunding	(24,928)	
Issuance of debt	(27,559,000)	
Debt principal retirement	13,128,284	
		(14,378,301)
Certain expenditures are reported in governmental funds that reduce long-term liabilities for purpose of the statement of net position.		
Change in estimated workers compensation		(292,719)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
(Increase) in net pension liability	(78,078,180)	
(Increase) in net OPEB liability	(28,895,280)	
Increase in deferred outflows of resources related to pensions	24,416,048	
(Decrease) in deferred outflows of resources related to OPEB	(25,959,027)	
Decrease in deferred inflows of resources related to pensions	35,537,855	
Decrease in deferred inflows of resources related to OPEB	94,486,263	
(Increase) in accrued interest payable	(18,995)	
Decrease in compensated absences	124,445	
		21,613,129
Change in net position of governmental activities		$ 34,218,976

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

CITY OF LANSING
PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

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

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

Nonmajor Enterprise Funds and Internal Service Funds

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

CITY OF LANSING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS					
Current assets					
Cash and cash equivalents	$ -	$ 3,188,257	$ 200	$ 3,188,457	$ -
Cash and cash equivalents - restricted	2,441,780	-	-	2,441,780	-
Equity in pooled cash and investments	10,039,225	-	5,470,809	15,510,034	18,599,781
Receivables, net					
Customers	7,310,590	70,417	47,474	7,428,481	868,978
Interest	28,686	140,204	-	168,890	-
Contracts	682,232	280,391	-	962,623	-
Due from other funds	6,135,551	-	-	6,135,551	-
Due from other governmental units	26,101,046	-	-	26,101,046	-
Inventories	414,880	-	52,521	467,401	530,785
Prepaids	-	-	-	-	1,507,562
Total current assets	53,153,990	3,679,269	5,571,004	62,404,263	21,507,106
Noncurrent assets					
Contract receivable, net of current portion	4,062,094	13,805,772	-	17,867,866	-
Capital assets not being depreciated	21,579,017	11,545,371	403,387	33,527,775	92,892
Capital assets, net of accumulated depreciation	299,039,021	9,170,031	1,665,549	309,874,601	9,230,319
Total noncurrent assets	324,680,132	34,521,174	2,068,936	361,270,242	9,323,211
TOTAL ASSETS	377,834,122	38,200,443	7,639,940	423,674,505	30,830,317
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on refunding	829,129	3,133,669	-	3,962,798	-
Deferred outflows of resources related to pensions	1,288,429	403,000	764,358	2,455,787	-
Deferred outflows of resources related to OPEB	911,015	284,950	540,459	1,736,424	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,028,573	3,821,619	1,304,817	8,155,009	-
LIABILITIES					
Current liabilities					
Accounts payable	6,153,736	101,647	257,335	6,512,718	1,472,854
Accrued payroll	129,895	53,061	9,548	192,504	380,021
Deposit payable	-	81,782	-	81,782	-
Claims incurred but not reported	-	-	-	-	1,500,000
Accrued interest payable	467,648	1,734,481	-	2,202,129	4,081
Due to other funds	-	1,867,157	-	1,867,157	-
Current portion of compensated absences	4,873	58,749	4,937	68,559	23,958
Current portion of long-term obligations	10,783,700	1,376,080	-	12,159,780	129,642
Total current liabilities	17,539,852	5,272,957	271,820	23,084,629	3,510,556
Noncurrent liabilities					
Compensated absences, net of current portion	494,265	68,668	251,741	814,674	929,226
Bonds and notes payable, net of current portion	73,590,940	29,168,330	-	102,759,270	1,036,287
Net pension liability	14,319,700	4,478,968	8,495,141	27,293,809	-
Net other post-employment benefits liability	7,890,161	2,467,913	4,680,826	15,038,900	-
Total noncurrent liabilities	96,295,066	36,183,879	13,427,708	145,906,653	1,965,513
TOTAL LIABILITIES	113,834,918	41,456,836	13,699,528	168,991,282	5,476,069
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	344,882	107,875	204,601	657,358	-
Deferred inflows of resources related to OPEB	3,198,995	1,000,593	1,897,800	6,097,388	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,543,877	1,108,468	2,102,401	6,754,746	-
NET POSITION (DEFICIT)					
Net investment in capital assets	237,072,527	(6,695,339)	2,068,936	232,446,124	8,157,282
Restricted for bond reserves	2,441,780	-	-	2,441,780	-
Unrestricted	23,969,593	6,152,097	(8,926,108)	21,195,582	17,196,966
TOTAL NET POSITION (DEFICIT)	$ 263,483,900	$ (543,242)	$ (6,857,172)	$ 256,083,486	$ 25,354,248

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

CITY OF LANSING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 35,943,034	$ 5,101,852	$ 8,228,399	$ 49,273,285	$ 95,907,146
Other	-	-	-	-	58,951
TOTAL OPERATING REVENUES	35,943,034	5,101,852	8,228,399	49,273,285	95,966,097
OPERATING EXPENSES					
Personnel services	(796,916)	714,574	337,212	254,870	9,023,759
Purchase of goods and services	10,842,620	1,945,852	3,002,681	15,791,153	78,846,327
Other services and charges	24,005	4,650	-	28,655	-
Depreciation	9,898,880	2,067,069	87,874	12,053,823	2,109,769
TOTAL OPERATING EXPENSES	19,968,589	4,732,145	3,427,767	28,128,501	89,979,855
OPERATING INCOME	15,974,445	369,707	4,800,632	21,144,784	5,986,242
NONOPERATING REVENUE (EXPENSES)					
Interest income (loss)	199,619	493,047	5,996	698,662	-
Gain on sale of capital assets	-	-	-	-	134,526
Interest expense and fees	(2,271,389)	(5,377,920)	(1,164)	(7,650,473)	(18,257)
TOTAL NONOPERATING REVENUES (EXPENSES)	(2,071,770)	(4,884,873)	4,832	(6,951,811)	116,269
NET INCOME (LOSS) BEFORE TRANSFERS	13,902,675	(4,515,166)	4,805,464	14,192,973	6,102,511
TRANSFERS IN	-	-	625,000	625,000	-
TRANSFERS OUT	-	-	(28,000)	(28,000)	-
TOTAL TRANSFERS	-	-	597,000	597,000	-
CHANGE IN NET POSITION	13,902,675	(4,515,166)	5,402,464	14,789,973	6,102,511
Net position (deficit), beginning of year	249,581,225	3,971,924	(12,259,636)	241,293,513	19,251,737
Net position (deficit), end of year	$ 263,483,900	$ (543,242)	$ (6,857,172)	$ 256,083,486	$ 25,354,248

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

CITY OF LANSING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 35,694,501	$ 5,073,220	$ 7,920,320	$ 48,688,041	$ -
Cash received from interfund services provided	-	-	-	-	96,437,134
Cash received for intergovernmental services	-	1,867,157	-	1,867,157	-
Cash payments for goods and services	(40,762,997)	(2,409,008)	(2,799,158)	(45,971,163)	(78,250,045)
Cash payments to employees	(6,797,337)	(2,072,967)	(3,747,273)	(12,617,577)	(9,865,288)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(11,865,833)	2,458,402	1,373,889	(8,033,542)	8,321,801
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	625,000	625,000	-
Transfers out	-	-	(28,000)	(28,000)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	597,000	597,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(10,742,917)	(764,555)	-	(11,507,472)	(1,238,343)
Proceeds from sale of capital assets	-	-	-	-	134,526
Principal paid on long-term obligations	(11,257,046)	(2,593,907)	(118,343)	(13,969,296)	(233,466)
Interest and costs paid on long-term obligations	(2,273,838)	(888,185)	(1,744)	(3,163,767)	(19,222)
Proceeds from bond issuance	636,023	-	-	636,023	-
Payments received on contract receivable	676,276	-	-	676,276	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(22,961,502)	(4,246,647)	(120,087)	(27,328,236)	(1,356,505)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (loss)	199,619	570,133	5,996	775,748	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,627,716)	(1,218,112)	1,856,798	(33,989,030)	6,965,296
Cash and cash equivalents, beginning of year	47,108,721	4,406,369	3,614,211	55,129,301	11,634,485
Cash and cash equivalents, end of year	$ 12,481,005	$ 3,188,257	$ 5,471,009	$ 21,140,271	$ 18,599,781

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

CONTINUED

CITY OF LANSING
STATEMENT OF CASH FLOWS (concluded)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewage Disposal System	Municipal Parking System	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income	$ 15,974,445	$ 369,707	$ 4,800,632	$ 21,144,784	$ 5,986,242
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	9,898,880	2,067,069	87,874	12,053,823	2,109,769
(Increase) decrease in:					
Accounts receivable	(248,533)	(28,632)	16,834	(260,331)	(465,036)
Due from other funds	(6,135,551)	-	-	(6,135,551)	-
Due from other governmental units	(26,101,046)	-	-	(26,101,046)	-
Inventories	(100,223)	-	(7,442)	(107,665)	(71,853)
Prepaids	-	-	136,484	136,484	461,705
Deferred outflows of resources related to pensions	(469,042)	(173,722)	(307,305)	(950,069)	-
Deferred outflows of resources related to OPEB	541,830	121,580	269,935	933,345	-
Increase (decrease) in:					
Accounts payable	2,440,448	(470,988)	74,481	2,043,941	206,510
Accrued liabilities	11,861	6,396	7,573	25,830	174,818
Due to other funds	-	1,867,157	-	1,867,157	-
Unearned revenue	-	-	(324,913)	(324,913)	-
Deposits payable	-	12,482	-	12,482	-
Compensated absences	46,819	109	16,148	63,076	54,646
Claims incurred but not reported	-	-	-	-	(135,000)
Net pension liability	(744,158)	263,852	92,549	(387,757)	-
Net other post-employment benefits liability	(161,733)	214,860	189,495	242,622	-
Deferred inflows of resources related to pensions	(1,105,804)	(298,051)	(604,589)	(2,008,444)	-
Deferred inflows of resources related to OPEB	(5,714,026)	(1,493,417)	(3,073,867)	(10,281,310)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (11,865,833)	$ 2,458,402	$ 1,373,889	$ (8,033,542)	$ 8,321,801

Pension and Other Postemployment Benefit Trust Funds

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

Custodial Funds

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

CITY OF LANSING
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Pension and Other Post-Employment Benefits Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	$ 19,016,071	$ -
Equity in pooled cash and investments	-	19,834
Investments		
Mutual funds	412,206,036	-
Domestic equities	111,504,339	-
International equities	2,482,097	-
Emerging market equities	23,967,273	-
Money market funds	8,379,585	-
Receivables		
Interest and dividends	103,075	-
Prepaids	1,725	-
TOTAL ASSETS	577,660,201	19,834
LIABILITIES		
Accounts payable	490,838	-
Due to other governmental units	17,741,013	-
Due to individuals and agencies	-	19,834
TOTAL LIABILITIES	18,231,851	19,834
NET POSITION RESTRICTED FOR:		
Pension benefits	447,622,594	-
Other postemployment benefits	111,805,756	-
TOTAL NET POSITION	$ 559,428,350	$ -

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

CITY OF LANSING
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	Pension and Other Post-Employment Benefits Trust Funds	Custodial Funds
ADDITIONS TO NET POSITION		
Collections from or on behalf of individuals	$ -	$ 383,590
Collections of taxes for other governments	-	126,026,215
Miscellaneous	10,942	-
Investment income		
Change in fair value of investments	(65,419,880)	-
Interest income (loss)	(693,809)	-
Investment expense	(778,859)	-
Net investment income	(66,881,606)	126,409,805
Contributions		
Employer	54,083,628	-
Plan members	4,368,664	-
Total contributions	58,452,292	-
TOTAL ADDITIONS	(8,429,314)	126,409,805
DEDUCTIONS FROM NET POSITION		
Payments to or on behalf of individuals	-	383,590
Payment of taxes collected for other governments	-	126,026,215
Participant benefits	76,836,730	-
Administrative expenses	1,871,780	-
TOTAL DEDUCTIONS	78,708,510	126,409,805
CHANGE IN NET POSITION	(87,137,824)	-
Net position, beginning of year	646,566,174	-
Net position, end of year	$ 559,428,350	$ -

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

COMPONENT UNITS

CITY OF LANSING
DISCRETELY PRESENTED COMPONENT UNITS

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

Brownfield Redevelopment Authority
Tax Increment Finance Authority
Saginaw Street Corridor Improvement Authority
Michigan Avenue Corridor Improvement Authority
Lansing Entertainment and Public Facilities Authority

CITY OF LANSING
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022

	Brownfield Redevelopment Authority	Tax Increment Finance Authority	Saginaw Street Corridor Improvement Authority	Michigan Avenue Corridor Improvement Authority	Lansing Entertainment and Public Facilities Authority	Total
ASSETS						
Current assets						
Cash and cash equivalents	$ 17,029,019	$ -	$ 13,930	$ 77,610	$ 1,788,612	$ 18,909,171
Equity in pooled cash and investments	-	7,462,041	16,586	73,580	-	7,552,207
Cash and cash equivalents - restricted	3,791,897	1,225,747	-	-	80,000	5,097,644
Receivables, net	45,410	-	-	-	1,120,265	1,165,675
Due from other governmental units	114	-	-	-	-	114
Inventories	-	-	-	-	72,221	72,221
Prepaids	-	-	-	-	62,598	62,598
Total current assets	20,866,440	8,687,788	30,516	151,190	3,123,696	32,859,630
Noncurrent assets						
Investments - restricted	-	14,827			-	14,827
Noncurrent portion of receivable, net	100,487	-	-	-	-	100,487
Capital assets, net of accumulated depreciation	-	-	-	-	86,948	86,948
Total noncurrent assets	100,487	14,827	-	-	86,948	202,262
TOTAL ASSETS	20,966,927	8,702,615	30,516	151,190	3,210,644	33,061,892
LIABILITIES						
Current liabilities						
Accounts payable	3,754,884	229,460	-	-	575,777	4,560,121
Accrued liabilities	-	-	-	-	403,742	403,742
Current portion of accrued interest payable	269,576	9,178	-	-	-	278,754
Due to other governmental units	8,041,034	-	-	-	-	8,041,034
Unearned revenue	-	-	-	-	459,428	459,428
Current portion of long-term obligations	673,913	2,119,137	-	-	40,519	2,833,569
Total current liabilities	12,739,407	2,357,775	-	-	1,479,466	16,576,648
Noncurrent liabilities						
Noncurrent portion of long-term obligations	38,783,885	40,271,324	-	-	20,565	79,075,774
Accrued interest payable, net of current portion	-	95,898	-	-	-	95,898
Total noncurrent liabilities	38,783,885	40,367,222	-	-	20,565	79,171,672
TOTAL LIABILITIES	51,523,292	42,724,997	-	-	1,500,031	95,748,320
DEFERRED INFLOW OF RESOURCES						
Deferred gain on refunding	-	1,131,356	-	-	-	1,131,356
NET POSITION (DEFICIT)						
Net investment in capital assets	-	-	-	-	25,864	25,864
Restricted for capital projects	-	-	-	-	80,000	80,000
Restricted for redevelopment projects	3,791,897	1,225,747	-	-	-	5,017,644
Unrestricted	(34,348,262)	(36,379,485)	30,516	151,190	1,604,749	(68,941,292)
TOTAL NET POSITION (DEFICIT)	$ (30,556,365)	$ (35,153,738)	$ 30,516	$ 151,190	$ 1,710,613	$ (63,817,784)

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

CITY OF LANSING
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2022

	Brownfield Redevelopment Authority	Tax Increment Finance Authority	Saginaw Street Corridor Improvement Authority	Michigan Avenue Corridor Improvement Authority	Lansing Entertainment and Public Facilities Authority	Total
EXPENSES						
Brownfield redevelopment authority	$ 17,427,056	$ -	$ -	$ -	$ -	$ 17,427,056
Community development	-	(2,257,609)	-	-	-	(2,257,609)
Recreation and culture	-	-	-	-	6,485,452	6,485,452
TOTAL EXPENSES	17,427,056	(2,257,609)	-	-	6,485,452	21,654,899
PROGRAM REVENUES						
Charges for services	-	-	-	-	5,428,872	5,428,872
Operating grants and contributions	194,444	-	-	-	1,539,600	1,734,044
TOTAL PROGRAM REVENUES	194,444	-	-	-	6,968,472	7,162,916
NET PROGRAM (EXPENSE) REVENUE	(17,232,612)	2,257,609	-	-	483,020	(14,491,983)
GENERAL REVENUES						
Property taxes	7,585,284	4,570,190	7,673	62,000	-	12,225,147
Unrestricted investment earnings (loss)	7,926	(9,766)	-	-	-	(1,840)
Other	-	-	-	-	680,163	680,163
TOTAL GENERAL REVENUES	7,593,210	4,560,424	7,673	62,000	680,163	12,903,470
CHANGE IN NET POSITION	(9,639,402)	6,818,033	7,673	62,000	1,163,183	(1,588,513)
Net position (deficit), beginning of year	(20,916,963)	(41,971,771)	22,843	89,190	547,430	(62,229,271)
Net position (deficit), end of year	$ (30,556,365)	$ (35,153,738)	$ 30,516	$ 151,190	$ 1,710,613	$ (63,817,784)

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

NOTES TO FINANCIAL STATEMENTS

CITY OF LANSING
INDEX - NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

<u>Reporting Entity</u>

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

<u>Blended Component Unit</u>

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

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

<u>Discretely Presented Component Units</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (continued)

Tax increment financing permits the LBRA to capture tax revenues which are attributable to increases in the value of real and personal property located within an approved project area. Current activities of the LBRA include collections of property tax revenues on project areas for the Rite Aid Pharmacy and the former Motor Wheel Site Plant.

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (concluded)

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

Component Unit Financial Statements

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

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

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

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

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

Fiduciary Component Unit

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint Venture

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if they are collected within three months after year-end, except for income taxes that use a 45-day collection period, property taxes that use a 60-day collection period, and reimbursement-based grants that use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following *major governmental funds*:

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

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

CERA-MSHDA Grant Fund - This fund accounts for all revenues received from the CERA grant through the Michigan State Housing Development Authority. These revenues are used for projects as detailed in individual grant applications.

The City reports the following *major enterprise funds*:

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

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

Additionally, the City reports the following *fund types*:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits and Investments

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

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

State statutes authorize the City to invest in:

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

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

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

Bankers' acceptances of United States banks.

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

Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

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

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value.

Unrealized appreciation or depreciation on pension and other postemployment benefit trust fund investments due to changes in fair value are recognized each year.

Receivables/Payables

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Receivables/Payables (concluded)

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

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

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

Inventories and Prepaids

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

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

Capital Assets

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

In addition to land and construction in progress, the amount presented as capital assets not being depreciated includes intangible assets consisting of land development rights acquired for the purpose of farmland and ranch preservation. Land development rights are deemed to have an indefinite useful life, and therefore are not being amortized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets (concluded)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	20-50
Improvements	8-50
Equipment	3-15
Sanitary sewers	50
Flowage rights	30
Infrastructure	10-75

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

Deferred Outflows of Resources

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

Compensated Absences

The City permits employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees are also permitted to accumulate earned but unused sick leave. All vacation and compensatory time pay and 50% of sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Unearned Revenue

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

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

Fund Balances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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

Interfund Transactions

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

Pension and Other Postemployment Benefit Plans

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

Use of Estimates

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

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

NOTE 2 - BUDGETARY INFORMATION

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

- On or before the fourth Monday in March, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- Public hearings are conducted to obtain taxpayer comments.
- Not later than the third Monday in May, the Council adopts a budget through passage of a resolution.

NOTE 2 - BUDGETARY INFORMATION (concluded)

- The appropriated budget is prepared by fund, department, and the mandatory expenditure accounts as established by the State of Michigan's Uniform Chart of Accounts. Within the General Fund, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within each department. Within other funds, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within that fund. Transfers between appropriations (mandatory accounts) require City Council approval. An exception to City Council approval is allowed by City Charter for transfers between appropriations (mandatory accounts) for amounts less than five thousand dollars, but not in excess of 15% of the appropriation in cases where five thousand dollars exceeds 15% of the appropriation.

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

- The City formally adopts operating budgets for the General Fund and all special revenue funds.

- Budgetary integration is employed as a management control device during the year for all budgeted funds. Except for the General Fund, these budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

- Appropriations lapse at year-end for all annual budgets. Appropriations are automatically carried forward for project-type budgets.

NOTE 3 - DEFICIT FUND EQUITY

The Cemetery, Garbage and Rubbish Collection, and Recycling Enterprise Funds reported deficits in unrestricted net position of $1,380,849, $2,006,521, and $5,657,833, respectively, primarily as a result of the recognition of net pension and net other postemployment benefit liabilities in these funds.

The Tax Increment Finance Authority and the Brownfield Redevelopment Authority component units reported deficits in unrestricted net position of $36,379,485 and $34,348,262, respectively at June 30, 2022. The deficits are a result of full-accrual accounting for long-term obligations, without reflecting a corresponding receivable for tax captures to be received in future periods (which cannot be accrued in accordance with generally accepted accounting principles).

NOTE 4 - DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances for the primary government and component units (including both pooled cash and investments as well as pension and other postemployment benefit (OPEB) trust fund balances) as of June 30, 2022:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash and cash equivalents	$ 47,518,640	$ 18,909,171	$ 19,016,071	$ 85,443,882
Equity in pooled cash and investments	78,948,106	7,552,207	19,834	86,520,147
Cash and cash equivalents - restricted	5,434,234	5,097,644	-	10,531,878
Investments	-	14,827	558,539,330	558,554,157
	$ 131,900,980	$ 31,573,849	$ 577,575,235	$ 741,050,064

Deposits and investments	
Bank deposits	
Checking/savings accounts - Pension & OPEB related - nonpooled	$ 19,016,071
Checking/savings accounts - City-wide accounts - all other	141,491,380
Investment in securities and mutual funds	
Pooled investments	20,984,559
Employees' retirement system investments	187,317,505
Police and fire retirement system investments	331,499,331
Employees' money purchase pension plan investments	4,549,579
Retiree health care VEBA investments	35,172,914
Tax increment finance authority investments - pooled investments	860,565
Total investment in securities and mutual funds	740,891,904
Cash on hand	158,159
Total	$ 741,050,063

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require, and the City does not have a policy for deposit custodial credit risk. As of year-end, $160,017,893 of the City's bank balance of $162,812,593 was exposed to custodial credit risk because it was uninsured and uncollateralized. The book balance of all deposits (other than pension & OPEB related) was $160,507,451.

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the City does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk. Disclosure related to the TIFA pooled investment are described in their separately issued, readily available financial statements so they are not presented here in accordance with GASB 61.

Credit Risk

State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

S&P AAAm	$ 5,013,204
A	3,250,611
BBB	11,617,629
Not rated	850,722
Assets not subject to credit risk	252,393
	$ 20,984,559

Interest Rate Risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. For investments held at year end maturities are as follows:

Due within 1 year	$ 20,304,264
1-5 years	429,212
No maturity	251,083
	$ 20,984,559

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the City's investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

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

INVESTMENT TYPE	Level 1	Level 2	Level 3	Total
U.S. treasuries	$ -	$ 850,722	$ -	$ 850,722
Commercial paper	-	14,868,240	-	14,868,240
Money market funds	252,393	-	-	252,393
	$ 252,393	$ 15,718,962	$ -	15,971,355
Investments carried at net asset value				
Michigan CLASS government investment pool				5,013,204
				$ 20,984,559

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient. It has a rating of AAAm from Standard and Poor's with a weighted average maturity of 36 days.

At year end, the net asset value of the City's investment in Michigan CLASS was $5,013,204. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Pension and Other Postemployment Benefit Trust Funds

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

Deposits

The pension and OPEB trust funds maintain demand deposit accounts and equity in pooled cash to handle operational transactions. The book balance of such deposits totaled $19,016,071 at year end.

Investments

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

The investments of each pension trust fund are held in a bank administered trust fund. Following is a summary of pension and other postemployment benefits investments as of June 30, 2022:

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
Domestic corporate security mutual funds	$ 13,552,775	$ 28,565,101	$ -	$ -	$ 42,117,876
Domestic equities					
Not on securities loan	28,621,067	56,336,367	-	-	84,957,434
On securities loan	10,018,259	16,528,646	-	-	26,546,905
International equities					
Not on securities loan	461,659	916,956	-	-	1,378,615
On securities loan	421,278	682,204	-	-	1,103,482
Emerging markets equities	8,323,496	14,668,603	-	975,174	23,967,273
Real estate investment mutual funds	23,302,794	31,408,488	-	-	54,711,282
International equity mutual funds	77,957,940	136,832,026	206,392	3,788,033	218,784,391
Domestic equity mutual funds	20,421,271	41,676,467	3,664,310	14,306,474	80,068,522
Domestic debt securities mutual funds	-	-	678,877	15,845,088	16,523,965
Money market funds	4,236,966	3,884,473	-	258,146	8,379,585
	$ 187,317,505	$ 331,499,331	$ 4,549,579	$ 35,172,915	$ 558,539,330

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

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

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
AAA	$ -	$ -	$ 622,856	$ 9,208,123	$ 9,830,979
S&P AAAm	-	-	-	258,147	258,147
AA	-	-	663	679,193	679,856
A	-	-	-	1,358,252	1,358,252
BBB	-	-	55,358	3,112,564	3,167,922
BB	-	-	-	772,990	772,990
B	-	-	-	198,687	198,687
Not rated	17,789,741	32,449,574	-	515,279	50,754,594
Assets not subject to credit risk	169,527,764	299,049,757	3,870,702	19,069,680	491,517,903
	$ 187,317,505	$ 331,499,331	$ 4,549,579	$ 35,172,915	$ 558,539,330

Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

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

	Employees' Retirement System	Police and Fire Retirement System	Employees' Money Purchase Pension Plan	Retiree Health Care VEBA	Totals
International equities					
Canada	$ 531,823	$ 933,790	$ -	$ -	$ 1,465,613
Italy	14,495	29,357	-	-	43,852
United Kingdom	87,014	176,473	-	-	263,487
France	122,397	243,034	-	-	365,431
Israel	127,208	216,506	-	-	343,714
International mutual funds	77,957,940	136,832,026	206,392	3,788,033	218,784,391
	$ 78,840,877	$ 138,431,186	$ 206,392	$ 3,788,033	$ 221,266,488

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City's pension investment policies provide that the average duration of fixed income securities shall not deviate from the Lehman Brothers Aggregate Index duration by +/-20%. As of June 30, 2022, maturities of the City's pension and other postemployment benefits trust debt securities, money market funds, and collateralized mortgage obligations were as follows:

Employee Retirement System	
Fixed income investments with no maturity	
Domestic corporate securities mutual funds	$ 13,552,775
Money market funds	4,236,966
	$ 17,789,741

Police and Fire Retirement System	
Fixed income investments with no maturity	
Domestic corporate securities mutual funds	$ 28,565,101
Money market funds	3,884,473
	$ 32,449,574

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (concluded)

Employees' Money Purchase Pension Plan

	Investment Maturities (fair value by years)				
	Less than 1	1-5	6-10	More than 10	Total
Domestic debt securities mutual funds	$ -	$ 483,225	$ 195,652	$ -	$ 678,877

Retiree Healthcare VEBA

	Investment Maturities (fair value by years)				
	Less than 1	1-5	6-10	More than 10	Total
Domestic debt securities mutual funds	$ -	$ 10,531,989	$ 5,313,099	$ -	$ 15,845,088

Securities Lending

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

Securities on loan at year-end are classified in the preceding schedule of custodial credit risk according to the category for the collateral received on the securities lent. At year-end, the pension trust funds have no credit risk exposure to borrowers because the collateral held by the custodians exceeds the market value of the related securities lent. At June 30, 2022, the fair value of securities on loan by the Employees' Retirement System and the Police and Fire Retirement System were $10,439,537 and $17,210,850, respectively, for which the Plans' received cash collateral of $10,797,687 and $17,757,478, respectively. The contract with the pension and other postemployment benefits trust fund custodians require them to indemnify the City if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the City for income distributions by the securities' issuers while the securities are on loan.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the City's investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

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

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

The City has the following recurring fair value measurements as of June 30, 2022:

Employee Retirement System

INVESTMENT TYPE	Level 1	Level 2	Level 3	Total
Domestic equities	$ 38,639,326	$ -	$ -	$ 38,639,326
International equities	882,937	-	-	882,937
Emerging market equities	8,323,496	-	-	8,323,496
Mutual funds	111,931,986	11,319,855	-	123,251,841
Money market funds	4,236,966	-	-	4,236,966
	$ 164,014,711	$ 11,319,855	$ -	175,334,566
Investments carried at net asset value				
Real estate investment trusts				11,982,939
				$ 187,317,505

Police and Fire Retirement System

INVESTMENT TYPE	Level 1	Level 2	Level 3	Total
Domestic equities	$ 72,865,013	$ -	$ -	$ 72,865,013
International equities	1,599,160	-	-	1,599,160
Emerging market equities	14,668,603	-	-	14,668,603
Mutual funds	186,254,666	16,298,214	-	202,552,880
Money market funds	3,884,473	-	-	3,884,473
	$ 279,271,915	$ 16,298,214	$ -	295,570,129
Investments carried at net asset value				
Real estate investment trusts				15,110,275
International equity mutual funds				20,818,927
				$ 331,499,331

NOTE 4 - DEPOSITS AND INVESTMENTS (concluded)

Fair Value Measurement (concluded)

Net Asset Value Investments - Certain investments noted above are carried at net asset value as these are not actively traded. The fair value is estimated based on the dollar value per share as of June 30, 2022. These investments are able to be liquidated as needed, to the extent there is a willing buyer in the market. There are not any restrictions related to the sale of these investments. At June 30, 2022, the City has $1,226,639 outstanding on initial commitments of $4,300,000 with the Invesco Mortgage Recovery Fund (the "Fund"). The Fund has a seven-year life, and the intent is to sell all of the investments prior to the Fund's maturity. The other investments at net asset value do not contain required redemption periods.

Employees' Money Purchase Pension Plan

INVESTMENT TYPE	Level 1	Level 2	Level 3	Total
Mutual funds	$ 4,549,579	$ -	$ -	$ 4,549,579

Retiree Healthcare VEBA

INVESTMENT TYPE	Level 1	Level 2	Level 3	Total
Emerging market equities	$ 975,174	$ -	$ -	$ 975,174
Mutual funds	33,939,594	-	-	33,939,594
Money market funds	258,146	-	-	258,146
	$ 35,172,914	$ -	$ -	$ 35,172,914

NOTE 5 - RECEIVABLES

Receivables are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivable	$ 22,797,917	$ 7,438,481	$ 1,145,545
Taxes receivable	1,086,572	-	-
Special assessments receivable	10,714,739	-	-
Loans receivable	1,216,880	-	145,897
Contracts receivable	1,322,060	-	-
Accrued interest receivable	2,350,196	168,890	-
Due from other governments	22,567,378	26,101,046	114
Contract receivable	-	18,830,489	-
Allowance for uncollectable accounts	(399,500)	(10,000)	(25,280)
	$ 61,656,242	$ 52,528,906	$ 1,266,276
Amount not expected to be collected within one year	$ 19,718,161	$ 17,867,866	$ 100,487

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	$ 25,435,297	$ -	$ -	$ 25,435,297
Construction in process	9,113,448	15,071,940	(656,760)	23,528,628
Subtotal	34,548,745	15,071,940	(656,760)	48,963,925
Capital assets being depreciated				
Land improvements	28,722,283	231,611	-	28,953,894
Equipment and vehicles	43,995,848	1,855,453	(1,434,444)	44,416,857
Buildings	136,413,057	1,923,384	-	138,336,441
Flowage rights	20,032,880	-	-	20,032,880
Infrastructure	314,769,874	4,541,961	-	319,311,835
Subtotal	543,933,942	8,552,409	(1,434,444)	551,051,907
Less accumulated depreciation for:				
Land improvements	(14,849,775)	(1,178,107)	-	(16,027,882)
Equipment and vehicles	(36,256,665)	(2,433,602)	1,383,689	(37,306,578)
Buildings	(99,745,479)	(4,399,245)	-	(104,144,724)
Flowage rights	-	(667,763)	-	(667,763)
Infrastructure	(228,712,425)	(5,313,727)	-	(234,026,152)
Subtotal	(379,564,344)	(13,992,444)	1,383,689	(392,173,099)
Net capital assets being depreciated	164,369,598	(5,440,035)	(50,755)	158,878,808
Capital assets, net	$ 198,918,343	$ 9,631,905	$ (707,515)	$ 207,842,733

At June 30, 2022, the City's governmental activities had outstanding commitments through construction contracts of approximately $44,101,000.

Depreciation expense was charged to the following governmental activities:

Depreciation of governmental activities by function	
General government	$ 1,043,526
Public safety	753,597
Public works	5,409,502
Recreation and culture	3,074,404
Community and economic development	1,601,646
Internal service fund	2,109,769
Total depreciation expense - governmental activities	$ 13,992,444

NOTE 6 - CAPITAL ASSETS (concluded)

	Balance July 1, 2021	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2022
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 12,369,507	$ -	$ -	$ 12,369,507
Construction in progress	31,640,552	10,403,508	(20,885,792)	21,158,268
Subtotal	44,010,059	10,403,508	(20,885,792)	33,527,775
Capital assets being depreciated				
Land improvements	30,077,106	-	-	30,077,106
Equipment and vehicles	10,299,319	577,259	-	10,876,578
Buildings	193,558,507	1,330,617	-	194,889,124
Sewers	344,735,339	20,081,880	-	364,817,219
Subtotal	578,670,271	21,989,756	-	600,660,027
Less accumulated depreciation for:				
Land improvements	(27,157,621)	(573,902)	-	(27,731,523)
Equipment and vehicles	(7,532,817)	(433,140)	-	(7,965,957)
Buildings	(121,006,399)	(4,045,371)	-	(125,051,770)
Sewers	(123,034,766)	(7,001,410)	-	(130,036,176)
Subtotal	(278,731,603)	(12,053,823)	-	(290,785,426)
Net capital assets being depreciated	299,938,668	9,935,933	-	309,874,601
Capital assets, net	$ 343,948,727	$ 20,339,441	$ (20,885,792)	$ 343,402,376

At June 30, 2022, the City's business-type activities had outstanding commitments through construction contracts of approximately $1,679,000.

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

Depreciation of business-type activities by function	
Sewage disposal system	$ 9,898,880
Municipal parking system	2,067,069
Cemetery	9,827
Golf	72,681
Recycling	5,366
Total depreciation expense - business-type activities	$ 12,053,823

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	$ 16,329,860	$ 6,512,718	$ 4,560,121
Accrued payroll	3,402,638	192,504	-
Deposits payable	-	81,782	-
Due to other governments	1,770,692	-	8,041,034
Claims incurred but not reported	1,500,000	-	-
Other	2,084,981	-	403,742
	$ 25,088,171	$ 6,787,004	$ 13,004,897

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances of the primary government as of June 30, 2022, was as follows:

Due to and from primary government funds

Due to Sewer Disposal System Fund	
Municipal Parking System fund	$ 1,867,157
State & Federal Grant fund	3,738,427
CERA - MSHDA fund	51,133
Nonmajor governmental funds	478,834
	$ 6,135,551

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

For the year ended June 30, 2022, interfund transfers consisted of the following:

Transfers to General Fund from:	
Nonmajor governmental funds (1)	$ 100,000
Transfers to State and Federal Grants Fund from:	
General fund (3)	$ 235,859

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (concluded)

Transfers to nonmajor governmental funds from:	
General fund (3)	$ 5,847,000
Nonmajor enterprise funds (2)	28,000
Nonmajor governmental funds (1)(2)	4,000,000
	$ 9,875,000

Transfers to nonmajor enterprise funds from:	
Nonmajor governmental funds (2)	$ 625,000

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

NOTE 9 - LONG-TERM OBLIGATIONS

General Obligation Bonds

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

	Issuance Date	Interest Rates	Original Amount	Balance July 1, 2021	Additions/ (Deletions)	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities							
2013 Energy Efficiency Refunding Bonds - Limited Tax	1/15/2013	2.40%	$ 5,645,000	$ 655,000	$ (655,000)	$ -	$ -
2010 Recovery Zone Economic Development Bonds	12/13/2010	3.40%-7.25%	3,200,000	-	-	-	-
2015 Lansing Center Refunding Bonds - Limited Tax	12/17/2015	2.00%-3.00%	1,770,000	310,000	(310,000)	-	-
2018 Michigan Transportation Fund Bonds	9/12/2018	3.50%	1,665,000	570,000	(570,000)	-	-
2019 General Obligation Refunding - Limited Tax (1)	4/10/2019	3.00%-4.00%	6,938,699	6,390,300	(561,000)	5,829,300	576,300
2021 Capital Improvement Bonds, Series 2021 (LTGO)	12/21/2021	2.15%	4,490,000	-	4,185,000	4,185,000	260,000
Montgomery Drain District - Series 2020A G.O. Bonds (3)	9/8/2020	3.00%	20,032,880	20,032,880	(417,880)	19,615,000	370,000
Total Governmental Activities			43,741,579	27,958,180	1,671,120	29,629,300	1,206,300

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds (concluded)

	Issuance Date	Interest Rates	Original Amount	Balance July 1, 2021	Additions/ (Deletions)	Balance June 30, 2022	Amounts Due Within One Year
Business-type Activities							
2009 Building Authority Refunding Bonds - Limited Tax	11/9/2009	6.25%-6.85%	8,161,691	1,905,641	(763,908)	1,141,733	711,080
2014 Building Authority Refunding Bonds - Limited Tax	3/21/2014	4.75%	7,245,000	-	-	-	-
2015 Building Authority Refunding Bonds - Limited Tax	12/17/2015	2.00%-3.00%	6,765,000	1,185,000	(1,185,000)	-	-
2017 Building Authority Refunding Bonds - Limited Tax	12/11/2017	3.305%-4.075%	10,805,000	10,805,000	-	10,805,000	-
2020 Building Authority Refunding Bonds - Limited Tax	8/13/2020	0.621%-2.793%	8,735,000	8,635,000	(100,000)	8,535,000	100,000
2000 Limited Tax Sewer Bond - 5005-12	3/30/2000	2.50%	9,447,830	-	-	-	-
2001 Limited Tax Sewer Bond - 5005-13	3/29/2001	2.50%	10,573,046	648,046	(648,046)	-	-
2002 Limited Tax Sewer Bond - 5005-14	3/28/2002	2.50%	12,381,131	2,226,131	(725,000)	1,501,131	740,000
2003 Limited Tax Sewer Bond - 5005-15	3/27/2003	2.50%	10,145,688	2,420,688	(585,000)	1,835,688	605,000
2004 Limited Tax Sewer Bond - 5005-16	3/25/2004	2.125%	3,842,649	1,092,649	(210,000)	882,649	215,000
2005 Limited Tax Sewer Bond - 5005-17	3/25/2004	2.125%	8,003,778	2,248,778	(435,000)	1,813,778	445,000
2005 Limited Tax Sewer Bond - 5005-18	3/34/2005	1.625%	13,389,371	4,069,371	(680,000)	3,389,371	680,000
2006 Limited Tax Sewer Bond - 5005-19	3/30/2006	1.625%	18,216,346	6,811,346	(950,000)	5,861,346	960,000
2007 Limited Tax Sewer Bond - 5005-20	3/29/2007	1.625%	24,244,726	10,109,726	(1,225,000)	8,884,726	1,250,000
2008 Limited Tax Sewer Bond - 5005-21	4/1/2008	2.50%	27,494,933	13,995,453	(1,405,000)	12,590,453	1,440,000
2008 Limited Tax Sewer Bond - 5005-22	4/17/2009	2.50%	14,455,604	8,765,604	(700,000)	8,065,604	720,000
2010 Limited Tax Sewer Bond - 5411-01	1/22/2010	2.50%	8,548,000	5,538,000	(415,000)	5,123,000	420,000
2015 Limited Tax Sewer Bond - 5211-01	4/9/2014	2.50%	3,372,405	2,527,405	(155,000)	2,372,405	155,000
2015 Limited Tax Sewer Bond - 5211-02	7/9/2014	2.50%	1,977,487	1,620,065	(100,000)	1,520,065	100,000
2016 Limited Tax Sewer Bond - 5581-01	4/11/2016	2.50%	1,309,872	2,811,310	(135,000)	2,676,310	140,000
2019 Limited Tax Sewer Bond - 5005-23 (4)	4/10/2018	2.00%	9,395,000	7,856,804	241,023	8,097,827	400,000
2019 Limited Tax Sewer Bond - 5672-01 (2)	6/7/2019	2.00%	56,280	4,514,105	(405,000)	4,109,105	410,000
2019 General Obligation Refunding - Limited Tax - Sewer (1)	4/10/2019	3.00%-4.00%	7,681,301	6,139,700	(539,000)	5,600,700	553,700
2020 CIB & Refunding Bonds - Municipal Parking	8/13/2020	3.00%-5.00%	9,405,000	9,235,000	(545,000)	8,690,000	565,000
Total Business-type Activities			235,652,138	115,160,822	(11,664,931)	103,495,891	10,609,780
Total General Obligation Bonds			$ 279,393,717	$ 143,119,002	$ (9,993,811)	$ 133,125,191	$ 11,816,080

(1) These debt issues are split between governmental and business-type activities
(2) This debt issue was originally issued in 2019 but proceeds are drawn as the project progresses
(3) This debt is funded by general assessments and drain code tax
(4) Bonds are not fully drawn down - current draw $636,023

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

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

Revenue Bonds

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

	Issuance Date	Interest Rates	Original Amount	Balance July 1, 2021	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Business-type Activities							
2013 Sewer Revenue Refunding Bonds	12/27/2012	2.40%	$ 21,765,000	$ 10,975,000	$ (1,550,000)	$ 9,425,000	$ 1,550,000

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

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Pledged Revenues

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay $9,425,000 in sewer revenue and refunding bonds issued in 2013. Proceeds from the bonds provided financing for the construction for various sewer infrastructure projects. The bonds are payable solely from sewer customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require less than 14% of net revenues. The total principal and interest paid for the current year and total customer net revenues were $2,008,188 and $26,372,944, respectively.

Installment Purchase Agreements

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

	Issuance Date	Interest Rate	Original Amount	Balance July 1, 2021	Additions/ (Deletions)	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities							
2014 Lease Purchase Agreement - Recycling Trucks	9/12/2013	1.96%	$ 1,550,855	$ 105,620	$ (105,620)	$ -	$ -
2015 Ballpark Improvements Installment Purchase	2/13/2015	3.00%	13,500,000	9,051,115	(9,051,115)	-	-
2021 Installment Purchase Agreement (LTGO)	8/18/2021	2.14%	$ 10,569,000	-	10,300,000	10,300,000	639,000
2021 Installment Purchase Agreement (LTGO)	9/1/2021	1.81%	12,500,000	-	12,157,000	12,157,000	770,000
			$ 38,119,855	$ 9,156,735	$ 13,300,265	$ 22,457,000	$ 1,409,000
Business-type Activities							
2014 Contract Purchase Agreement - Recycling Carts	9/12/2013	1.96%	$ 1,737,000	$ 118,343	$ (118,343)	$ -	$ -

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

Loans Payable

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

	Issuance Date	Interest Rate	Original Amount	Balance July 1, 2021	Additions/ (Deletions)	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities							
HUD Section 108 Loan	5/28/2015	1.52%	$ 5,900,000	$ 5,515,000	$ (390,000)	$ 5,125,000	$ 400,000
2020 IPA Fire Truck	10/28/2020	1.40%	1,390,000	1,293,775	(127,846)	1,165,929	129,642
2014 SIB Loan	3/27/2014	3.00%	1,828,428	851,686	(256,289)	595,397	263,978
			$ 9,118,428	$ 7,660,461	$ (774,135)	$ 6,886,326	$ 793,620

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

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

Current Year Defeasances of Debt

On August 18, 2021, the City defeased the 2015 Ballpark Improvements Installment Purchase, which were due and payable through 2030. This was accomplished by establishing irrevocable trust with an escrow agent composed of U.S. Government Securities sufficient to meet the applicable principal and interest payments. The City issued 2021 Installment Purchase Agreement in the amount of $10,569,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As a result of the advance refunding, the City decreased its total debt service requirements by $468,598, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $325,899.

Prior Year Defeased Debt

As of June 30, 2022, defeased bonds related to the prior year refunding of the 2009 Building Authority Capital Appreciation Bonds were still outstanding in the amount of $1,009,386. The defeased bonds are scheduled to be paid by the escrow agent in installments on June 1 of years 2023 through 2024.

As of June 30, 2022, defeased bonds related to the prior year refunding of the 2018 Building Authority Refunding Bonds were still outstanding in the amount of $4,205,000. The defeased bonds are scheduled to be paid by the escrow agent in installments through 2027.

As of June 30, 2022, defeased bonds related to the prior year refunding of the 2014 TIFA and BA Refunding Bonds were still outstanding in the amount of $10,965,000. The defeased bonds are scheduled to be paid by the escrow agent in June 2024.

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2022.

	As restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	$ 27,958,180	$ 4,490,000	$ (2,818,880)	$ 29,629,300	$ 1,206,300
Notes from direct borrowings and direct placements					
Installment purchase agreements	9,156,735	23,069,000	(9,768,735)	22,457,000	1,409,000
Loans payable	7,660,461	-	(774,135)	6,886,326	793,620
	44,775,376	27,559,000	(13,361,750)	58,972,626	3,408,920
Deferred amounts for issuance premiums	663,565	-	(77,343)	586,222	-
Compensated absences	11,032,557	1,076,643	(1,146,442)	10,962,758	1,146,442
Accrued workers compensation	2,789,472	1,758,032	(1,465,313)	3,082,191	647,114
	$ 59,260,970	$ 30,393,675	$ (16,050,848)	$ 73,603,797	$ 5,202,476

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

	As restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Business-type Activities					
General obligation bonds	$ 115,160,822	$ 636,023	$ (12,300,954)	$ 103,495,891	$ 10,609,780
Revenue bonds	10,975,000	-	(1,550,000)	9,425,000	1,550,000
Notes from direct borrowings and direct placements					
Installment purchase agreements	118,343	-	(118,343)	-	-
	126,254,165	636,023	(13,969,297)	112,920,891	12,159,780
Deferred amounts					
For issuance discounts	(210,232)	-	65,290	(144,942)	-
For issuance premiums	2,352,719	-	(209,618)	2,143,101	-
Compensated absences	820,157	131,635	(68,559)	883,233	68,559
	$ 129,216,809	$ 767,658	$ (14,182,184)	$ 115,802,283	$ 12,228,339
Component Units					
Brownfield Redevelopment Authority					
Revenue bonds	$ 28,390,000	$ 11,330,000	$ -	$ 39,720,000	$ 625,000
Direct borrowings and direct placements					
Loan payable	476,820	-	-	476,820	48,913
	28,866,820	11,330,000	-	40,196,820	673,913
Less unamortized discount on general obligation bonds	(547,203)	(214,385)	22,566	(739,022)	-
	28,319,617	11,115,615	22,566	39,457,798	673,913
Tax Increment Financing Authority					
General obligation bonds	28,315,000	-	(50,000)	28,265,000	50,000
Direct borrowings and direct placements					
Contract payable	11,029,889	-	(1,020,309)	10,009,580	-
	39,344,889	-	(1,070,309)	38,274,580	50,000
Add accreted interest on contract payable	8,255,052	-	(4,139,171)	4,115,881	2,069,137
Less unamortized discount on general obligation bonds	(60,384)	-	60,384	-	-
	47,539,557	-	(5,149,096)	42,390,461	2,119,137
Lansing Entertainment and Public Facilities Authority					
Direct borrowings and direct placements					
Lease payable	101,308	-	(40,224)	61,084	40,519
Total component units	$ 75,960,482	$ 11,115,615	$ (5,166,754)	$ 81,909,343	$ 2,833,569

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

NOTE 9 - LONG-TERM OBLIGATIONS (concluded)

For the governmental activities, compensated absences and other long-term debt are generally liquidated by the General Fund.

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

Year	General Obligation Bonds				Revenue Bonds	
Ending	Governmental Activities		Business-Type Activities		Business-Type Activities	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 1,206,300	$ 788,326	$ 10,609,780	$ 3,630,665	$ 1,550,000	$ 380,688
2024	1,254,250	712,338	10,547,534	3,072,899	1,575,000	303,188
2025	1,304,750	674,612	9,525,938	2,113,795	1,575,000	224,438
2026	1,355,250	635,515	9,546,177	1,918,388	1,575,000	145,688
2027	1,410,750	594,875	8,878,621	1,687,072	1,575,000	98,438
2028-2032	6,260,050	2,261,668	30,506,184	5,568,026	1,575,000	49,218
2033-2037	4,647,950	1,520,224	17,062,520	2,331,632	-	-
2038-2042	3,615,000	1,105,199	6,819,137	295,077	-	-
2043-2047	4,395,000	688,290	-	-	-	-
2048-2051	4,180,000	181,731	-	-	-	-
	$ 29,629,300	$ 9,162,778	$ 103,495,891	$ 20,617,554	$ 9,425,000	$ 1,201,658

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

Year	Direct Borrowings and Direct Placements	
Ending	Governmental Activities	
June 30,	Principal	Interest
2023	$ 2,202,620	$ 262,514
2024	2,249,446	272,949
2025	2,077,747	242,299
2026	2,064,183	216,891
2027	2,110,082	192,381
2028-2032	11,042,248	669,791
2033-2034	7,597,000	119,330
	$ 29,343,326	$ 1,976,155

NOTE 10 - FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the City classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	State and Federal Grants	CERA - MSHDA	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable					
Inventory	$ -	$ -	$ -	$ 1,348,300	$ 1,348,300
Prepaids	759,490	-	-	250	759,740
Corpus of permanent funds	-	-	-	1,805,027	1,805,027
Restricted					
Major and local streets - public works	-	-	-	17,335,275	17,335,275
Drug law and narcotics enforcement - public safety	-	-	-	729,503	729,503
Downtown Lansing - community development - public safety	-	-	-	401,619	401,619
Debt service	-	-	-	29,361	29,361
Building department	-	-	-	4,366,574	4,366,574
Community development	-	-	-	1	1
Capital projects - public works	-	-	-	13,015,138	13,015,138
Committed					
Pension/OPEB	785,099	-	-	-	785,099
City parks	-	-	-	491,589	491,589
Capital improvements	-	-	-	4,700,925	4,700,925
Unassigned	21,907,213	-	-	-	21,907,213
TOTAL FUND BALANCES	$ 23,451,802	$ -	$ -	$ 44,223,562	$ 67,675,364

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2022, was as follows:

	Governmntal Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated	$ 48,963,925	$ 33,527,775	$ -
Capital assets being depreciated, net	158,878,808	309,874,601	86,948
Total capital assets	207,842,733	343,402,376	86,948
Related debt			
General obligation bonds	29,629,300	103,495,891	-
Direct borrowing and direct placements	-	-	61,084
Revenue bonds	-	9,425,000	-
Installment purchase agreements (IPA)	22,457,000	-	-
Loans payable	6,886,326	-	-
Unamortized bond discounts	-	(144,942)	-
Unamortized bond premiums	586,222	2,143,101	-
Deferred charge on bond refunding	(228,881)	(3,962,798)	-
Unspent IPA proceeds	(10,929,450)	-	-
Total related debt	48,400,517	110,956,252	61,084
Net investment in capital assets	$ 159,442,216	$ 232,446,124	$ 25,864

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

NOTE 13 - RISK MANAGEMENT

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

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

	Fiscal Year Ended June 30,	
	2022	2021
Estimated liability, beginning of year	$ 1,635,000	$ 400,000
Estimated claims incurred, including changes in estimates	11,139,554	12,302,617
Claim payments	(11,274,554)	(11,067,617)
Estimated liability, end of year	$ 1,500,000	$ 1,635,000

The City is self-insured for workers' compensation costs. The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including those claims that have been reported as well as those that have not yet been reported to the City. When appliable, the current portion of this liability is accounted for in the General Fund with long-term liabilities accounted for in the Statement of Net Position. The City has liability insurance coverage up to a maximum amount of $16,000,000 per occurrence with a $350,000 deductible. Changes in the estimated long-term liability as well as the total estimated cost of claims for the past two fiscal years were as follows:

	Fiscal Year Ended June 30,	
	2022	2021
Estimated liability, beginning of year	$ 2,789,472	$ 2,557,317
Estimated claims incurred, including changes in estimates	1,758,032	1,224,781
Claim payments	(1,465,313)	(992,626)
Estimated liability, end of year	$ 3,082,191	$ 2,789,472

NOTE 14 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of the date they are levied. City, community college, and 50% of school taxes are levied and due July 1 and become delinquent after August 31. County taxes and the balance of school taxes are levied and due December 1 and become delinquent after February 14. In March, taxes on real property still delinquent are purchased by the County's tax revolving funds. Collections of community college, school, and county taxes and remittances are accounted for in the general fund. City property tax revenues are recognized in the fiscal year for which the taxes are levied to the extent that they result in current receivables (i.e., are collected within 60 days after fiscal year-end). The 2021 taxable value for all properties within the City is $2,443,038,364.

The City is permitted by charter and state law to levy taxes up to $20.00 per $1,000 of assessed valuation for general operations other than the payment of principal and interest on long-term debt. The tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2022 was $19.44 per $1,000 of taxable value.

NOTE 15 - CONTINGENT LIABILITIES

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

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

NOTE 16 - PENSION PLANS

EMPLOYEES' RETIREMENT SYSTEM

Plan Description

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

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Plan Description (concluded)

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

Summary of Significant Accounting Policies

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

Method Used to Value Investments

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

Plan Membership

At December 31, 2021, plan membership consisted of the following:

Inactive employees or beneficiaries receiving benefits	935
Inactive employees entitled to but not yet receiving benefits	181
Vested and non-vested active participants	397
Total employees covered by the Plan	1,513

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Benefits Provided

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

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

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Contributions

The contribution requirements of Plan members are established and may be amended by the City Council in accordance with City policies, union contracts, and Plan provisions. Employees are required to make contributions to the Plan in rates from 3.00 to 6.50% depending on bargaining unit and hire date. The City is required to contribute at actuarially determined rates expressed as a percentage of covered payroll. The City's contribution rate for the current plan for the year ended June 30, 2022 was 55.10% of projected valuation payroll.

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

Investment Policy

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (8.82)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

At June 30, 2022, the Plan held certain investments (other than those issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, or other pooled investments) in certain organizations that represent 5% or more of the Plan's fiduciary net position. Please see Note 4 for the details of these concentrations.

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Reserves

In accordance with the Plan policy, the City establishes reserves for various purposes. The reserves are adjusted annually based on recommendations from the City's actuaries. The policy for creating and adjusting reserves was established and can be amended by the Plan Board of Trustees. The market value change from December 31, 2021 to June 30, 2022 has been included in the Pension accumulation fund amount as it has not been allocated to the other funds as of year-end. A summary of the Plan reserves at June 30, 2022 is as follows:

Reserve/Group	Balance
Employee savings fund	$ 11,119,478
Retirement reserve fund	159,901,309
Pension accumulation fund	(31,268,725)
Members benefit fund	14,233,291
Health insurance fund	34,702,753

Net Pension Liability

The components of the net pension liability for the employees' retirement system at June 30, 2022 were as follows:

Total Pension Liability	$ 312,157,774
Plan Fiduciary Net Position	153,666,353
Net Pension Liability	$ 158,491,421
Plan fiduciary net position as percentage of total Pension Liability	49.23%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: Inflation, plus service based increases.

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

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

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Actuarial Assumptions (concluded)

The actuarial assumptions used in the December 31, 2021 valuation were based on the 2015-2019 experience study.

Assumption changes - there were several changes in actuarial assumptions during fiscal year 2022, based on an experience study completed in 2021, covering experience from 2015 through 2019. More details regarding actuarial assumptions can be found in the December 31, 2021 valuation reports for each system.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.95%	1.61%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	6.95%	0.28%
Fixed Income - U.S.	25.00%	2.00%	0.50%
Real Estate	10.00%	4.95%	0.50%
Global Opportunistic Fixed Income	6.00%	4.25%	0.26%
Global Equity Long/Short	10.00%	5.00%	0.50%
Absolute Return	6.00%	5.00%	0.30%
	100.00%		4.67%
Inflation			2.50%
Risk adjustment			-0.17%
Investment rate of return			7.00%

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Discount Rate

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

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

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2021	$ 316,621,592	$ 178,421,063	$ 138,200,529
Changes for the Year			
Service cost	2,827,879	-	2,827,879
Interest on total pension liability	21,523,899	-	21,523,899
Difference between expected and actual experience	(4,473,505)	-	(4,473,505)
Employer contributions	-	13,494,287	(13,494,287)
Employee contributions	-	1,289,306	(1,289,306)
Net investment income (loss)	-	(15,129,738)	15,129,738
Benefit payments, including employee refunds	(24,342,091)	(24,342,091)	-
Administrative expense	-	(66,474)	66,474
Net changes	(4,463,818)	(24,754,710)	20,290,892
Balances as of June 30, 2022	$ 312,157,774	$ 153,666,353	$ 158,491,421

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

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

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net pension liability	$ 186,131,735	$ 158,491,421	$ 135,059,448

NOTE 16 - PENSION PLANS (continued)

EMPLOYEES' RETIREMENT SYSTEM (concluded)

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

For the year ended June 30, 2022, the City recognized ERS pension expense of $17,550,196. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,817,180
Changes in assumptions	2,555,430	-
Net difference between projected and actual earnings on pension plan investments	11,704,992	-
Total	$ 14,260,422	$ 3,817,180

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

Year Ending June 30,	Pension Expense
2023	$ 3,576,073
2024	1,174,530
2025	263,388
2026	5,429,251
	$ 10,443,242

At June 30, 2022, the City did not have any outstanding contributions to the pension plan required for the year ended June 30, 2022.

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM

Plan Description

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

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

Summary of Significant Accounting Policies

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

Method Used to Value Investments

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

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Plan Membership

At December 31, 2021, plan membership consisted of the following:

Inactive employees or beneficiaries receiving benefits	766
Inactive employees entitled to but not yet receiving benefits	67
Vested and non-vested active participants	355
Total employees covered by the Plan	1,188

Benefits Provided

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

Contributions

The contribution requirements of plan members are established and may be amended by the City Council in accordance with City policies, union contracts, and Plan provisions. Fire members are required to contribute 10.0% of their annual wages to the plan, fire members hired after May 19, 2014 are required to contribute 7.00%. Police supervisors are required to contribute 9.52%, police non-supervisors are required to contribute 9.0%, and police non supervisors hired after August 1, 2014 are required to contribute 7.00%. Chapter 294 of the City of Lansing's Ordinance establishes benefit provisions and requires that the portion of the annuity and pension reserves (which are determined annually by the City's actuary) not financed by member contributions shall be financed by annual appropriations. The City's contribution rate for the plan for the year ended June 30, 2022 was 58.25% of projected valuation payroll.

Investment Policy

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (9.86)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Concentrations

At June 30, 2022, the Plan held certain investments (other than those issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, or other pooled investments) in certain organizations that represent 5% or more of the Plan's fiduciary net position. Please see Footnote 4 for the details of these concentrations.

Reserves

In accordance with the Plan policy, the City establishes reserves for various purposes. The reserves are adjusted annually based on recommendations from the City's actuaries. The policy for creating and adjusting reserves was established and can be amended by the Plan Board of Trustees. A summary of the Plan reserves at June 30, 2022 is as follows:

Reserve/Group	Balance
Retirement reserve fund	$ 289,411,315
Health insurance fund	41,918,165

Net Pension Liability

The components of the net pension liability for the police and fire retirement system at June 30, 2022, were as follows:

Total Pension Liability	$ 502,879,789
Plan Fiduciary Net Position	289,411,315
Net Pension Liability	$ 213,468,474
Plan fiduciary net position as percentage of total Pension Liability	57.55%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: Inflation, plus service based increases.

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

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Actuarial Assumptions (concluded)

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the 2015-2019 experience study.

Assumption changes - there were several changes in actuarial assumptions during fiscal year 2022, based on an experience study completed in 2021, covering experience from 2015 through 2019. More details regarding actuarial assumptions can be found in the December 31, 2021 valuation reports for each system.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.95%	1.61%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	6.95%	0.28%
Fixed Income - U.S.	25.00%	2.00%	0.50%
Real Estate	10.00%	4.95%	0.50%
Global Opportunistic Fixed Income	6.00%	4.25%	0.26%
Global Equity Long/Short	10.00%	5.00%	0.50%
Absolute Return	6.00%	5.00%	0.30%
	100.00%		4.67%
Inflation			2.50%
Risk adjustment			-0.17%
Investment rate of return			7.00%

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Discount Rate

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

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

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2021	$ 491,508,579	$ 335,439,636	$ 156,068,943
Changes for the Year			
Service cost	7,269,988	-	7,269,988
Interest on total pension liability	33,647,916	-	33,647,916
Difference between expected and actual experience	6,641,422	-	6,641,422
Employer contributions	-	19,609,552	(19,609,552)
Employee contributions	-	2,722,350	(2,722,350)
Net investment income (loss)	-	(32,083,115)	32,083,115
Benefit payments, including employee refunds	(36,188,116)	(36,188,116)	-
Administrative expense	-	(88,992)	88,992
Net changes	11,371,210	(46,028,321)	57,399,531
Balances as of June 30, 2022	$ 502,879,789	$ 289,411,315	$ 213,468,474

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

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

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net pension liability	$ 268,157,705	$ 213,468,474	$ 163,990,136

NOTE 16 - PENSION PLANS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (concluded)

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

For the year ended June 30, 2022, the City recognized Police and Fire Retirement System pension expense of $47,881,846. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,981,066	$ 1,737,858
Changes in assumptions	12,012,570	-
Net difference between projected and actual earnings on pension plan investments	22,295,730	-
Total	$ 39,289,366	$ 1,737,858

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

Year Ending June 30,	Pension Expense
2023	$ 12,104,661
2024	11,831,132
2025	2,641,300
2026	10,974,415
	$ 37,551,508

At June 30, 2022, the City did not have any outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

For governmental activities, pension liabilities are expected to be liquidated by the general fund.

Detailed information about the pension plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of Note 17.

NOTE 16 - PENSION PLANS (concluded)

SUMMARY PENSION INFORMATION

The table below summarizes the net pension liability and related deferrals for the Employees' Retirement System and the Police and Fire Retirement System as presented in the Statement of Net Position.

	Employees' Retirement System	Police and Fire Retirement System	Total
Net pension liability	$ 158,491,421	$ 213,468,474	$ 371,959,895
Deferred outflows - pension	14,260,422	39,289,366	53,549,788
Deferred inflows - pension	3,817,180	1,737,858	5,555,038
Pension expense	17,550,196	47,881,846	65,432,042

EMPLOYEES' MONEY PURCHASE PENSION PLAN

Newly hired employees are eligible to participate in the City's defined contribution plan. Eligible employees include those normally scheduled to work at least 1,000 hours during a plan year. To receive benefits under the plan, the participant must have met the age and service requirements outline in his or her applicable bargaining unit agreement. Distributions are calculated based on the employee's vesting percentage and the individual's allocation of investment funds. In accordance with the Plan agreement, the City contributes 4% of employees' base pay to the plan. The defined contribution plan is administered by the Board of Trustees as designed in the City of Lansing Defined Contribution Plan which stipulates that the trustees have such authority. All amendments to the plan, including funding requirements, must be approved by the City Council subject to the terms of collective bargaining agreements. City contributions for the year ended June 30, 2022 were $361,330 for plan members. Employee contributions for the year ended June 30, 2022 were $357,008. All amendments to the Plan, including funding requirements, must be approved by the City Council. The assets of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

PRIMARY GOVERNMENT

Plan Description

The City of Lansing contributes to the Employees' Retirement System, the Police and Fire Retirement System, and the Voluntary Employees Beneficiary Association amounts to pre-fund postemployment healthcare. In the Employees' Retirement System and the Police and Fire Retirement System, these other postemployment benefits (OPEB) are set up as reserves in the pension plans, and their investments are commingled with the investments of the pension plan. Portfolio makeup is reported as a percentage of total pension plan assets. Earnings are calculated based on a seven year smoothed rate of return of the retirement systems. Eligible participants include any retirees who receive pension benefits under their respective pension plans, with the exception of Teamster 580 employees hired after May 2014. OPEB plan provisions are established and may be amended by the City Council, subject to the City's various collective bargaining agreements. Separate financial statements are not prepared for the plans.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

PRIMARY GOVERNMENT (concluded)

Method Used to Value Investments

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of each plans' board of trustees, with the assistance of a valuation service.

VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

The City of Lansing Voluntary Employees Beneficiary Association (the "Plan") is a single-employer defined benefit postemployment healthcare plan established by the City to provide medical and healthcare benefits for retirees and their beneficiaries. Eligible participants include any retirees who receive pension benefits under one of the City's pension plans. The Plan is funded by a trust agreement established pursuant to Section 501(c)(9) of the Internal Revenue Code that allows for the formation of a VEBA. It is accounted for as a separate OPEB trust fund.

EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The City provides postemployment health care benefits, in accordance with labor agreements, to full-time employees of the City and employees of the 54-A District Court (not including police officers and firefighters who are members of the Police and Fire Retirement System). Members eligible for pension benefits under the Employees' Retirement System are also eligible to receive health care benefits, with the exception of Teamster 580 employees hired after May 2014. The Plan was established and may be amended by the City Council and is administered by a nine member Board of Trustees. The Board is comprised of the Mayor of the City, one member of the City Council appointed by the City Council, the City Treasurer, the City Human Resources Director, three members of the retirement system to be elected by the members of the system under rules adopted by the board, two residents of the State of Michigan appointed by the Mayor, by and with the consent of the City Council, one of which is a retiree of the retirement system. It is accounted for as a separate OPEB trust fund.

Membership of the Plan consisted of the following at January 1, 2021, the date of the most recent actuarial valuation:

Retirees and beneficiaries receiving benefits	961
Terminated plan members entitled to but not yet receiving benefits	41
Active plan member	429
Total	1,431

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Benefits Provided

The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of $134.00 per month for each covered retiree and eligible dependent(s) eligible for retiree healthcare. The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made.

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by the City Council, in accordance with City policies, union contracts, and Plan provisions. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they qualify under the various contracts. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the bi-annual actuarial valuation. For the year ended June 30, 2022, the City contributed $10,343,555 (direct benefit payments of $9,599,555 and City contributions of $744,000) to the Plan.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (15.16)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2022, were as follows:

Total OPEB Liability	$ 157,216,430
Plan Fiduciary Net Position	69,887,591
Net OPEB Liability	$ 87,328,839
Plan fiduciary net position as percentage of total OPEB liability	44.45%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

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

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Actuarial Assumptions (concluded)

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2020.

The actuarial assumptions used in the January 1, 2021 valuation were based on the 2015-2019 experience study.

Assumption changes - there were no changes of assumptions in 2022.

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy as of June 30, 2022 is summarized in the table on the following page.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.95%	1.61%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	6.95%	0.28%
Fixed Income - U.S.	25.00%	2.00%	0.50%
Real Assets	10.00%	4.95%	0.50%
Global Opportunistic Fixed Income	6.00%	4.25%	0.26%
Global Equity Long/Short	10.00%	5.00%	0.50%
Absolute Return	6.00%	5.00%	0.30%
	100.00%		4.67%
Inflation			2.50%
Risk adjustment			-0.17%
Investment rate of return			7.00%

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The City's funding expectations/policy is to contribute a percentage of payroll each year to their OPEB trust, in addition to paying the annual benefits directly. The City has also assumed that benefits will begin being paid from trust assets once the funding ratio exceeds 90%. Based on this information, the City projects that benefits will be available to make all projected future benefit payments of current plan members.

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

Calculating the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2021	$ 153,400,498	$ 79,529,913	$ 73,870,585
Changes for the year			
Service cost	1,603,045	-	1,603,045
Interest on total OPEB liability	10,562,939	-	10,562,939
Employer contributions	-	10,643,555	(10,643,555)
Net investment income	-	(11,324,122)	11,324,122
Benefit payments	(8,350,052)	(8,350,052)	-
Administrative expense	-	(611,703)	611,703
Net changes	3,815,932	(9,642,322)	13,458,254
Balances as of June 30, 2022	$ 157,216,430	$ 69,887,591	$ 87,328,839

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

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

	1% Decrease 6.00%	Current Discount Rate	1% Increase 8.00%
Net OPEB liability	$ 106,212,238	$ 87,328,839	$ 71,724,223

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 4.5% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.5%) or 1% higher (5.5%) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Healthcare Ultimate Cost Trend Rate	1% Increase 5.50%
Net OPEB liability	$ 71,133,079	$ 87,328,839	$ 106,787,456

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB benefit of $19,016,642. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 22,238,814
Differences between expected and actual experience	-	13,167,887
Net difference between projected and actual earnings on plan investments	10,083,172	-
Total	$ 10,083,172	$ 35,406,701

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

Year Ending June 30,	OPEB Expense
2023	$ (32,983,561)
2024	2,148,617
2025	2,133,171
2026	3,378,244
	$ (25,323,529)

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

EMPLOYEES' RETIREMENT SYSTEM (concluded)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of this note disclosure.

At June 30, 2022, the City reported no amount payable to the OPEB plan.

POLICE AND FIRE RETIREMENT SYSTEM

Plan Description

The City also provides postemployment health care benefits, in accordance with labor agreements, to members who are eligible to receive pension benefits under the Police and Fire Retirement System. The Plan was established and may be amended by the City Council and is administered by an eight member Board of Trustees. The Board is comprised of the Mayor of the City, one member of the City Council appointed by the City Council, the City Treasurer, a resident of the City who shall be appointed by the Mayor, by and with the consent of Council, two members each of the police and fire departments, to be elected by all the members of their respective departments.

Membership of the Plan consisted of the following at January 1, 2021, the date of the most recent actuarial valuation:

Retirees and beneficiaries receiving benefits	699
Terminated plan members entitled to but not yet receiving benefits	12
Active plan member	344
Total	1,055

Benefits Provided

The City provides the full cost of health benefits to retirees, payable to health care vendors, and also reimburses retirees eligible for Medicare benefits of $121.90 per month for each covered retiree and dependent(s). The payments are charged to the fringe benefit internal service fund of the City and are recognized as expenses as payments are made.

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by the City Council, in accordance with City policies, union contracts, and Plan provisions. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they qualify under the various contracts. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the bi-annual actuarial valuation. For the year ended June 30, 2022, the City contributed $9,974,904 (direct benefit payments of $8,674,904 and City contributions of $1,300,000) to the Plan.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (16.96)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the City at June 30, 2022, were as follows:

Total OPEB Liability	$ 202,871,379
Plan Fiduciary Net Position	41,918,165
Net OPEB Liability	$ 160,953,214
Plan fiduciary net position as percentage of total OPEB liability	20.66%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

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

Retirement age: Age-based table of rates that are specific to the type of eligibility condition.

Mortality rates are assumed to be in accordance with the Pub2010G tables, with below median and headcount weighted, projected generationally using MP-2020.

The actuarial assumptions used in the January 1, 2021 valuation were based on the 2015-2019 experience study.

Assumption changes - there were no changes of assumptions in 2022.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy as of June 30, 2022 is summarized in the table below.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Money-Weighted Rate of Return
Domestic Equity	27.00%	5.95%	1.61%
International Equity - Developed	12.00%	6.10%	0.73%
International Equity - Emerging	4.00%	6.95%	0.28%
Fixed Income - U.S.	25.00%	2.00%	0.50%
Real Assets	10.00%	4.95%	0.50%
Global Opportunistic Fixed Income	6.00%	4.25%	0.26%
Global Equity Long/Short	10.00%	5.00%	0.50%
Absolute Return	6.00%	5.00%	0.30%
	100.00%		4.67%
Inflation			2.50%
Risk adjustment			-0.17%
Investment rate of return			7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The City's funding expectations/policy is to contribute a percentage of payroll each year to their OPEB trust, in addition to paying the annual benefits directly. The City has assumed that benefits will be paid from trust assets once the funding ratio exceeds 90%, and until the fund is depleted. Based on this information, the City projects that benefits will be available to make all projected future benefit payments of current plan members.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

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

Calculating the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2021	$ 193,491,109	$ 48,217,543	$ 145,273,566
Changes for the year			
Service cost	3,800,121	-	3,800,121
Interest on total OPEB liability	13,536,620	-	13,536,620
Employer contributions	-	9,974,904	(9,974,904)
Net investment income	-	(7,645,295)	7,645,295
Benefit payments	(7,956,471)	(7,956,471)	-
Administrative expense	-	(672,516)	672,516
Net changes	9,380,270	(6,299,378)	15,679,648
Balances as of June 30, 2022	$ 202,871,379	$ 41,918,165	$ 160,953,214

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

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

	1% Decrease 6.00%	Current Discount Rate	1% Increase 8.00%
Net OPEB liability	$ 187,647,083	$ 160,953,214	$ 139,304,997

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 4.5% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.5%) or 1% higher (5.5) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Healthcare Ultimate Cost Trend Rate	1% Increase 5.50%
Net OPEB liability	$ 138,335,276	$ 160,953,214	$ 188,715,116

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB benefit of $9,102,198. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 22,999,488	$ 81,199,887
Differences between expected and actual experience	4,646,140	35,606,996
Net difference between projected and actual earnings on plan investments	8,994,304	-
Contributions subsequent to the measurement date	-	-
Total	$ 36,639,932	$ 116,806,883

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

Year Ending June 30,	OPEB Expense
2023	$ (28,179,773)
2024	(56,322,761)
2025	2,131,480
2026	2,204,103
	$ (80,166,951)

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)

POLICE AND FIRE RETIREMENT SYSTEM (concluded)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds presented in the other supplementary information section of this report and at the end of this note disclosure.

At June 30, 2022, the City reported no amount payable to the OPEB plan.

For governmental activities, other postemployment benefit liabilities are expected to be liquidated by the general fund.

SUMMARY OPEB INFORMATION

The table below summarizes the net OPEB liability and related deferrals for the Employees' Retirement System and the Police and Fire Retirement System as presented in the Statement of Net Position.

	Employees' Retirement System	Police and Fire Retirement System	Total
Net OPEB liability	$ 87,328,839	$ 160,953,214	$ 248,282,053
Deferred outflows - OPEB	10,083,172	36,639,932	46,723,104
Deferred inflows - OPEB	35,406,701	116,806,883	152,213,584
OPEB expense (benefit)	(19,016,642)	(9,102,198)	(28,118,840)

Financial statements for individual pension and employee benefit plans:

	Pension and Other Postemployment Benefits Trust Funds						
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	Totals
Assets							
Cash and cash equivalents	$ 6,090,397	$ 1,390,936	$ 10,075,420	$ 1,459,318	$ -	$ -	$ 19,016,071
Investments							
Mutual funds	110,091,809	25,142,971	208,310,511	30,171,571	4,549,579	33,939,595	412,206,036
Domestic equities	31,455,468	7,183,858	63,646,492	9,218,521	-	-	111,504,339
International equities	718,781	164,156	1,396,842	202,318	-	-	2,482,097
Emerging market equities	6,775,984	1,547,512	12,812,804	1,855,799	-	975,174	23,967,273
Money market funds	3,449,225	787,741	3,393,029	491,444	-	258,146	8,379,585
Prepaids	852	195	592	86	-	-	1,725
Dividends and interest receivable	26,685	6,094	50,988	7,385	-	11,923	103,075
Total assets	158,609,201	36,223,463	299,686,678	43,406,442	4,549,579	35,184,838	577,660,201
Liabilities							
Accounts payable	150,924	34,470	266,801	38,643	-	-	490,838
Due to other governmental units	4,791,924	1,167,240	10,008,562	1,449,634	4,653	319,000	17,741,013
Total liabilities	4,942,848	1,201,710	10,275,363	1,488,277	4,653	319,000	18,231,851
Net position restricted for:							
Pension benefits	153,666,353	-	289,411,315	-	4,544,926	-	447,622,594
Other postemployment benefits	-	35,021,753	-	41,918,165	-	34,865,838	111,805,756
Total net position	$ 153,666,353	$ 35,021,753	$ 289,411,315	$ 41,918,165	$ 4,544,926	$ 34,865,838	$ 559,428,350

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (concluded)

	Changes in Pension and Other Postemployment Benefits Net Position						
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	Totals
Additions							
Investment income							
Net appreciation (decrease) in fair value of investments	$ (14,356,406)	$ (5,833,105)	$ (32,083,115)	$ (7,656,237)	$ -	$ (5,491,017)	$ (65,419,880)
Interest income (loss)	5,527	-	-	-	(699,336)	-	(693,809)
Miscellaneous	-	-	-	10,942	-	-	10,942
Investment expenses	(778,859)	-	-	-	-	-	(778,859)
Net investment income	(15,129,738)	(5,833,105)	(32,083,115)	(7,645,295)	(699,336)	(5,491,017)	(66,881,606)
Contributions							
Employer	13,494,287	10,343,555	19,609,552	9,974,904	361,330	300,000	54,083,628
Plan members	1,289,306	-	2,722,350	-	357,008	-	4,368,664
Total contributions	14,783,593	10,343,555	22,331,902	9,974,904	718,338	300,000	58,452,292
Deductions							
Participant benefits	24,342,091	8,350,052	36,188,116	7,956,471	-	-	76,836,730
Administrative expense	66,474	492,274	88,992	672,516	432,095	119,429	1,871,780
Total deductions	24,408,565	8,842,326	36,277,108	8,628,987	432,095	119,429	78,708,510
Change in net position	(24,754,710)	(4,331,876)	(46,028,321)	(6,299,378)	(413,093)	(5,310,446)	(87,137,824)
Net position restricted for pension and other postemployment benefits							
Beginning of year	178,421,063	39,353,629	335,439,636	48,217,543	4,958,019	40,176,284	646,566,174
End of year	$ 153,666,353	$ 35,021,753	$ 289,411,315	$ 41,918,165	$ 4,544,926	$ 34,865,838	$ 559,428,350

NOTE 18 - TAX ABATEMENTS

Because Lansing is an older city, vacant land, or “green space” for new buildings is scarce, the City offers tax abatements to make redevelopment and rehabilitation of existing buildings economically viable for developers, who must consider the cost of rehabilitating existing, often older, buildings which may involve environmental remediation, against the generally lesser cost of building on vacant land outside the City. These tax abatements are designed to level the “playing field” for urban communities to encourage redevelopment of vacant buildings, and to attract and retain private investment and jobs within the City. The City of Lansing provides tax abatements under several different programs:

- Industrial property tax abatements are granted in the State of Michigan under Public Act 198 to promote economic development, creation of jobs, and new or improved facilities. The Industrial Facilities Tax (IFT) Exemption must be approved by both the City (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for up to 12 years. A certificate may be revoked, and taxes recaptured for noncompliance with the terms of the agreement. Property taxes abated by the City under this program for fiscal year 2022 amounted to $116,162.

- The State of Michigan allows for Commercial Rehabilitation Exemption under Public Act 210 if making substantial improvements to a business or multi-family residential facility. The City had no Commercial Rehabilitation Exemptions for fiscal year 2022.

NOTE 18 - TAX ABATEMENTS (concluded)

- To incentivize new or expanded businesses, Public Act 328 allows for Personal Property Tax Exemptions for qualified businesses located within eligible distressed communities. The exemption must be approved by the City Council and the State Treasurer. Once approved, the taxpayer is exempt from personal property tax on new investments after the date of the exemption. The City can recapture the taxes if the business defaults on the terms of the written agreement. Property taxes abated by the City under this program for fiscal year 2022 amounted to $3,695,861.

- The Brownfield Redevelopment Authority encourages environmental cleanup and economic development through its Brownfield Redevelopment Plan under Public Act 318. A developer performs redevelopment and cleanup activities at a site that is obsolete or blighted. The increased tax revenues resulting from the increase in taxable value are captured by the City and used to repay the developer for qualifying expenses. There is no provision for recovery of abated taxes because the developer is only paid for eligible expenses on a reimbursement-basis. Property taxes abated by the Authority under this program for fiscal year 2022, through direct reimbursement to developers from current tax captures, amounted to $811,116. In addition, there are reserve liabilities reported in the financial statements that represent tax captures set aside for future developer reimbursements. Property taxes abated by the Authority under this program for fiscal year 2022 amounted to $222,211.

NOTE 19 - ASSETS HELD BY FOUNDATION

During 2020 the City contributed $1,296,395 from the sale of Waverly Park to the City of Lansing Parks and Recreation Endowment Fund, which is held by the Capital Region Community Foundation (CRCF) on behalf of the City, from which only a certain component is spendable. During 2022 the City contributed $29,835. The expenditure related to the contribution is recorded within a nonmajor capital project fund. The CRCF has explicit variance power and therefore these amounts are not shown in the financial statements of the City. This variance power allows CRCF to modify any restrictions or considerations on the distributions of the funds. Distributions will be made to the City annually as requested, according to the spending guidelines. The City elected not to receive any distributions this year. At June 30, 2022, the fund has a value of $1,440,294

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2022, the City implemented the following new pronouncement: GASB Statement No. 87, *Leases.*

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease asset and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

There was no material impact on the City's financial statements after the adoption of GASB Statement No. 87.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLES (concluded)

While not material to the City as a whole, there was a material impact on the Lansing Entertainment & Public Facilities Authority, component unit, after the adoption of GASB Statement 87 and that has been reflected in their separately issued financial statements. In accordance with GASB 61, since this information is readily available in their separately issued financial statements, it is not duplicated here.

NOTE 21 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement N*o. 62. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 22 - SUBSEQUENT EVENT

Subsequent to year end, the State of Michigan approved two draws for the City of Lansing from the State Clean Water Revolving Fund Loan program. The draws were on July 14, 2022, in the amount of $4,528,834 and August 11, 2022, in the amount of $3,533,600.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 46,075,000	$ 46,075,000	$ 46,226,914	$ 151,914
Income taxes	29,380,800	37,241,000	37,087,593	(153,407)
Licenses and permits	1,715,600	1,720,100	1,932,281	212,181
Intergovernmental	20,168,000	20,718,000	22,818,693	2,100,693
Charges for services	8,941,350	9,086,850	10,925,736	1,838,886
Fines and forfeits	1,777,600	1,777,600	1,335,250	(442,350)
Interest and rents	210,000	210,000	268,225	58,225
Other				
Donations and contributions	25,065,000	25,378,614	25,213,665	(164,949)
Miscellaneous	19,048,000	173,000	139,730	(33,270)
TOTAL REVENUES	152,381,350	142,380,164	145,948,087	3,567,923
EXPENDITURES				
Current				
General government				
Attorney's office	2,450,461	3,964,001	2,311,544	1,652,457
City clerk	1,485,525	1,485,525	1,589,380	(103,855)
Council	664,446	664,446	630,820	33,626
Courts	6,614,859	6,614,859	6,320,992	293,867
Internal audit	194,724	194,724	178,413	16,311
Finance	6,384,489	6,384,489	5,928,898	455,591
Library rental	(1,265,000)	(1,265,000)	519,080	(1,784,080)
Human resources	2,572,681	2,572,681	2,195,657	377,024
Mayor	1,618,281	1,618,281	1,650,918	(32,637)
Office of community media	583,262	583,262	557,793	25,469
Contingency	300,000	-	-	-
Total general government	21,603,728	22,817,268	21,883,495	933,773
Public safety				
Police	49,911,211	50,004,825	49,770,377	234,448
Fire	38,811,479	38,811,479	39,436,031	(624,552)
Total public safety	88,722,690	88,816,304	89,206,408	(390,104)
Public works	12,677,987	12,677,987	12,941,208	(263,221)

CITY OF LANSING
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (concluded)
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
EXPENDITURES (concluded)				
Current (concluded)				
Recreation and culture	$ 9,017,392	$ 9,017,392	$ 9,134,233	$ (116,841)
Community and economic development				
Economic development & planning	6,083,740	6,268,740	5,971,011	297,729
Neighborhood & community engagement	1,232,199	1,332,199	1,288,676	43,523
Human relations/community services	1,934,094	1,934,094	1,700,434	233,660
Human services/community support	2,252,500	2,002,500	1,672,224	330,276
Total community and economic development	11,502,533	11,537,533	10,632,345	905,188
Debt service				
Principal	1,860,400	1,860,400	2,018,747	(158,347)
Interest and fiscal charges	541,620	541,620	469,743	71,877
Total debt service	2,402,020	2,402,020	2,488,490	(86,470)
TOTAL EXPENDITURES	145,926,350	147,268,504	146,286,179	982,325
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,455,000	(4,888,340)	(338,092)	4,550,248
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	102,000	102,000	-	(102,000)
Transfers in	100,000	100,000	100,000	-
Transfers out	(5,957,000)	(6,507,000)	(6,082,859)	424,141
TOTAL OTHER FINANCING SOURCES (USES)	(5,755,000)	(6,305,000)	(5,982,859)	322,141
NET CHANGE IN FUND BALANCE	700,000	(11,193,340)	(6,320,951)	4,872,389
Fund balance, beginning of year	29,772,753	29,772,753	29,772,753	-
Fund balance, end of year	$ 30,472,753	$ 18,579,413	$ 23,451,802	$ 4,872,389

CITY OF LANSING
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 962,800	$ 962,800	$ 13,381,019	$ 12,418,219
Charges for services	-	-	639,413	639,413
Interest and rents	-	-	27,262	27,262
Other revenues	50,000	50,000	(28,091)	(78,091)
TOTAL REVENUES	1,012,800	1,012,800	14,019,603	13,006,803
EXPENDITURES				
Current				
Public safety	-	-	377,964	(377,964)
Public works	-	-	14,126	(14,126)
Community and economic development	1,012,800	1,012,800	13,863,374	(12,850,574)
TOTAL EXPENDITURES	1,012,800	1,012,800	14,255,464	(13,242,664)
EXCESS OF REVENUES (UNDER) EXPENDITURES	-	-	(235,861)	(235,861)
OTHER FINANCING SOURCES				
Transfers in	-	-	235,859	235,859
NET CHANGE IN FUND BALANCE	-	-	(2)	(2)
Fund balance, beginning of year	2	2	2	-
Fund balance, end of year	$ 2	$ 2	$ -	$ (2)

CITY OF LANSING
CERA-MSHDA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 51,092,362	$ 51,092,362
EXPENDITURES				
Current				
General government	-	-	59,047	(59,047)
Community and economic development	-	-	50,898,386	(50,898,386)
Debt service				
Interest	-	-	134,929	(134,929)
TOTAL EXPENDITURES	-	-	51,092,362	(51,092,362)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN TOTAL PENSION LIABILITY									
Service cost	$ 2,827,879	$ 2,943,847	$ 2,738,099	$ 2,719,559	$ 2,538,487	$ 2,711,461	$ 2,977,084	$ 2,857,948	$ 2,982,624
Interest	21,523,899	21,890,652	21,360,398	21,512,099	21,994,837	22,403,009	22,268,516	22,671,909	22,722,630
Difference between expected and actual experience	(4,473,505)	(2,504,529)	7,219,344	(2,559,726)	(6,451,827)	(23,183,264)	(4,937,823)	(6,422,330)	-
Changes of assumptions	-	7,666,292	-	-	3,099,448	3,706,512	7,575,775	-	-
Benefit payments, including employee refunds	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)	(22,462,587)	(22,790,522)
Net Change in Total Pension Liability	(4,463,818)	5,680,007	7,210,938	(1,798,108)	(1,921,279)	(17,275,496)	5,023,103	(3,355,060)	2,914,732
Total Pension Liability, beginning	316,621,592	310,941,585	303,730,647	305,528,755	307,450,034	324,725,530	319,702,427	323,057,487	320,142,755
Total Pension Liability, ending	$ 312,157,774	$ 316,621,592	$ 310,941,585	$ 303,730,647	$ 305,528,755	$ 307,450,034	$ 324,725,530	$ 319,702,427	$ 323,057,487
CHANGE IN PLAN FIDUCIARY NET POSITION									
Contributions - employer	$ 13,494,287	$ 12,649,529	$ 10,698,401	$ 10,880,932	$ 10,843,000	$ 10,246,872	$ 10,181,620	$ 10,547,556	$ 9,361,009
Contributions - employee	1,289,306	1,172,409	1,286,273	1,220,657	1,230,857	1,216,519	1,088,943	1,128,120	1,290,678
Net investment income (loss)	(15,129,738)	36,047,284	(540,861)	8,437,568	9,679,565	17,412,568	(2,790,190)	4,399,543	17,887,635
Benefit payments, including employee refunds	(24,342,091)	(24,316,255)	(24,106,903)	(23,470,040)	(23,102,224)	(22,913,214)	(22,860,449)	(22,462,587)	(22,957,379)
Administrative expenses	(66,474)	(20,367)	(34,016)	(42,364)	(57,822)	(47,217)	(126,486)	(174,818)	(741,037)
Net Change in Plan Fiduciary Net Position	(24,754,710)	25,532,600	(12,697,106)	(2,973,247)	(1,406,624)	5,915,528	(14,506,562)	(6,562,186)	4,840,906
Plan Fiduciary Net Position, beginning	178,421,063	152,888,463	165,585,569	168,558,816	169,965,440	164,049,912	178,556,474	185,118,660	180,277,754
Plan Fiduciary Net Position, ending	$ 153,666,353	$ 178,421,063	$ 152,888,463	$ 165,585,569	$ 168,558,816	$ 169,965,440	$ 164,049,912	$ 178,556,474	$ 185,118,660
City's Net Pension Liability	$ 158,491,421	$ 138,200,529	$ 158,053,122	$ 138,145,078	$ 136,969,939	$ 137,484,594	$ 160,675,618	$ 141,145,953	$ 137,938,827
Plan fiduciary net position as a percentage of the total pension liability	49.23%	56.35%	49.17%	54.52%	55.17%	55.28%	50.52%	55.85%	57.30%
Covered payroll	$ 24,509,599	$ 26,001,896	$ 24,304,971	$ 23,265,437	$ 22,672,891	$ 20,901,389	$ 23,085,894	$ 19,769,460	$ 21,521,242
City's net pension liability as a percentage of covered payroll	646.7%	531.5%	650.3%	593.8%	604.1%	657.8%	696.0%	714.0%	640.9%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were several changes in actuarial assumptions during fiscal year 2022, based on an experience study completed in 2021, covering experience from 2015 through 2019. More details regarding actuarial assumptions can be found in the December 31, 2021 valuation reports for each system.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions	$ 12,737,487	$ 12,349,529	$ 10,698,401	$ 10,880,932	$ 10,185,060	$ 10,246,872	$ 10,181,620	$ 10,547,556	$ 9,361,009	$ 8,586,536
Contributions in relation to the actuarially determined contribution	12,737,487	12,349,529	10,698,401	10,880,932	10,843,000	10,246,872	10,181,620	10,547,556	9,361,009	8,586,536
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (657,940)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 24,509,899	$ 26,001,896	$ 24,304,971	$ 23,265,437	$ 22,672,891	$ 20,901,389	$ 23,085,894	$ 19,769,460	$ 21,521,242	$ 20,874,143
Contributions as a percentage of covered payroll	51.97%	47.49%	44.02%	46.77%	47.82%	49.02%	44.10%	53.35%	43.50%	41.13%

The actuarially determined contribution was based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially determined contribution has been expressed above as a percentage of actual payroll.

Actuarial valuation information relative to the determination of contributions:

Valuation date:	December 31, 2021
Notes:	Actuarially determined contribution amounts are calculated as of January 1 every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll over a closed period
Remaining amortization period	19 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Projected salary increases	Increases in salary are assumed to increase with inflation annually, plus an additional amount that varies based on the service of the member as shown below:

Years of Service	UAW	Years of Service	All Others
0-9	3.25%	0-5	7.50%
10-18	1.00%	6-15	1.00%
19+	0.50%	16+	0.00%

Investment rate of return	7.00%, net of investment expense and including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality rates	Mortality is based on the Pub2010S tables (below median), 50% for pre-retirement deaths. For disabled members, the disabled versions of these tables are used. Each of these tables is projected generationally with Scale SSA (2020).

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-8.82%	24.71%	-0.34%	5.17%	5.87%	10.91%	-1.60%	2.43%	13.67%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN TOTAL PENSION LIABILITY									
Service cost	$ 7,269,988	$ 6,961,705	$ 6,526,273	$ 6,801,669	$ 6,533,877	$ 6,133,683	$ 6,371,845	$ 6,350,378	$ 6,614,784
Interest	33,647,916	32,984,834	32,689,419	31,573,535	30,641,722	30,519,676	30,197,513	29,159,382	27,896,927
Changes of benefit terms	-	-	-	-	779	-	-	-	-
Difference between expected and actual experience	6,641,422	(2,944,445)	(1,062,537)	10,590,030	8,263,623	(19,308,117)	7,884,167	3,159,996	-
Changes of assumptions	-	24,025,142	-	-	1,647,044	25,078,592	3,281,341	-	-
Benefit payments, including employee refunds	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)	(27,969,021)	(26,270,724)
Net Change in Total Pension Liability	11,371,210	25,986,873	4,165,734	16,355,980	15,329,894	11,321,648	18,230,902	10,700,735	8,240,987
Total Pension Liability, beginning	491,508,579	465,521,706	461,355,972	444,999,992	429,670,098	418,348,450	400,117,548	389,416,813	381,175,826
Total Pension Liability, ending	$ 502,879,789	$ 491,508,579	$ 465,521,706	$ 461,355,972	$ 444,999,992	$ 429,670,098	$ 418,348,450	$ 400,117,548	$ 389,416,813
CHANGE IN PLAN FIDUCIARY NET POSITION									
Contributions - employer	$ 19,609,552	$ 18,250,155	$ 15,457,647	$ 13,554,239	$ 12,686,000	$ 11,521,768	$ 10,884,312	$ 11,050,091	$ 11,248,857
Contributions - employee	2,722,350	3,207,122	3,459,452	3,485,891	2,650,019	2,840,914	2,608,214	2,950,832	2,911,896
Net investment income (loss)	(32,083,115)	68,910,089	1,047,240	17,943,950	19,937,149	32,116,305	(6,040,910)	8,965,080	34,016,621
Benefit payments, including employee refunds	(36,188,116)	(35,040,363)	(33,987,421)	(32,609,254)	(31,757,151)	(31,102,186)	(29,503,964)	(27,969,021)	(26,852,038)
Administrative expenses	(88,992)	(24,177)	(41,599)	(53,318)	(77,237)	(50,996)	(128,903)	(173,849)	(1,141,506)
Net Change in Plan Fiduciary Net Position	(46,028,321)	55,302,826	(14,064,681)	2,321,508	3,438,780	15,325,805	(22,181,251)	(5,176,867)	20,183,830
Plan Fiduciary Net Position, beginning	335,439,636	280,136,810	294,201,491	291,879,983	288,441,203	273,115,398	295,296,649	300,473,516	280,289,686
Plan Fiduciary Net Position, ending	$ 289,411,315	$ 335,439,636	$ 280,136,810	$ 294,201,491	$ 291,879,983	$ 288,441,203	$ 273,115,398	$ 295,296,649	$ 300,473,516
City's Net Pension Liability	$ 213,468,474	$ 156,068,943	$ 185,384,896	$ 167,154,481	$ 153,120,009	$ 141,228,895	$ 145,233,052	$ 104,820,899	$ 88,943,297
Plan fiduciary net position as a percentage of the total pension liability	57.55%	68.25%	60.18%	63.77%	65.59%	67.13%	65.28%	73.80%	77.16%
Covered payroll	$ 31,354,796	$ 29,636,017	$ 28,977,408	$ 29,638,532	$ 28,435,952	$ 27,585,521	$ 27,078,405	$ 24,407,740	$ 25,611,974
City's net pension asset as a percentage of covered payroll	680.8%	526.6%	639.8%	564.0%	538.5%	512.0%	536.3%	429.5%	347.3%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Assumption changes - there were several changes in actuarial assumptions during fiscal year 2022, based on an experience study completed in 2021, covering experience from 2015 through 2019. More details regarding actuarial assumptions can be found in the December 31, 2021 valuation reports for each system.

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions	$ 18,263,635	$ 16,950,155	$ 15,457,647	$ 13,554,239	$ 12,562,547	$ 11,521,768	$ 10,884,312	$ 11,050,091	$ 11,248,857	$ 10,133,599
Contributions in relation to the actuarially determined contribution	18,263,635	16,950,155	15,457,647	13,554,239	12,686,000	11,521,768	10,884,312	11,050,091	11,248,857	10,133,599
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (123,453)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 31,354,796	$ 29,636,017	$ 28,977,408	$ 29,638,532	$ 28,435,952	$ 27,585,521	$ 27,078,405	$ 24,407,740	$ 26,405,725	$ 25,636,626
Contributions as a percentage of covered payroll	58.25%	57.19%	53.34%	45.73%	44.61%	41.77%	40.20%	45.27%	42.60%	39.53%

The actuarially determined contribution was based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially determined contribution has been expressed above as a percentage of actual payroll.

Actuarial valuation information relative to the determination of contributions:

Valuation date:	December 31, 2021
Notes:	Actuarially determined contribution amounts are calculated as of January 1 every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll over a closed period
Remaining amortization period	19 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Projected salary increases	Increases in salary are assumed to be equal to inflation, plus 7.25% for those with less than 5 years of service or 1.00% for all others.
Investment rate of return	7.00%, net of investment expense and including inflation.
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality rates	Mortality is based on the Pub2010S (below median), 50% for pre-retirement deaths. For disabled members, the disabled versions of these tables are assumed. Each of these tables is projected generationally with scale SSA (2020).

CITY OF LANSING
DEFINED BENEFIT PENSION PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
LAST NINE FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-9.86%	25.50%	0.37%	6.30%	7.10%	12.06%	-2.09%	3.04%	17.28%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

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

	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY						
Service cost	$ 1,603,045	$ 1,560,141	$ 1,518,385	$ 1,477,747	$ 1,438,197	$ 1,550,428
Interest	10,562,939	11,335,921	13,143,168	12,990,219	13,221,134	12,976,683
Difference between expected and actual experience	-	(39,503,661)	(19,498,451)	-	(9,321,837)	-
Changes of assumptions	-	(66,716,444)	39,986,554	3,614,432	(2,727,829)	-
Benefit payments, including refunds of member contributions	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Net Change in Total OPEB Liability	3,815,932	(102,719,637)	24,704,778	7,508,910	(7,676,584)	4,410,518
Total OPEB Liability, beginning	153,400,498	256,120,135	231,415,357	223,906,447	231,583,031	227,172,513
Total OPEB Liability, ending	$ 157,216,430	$ 153,400,498	$ 256,120,135	$ 231,415,357	$ 223,906,447	$ 231,583,031
CHANGE IN PLAN FIDUCIARY NET POSITION						
Employer contributions	$ 10,643,555	$ 10,424,468	$ 11,461,488	$ 11,848,485	$ 11,436,222	$ 11,305,756
OPEB plan net investment income	(11,324,122)	11,001,355	4,366,514	3,040,683	4,329,577	5,209,669
Benefit payments, including refunds of member contributions	(8,350,052)	(9,395,594)	(10,444,878)	(10,573,488)	(10,286,249)	(10,116,593)
Administrative expenses	(611,703)	(728,874)	(636,610)	(548,939)	(444,973)	(389,163)
Net Change in Plan Fiduciary Net Position	(9,642,322)	11,301,355	4,746,514	3,766,741	5,034,577	6,009,669
Plan Fiduciary Net Position, beginning	79,529,913	68,228,558	63,482,044	59,715,303	54,680,726	48,671,057
Plan Fiduciary Net Position, ending	$ 69,887,591	$ 79,529,913	$ 68,228,558	$ 63,482,044	$ 59,715,303	$ 54,680,726
Plan's Net OPEB Liability	$ 87,328,839	$ 73,870,585	$ 187,891,577	$ 167,933,313	$ 164,191,144	$ 176,902,305
Plan fiduciary net position as a percentage of the total OPEB liability	44.45%	51.84%	26.64%	27.43%	26.67%	23.61%
Covered payroll	$ 26,747,483	$ 24,292,037	$ 25,453,989	$ 23,720,424	$ 21,251,418	$ 20,901,289
Plan's net OPEB liability as a percentage of covered payroll	326.49%	304.09%	738.16%	707.97%	772.61%	846.37%

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

Assumption changes - there were no changes of assumptions in 2022.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions	$ 7,100,834	$ 7,100,834	$ 10,504,140	$ 10,198,194	$ 10,910,284	$ 10,582,235	$ 11,447,334	$ 13,270,701	$ 14,057,619	$ 12,775,667
Contributions in relation to the actuarially determined contribution	10,643,555	10,424,468	11,461,488	11,848,485	11,436,222	11,305,756	8,814,471	9,212,322	11,048,992	10,147,780
Contribution deficiency (excess)	$ (3,542,721)	$ (3,323,634)	$ (957,348)	$ (1,650,291)	$ (525,938)	$ (723,521)	$ 2,632,863	$ 4,058,379	$ 3,008,627	$ 2,627,887
Covered payroll	$ 26,747,483	$ 24,292,037	$ 25,435,989	$ 23,720,424	$ 21,251,418	$ 20,901,389	$ 23,085,894	$ 19,769,460	$ 21,521,242	$ 20,874,143
Contributions as a percentage of covered payroll	39.8%	42.9%	45.1%	50.0%	53.8%	54.1%	38.2%	46.6%	51.3%	48.6%

Actuarial valuation information relative to the determination of contributions:

Valuation date:	January 1, 2021
Notes:	Actuarially determined contribution amounts are calculated as of January 1 every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Investment rate of return	7.0%, net of OPEB plan investment expense and including inflation.
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality rates	Pub2010G tables, below median and headcount weighted, projected generationally using MP-2020.
Health care trend rates	
Pre-Medicare	7.50% for the first year, gradually decreasing by .25% to 4.50% in year 13 and thereafter.
Medicare	5.75% for the first year, gradually decreasing by .25% to 4.50% in year 6 and thereafter.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
LAST SIX MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-15.16%	14.89%	6.63%	4.17%	7.10%	9.90%

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

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

	2022	2021	2020	2019	2018	2017
CHANGE IN TOTAL OPEB LIABILITY						
Service cost	$ 3,800,121	$ 3,698,415	$ 3,599,431	$ 3,503,096	$ 3,409,339	$ 3,749,359
Interest	13,536,620	15,112,018	15,551,609	15,565,892	15,994,328	15,584,783
Difference between expected and actual experience	-	(71,213,994)	18,584,560	-	(17,811,401)	-
Changes of assumptions	-	(162,399,773)	91,997,958	18,652,834	(7,445,354)	-
Benefit payments, including refunds of member contributions	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Net Change in Total OPEB Liability	9,380,270	(225,639,411)	116,601,160	25,450,808	(17,813,645)	8,268,702
Total OPEB Liability, beginning	193,491,109	419,130,520	302,529,360	277,078,552	294,892,197	286,623,495
Total OPEB Liability, ending	$ 202,871,379	$ 193,491,109	$ 419,130,520	$ 302,529,360	$ 277,078,552	$ 294,892,197
CHANGE IN PLAN FIDUCIARY NET POSITION						
Employer contributions	$ 9,974,904	$ 12,951,908	$ 14,971,737	$ 13,500,687	$ 13,163,201	$ 12,290,749
OPEB plan net investment income	(7,645,295)	3,408,741	2,998,056	290,543	3,572,965	3,487,200
Benefit payments, including refunds of member contributions	(7,956,471)	(10,836,077)	(13,132,398)	(12,271,014)	(11,960,557)	(11,065,440)
Administrative expenses	(672,516)	(815,831)	(529,339)	(627,673)	(600,644)	(525,309)
Net Change in Plan Fiduciary Net Position	(6,299,378)	4,708,741	4,308,056	892,543	4,174,965	4,187,200
Plan Fiduciary Net Position, beginning	48,217,543	43,508,802	39,200,746	38,308,203	34,133,238	29,946,038
Plan Fiduciary Net Position, ending	$ 41,918,165	$ 48,217,543	$ 43,508,802	$ 39,200,746	$ 38,308,203	$ 34,133,238
Plan's Net OPEB Liability	$ 160,953,214	$ 145,273,566	$ 375,621,718	$ 263,328,614	$ 238,770,349	$ 260,758,959
Plan fiduciary net position as a percentage of the total OPEB liability	20.66%	24.92%	10.38%	12.96%	13.83%	11.57%
Covered payroll	$ 27,116,594	$ 29,636,017	$ 29,774,287	$ 28,435,953	$ 20,667,007	$ 27,585,521
Plan's net OPEB liability as a percentage of covered payroll	593.56%	490.19%	1261.56%	926.04%	1155.32%	945.27%

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

Assumption changes - there were no changes of assumptions in 2022.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SERVICES
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions	$ 13,178,502	$ 13,178,502	$ 15,674,604	$ 15,218,062	$ 15,968,029	$ 19,759,521	$ 17,276,901	$ 17,923,366	$ 16,945,536	$ 17,489,692
Contributions in relation to the actuarially determined contribution	9,974,904	12,951,908	14,971,737	13,500,687	13,163,201	12,290,749	12,879,016	11,561,406	11,198,663	11,170,202
Contribution deficiency (excess)	$ 3,203,598	$ 226,594	$ 702,867	$ 1,717,375	$ 2,804,828	$ 7,468,772	$ 4,397,885	$ 6,361,960	$ 5,746,873	$ 6,319,490
Covered payroll	$ 27,116,594	$ 29,636,017	$ 29,774,287	$ 28,435,953	$ 20,667,007	$ 27,585,521	$ 27,078,405	$ 24,407,740	$ 26,405,725	$ 25,636,626
Contributions as a percentage of covered payroll	36.8%	43.7%	50.3%	47.5%	63.7%	44.6%	47.6%	47.4%	42.4%	43.6%

Actuarial valuation information relative to the determination of contributions:

Valuation date:	January 1, 2021
Notes:	Actuarially determined contribution amounts are calculated as of January 1 every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Investment rate of return	7.0%, net of OPEB plan investment expense and including inflation.
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality rates	Pub2010G tables, below median and headcount weighted, projected generationally using MP-2020.
Health care trend rates	
Pre-Medicare	7.50% for the first year, gradually decreasing by .25% to 4.50% in year 13 and thereafter.
Medicare	5.75% for the first year, gradually decreasing by .25% to 4.50% in year 6 and thereafter.

CITY OF LANSING
OTHER POSTEMPLOYMENT BENEFITS PLAN - POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
LAST SIX MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-16.96%	7.43%	7.25%	-0.88%	8.71%	9.89%

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

CITY OF LANSING
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local government unit not incur expenditures in excess of the amounts appropriated. The City's budgeted expenditures for the General Fund have been shown at the activity level. Within the General Fund, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within each department. Within other funds, the legal level of budgetary control is the mandatory expenditure accounts (personal services, supplies and operating expenses, capital outlay, debt service, transfers, and contingency) within that fund. Transfers between appropriations (mandatory accounts) required City Council approval. An exception to City Council approval is allowed by City Charter for transfers between appropriations (mandatory accounts) for amounts less than five thousand dollars, but not in excess of 15% of the appropriation in cases where five thousand dollars exceeds 15% of the appropriation.

During the year ended June 30, 2022, the City incurred expenditures in the General Fund and certain Special Revenue Funds as noted in excess of the amounts appropriated as follows:

	Amounts Appropriated	Amounts Expended	Variance
General Fund			
Current			
General government			
City clerk	$ 1,485,525	$ 1,589,380	$ (103,855)
Library rental	(1,265,000)	519,080	(1,784,080)
Mayor	1,618,281	1,650,918	(32,637)
Public safety			
Fire	38,811,479	39,436,031	(624,552)
Recreation and culture	9,017,392	9,134,233	(116,841)
Debt service	2,402,020	2,488,490	(86,470)
State and Federal Grants Fund			
Current			
Public safety	-	377,964	(377,964)
Public works	-	14,126	(14,126)
Community development	1,012,800	13,863,374	(12,850,574)
CERA-MSHDA			
Current			
General government	-	59,047	(59,047)
Community and economic development	-	50,898,386	(50,898,386)
Debt service	-	134,929	(134,929)
Major Streets			
Capital outlay	4,980,000	8,473,067	(3,493,067)
Tri-County Metro			
Current			
Public safety	552,000	644,879	(92,879)

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF LANSING
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Permanent Funds	Total
ASSETS					
Cash and cash equivalents	$ 48,000	$ -	$ 8,509,288	$ -	$ 8,557,288
Equity in pooled cash and investments	21,952,714	29,361	10,313,372	1,805,027	34,100,474
Receivables					
Accounts, net	21,615	-	5,308,705	-	5,330,320
Loans	1,185,000	-	-	-	1,185,000
Accrued interest	2,350,196	-	-	-	2,350,196
Special assessments					
Current	-	-	420,578	-	420,578
Noncurrent	-	-	10,294,161	-	10,294,161
Due from other governmental units	3,580,605	-	-	-	3,580,605
Inventories	1,348,300	-	-	-	1,348,300
Prepaids	250	-	-	-	250
TOTAL ASSETS	$ 30,486,680	$ 29,361	$ 34,846,104	$ 1,805,027	$ 67,167,172
LIABILITIES					
Accounts payable	$ 1,384,395	$ -	$ 1,630,880	$ -	$ 3,015,275
Accrued liabilities	92,912	-	-	-	92,912
Indemnity bonds	43,867	-	-	-	43,867
Due to other funds	478,834	-	-	-	478,834
Due to other governmental units	310,476	-	-	-	310,476
Undistributed forfeitures	14,600	-	-	-	14,600
Unearned revenue	46,005	-	80,000	-	126,005
TOTAL LIABILITIES	2,371,089	-	1,710,880	-	4,081,969
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - loans and accrued interest receivable	3,442,480	-	5,125,000	-	8,567,480
Unavailable revenue - special assessments	-	-	10,294,161	-	10,294,161
TOTAL DEFERRED INFLOWS OF RESOURCES	3,442,480	-	15,419,161	-	18,861,641
FUND BALANCES					
Nonspendable	1,348,550	-	-	1,805,027	3,153,577
Restricted	22,832,972	29,361	13,015,138	-	35,877,471
Committed	491,589	-	4,700,925	-	5,192,514
TOTAL FUND BALANCES	24,673,111	29,361	17,716,063	1,805,027	44,223,562
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 30,486,680	$ 29,361	$ 34,846,104	$ 1,805,027	$ 67,167,172

CITY OF LANSING
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Permanent Funds	Total
REVENUES					
Property taxes and special assessments	$ 424,886	$ -	$ 1,358,807	$ -	$ 1,783,693
Intergovernmental	25,791,952	-	-	-	25,791,952
Charges for services	3,553,653	-	455,768	-	4,009,421
Fines and forfeits	241,033	-	-	-	241,033
Interest income (loss) and rents	38,139	-	-	(213,936)	(175,797)
Other	435,458	-	-	-	435,458
TOTAL REVENUES	30,485,121	-	1,814,575	(213,936)	32,085,760
EXPENDITURES					
Current					
General government	3,530,734	-	-	-	3,530,734
Public safety	746,942	-	-	-	746,942
Highways and streets	11,450,485	-	-	-	11,450,485
Community and economic development	1,390,328	-	-	-	1,390,328
Debt service					
Principal	1,387,289	-	1,112,880	-	2,500,169
Interest and fiscal charges	295,724	-	1,103,281	-	1,399,005
Capital outlay	10,941,270	-	7,455,647	-	18,396,917
TOTAL EXPENDITURES	29,742,772	-	9,671,808	-	39,414,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	742,349	-	(7,857,233)	(213,936)	(7,328,820)
OTHER FINANCING SOURCES (USES)					
Proceeds from debt issuances	-	-	27,559,000	-	27,559,000
Payment to refunding bond escrow agent	-	-	(8,621,566)	-	(8,621,566)
Proceeds from sale of capital assets	-	-	400,000	-	400,000
Transfers in	6,435,000	-	3,412,000	28,000	9,875,000
Transfers out	(4,000,000)	-	(725,000)	-	(4,725,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,435,000	-	22,024,434	28,000	24,487,434
NET CHANGE IN FUND BALANCES	3,177,349	-	14,167,201	(185,936)	17,158,614
Fund balances, beginning of year	21,495,762	29,361	3,548,862	1,990,963	27,064,948
Fund balances, end of year	$ 24,673,111	$ 29,361	$ 17,716,063	$ 1,805,027	$ 44,223,562

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS

Major Streets Fund

This fund accounts for revenues received from the State of Michigan for the City's share of state gasoline and weight taxes, which is restricted for maintenance of major streets.

Local Streets Fund

This fund accounts for revenues received from the State of Michigan for the City's share of state gasoline and weight taxes, which is restricted for maintenance of local streets.

Drug Law Enforcement Federal Fund

This fund accounts for federal revenues, from the Departments of Justice and Treasury, set aside for drug law enforcement under the provisions of Federal Grant Agreements.

Drug Law Enforcement State and Local Fund

This fund accounts for state and local revenues, from the Departments of Justice and Treasury, set aside for drug law enforcement under the provisions of State of Michigan Public Act 135 of 1985, as amended.

Community Development Block Grant Program Fund

This fund accounts for revenues received from the Department of Housing and Urban Development. These revenues are restricted to accomplishing the various objectives of Community Development Block Grant Programs, within specific target areas.

Downtown Lansing, Inc. Fund

This fund accounts for assessments received from businesses located in the district. The revenues are used for special events and maintenance of the district.

Building Department Fund

This fund accounts for revenues and expenditures resulting from the enforcement of the State Construction Code Act of 1999 (PA 245 of 1999).

Parks Department Fund

This fund accounts for contributions and transfers which are restricted for park expenditures.

Tri-County Metro Fund

This fund accounts for the operations of the Tri-County Metro Narcotics Squad.

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Major Streets	Local Streets	Drug Law Enforcement Federal	Drug Law Enforcement State and Local
ASSETS				
Cash and cash equivalents	$ -	$ -	$ -	$ 23,000
Equity in pooled cash and investments	11,216,741	4,404,041	204,095	367,218
Receivables				
Accounts, net	-	-	-	-
Loans	-	-	-	-
Accrued interest	-	-	-	-
Due from other governmental units	2,395,272	559,937	-	-
Inventories	1,348,300	-	-	-
Prepaids	-	-	-	-
TOTAL ASSETS	$ 14,960,313	$ 4,963,978	$ 204,095	$ 390,218
LIABILITIES				
Accounts payable	$ 935,603	$ 215,220	$ 7,235	$ 94,761
Accrued payroll and related	-	4,084	-	-
Indemnity bonds	43,867	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Undistributed forfeitures	-	-	-	-
Unearned revenue	41,942	-	-	-
TOTAL LIABILITIES	1,021,412	219,304	7,235	94,761
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
FUND BALANCES				
Nonspendable	1,348,300	-	-	-
Restricted	12,590,601	4,744,674	196,860	295,457
Committed	-	-	-	-
TOTAL FUND BALANCES	13,938,901	4,744,674	196,860	295,457
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 14,960,313	$ 4,963,978	$ 204,095	$ 390,218

Community Development Block Grant Program	Downtown Lansing, Inc.	Building Department	Parks Department	Tri-County Metro	Total
$ -	$ -	$ -	$ -	$ 25,000	$ 48,000
-	440,207	4,413,125	491,589	415,698	21,952,714
-	-	21,615	-	-	21,615
1,185,000	-	-	-	-	1,185,000
2,350,196	-	-	-	-	2,350,196
483,695	-	-	-	141,701	3,580,605
-	-	-	-	-	1,348,300
-	250	-	-	-	250
$ 4,018,891	$ 440,457	$ 4,434,740	$ 491,589	$ 582,399	$ 30,486,680
$ 72,935	$ 27,956	$ 13,118	$ -	$ 17,567	$ 1,384,395
24,641	10,632	50,985	-	2,570	92,912
-	-	-	-	-	43,867
478,834	-	-	-	-	478,834
-	-	-	-	310,476	310,476
-	-	-	-	14,600	14,600
-	-	4,063	-	-	46,005
576,410	38,588	68,166	-	345,213	2,371,089
3,442,480	-	-	-	-	3,442,480
-	250	-	-	-	1,348,550
1	401,619	4,366,574	-	237,186	22,832,972
-	-	-	491,589	-	491,589
1	401,869	4,366,574	491,589	237,186	24,673,111
$ 4,018,891	$ 440,457	$ 4,434,740	$ 491,589	$ 582,399	$ 30,486,680

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Major Streets	Local Streets	Drug Law Enforcement Federal	Drug Law Enforcement State and Local
REVENUES				
Property taxes and special assessments	$ 19,444	$ -	$ -	$ -
Intergovernmental	19,982,090	3,636,970	-	-
Charges for services	-	2,175	-	-
Fines and forfeits	-	-	-	159,650
Interest and rents	19,586	15,019	431	542
Other revenues	75,886	-	-	-
TOTAL REVENUES	20,097,006	3,654,164	431	160,192
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	93,882	8,181
Highways and streets	5,911,960	5,538,525	-	-
Community development	-	-	-	-
Debt service				
Principal	701,830	685,459	-	-
Interest	95,527	200,197	-	-
Capital outlay	8,473,067	2,468,203	-	-
TOTAL EXPENDITURES	15,182,384	8,892,384	93,882	8,181
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,914,622	(5,238,220)	(93,451)	152,011
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,350,000	-	-
Transfers out	(4,000,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,000,000)	6,350,000	-	-
NET CHANGE IN FUND BALANCES	914,622	1,111,780	(93,451)	152,011
Fund balances, beginning of year	13,024,279	3,632,894	290,311	143,446
Fund balances, end of year	$ 13,938,901	$ 4,744,674	$ 196,860	$ 295,457

Community Development Block Grant Program	Downtown Lansing, Inc.	Building Department	Parks Department	Tri-County Metro	Total
$ -	$ 405,442	$ -	$ -	$ -	$ 424,886
1,268,648	302,250	-	-	601,994	25,791,952
-	-	3,551,478	-	-	3,553,653
-	-	-	-	81,383	241,033
-	725	-	1,049	787	38,139
121,680	237,892	-	-	-	435,458
1,390,328	946,309	3,551,478	1,049	684,164	30,485,121
-	804,816	2,725,918	-	-	3,530,734
-	-	-	-	644,879	746,942
-	-	-	-	-	11,450,485
1,390,328	-	-	-	-	1,390,328
-	-	-	-	-	1,387,289
-	-	-	-	-	295,724
-	-	-	-	-	10,941,270
1,390,328	804,816	2,725,918	-	644,879	29,742,772
-	141,493	825,560	1,049	39,285	742,349
-	85,000	-	-	-	6,435,000
-	-	-	-	-	(4,000,000)
-	85,000	-	-	-	2,435,000
-	226,493	825,560	1,049	39,285	3,177,349
1	175,376	3,541,014	490,540	197,901	21,495,762
$ 1	$ 401,869	$ 4,366,574	$ 491,589	$ 237,186	$ 24,673,111

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Major Streets Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes and special assessments	$ 150,000	$ 150,000	$ 19,444	$ (130,556)
Intergovernmental	11,827,258	11,827,258	19,982,090	8,154,832
Interest and rents	-	-	19,586	19,586
Other revenues	72,000	72,000	75,886	3,886
TOTAL REVENUES	12,049,258	12,049,258	20,097,006	8,047,748
EXPENDITURES				
Current				
Highways and streets	7,237,818	7,237,818	5,911,960	1,325,858
Debt service				
Principal	702,289	702,289	701,830	459
Interest	95,568	95,568	95,527	41
Capital outlay	4,980,000	4,980,000	8,473,067	(3,493,067)
TOTAL EXPENDITURES	13,015,675	13,015,675	15,182,384	(2,166,709)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(966,417)	(966,417)	4,914,622	5,881,039
OTHER FINANCING USES				
Transfers out	(4,000,000)	(4,000,000)	(4,000,000)	-
NET CHANGE IN FUND BALANCE	(4,966,417)	(4,966,417)	914,622	5,881,039
Fund balance, beginning of year	13,024,279	13,024,279	13,024,279	-
Fund balance, end of year	$ 8,057,862	$ 8,057,862	$ 13,938,901	$ 5,881,039

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Local Streets Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes and special assessments	$ 150,000	$ 150,000	$ -	$ (150,000)
Intergovernmental	3,575,753	3,575,753	3,636,970	61,217
Miscellaneous revenue	-	-	2,175	2,175
Interest and rents	-	-	15,019	15,019
TOTAL REVENUES	3,725,753	3,725,753	3,654,164	(71,589)
EXPENDITURES				
Current				
Highways and streets	6,668,479	6,668,479	5,538,525	1,129,954
Debt service				
Principal	685,459	685,459	685,459	-
Interest	200,197	200,197	200,197	-
Capital outlay	3,856,000	3,856,000	2,468,203	1,387,797
TOTAL EXPENDITURES	11,410,135	11,410,135	8,892,384	2,517,751
EXCESS OF REVENUES UNDER EXPENDITURES	(7,684,382)	(7,684,382)	(5,238,220)	2,446,162
OTHER FINANCING SOURCES (USES)				
Transfers in	6,350,000	6,350,000	6,350,000	-
NET CHANGE IN FUND BALANCE	(1,334,382)	(1,334,382)	1,111,780	2,446,162
Fund balance, beginning of year	3,632,894	3,632,894	3,632,894	-
Fund balance, end of year	$ 2,298,512	$ 2,298,512	$ 4,744,674	$ 2,446,162

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Drug Law Enforcement Federal Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	$ 4,000	$ 4,000	$ 431	$ (3,569)
EXPENDITURES				
Current				
Public safety	204,000	204,000	93,882	110,118
NET CHANGE IN FUND BALANCE	(200,000)	(200,000)	(93,451)	106,549
Fund balance, beginning of year	290,311	290,311	290,311	-
Fund balance, end of year	$ 90,311	$ 90,311	$ 196,860	$ 106,549

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Drug Law Enforcement State and Local Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	$ -	$ 100,000	$ 159,650	$ 59,650
Interest and rents	7,500	7,500	542	(6,958)
TOTAL REVENUES	7,500	107,500	160,192	52,692
EXPENDITURES				
Current				
Public safety	-	10,000	8,181	1,819
NET CHANGE IN FUND BALANCE	7,500	97,500	152,011	54,511
Fund balance, beginning of year	143,446	143,446	143,446	-
Fund balance, end of year	$ 150,946	$ 240,946	$ 295,457	$ 54,511

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

CDBG Program Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 2,124,580	$ 2,124,580	$ 1,268,648	$ (855,932)
Other revenues	115,000	115,000	121,680	6,680
TOTAL REVENUES	2,239,580	2,239,580	1,390,328	(849,252)
EXPENDITURES				
Current				
Community development	2,489,580	2,489,580	1,390,328	1,099,252
TOTAL EXPENDITURES	2,489,580	2,489,580	1,390,328	1,099,252
EXCESS OF REVENUES UNDER EXPENDITURES	(250,000)	(250,000)	-	250,000
OTHER FINANCING SOURCES				
Transfers in	250,000	250,000	-	(250,000)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	1	1	1	-
Fund balance, end of year	$ 1	$ 1	$ 1	$ -

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Downtown Lansing, Inc. Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes and special assessments	$ 424,000	$ 424,000	$ 405,442	$ (18,558)
Intergovernmental	20,000	320,000	302,250	(17,750)
Interest and rents	-	-	725	725
Other revenues	42,300	222,000	237,892	15,892
TOTAL REVENUES	486,300	966,000	946,309	(19,691)
EXPENDITURES				
Current				
General government	571,300	831,003	804,816	26,187
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(85,000)	134,997	141,493	6,496
OTHER FINANCING SOURCES				
Transfers in	85,000	85,000	85,000	-
NET CHANGE IN FUND BALANCE	-	219,997	226,493	6,496
Fund balance, beginning of year	175,376	175,376	175,376	-
Fund balance, end of year	$ 175,376	$ 395,373	$ 401,869	$ 6,496

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Building Department Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 2,932,000	$ 2,932,000	$ 3,551,478	$ 619,478
EXPENDITURES				
Current				
General government	2,882,000	2,882,000	2,725,918	156,082
NET CHANGE IN FUND BALANCE	50,000	50,000	825,560	775,560
Fund balance, beginning of year	3,541,014	3,541,014	3,541,014	-
Fund balance, end of year	$ 3,591,014	$ 3,591,014	$ 4,366,574	$ 775,560

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Parks Department Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	$ -	$ -	$ 1,049	$ 1,049
NET CHANGE IN FUND BALANCE	-	-	1,049	1,049
Fund balance, beginning of year	490,540	490,540	490,540	-
Fund balance, end of year	$ 490,540	$ 490,540	$ 491,589	$ 1,049

CITY OF LANSING
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

Tri County Metro Fund

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 425,000	$ 601,994	$ 176,994
Fines and forfeitures	-	120,000	81,383	(38,617)
Interest and rents	8,000	8,000	787	(7,213)
TOTAL REVENUES	8,000	553,000	684,164	131,164
EXPENDITURES				
Current				
Public safety	-	552,000	644,879	(92,879)
NET CHANGE IN FUND BALANCE	8,000	1,000	39,285	38,285
Fund balance, beginning of year	197,901	197,901	197,901	-
Fund balance, end of year	$ 205,901	$ 198,901	$ 237,186	$ 38,285

CITY OF LANSING
NONMAJOR DEBT SERVICE FUND

1999 Fire Station Fund

This fund accounts for the accumulation of resources for payment of the 1999 $3,000,000 Unlimited Tax General Obligation Bonds (which was refunding in 2007 in the amount of $1,780,000).

CITY OF LANSING
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2022

	1999 Fire Station
ASSETS	
Equity in pooled cash and investments	$ 29,361
FUND BALANCES	
Restricted	$ 29,361

CITY OF LANSING
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	1999 Fire Station
EXPENDITURES	
Current	
Interest and fiscal charges	$ -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-
OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers out	-
TOTAL OTHER FINANCING SOURCES (USES)	-
NET CHANGE IN FUND BALANCES	-
Fund balances, beginning of year	29,361
Fund balances, end of year	$ 29,361

Special Assessments Fund

This fund is used to account for the financing of public improvements deemed to benefit the properties against which special assessments are levied.

Montgomery Drain Fund

This fund is used to account for the financing of public improvements deemed to benefit the properties against which special assessments are levied, specifically for the Montgomery Drain.

Other Capital Projects Fund

This fund accounts for accounts for miscellaneous capital projects.

CITY OF LANSING
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Special Assessments	Montgomery Drain	Other Capital Projects	Total
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 8,509,288	$ 8,509,288
Equity in pooled cash and investments	25,273	1,639,837	8,648,262	10,313,372
Receivables				
Accounts and loan receivable	-	-	5,308,705	5,308,705
Special assessments				
Current	21,179	399,399	-	420,578
Noncurrent	72,731	10,221,430	-	10,294,161
TOTAL ASSETS	$ 119,183	$ 12,260,666	$ 22,466,255	$ 34,846,104
LIABILITIES				
Accounts payable	$ -	$ -	$ 1,630,880	$ 1,630,880
Unearned revenue	-	-	80,000	80,000
TOTAL LIABILITIES	-	-	1,710,880	1,710,880
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - loans and accrued interest receivable	-	-	5,125,000	5,125,000
Unavailable revenue - special assessments	72,731	10,221,430	-	10,294,161
TOTAL DEFERRED INFLOWS OF RESOURCES	72,731	10,221,430	5,125,000	15,419,161
FUND BALANCES				
Restricted	46,452	2,039,236	10,929,450	13,015,138
Committed	-	-	4,700,925	4,700,925
TOTAL FUND BALANCES	46,452	2,039,236	15,630,375	17,716,063
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 119,183	$ 12,260,666	$ 22,466,255	$ 34,846,104

CITY OF LANSING
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Special Assessments	Montgomery Drain	Other Capital Projects	Total
REVENUES				
Property taxes and special assessments	$ 46,452	$ 1,312,355	$ -	$ 1,358,807
Charges for services	-	-	455,768	455,768
TOTAL REVENUES	46,452	1,312,355	455,768	1,814,575
EXPENDITURES				
Debt service				
Principal	-	417,880	695,000	1,112,880
Interest and fiscal charges	-	348,601	754,680	1,103,281
Capital outlay	-	-	7,455,647	7,455,647
TOTAL EXPENDITURES	-	766,481	8,905,327	9,671,808
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	46,452	545,874	(8,449,559)	(7,857,233)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuances	-	-	27,559,000	27,559,000
Proceeds from sale of capital assets	-	-	400,000	400,000
Payment to refunding bond escrow agent	-	-	(8,621,566)	(8,621,566)
Transfers in	-	-	3,412,000	3,412,000
Transfers out	-	-	(725,000)	(725,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	22,024,434	22,024,434
NET CHANGE IN FUND BALANCES	46,452	545,874	13,574,875	14,167,201
Fund balances, beginning of year	-	1,493,362	2,055,500	3,548,862
Fund balances, end of year	$ 46,452	$ 2,039,236	$ 15,630,375	$ 17,716,063

Cemetery Perpetual Care Fund

This fund accounts for transfers from the Cemetery Fund, representing 15% of lot sales. These funds are invested, and all investment earnings are transferred to the Cemetery Fund for lot maintenance.

Parks Trust Fund

This fund accounts for contributions made for City parks, the principal of which must be preserved in accordance with the trust indentures. Income derived from these contributions is transferred to the Parks Department special revenue fund.

CITY OF LANSING
NONMAJOR PERMANENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Cemetery Perpetual Care	Parks Trust	Total
ASSETS			
Equity in pooled cash and investments	$ 1,803,719	$ 1,308	$ 1,805,027
FUND BALANCES			
Nonspendable	$ 1,803,719	$ 1,308	$ 1,805,027

CITY OF LANSING
NONMAJOR PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Cemetery Perpetual Care	Parks Trust	Total
REVENUES			
Interest income (loss) and rents	$ (213,938)	$ 2	$ (213,936)
OTHER FINANCING SOURCES			
Transfers in	28,000	-	28,000
NET CHANGE IN FUND BALANCES	(185,938)	2	(185,936)
Fund balances, beginning of year	1,989,657	1,306	1,990,963
Fund balances, end of year	$ 1,803,719	$ 1,308	$ 1,805,027

CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS

Cemetery Fund

This fund accounts for the operation of City-owned cemeteries.

Golf Fund

This fund accounts for the operation of the City-owned golf courses.

Garbage and Rubbish Collection Fund

This fund accounts for the provision of household solid waste disposal services to participating residents of the City.

Recycling Fund

This fund accounts for the provision of recycling services to participating residents of the City.

CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Cemetery	Golf	Garbage and Rubbish Collection	Recycling	Total
ASSETS					
Current assets					
Cash and cash equivalents	$ 200	$ -	$ -	$ -	$ 200
Equity in pooled cash and investments	932,085	119,095	2,119,768	2,299,861	5,470,809
Accounts receivable, net	-	-	-	47,474	47,474
Inventories	52,521	-	-	-	52,521
Total current assets	984,806	119,095	2,119,768	2,347,335	5,571,004
Noncurrent assets					
Capital assets not being depreciated	57,740	345,647	-	-	403,387
Capital assets being depreciated, net	57,742	1,591,708	-	16,099	1,665,549
Total noncurrent assets	115,482	1,937,355	-	16,099	2,068,936
TOTAL ASSETS	1,100,288	2,056,450	2,119,768	2,363,434	7,639,940
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflows of resources related to pension	125,492	-	218,184	420,682	764,358
Deferred outflows of resources related to OPEB	88,732	-	154,273	297,454	540,459
TOTAL DEFERRED OUTFLOWS OF RESOURCES	214,224	-	372,457	718,136	1,304,817
LIABILITIES					
Current liabilities					
Accounts payable	22,732	-	69,207	165,396	257,335
Accrued payroll	2,338	-	3,605	3,605	9,548
Current portion of compensated absences	818	-	1,269	2,850	4,937
Total current liabilities	25,888	-	74,081	171,851	271,820
Noncurrent liabilities					
Compensated absences, net of current portion	45,602	-	63,489	142,650	251,741
Net pension liability	1,394,725	-	2,424,919	4,675,497	8,495,141
Net other postemployment benefit liability	768,494	-	1,336,131	2,576,201	4,680,826
Total noncurrent liabilities	2,208,821	-	3,824,539	7,394,348	13,427,708
TOTAL LIABILITIES	2,234,709	-	3,898,620	7,566,199	13,699,528
DEFERRED INFLOW OF RESOURCES					
Deferred inflows of resources related to pension	33,591	-	58,403	112,607	204,601
Deferred inflows of resources related to OPEB	311,579	-	541,723	1,044,498	1,897,800
TOTAL DEFERRED INFLOWS OF RESOURCES	345,170	-	600,126	1,157,105	2,102,401
NET POSITION (DEFICIT)					
Net investment in capital assets	115,482	1,937,355	-	16,099	2,068,936
Unrestricted	(1,380,849)	119,095	(2,006,521)	(5,657,833)	(8,926,108)
TOTAL NET POSITION (DEFICIT)	$ (1,265,367)	$ 2,056,450	$ (2,006,521)	$ (5,641,734)	$ (6,857,172)

CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Cemetery	Golf	Garbage and Rubbish Collection	Recycling	Total
OPERATING REVENUES					
Charges for services	$ 526,299	$ -	$ 3,246,590	$ 4,455,510	$ 8,228,399
OPERATING EXPENSES					
Personnel services	(222,766)	-	253,444	306,534	337,212
Purchase of goods and services	311,333	92,197	1,255,696	1,343,455	3,002,681
Depreciation	9,827	72,681	-	5,366	87,874
TOTAL OPERATING EXPENSES	98,394	164,878	1,509,140	1,655,355	3,427,767
OPERATING INCOME (LOSS)	427,905	(164,878)	1,737,450	2,800,155	4,800,632
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	-	-	-	5,996	5,996
Interest expense and fees	-	-	-	(1,164)	(1,164)
TOTAL NONOPERATING REVENUES (EXPENSES)	-	-	-	4,832	4,832
NET INCOME (LOSS) BEFORE TRANSFERS	427,905	(164,878)	1,737,450	2,804,987	4,805,464
TRANSFERS					
Transfers in	540,000	85,000	-	-	625,000
Transfers out	(28,000)	-	-	-	(28,000)
TOTAL TRANSFERS	512,000	85,000	-	-	597,000
CHANGE IN NET POSITION	939,905	(79,878)	1,737,450	2,804,987	5,402,464
Net position (deficit), beginning of year	(2,205,272)	2,136,328	(3,743,971)	(8,446,721)	(12,259,636)
Net position (deficit), end of year	$ (1,265,367)	$ 2,056,450	$ (2,006,521)	$ (5,641,734)	$ (6,857,172)

CITY OF LANSING
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Cemetery	Golf	Garbage and Rubbish Collection	Recycling	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 526,299	$ -	$ 2,921,780	$ 4,472,241	$ 7,920,320
Cash payments for good and services	(332,589)	(92,252)	(1,237,378)	(1,136,939)	(2,799,158)
Cash payments to employees	(484,145)	-	(1,067,534)	(2,195,594)	(3,747,273)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(290,435)	(92,252)	616,868	1,139,708	1,373,889
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	540,000	85,000	-	-	625,000
Transfers out	(28,000)	-	-	-	(28,000)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	512,000	85,000	-	-	597,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on long-term obligations	-	-	-	(118,343)	(118,343)
Interest paid on long-term obligations	-	-	-	(1,744)	(1,744)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-	(120,087)	(120,087)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends received	-	-	-	5,996	5,996
NET CHANGE IN CASH AND CASH EQUIVALENTS	221,565	(7,252)	616,868	1,025,617	1,856,798
Cash and cash equivalents, beginning of year	710,720	126,347	1,502,900	1,274,244	3,614,211
Cash and cash equivalents, end of year	$ 932,285	$ 119,095	$ 2,119,768	$ 2,299,861	$ 5,471,009
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	$ 427,905	$ (164,878)	$ 1,737,450	$ 2,800,155	$ 4,800,632
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	9,827	72,681	-	5,366	87,874
Changes in:					
Accounts receivable	-	-	103	16,731	16,834
Inventory	(7,442)	-	-	-	(7,442)
Prepaids	-	-	-	136,484	136,484
Deferred outflows - pension	(46,560)	-	(91,893)	(168,852)	(307,305)
Deferred outflows - OPEB	51,220	-	69,652	149,063	269,935
Accounts payable	(13,814)	(55)	18,318	70,032	74,481
Accrued payroll	363	-	3,605	3,605	7,573
Unearned revenue	-	-	(324,913)	-	(324,913)
Compensated absences	4,761	-	3,507	7,880	16,148
Net pension liability	(56,380)	-	103,150	45,779	92,549
Deferred inflows - pension	(106,154)	-	(165,189)	(333,246)	(604,589)
Net other postemployment benefit liability	(7,146)	-	95,105	101,536	189,495
Deferred inflows - OPEB	(547,015)	-	(832,027)	(1,694,825)	(3,073,867)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (290,435)	$ (92,252)	$ 616,868	$ 1,139,708	$ 1,373,889

CITY OF LANSING
INTERNAL SERVICE FUNDS

Fleet Maintenance Fund

This fund accounts for the costs of maintaining the City's fleet of vehicles and heavy equipment.

Fringe Benefits Fund

This fund accounts for the costs of the City's fringe benefits.

Engineering Fund

This fund accounts for the operations of the City's engineering department.

Information Technology Fund

This fund accounts for the operations of the City's information technology department.

CITY OF LANSING
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Fleet Maintenance	Fringe Benefits	Engineering	Information Technology	Total
ASSETS					
Current assets					
Equity in pooled cash and investments	$ 5,577,661	$ 8,124,929	$ 2,125,318	$ 2,771,873	$ 18,599,781
Accounts receivable, net	8,084	860,814	-	80	868,978
Inventories	530,785	-	-	-	530,785
Prepaids	-	1,507,562	-	-	1,507,562
Total current assets	6,116,530	10,493,305	2,125,318	2,771,953	21,507,106
Noncurrent assets					
Capital assets not being depreciated	92,892	-	-	-	92,892
Capital assets being depreciated, net	7,889,751	-	1,340,568	-	9,230,319
Total noncurrent assets	7,982,643	-	1,340,568	-	9,323,211
TOTAL ASSETS	14,099,173	10,493,305	3,465,886	2,771,953	30,830,317
LIABILITIES					
Current liabilities					
Accounts payable	204,234	1,120,310	6,644	141,666	1,472,854
Accrued payroll	91,695	137,417	89,105	61,804	380,021
Accrued interest payable	4,081	-	-	-	4,081
Claims incurred but not reported	-	1,500,000	-	-	1,500,000
Current portion of:					
Bonds and notes payable	129,642	-	-	-	129,642
Compensated absences	1,981	-	1,763	20,214	23,958
Total current liabilities	431,633	2,757,727	97,512	223,684	3,510,556
Noncurrent liabilities					
Bonds and notes payable, net of current portion	1,036,287	-	-	-	1,036,287
Compensated absences, net of current portion	211,630	62,837	417,678	237,081	929,226
Total noncurrent liabilities	1,247,917	62,837	417,678	237,081	1,965,513
TOTAL LIABILITIES	1,679,550	2,820,564	515,190	460,765	5,476,069
NET POSITION					
Net investment in capital assets	6,816,714	-	1,340,568	-	8,157,282
Unrestricted	5,602,909	7,672,741	1,610,128	2,311,188	17,196,966
TOTAL NET POSITION	$ 12,419,623	$ 7,672,741	$ 2,950,696	$ 2,311,188	$ 25,354,248

CITY OF LANSING
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2022

	Fleet Maintenance	Fringe Benefits	Engineering	Information Technology	Total
OPERATING REVENUES					
Charges for services	$ 9,716,059	$ 73,321,381	$ 5,267,198	$ 7,602,508	$ 95,907,146
Miscellaneous	-	56,961	1,990	-	58,951
TOTAL OPERATING REVENUES	9,716,059	73,378,342	5,269,188	7,602,508	95,966,097
OPERATING EXPENSES					
Personnel services	3,426,588	332,326	3,099,424	2,165,421	9,023,759
Purchase of goods and services	3,935,244	68,613,292	1,714,808	4,582,983	78,846,327
Depreciation	2,064,883	-	44,886	-	2,109,769
TOTAL OPERATING EXPENSES	9,426,715	68,945,618	4,859,118	6,748,404	89,979,855
OPERATING INCOME	289,344	4,432,724	410,070	854,104	5,986,242
NONOPERATING REVENUES (EXPENSES)					
Gain on sale of capital assets	134,526	-	-	-	134,526
Interest expense and fees	(18,257)	-	-	-	(18,257)
TOTAL NONOPERATING REVENUES (EXPENSES)	116,269	-	-	-	116,269
CHANGE IN NET POSITION	405,613	4,432,724	410,070	854,104	6,102,511
Net position, beginning of year	12,014,010	3,240,017	2,540,626	1,457,084	19,251,737
Net position, end of year	$ 12,419,623	$ 7,672,741	$ 2,950,696	$ 2,311,188	$ 25,354,248

CITY OF LANSING
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Fleet Maintenance	Fringe Benefits	Engineering	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from interfund services	$ 9,761,160	$ 73,804,278	$ 5,269,188	$ 7,602,508	$ 96,437,134
Cash payments for goods and services	(3,989,360)	(68,000,622)	(1,708,321)	(4,551,742)	(78,250,045)
Cash payments to employees	(3,413,244)	(1,275,006)	(3,028,117)	(2,148,921)	(9,865,288)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,358,556	4,528,650	532,750	901,845	8,321,801
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	134,526	-	-	-	134,526
Purchase of capital assets	(1,238,343)	-	-	-	(1,238,343)
Principal paid on long-term obligations	(233,466)	-	-	-	(233,466)
Interest paid on long-term obligations	(19,222)	-	-	-	(19,222)
NET CASH (USED) CAPITAL AND BY RELATED FINANCING ACTIVITIES	(1,356,505)	-	-	-	(1,356,505)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,002,051	4,528,650	532,750	901,845	6,965,296
Cash and cash equivalents, beginning of year	4,575,610	3,596,279	1,592,568	1,870,028	11,634,485
Cash and cash equivalents, end of year	$ 5,577,661	$ 8,124,929	$ 2,125,318	$ 2,771,873	$ 18,599,781
Reconciliation of operating income to net cash provided by operating activities					
Operating income	$ 289,344	$ 4,432,724	$ 410,070	$ 854,104	$ 5,986,242
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	2,064,883	-	44,886	-	2,109,769
Change in:					
Accounts receivable	45,101	(510,057)	-	(80)	(465,036)
Prepaids	-	461,705	-	-	461,705
Inventories	(71,853)	-	-	-	(71,853)
Accounts payable	17,737	150,965	6,487	31,321	206,510
Accrued payroll	14,108	124,918	26,948	8,844	174,818
Claims incurred but not reported	-	(135,000)	-	-	(135,000)
Compensated absences	(764)	3,395	44,359	7,656	54,646
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,358,556	$ 4,528,650	$ 532,750	$ 901,845	$ 8,321,801

CITY OF LANSING
FIDUCIARY FUNDS

Fiduciary Funds are funds set up to account for assets held by the City in a fiduciary capacity, for individuals, organizations, other units of government or other funds. The City's fiduciary funds include pension and other postemployment benefits trust funds and custodial funds.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS

Employees' Retirement System Pension

This fund accounts for all eligible employees (non-police and fire) activity including investing fund resources and calculating and paying pension benefits to applicable retirees (or beneficiaries).

Employees' Retirement System OPEB

This fund accounts for all eligible employees (non-police and fire) activities related to postemployment healthcare coverage for applicable individuals.

Police and Fire Retirement System Pension

This fund accounts for all eligible employees' activity including investing fund resources and calculating and paying pension benefits to applicable retirees (or beneficiaries).

Police and Fire Retirement System OPEB

This fund accounts for all eligible employees' activities related to postemployment healthcare coverage for applicable individuals.

Employees' Money Purchase Pension Plan

This fund accounts for all newly hired eligible employees who participate in the City's defined contribution plan to account for paying pension benefits to eligible retirees (or beneficiaries).

Retiree Healthcare VEBA

This fund accounts for all eligible employee's activity related to the defined benefit of postemployment healthcare to provide medical and healthcare benefits for retirees and their beneficiaries.

CUSTODIAL FUNDS

Custodial funds account for resources received and held by the City, in a custodial capacity, for individuals, organizations and other governments.

54-A District Court Fund

This fund is used to hold cash received by the District Court for bail bonds, for garnishment payments until claimed, and to hold indemnity bonds deposited relating to civil disputes until the Court rules on the case.

Current Tax Collection Fund

This fund is used to account for property taxes collected and distributed to other governments.

CITY OF LANSING
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Pension and Other Postemployment Benefits Trust Funds						
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	Totals
Assets							
Cash and cash equivalents	$ 6,090,397	$ 1,390,936	$ 10,075,420	$ 1,459,318	$ -	$ -	$ 19,016,071
Investments							
Mutual funds	110,091,809	25,142,971	208,310,511	30,171,571	4,549,579	33,939,595	412,206,036
Domestic equities	31,455,468	7,183,858	63,646,492	9,218,521	-	-	111,504,339
International equities	718,781	164,156	1,396,842	202,318	-	-	2,482,097
Emerging market equities	6,775,984	1,547,512	12,812,804	1,855,799	-	975,174	23,967,273
Money market funds	3,449,225	787,741	3,393,029	491,444	-	258,146	8,379,585
Prepaids	852	195	592	86	-	-	1,725
Dividends and interest receivable	26,685	6,094	50,988	7,385	-	11,923	103,075
Total assets	158,609,201	36,223,463	299,686,678	43,406,442	4,549,579	35,184,838	577,660,201
Liabilities							
Accounts payable	150,924	34,470	266,801	38,643	-	-	490,838
Due to other governmental units	4,791,924	1,167,240	10,008,562	1,449,634	4,653	319,000	17,741,013
Total liabilities	4,942,848	1,201,710	10,275,363	1,488,277	4,653	319,000	18,231,851
Net position restricted for:							
Pension benefits	153,666,353	-	289,411,315	-	4,544,926	-	447,622,594
Other postemployment benefits	-	35,021,753	-	41,918,165	-	34,865,838	111,805,756
Total net position	$ 153,666,353	$ 35,021,753	$ 289,411,315	$ 41,918,165	$ 4,544,926	$ 34,865,838	$ 559,428,350

CITY OF LANSING
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Changes in Pension and Other Postemployment Benefits Net Position						
	Employees' Retirement System Pension	Employees' Retirement System OPEB	Police and Fire Retirement System	Police and Fire Retirement System OPEB	Employees' Money Purchase Pension Plan	Retiree Healthcare VEBA	Totals
Additions							
Investment income							
Net appreciation (decrease) in fair value of investments	$ (14,356,406)	$ (5,833,105)	$ (32,083,115)	$ (7,656,237)	$ -	$ (5,491,017)	$ (65,419,880)
Interest income (loss)	5,527	-	-	-	(699,336)	-	(693,809)
Miscellaneous	-	-	-	10,942	-	-	10,942
Investment expenses	(778,859)	-	-	-	-	-	(778,859)
Net investment income	(15,129,738)	(5,833,105)	(32,083,115)	(7,645,295)	(699,336)	(5,491,017)	(66,881,606)
Contributions							
Employer	13,494,287	10,343,555	19,609,552	9,974,904	361,330	300,000	54,083,628
Plan members	1,289,306	-	2,722,350	-	357,008	-	4,368,664
Total contributions	14,783,593	10,343,555	22,331,902	9,974,904	718,338	300,000	58,452,292
Deductions							
Participant benefits	24,342,091	8,350,052	36,188,116	7,956,471	-	-	76,836,730
Administrative expense	66,474	492,274	88,992	672,516	432,095	119,429	1,871,780
Total deductions	24,408,565	8,842,326	36,277,108	8,628,987	432,095	119,429	78,708,510
Change in net position	(24,754,710)	(4,331,876)	(46,028,321)	(6,299,378)	(413,093)	(5,310,446)	(87,137,824)
Net position restricted for pension and other postemployment benefits							
Beginning of year	178,421,063	39,353,629	335,439,636	48,217,543	4,958,019	40,176,284	646,566,174
End of year	$ 153,666,353	$ 35,021,753	$ 289,411,315	$ 41,918,165	$ 4,544,926	$ 34,865,838	$ 559,428,350

CITY OF LANSING
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	54-A District Court	Current Tax Collection	Total
ASSETS			
Equity in pooled cash and investments	$ 19,834	$ -	$ 19,834
LIABILITIES			
Due to individuals and agencies	19,834	-	19,834
NET POSITION			
Restricted for individuals and agencies	$ -	$ -	$ -

CITY OF LANSING
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	54-A District Court	Current Tax Collections	Total
ADDITIONS TO NET POSITION			
Collections from or on behalf of individuals	$ 383,590	$ -	$ 383,590
Collections of taxes for other governments	-	126,026,215	126,026,215
TOTAL ADDITIONS	383,590	126,026,215	126,409,805
DEDUCTIONS FROM NET POSITION			
Payments to or on behalf of individuals	383,590	-	383,590
Payment of taxes collected for other governments	-	126,026,215	126,026,215
TOTAL DEDUCTIONS	383,590	126,026,215	126,409,805
NET CHANGE IN NET POSITION	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	$ -	$ -	$ -

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Lansing, Michigan's (the "City") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF LANSING
NET POSITION BY COMPONENT
2013-2022
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Table 1

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 154,372,604	$ 150,976,010	$ 151,785,916	$ 149,676,860	$ 149,533,948	$ 148,263,240	$ 146,153,309	$ 143,583,186	$ 153,733,211	$ 159,442,216
Restricted	12,552,011	13,133,137	12,311,541	12,922,525	10,993,950	15,189,723	23,505,738	20,495,617	24,518,910	28,101,348
Unrestricted	(39,467,672)	(46,344,555)	(251,453,207)	(265,678,371)	(276,790,945)	(606,529,375)	(629,587,773)	(674,087,826)	(603,922,567)	(578,995,034)
Total governmental activities net position	$ 127,456,943	$ 117,764,592	$ (87,355,750)	$ (103,078,986)	$ (116,263,047)	$ (443,076,412)	$ (459,928,726)	$ (510,009,023)	$ (425,670,446)	$ (391,451,470)
Business-type activities										
Net investment in capital assets	$ 212,682,278	$ 214,458,841	$ 218,813,478	$ 220,436,882	$ 224,161,744	$ 227,127,434	$ 233,988,263	$ 234,126,397	$ 219,824,056	$ 232,446,124
Restricted	11,077,134	8,746,096	2,889,096	2,764,963	1,818,671	1,886,620	1,953,175	2,432,963	2,437,390	2,441,780
Unrestricted	31,943,581	37,891,053	17,242,167	19,401,320	25,415,447	(13,854,833)	(7,299,147)	(13,397,777)	19,032,067	21,195,582
Total business-type activities net position	$ 255,702,993	$ 261,095,990	$ 238,944,741	$ 242,603,165	$ 251,395,862	$ 215,159,221	$ 228,642,291	$ 223,161,583	$ 241,293,513	$ 256,083,486
Primary government										
Net investment in capital assets	$ 367,054,882	$ 365,434,851	$ 370,599,394	$ 370,113,742	$ 373,695,692	$ 375,390,674	$ 380,141,572	$ 377,709,583	$ 373,557,267	$ 391,888,340
Restricted	23,629,145	21,879,233	15,200,637	15,687,488	12,812,621	17,076,343	25,458,913	22,928,580	26,956,300	30,543,128
Unrestricted	(7,524,091)	(8,453,502)	(234,211,040)	(246,277,051)	(251,375,498)	(620,384,208)	(636,886,920)	(687,485,603)	(584,890,500)	(557,799,452)
Total primary government net position	$ 383,159,936	$ 378,860,582	$ 151,588,991	$ 139,524,179	$ 135,132,815	$ (227,917,191)	$ (231,286,435)	$ (286,847,440)	$ (184,376,933)	$ (135,367,984)

Note: No discretely presented component units shown

- GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015. This resulted in presentation of the City’s net pension liability on the statement of net position. Prior years were not restated.
- GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018. This resulted in presentation of the City's net OPEB liability on the statement of net position. Prior years were not restated.

CITY OF LANSING
CHANGES IN NET POSITION
2013-2022
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	$ 27,438,065	$ 24,771,054	$ 25,225,893	$ 27,993,414	$ 21,778,154	$ 16,995,976	$ 26,679,840	$30,400,643	$ 11,196,979	$ 19,628,516
Public safety	77,133,469	78,142,897	81,827,437	85,739,408	91,829,441	87,352,251	97,391,612	121,102,641	57,170,988	78,113,026
Public works	29,984,955	37,243,516	27,815,970	28,212,049	28,983,891	26,485,877	29,644,398	35,288,254	32,334,504	27,316,002
Recreation and culture	7,713,098	8,670,918	6,515,590	10,336,168	9,441,519	8,302,243	7,650,889	11,238,934	4,125,852	6,707,099
Community and economic development	16,939,572	7,602,229	10,270,404	10,642,102	12,349,663	16,150,417	21,046,090	20,731,730	34,764,843	75,618,986
Interest on long-term debt	1,475,051	1,340,818	1,291,846	1,424,215	1,201,846	1,137,561	1,182,488	733,925	1,072,610	1,845,964
Total governmental activities expenses	160,684,210	157,771,432	152,947,140	164,347,356	165,584,514	156,424,325	183,595,317	219,496,127	140,665,776	209,229,593
Business-type activities										
Sewage disposal system	26,298,964	28,682,809	27,506,843	28,487,957	27,567,228	28,552,143	31,939,976	32,605,664	20,828,495	22,239,978
Municipal parking system	8,108,373	7,851,702	7,605,461	7,651,077	6,866,747	9,888,246	7,081,998	12,716,606	3,183,095	10,110,065
Cemetery	633,050	722,270	632,485	708,545	886,579	1,379,877	470,220	1,652,255	300,009	98,394
Golf	892,117	935,671	852,634	845,575	802,564	(372,775)	278,501	229,467	198,889	164,878
Garbage and rubbish collection	1,557,708	1,722,843	1,712,671	2,085,728	1,543,380	3,101,893	1,035,262	2,431,066	1,753,713	1,509,140
Recycling	3,650,292	3,263,553	3,623,276	4,092,278	3,667,899	3,859,496	3,856,764	5,576,963	2,613,739	1,656,519
Total business-type activities expenses	41,140,504	43,178,848	41,933,370	43,871,160	41,334,397	46,408,880	44,662,721	55,212,021	28,877,940	35,778,974
Total primary government expenses	$ 201,824,714	$ 200,950,280	$ 194,880,510	$ 208,218,516	$ 206,918,911	$ 202,833,205	$ 228,258,038	$ 274,708,148	$ 169,543,716	$ 245,008,567
Program Revenues										
Governmental activities										
Charges for services										
General government	$ 6,162,713	$ 6,820,261	$ 6,815,975	$ 7,279,427	$ 7,295,556	$ 7,038,702	$ 7,567,720	$7,616,658	$ 10,158,500	$ 9,406,822
Public safety	4,083,222	2,122,023	3,344,183	2,909,054	3,476,966	4,140,682	3,935,250	4,770,026	3,553,105	4,423,872
Public works	1,622,738	2,129,126	1,923,303	3,011,894	1,836,466	716,322	2,978,549	536,961	560,343	1,165,080
Recreation and culture	594,349	800,293	619,834	673,840	617,604	831,816	1,092,232	1,038,740	1,188,287	1,192,891
Community and economic development	67,349	67,323	67,264	67,272	67,312	-	-	-	-	-
Operating grants and contributions	29,322,435	28,234,803	24,658,955	24,561,960	25,157,629	28,983,936	29,663,253	28,534,469	61,065,241	90,177,926
Capital grants and contributions	3,124,288	3,365,682	2,910,660	904,298	63,488	855,760	3,313,872	285,075	15,693,491	5,283,332
Total governmental activities program revenues	44,977,094	43,539,511	40,340,174	39,407,745	38,515,021	42,567,218	48,550,876	42,781,929	92,218,967	111,649,923
Business-type activities										
Charges for services										
Sewage disposal system	30,825,174	31,759,698	31,730,416	32,368,491	34,755,896	35,107,570	35,752,812	34,968,585	38,471,972	35,943,034
Municipal parking system	5,267,627	7,453,476	6,988,879	7,090,335	6,906,091	7,436,552	8,422,161	6,211,685	2,710,377	5,101,852
Cemetery	314,913	289,565	335,379	312,929	403,663	351,204	415,757	403,030	558,744	526,299
Golf	373,000	366,567	363,559	313,164	256,218	179,464	-	3,091	-	-
Garbage and rubbish collection	1,131,659	1,664,201	1,744,999	1,871,665	1,952,897	2,072,454	2,243,627	2,278,024	2,796,524	3,246,590
Recycling	3,434,622	3,508,536	3,624,671	3,627,070	3,614,794	3,779,468	4,081,700	4,376,310	4,504,054	4,455,510
Operating grants and contributions	1,193,571	2,574,949	1,143,085	1,312,362	1,391,326	1,603,942	6,648,917	2,000,000	-	-
Capital grants and contributions	-	-	-	-	100,000	-	-	-	-	-
Total business-type activities program revenues	42,540,566	47,616,992	45,930,988	46,896,016	49,380,885	50,530,654	57,564,974	50,240,725	49,041,671	49,273,285
Total primary government program revenues	$ 87,517,660	$ 91,156,503	$ 86,271,162	$ 86,303,761	$ 87,895,906	$ 93,097,872	$ 106,115,850	$93,022,654	$ 141,260,638	$ 160,923,208
Net (Expense) Revenue										
Governmental activities	$ (115,707,116)	$ (114,231,921)	$ (112,606,966)	$ (124,939,611)	$ (127,069,493)	$ (113,857,107)	$ (135,044,441)	$ (176,714,198)	$ (48,446,809)	$ (97,579,670)
Business-type activities	1,400,062	4,438,144	3,997,618	3,024,856	8,046,488	4,121,774	12,902,253	(4,971,296)	20,163,731	13,494,311
Total primary government net expense	$ (114,307,054)	$ (109,793,777)	$ (108,609,348)	$ (121,914,755)	$ (119,023,005)	$ (109,735,333)	$ (122,142,188)	$ (181,685,494)	$ (28,283,078)	$ (84,085,359)

CITY OF LANSING
CHANGES IN NET POSITION (concluded)
2013-2022
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2022	2022
General Revenues and Other Changes in Net Position										
Governmental activities										
General revenues										
Property taxes	$ 38,668,837	$ 38,079,548	$ 39,657,382	$ 38,578,548	$ 40,568,278	$ 39,573,468	$ 41,692,930	$41,675,711	$ 45,690,419	$ 47,620,607
Income taxes	29,850,755	31,450,913	31,660,923	34,573,130	35,694,010	38,455,296	37,021,436	37,438,724	37,005,040	37,087,593
Unrestricted grants contributions	31,425,718	35,677,910	36,330,976	36,532,275	38,108,544	39,419,658	39,530,073	42,029,100	46,503,607	47,820,068
Unrestricted investment earnings	58,588	36,836	26,353	99,058	125,539	216,239	463,685	707,383	187,320	(94,154)
Miscellaneous	-	-	280,280	63,079	135,270	-	64,820	91,088	177,521	(38,468)
Transfers - internal activities	(583,117)	(705,637)	(644,485)	(629,715)	(746,209)	(912,186)	(580,817)	4,691,895	3,221,479	(597,000)
Total governmental activities	99,420,781	104,539,570	107,311,429	109,216,375	113,885,432	116,752,475	118,192,127	126,633,901	132,785,386	131,798,646
Business-type activities										
Unrestricted investment earnings	356,467	246,616	17,874	-	-	-	-	2,061,667	1,189,678	698,662
Miscellaneous	-	2,600	-	3,853	-	-	-	-	-	-
Transfers - internal activities	583,117	705,637	644,485	629,715	746,209	912,186	580,817	(4,691,895)	(3,221,479)	597,000
Gain on sale of assets	-	-	-	-	-	-	-	2,120,816	-	-
Total business-type activities	939,584	954,853	662,359	633,568	746,209	912,186	580,817	(509,412)	(2,031,801)	1,295,662
Total primary government	$ 100,360,365	$ 105,494,423	$ 107,973,788	$ 109,849,943	$ 114,631,641	$ 117,664,661	$ 118,772,944	$ 126,124,489	$ 130,753,585	$ 133,094,308
Change in Net Position										
Governmental activities	$ (16,286,335)	$ (9,692,351)	$ (5,295,537)	$ (15,723,236)	$ (13,184,061)	$ 2,895,368	$ (16,852,314)	$ (50,080,297)	$ 84,338,577	$ 34,218,976
Business-type activities	2,339,646	5,392,997	4,659,977	3,658,424	8,792,697	5,033,960	13,483,070	(5,480,708)	18,131,930	14,789,973
Total primary government	$ (13,946,689)	$ (4,299,354)	$ (635,560)	$ (12,064,812)	$ (4,391,364)	$ 7,929,328	$ (3,369,244)	$ (55,561,005)	$ 102,470,507	$ 49,008,949

CITY OF LANSING
FUND BALANCE
GOVERNMENTAL FUNDS
2013-2022
(UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	$ 75,738	$ 79,770	$ 35,424	$ 492,549	$ 28,342	$ 39,437	$ 38,605	$ 185,369	$ 570,654	$ 759,490
Restricted	9,400	36,854	10,044	-	-	-	-	-	-	-
Committed	2,976,408	2,038,608	837,761	428,106	385,067	283,815	-	-	7,972,836	785,099
Unassigned	5,633,528	7,052,830	9,783,911	12,407,748	15,283,857	17,003,260	9,992,885	9,935,641	21,229,263	21,907,213
Total general fund	8,695,074	9,208,062	10,667,140	13,328,403	15,697,266	17,326,512	10,031,490	10,121,010	29,772,753	23,451,802
All other governmental funds										
Nonspendable	2,671,151	2,551,975	2,619,065	2,578,331	2,618,884	2,842,489	2,952,027	3,169,987	3,283,816	3,153,577
Restricted	4,368,983	6,902,928	6,865,580	6,934,665	4,730,012	9,009,438	17,038,777	18,550,655	21,235,094	35,877,471
Committed	4,035,145	4,623,112	7,110,485	8,427,253	10,426,961	8,837,341	9,147,988	10,637,417	2,546,040	5,192,514
Unassigned (deficit)	(619,931)	(522,157)	(528,144)	(410,252)	(411,098)	(155,261)	(115,546)	(82,237)	-	-
Total all other governmental funds	10,455,348	13,555,858	16,066,986	17,529,997	17,364,759	20,534,007	29,023,246	32,275,822	27,064,950	44,223,562
Total all governmental funds	$ 19,150,422	$ 22,763,920	$ 26,734,126	$ 30,858,400	$ 33,062,025	$ 37,860,519	$ 39,054,736	$ 42,396,832	$ 56,837,703	$ 67,675,364

Note: GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in 2011. Further information on the fund balances are found in the footnotes to the financial statements.

CITY OF LANSING
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
2013-2022
(UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes and special assessments	$ 38,717,552	$ 38,151,162	$ 39,470,249	$ 38,782,759	$ 40,691,325	$ 39,629,305	$ 41,732,645	$ 41,709,020	$ 45,712,919	$ 48,010,607
Income taxes	29,850,755	31,450,913	31,660,923	34,573,130	35,694,010	38,455,296	37,021,436	37,438,724	37,005,040	37,087,593
Licenses and permits	1,509,402	1,508,133	1,551,125	1,559,638	1,494,298	2,113,824	1,399,881	2,427,866	1,930,169	1,932,281
Intergovernmental revenue	40,639,183	41,658,435	36,042,377	34,175,112	36,391,761	41,848,072	45,586,152	44,166,490	77,368,957	113,084,026
Charges for services	11,754,381	13,037,014	12,900,490	14,102,447	13,230,822	12,432,770	15,235,656	13,048,934	15,525,892	15,574,570
Fines and forfeits	3,694,351	2,738,392	3,075,427	3,455,541	2,510,945	2,601,063	2,306,990	1,589,733	1,491,641	1,576,283
Interest and rents	53,179	56,550	87,035	145,011	201,367	284,165	631,812	911,454	402,443	119,690
Other	16,757,918	21,379,388	23,162,946	22,854,314	22,952,587	22,101,917	22,391,478	23,371,306	26,397,782	25,760,762
Total revenues	142,976,721	149,979,987	147,950,572	149,647,952	153,167,115	159,466,412	166,306,050	164,663,527	205,834,843	243,145,812
Expenditures										
Current Expenditures										
General government	23,595,321	21,063,589	21,720,206	23,386,445	23,948,368	22,281,236	27,340,931	23,111,276	19,864,962	25,473,276
Public safety	63,943,082	72,068,298	75,510,743	72,264,468	73,683,246	75,859,065	78,659,682	80,863,159	76,213,091	90,331,314
Public works	8,908,673	13,456,773	13,273,332	11,715,510	11,201,515	11,087,884	11,632,895	12,368,707	11,010,619	12,955,334
Highway and streets	9,937,423	10,496,880	10,357,488	10,838,473	10,969,516	10,104,034	11,984,896	10,711,027	10,857,448	11,450,485
Recreation and culture	6,629,453	8,457,444	7,583,085	7,719,906	7,749,245	8,236,872	8,138,369	7,420,052	6,497,239	9,134,233
Community and economic development	-	3,646,035	3,910,924	3,442,110	4,142,612	15,947,504	19,435,277	18,699,058	43,174,711	76,784,433
Other	23,699,202	2,620,316	2,704,982	2,927,391	2,710,979	-	-	-	-	-
Debt service										
Principal	3,137,159	1,185,257	3,616,297	3,892,862	4,596,159	3,622,053	3,183,595	3,286,705	3,359,672	4,518,916
Interest and fiscal charges	1,421,600	3,485,104	931,079	1,275,957	1,120,518	949,318	1,000,307	823,907	798,387	2,003,677
Capital outlay	5,489,617	8,715,193	21,016,808	7,221,346	9,328,278	5,146,742	4,798,070	7,891,788	21,325,057	18,396,917
Total expenditures	146,761,530	145,194,889	160,624,944	144,684,468	149,450,436	153,234,708	166,174,022	165,175,679	193,101,186	251,048,585
Excess (deficiency) of revenues over expenditures	(3,784,809)	4,785,098	(12,674,372)	4,963,484	3,716,679	6,231,704	132,028	(512,152)	12,733,657	(7,902,773)
Other financing sources (uses)										
Transfers in	7,056,932	10,522,162	9,734,572	9,207,856	9,887,627	7,721,661	8,749,296	16,980,511	8,542,188	10,210,859
Transfers out	(7,892,449)	(12,847,799)	(10,002,772)	(10,055,346)	(11,497,936)	(9,283,847)	(9,330,113)	(13,218,616)	(7,325,709)	(10,807,859)
Proceeds from borrowing	11,932,046	986,300	16,761,300	2,090,000	-	-	8,603,699	-	-	27,559,000
Proceeds from the sale of capital assets	497,833	167,737	110,533	268	97,255	128,976	-	92,353	490,735	400,000
Payments to advance refunding escrow agent	(6,015,112)	-	-	(2,162,163)	-	-	(7,741,363)	-	-	(8,621,566)
Bond premium (discount)	-	-	40,945	80,175	-	-	780,670	-	-	-
Total other financing sources (uses)	5,579,250	(1,171,600)	16,644,578	(839,210)	(1,513,054)	(1,433,210)	1,062,189	3,854,248	1,707,214	18,740,434
Net change in fund balances	$ 1,794,441	$ 3,613,498	$ 3,970,206	$ 4,124,274	$ 2,203,625	$ 4,798,494	$ 1,194,217	$ 3,342,096	$ 14,440,871	$ 10,837,661
Debt service as a percentage of noncapital expenditures	3.2%	3.4%	2.8%	3.6%	3.8%	3.0%	2.5%	2.5%	2.7%	2.8%

Table 5

CITY OF LANSING
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

	Taxable Assessed Value								
Year	Real	Personal	Industrial and Commercial Subject to Act 198	Agricultural	Developmental	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
2013	$ 1,232,109,181	$ 182,543,900	$ 673,887,300	$ 151,900	$ -	$ 2,088,692,281	19.70	$ 4,177,384,562	50.0%
2014	1,152,931,800	182,024,000	666,477,900	151,900	2,900	2,001,588,500	19.70	4,002,817,000	50.0%
2015	1,144,848,592	183,420,400	758,406,830	158,100	2,900	2,086,836,822	19.70	4,173,673,644	50.0%
2016	1,162,708,909	196,143,891	806,360,800	175,600	2,900	2,165,392,100	19.70	4,330,784,200	50.0%
2017	1,285,584,500	144,076,700	837,758,400	172,500	-	2,267,592,100	19.70	4,535,184,200	50.0%
2018	1,325,754,900	131,924,900	892,135,800	180,000	-	2,349,995,600	19.70	4,699,991,200	50.0%
2019	1,422,412,200	143,567,100	1,000,797,500	185,300	-	2,566,962,100	19.70	5,133,924,200	50.0%
2020	1,537,030,826	157,132,900	1,143,059,850	211,800	-	2,837,435,376	19.70	5,674,870,752	50.0%
2021	1,638,136,900	171,927,400	1,247,559,700	192,100	1	3,057,816,101	19.70	6,115,632,202	50.0%
2022	1,766,415,343	172,959,000	1,285,295,000	206,900	-	3,224,876,243	19.70	6,449,752,486	50.0%

Source: Lansing City Assessor

Table 6

CITY OF LANSING
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)
(RATE PER $1,000 OF ASSESSED VALUE)

		City of Lansing			Overlapping Rates					Totals
Year Ended December 31,	Tax Year	Operating Millage	Service Millage	Total City Millage	Schools Millage (1)	County Millage	State Education Tax	College Millage	Other (2) Millage	Total
2013	2012	19.44	.26	19.70	21.73	9.49	6.00	3.81	9.96	70.69
2014	2013	19.44	.26	19.70	21.91	9.50	6.00	3.81	9.96	70.88
2015	2014	19.44	.26	19.70	21.77	10.20	6.00	3.81	9.96	71.44
2016	2015	19.44	.26	19.70	21.83	9.83	6.00	3.81	9.96	71.13
2017	2016	19.44	.26	19.70	22.57	10.06	6.00	3.81	9.96	72.10
2018	2017	19.44	.26	19.70	22.60	10.07	6.00	3.81	11.25	73.43
2019	2018	19.44	.26	19.70	22.50	11.34	6.00	3.81	11.26	74.61
2020	2019	19.44	.26	19.70	25.38	11.34	6.00	3.81	9.97	76.20
2021	2020	19.44	.26	19.70	25.10	11.91	6.00	3.77	10.20	76.68
2022	2021	19.44	.26	19.70	24.51	11.98	6.00	3.77	10.18	76.14

(1) rates for Lansing School District only, using non-principal residency rates
(2) includes Intermediate School, Airport Authority, Capital Area Transit Authority and Capital Area District Library

Source: Lansing City Treasurer

Table 7

CITY OF LANSING
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2022			2013		
Taxpayer	Taxable Assessed Valuation	Rank	Percent of Total	Taxable Assessed Valuation	Rank	Percent of Total
General Motors LLC	$ 60,598,657	1	1.88%	$ 81,468,000	1	3.55%
Consumers Energy	58,369,140	2	1.81%	22,283,300	3	0.97%
Jackson National Life Insurance Company	38,753,265	3	1.20%	32,771,500	2	1.43%
Accident Fund	25,824,100	4	0.80%			
Lansing Properties LLC	25,083,048	5	0.78%			
Red Cedar Housing	20,756,700	6	0.64%			
Lansing MI MultiFamily Dst	13,964,100	7	0.43%			
Lansing Retail Center	13,017,794	8	0.40%	10,661,000	6	0.46%
Emergent BioSolutions	12,289,461	9	0.38%			
Hunter Towne Properties	10,623,577	10	0.33%			
Demmer Corporation				14,898,600	4	0.65%
Comcast of Michigan LLC				11,644,000	5	0.51%
Sprint Spectrum L.P.				9,496,000	7	0.41%
Heart of the City Assoc				7,271,400	8	0.32%
Emergent BioSolutions				6,881,400	9	0.30%
Quality Dairy Co. #17				6,759,700	10	0.29%
	$ 279,279,842		8.66%	$ 204,134,900		8.88%

Source: Lansing City Assessor

CITY OF LANSING
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 8

Tax Year	Fiscal Year	(A) Total Adjusted Tax Levy	Collection of Current Year's Taxes During Year Levied	Percent of Levy Collected During Year Levied	(B) Collection Subsequent to the Year of Tax Levy	Total Collections	Percent of Total Collections to Tax Levy
2012	2013	$ 40,450,767	$ 39,716,932	98.19%	$ 55,532	$ 39,772,464	98.32%
2013	2014	39,336,952	39,238,902	99.75%	20,866	39,259,768	99.80%
2014	2015	38,329,032	38,258,272	99.82%	49,590	38,307,862	99.94%
2015	2016	38,538,226	38,461,152	99.80%	52,758	38,513,910	99.94%
2016	2017	38,431,072	38,370,929	99.84%	50,344	38,421,273	99.97%
2017	2018	39,234,692	39,232,925	100.00%	67,348	39,300,273	100.17%
2018	2019	40,231,255	40,203,313	99.93%	42,639	40,245,952	100.04%
2019	2020	42,128,760	42,123,931	99.99%	17,175	42,141,106	100.03%
2020	2021	43,098,838	43,051,670	99.89%	132,556	43,184,226	100.20%
2021	2022	47,200,360	47,196,707	99.99%	85,532	47,282,239	100.17%

Note: Amounts are net of chargebacks from the County Tax Revolving Funds for taxes still delinquent after three years.
Note: Delinquent Tax Collection represents amounts received in the indicated fiscal year.

Source: City of Lansing Treasurer

CITY OF LANSING
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 9

	Governmental Activities				Business-Type Activities								
Year	General Obligation Bonds	Installment Purchase Contracts	Net Unamortized Premiums/ Discounts	Loans	General Obligation Bonds	Revenue Bonds	Installment Purchase Agreements/Loans	Net Unamortized Premiums/ Discounts	Total Primary Government	Percentage of Personal Income		Per Capita	Population (1)
2013	$ 25,816,914	$ 8,193,615	$ 62,604	$ 512,577	$ 189,536,530	$ 30,135,311	$ 1,637,177	$ 2,548,679	$ 258,443,407	13.10%	2	$ 2,277	114,738
2014	27,180,294	3,100,563	35,294	7,062,234	174,471,861	24,055,438	1,668,081	1,729,013	239,302,778	11.08%	2	2,097	114,113
2015	27,790,281	16,387,327	35,281	7,872,600	167,787,460	19,445,482	1,459,431	1,604,958	242,382,820	10.27%	2	2,133	113,659
2016	21,968,330	15,268,317	68,330	7,872,600	154,303,563	20,671,135	1,246,673	1,715,511	223,114,459	9.42%	2	1,955	114,110
2017	18,080,040	13,757,531	15,040	7,728,428	143,761,916	18,982,246	1,029,723	1,552,355	204,907,279	8.04%	2	1,745	117,400
2018	15,325,818	12,289,396	19,222	7,476,545	136,938,668	17,258,138	808,500	1,389,200	191,505,487	7.18%	2	1,637	116,986
2019	14,925,420	11,274,020	761,721	7,242,002	117,713,909	14,075,000	582,920	2,097,766	168,672,758	6.41%	2	1,437	117,388
2020	11,792,231	10,230,073	748,067	7,000,422	112,290,745	12,525,000	352,897	1,890,331	156,829,766	5.96%	2	1,327	118,210
2021	27,958,180	9,156,735	663,565	7,660,461	115,160,822	10,975,000	118,343	2,142,487	173,835,593	6.85%	2	1,543	112,664
2022	29,629,300	22,457,000	586,222	6,886,326	103,495,891	9,425,000	-	1,998,159	174,477,898	6.52%	2	1,548	112,684

(1) population per decennial census by the U.S. Census Bureau
(2) personal income data comes from U.S. Census Bureau, American Community Survey 2009

CITY OF LANSING
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Population(1)	Taxable Assessed Value(3)	Gross Bonded Debt(2)	Debt Service Monies Available	Debt Payable From Restricted Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Value	Net Bonded Debt per Capita
2013	113,488	$ 2,297,591,331	$ 217,964,727	$ -	$ 192,085,209	$ 20,441,914	0.0089	$ 178
2014	114,113	2,001,588,500	203,416,462	-	176,200,874	23,620,294	0.0118	207
2015	113,659	2,086,836,822	197,217,980	1,000	169,392,418	25,204,281	0.0121	222
2016	114,110	2,165,392,100	178,055,734	1,000	156,019,074	20,397,330	0.0094	179
2017	117,400	2,267,592,100	163,409,357	1,000	145,314,271	17,569,040	0.0077	150
2018	116,986	2,349,995,600	153,772,908	1,000	138,327,868	15,324,818	0.0065	131
2019	117,388	2,566,962,100	135,498,816	30,111	119,811,675	14,895,309	0.0058	127
2020	118,210	2,837,435,376	126,721,374	29,361	114,181,076	11,762,870	0.0041	100
2021	112,664	3,057,816,101	145,925,054	29,361	117,303,309	28,592,384	0.0094	254
2022	112,684	3,224,876,243	135,709,572	29,361	105,494,050	30,186,161	0.0094	268

(1) Source: 2000 and 2010 Census by the U.S. Census Bureau (www.census.gov/quickfacts/lansingcitymichigan)
(2) includes all general obligation debt and special assessment debt with governmental obligation
(3) the tax assessment day is December 31 prior to beginning of fiscal year

Table 11

CITY OF LANSING
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022
(UNAUDITED)

Overlapping

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Net direct - City	$ 30,215,522	100.00%	$ 30,215,522
Share of County-issued bonds			
Drain Commission	24,445,465	100.00%	24,445,465
Other Overlapping Debt			
Eaton Intermediate School District	2,910,000	1.19%	34,629
Ingham Intermediate School District	14,358,000	24.83%	3,565,091
Waverly School District	58,910,000	0.30%	176,730
Lansing School District	142,310,000	82.23%	117,021,513
East Lansing School District	94,568,377	2.83%	2,676,285
Holt School District	53,908,286	2.34%	1,261,454
Ingham County	75,681,363	5.64%	4,270,909
Eaton County	20,619,119	2.40%	494,859
Clinton County	26,093,098	0.28%	73,061
Lansing Community College	89,380,000	20.47%	18,296,086
Okemos School District	23,096,460	4.92%	1,136,346
Mason School District	48,110,000	1.28%	615,808
Grand Ledge School District	105,610,000	2.88%	3,041,568
Total Overlapping			**$ 177,109,804**
Total Direct and Overlapping			**$ 207,325,326**

Sources: Municipal Advisory Council

Note: Overlapping debt percentages are apportioned based upon relative assessed values.

CITY OF LANSING
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 12

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value, real and personal property		$ 3,224,876,243
Legal debt margin		
Debt limitation - 10 percent of total valuation		322,487,624
Debt applicable to limit		
Total City Bonded Debt		135,709,572
City Share:		
Drain Commission-County Issued		24,445,465
TIF Supported Bonds		26,955,000
		187,110,037
Less:		
Brownfield Redevelopment Authority Bonds	$ (39,720,000)	
Sewage Disposal Revenue Bonds	(9,425,000)	
Pollution Abatement (CSO Project) Bonds	(64,715,151)	
Share of County-issued bonds	(24,445,465)	(138,305,616)
Total net debt applicable to limit		48,804,421
Legal debt margin		$ 273,683,203

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	$ 322,487,624	$ 283,743,538	$ 256,696,210	$ 207,850,642	$ 233,606,400	$ 223,687,492	$ 216,539,210	$ 208,683,682	$ 205,138,999	$ 208,869,228
Total net debt applicable to limit	48,804,421	81,956,344	81,532,491	72,669,623	87,295,949	81,398,300	86,432,459	91,352,614	93,062,835	91,833,157
Legal debt margin	$ 273,683,203	$ 201,787,194	$ 175,163,719	$ 135,181,019	$ 146,310,451	$ 142,289,192	$ 130,106,751	$ 117,331,068	$ 112,076,164	$ 117,036,071
Total net debt applicable to the limit as a percentage of debt limit	15.13%	28.88%	31.76%	34.96%	37.37%	36.39%	39.92%	43.78%	45.37%	43.97%

Table 13

CITY OF LANSING
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Sewage Disposal Bonds

	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (2)
				Principal	Interest	Total	
2013	$ 31,169,428	$ 12,112,994	$ 19,056,434	$ 3,160,000	$ 1,111,390	$ 4,271,390	4.46
2014	31,996,794	13,424,901	18,571,893	3,265,000	1,054,878	4,319,878	4.30
2015	31,945,082	13,295,574	18,649,508	1,490,000	920,788	2,410,788	7.74
2016	32,676,182	14,066,527	18,609,655	1,550,000	861,188	2,411,188	7.72
2017	35,053,701	13,843,649	21,210,052	1,550,000	799,188	2,349,188	9.03
2018	35,608,454	14,994,871	20,613,583	1,550,000	737,188	2,287,188	9.01
2019	36,696,367	18,587,607	18,108,760	1,550,000	690,688	2,240,688	8.08
2020	34,968,585	19,568,461	15,400,124	1,550,000	613,188	2,163,188	7.12
2021	38,635,421	28,902,815	9,732,606	1,550,000	535,688	2,085,688	4.67
2022	36,142,653	10,866,625	25,276,028	1,550,000	458,188	2,008,188	12.59

(1) Operating expenses less depreciation
(2) Coverage is defined as net revenue available for debt service divided by debt service requirements

Table 14

CITY OF LANSING
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population (1)	Personal Income	Per Capita Income (1)	Median Age (1)	Lansing School District Enrollment (2)	Unemployment Rate (3)	Labor Force (3)
2013	113,488	$ 1,973,149,386	$ 17,197	32.40	12,754	11.3%	58,087
2014	114,113	2,159,930,864	18,928	32.00	11,936	9.1%	57,809
2015	113,659	2,359,106,204	20,756	32.10	11,525	7.4%	57,807
2016	114,110	2,368,467,160	20,756	32.10	11,014	6.0%	58,009
2017	117,400	2,548,754,000	21,710	32.00	10,873	6.5%	59,321
2018	116,986	2,666,695,870	22,795	32.30	10,641	5.8%	59,537
2019	117,388	2,629,725,976	22,402	32.70	10,462	5.0%	59,251
2020	118,210	2,536,936,212	22,196	31.90	10,661	16.0%	63,541
2021	112,664	2,616,734,064	23,226	35.50	10,031	5.5%	59,058
2022	112,684	2,674,442,056	23,734	34.50	10,173	4.7%	57,447

(1) Source: U.S. Census Bureau
(2) Source: Lansing School District
(3) Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

Table 15

CITY OF LANSING
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR
(UNAUDITED)

	2022			2013		
Company	Employees (1)	Rank	Percentage of Employment (2)	Employees (1)	Rank	Percentage of Employment (2)
STATE OF MICHIGAN	13,880	1	5.68%	13,700	1	6.23%
MICHIGAN STATE UNIVERSITY	10,253	2	4.20%	10,725	2	4.88%
SPARROW HEALTH SYSTEM	9,000	3	3.68%	5,735	3	2.61%
GENERAL MOTORS	4,274	4	1.75%	5,522	4	2.51%
MCLAREN HEALTH (3)	3,000	5	1.23%	2,400	7	1.09%
AUTO OWNERS INSURANCE GROUP	2,720	6	1.11%			
JACKSON NATIONAL LIFE INS CO	2,439	7	1.00%			
PECKHAM	2,200	8	0.90%			
DART CONTAINER CORP	2,000	9	0.82%			
LANSING COMMUNITY COLLEGE	1,957	10	0.80%	2,990	6	1.36%
LIBERTY NATIONAL LIFE INSURANCE				5,000	5	2.28%
MEIJER				1,880	8	0.86%
LANSING SCHOOL DISTRICT				1,613	9	0.73%
SOUTHERN-OWNERS INSURANCE				1,500	10	0.68%
Greater Lansing metropolitan area employment			244,326			219,761

(1) Data is representative of the Greater Lansing Region
(2) Source: www.purelansing.com/Workforce & Data>Top Employers for 2021 data
(3) Formerly Ingham Regional Medical Center

CITY OF LANSING
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Full-time Equivalent Employees									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General government										
City council	10	10	10	10	10	10	10	10	10	10
Mayor's office	5	5	5	6	6	7 (G)	7	11	12	12
City clerk	5	5	5	5	5	5	6	6	6	6
54-A district court	43	43	46	45	45	45	45	45	45	45
City attorney's office	10	10	11	11	11	11	12	11	12	13
City TV	2	2	2	2	2	2	2	3	2	2
Internal auditor	1	1	1	1	1	1	1	1	1	1
Human resources	9	10	10	12	12	11	11	11	11	11
Information technology	10	11	11	11	11	16	16	15	15	14
Finance										
Accounting/budget/purchasing	10	10	9	8 (E)	8	8	8	7	8	14
Treasury/income tax	20	9	9	10	11	11	13	16	14	12
Assessing		11	11	11	11	11	11	11	11	11
Property management	- (B)	-	-	-	-	-	-	-	-	-
Fleet management	- (B)	-	-	-	-	-	-	-	-	-
	125	127	130	132	133	138 -	142	147	147	151
Planning & neighborhood development										
Administration	2	2	2	2	2	2	2	3	3	3
Code compliance	15	- (D)	-	-	-	14 (F)	15	19	19	19
Building safety	12	13	13	13	13	13	13	15	14	14
Planning	4	4	4	4	4	3 (G)	4	4	3	3
Development	9	11	10	10	9	9	9	7	8	8
Parking & transportation	(C) 20	15	14	14	14	14	14	19	19	19
	62	45	43	43	42	55	57	67	66	66
Neighborhood & Citizen Engagement	-	-	-	-	-	1 (G)	5	5	5	5
Police	229 (C)	234 (D)	239	239	240	241	243	239	240	251
Fire	180	188	181	181	181	181	182	186	183	184
Code Compliance	-	14 (D)	14	14	14	- (F)	-	-	-	-
	180	202	195	195	195	181	182	186	183	184
Public services										
Administration & engineering	19	19	19	20	20	20	21	22	23	23
Operations & maintenance	(C) 120	117 (D)	117	117	117	118	118	113	116	116
Service garage	-	-	-	-	-	-	-	1	1	1
Wastewater	41	41	41	41	41	42	42	42	42	42
Property Management	18 (B)	18	18	18	16	16	16	19	18	18
Fleet Management	27 (B)	27	27	26	30	30	30	29	29	29
	225	222 -	222	222	224	226	227	226	229	229
Human relations & community services	5	6	7	7	8	9	10	11	10	10
Parks & recreation										
Administration & design	5	6	6	6	6	6	6	6	6	6
Leisure & special recreation	8	6	6	6	6	6	6	10	6	6
Cemeteries	1	1	1	1	1	1	1	1	1	1
Golf/ice arena	3	3	3	3	3	3	-	-	-	-
	17	16	16	16	16	16	13	17	13	13
Total	843	852	852	854	858	867	879	898	893	909

Source: The City of Lansing

The following restructuring of departments have occurred:
(B) Fleet and Property Management were moved from the Finance Department to the Public Service Department.
(C) On June 27, 2012, 911 Dispatch employees were transferred from the City to Ingham County.
(D) Code Compliance (14 positions) were transferred from ED&P to Fire; four (4) positions to Police, and one (1) position to Public Service for FY 2014.
(E) Purchasing operations were transferred to the Lansing Board of Water and Light for FY 2016.
(F) Code Compliance was transferred from Fire to ED&P.
(G) One (1) position was transferred from Human Resources to Mayor's Office and one (1) position was transferred from ED&P to N&CE in FY 2018.

CITY OF LANSING
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 17

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Fire department responses	18,444	19,427	20,170	21,115	21,902	22,768	22,389	21,904	21,650	25,994
EMS related	15,918	16,235	17,376	18,275	18,827	19,264	19,655	18,975	18,381	21,511
Fire related	2,526	3,012	2,794	2,840	3,075	3,063	2,734	2,929	3,269	4,483
Police department responses	73,087	76,855	79,331	71,468	82,722	107,379	84,869	80,449	77,399	78,500
Arrests	7,196	5,656	4,510	3,880	5,710	4,507	4,418	3,524	2,446	2,601
Traffic violations	14,905	7,756	10,781	7,334	9,385	6,496	6,963	5,054	4,287	6,801
Public works										
Potholes filled	33,155	55,193	53,281	53,488	53,332	54,773	2,589	1,042	698	4,997
Streets resurfaced (miles)	6.0	4.6	4.0	8.8	8.7	6.0	4.6	11.0	13.6	1.9
Recreation										
Recreation participation	55,122	50,859	122,639	101,335	98,978	120,245	93,264	29,313	58,284	109,582
Pavilion rentals	199	185	206	242	180	202	222	78	140	142
Sewage disposal										
Average amount processed daily (gal)	14.75 million	14.49 million	13.28 million	15.46 million	16.32 million	14.45 million	16.60 million	14.18 million	10.61 million	12.1 million
Parking system										
Average number of monthly permits	2,718	2,891	3,077	3,218	2,581	3,310	2,500	869	1,203	1,200
Parking tickets issued	38,127	34,373	30,888	32,990	33,492	32,587	37,105	16,481	19,876	30,306
Cemetery										
Lots sold	113	93	138	115	162	88	103	121	119	85
Golf										
Annual rounds played	25,554	22,786	22,998	13,325	14508	20,492	-	-	-	-
Garbage and rubbish										
Yards sent to landfill	17,985	18,829	19,667	20,115	20,007	20,492	20,957	22,825	27,865	26,885
Recycling										
Recycled goods sold (tons)	3,562	5,075	5,691	5,940	5,834	5,593	5,407	5,322	6,258	6,310
Yards composted	21,832	25,260	21,685	24,413	24,223	20,031	21,198	14,262	19,888	13,864

Source: The City of Lansing, Michigan

CITY OF LANSING
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 18

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police stations	2	2	2	2	2	2	2	2	2	2
Police patrol units	60	61	60	60	60	60	58	58	60	57
Fire stations	6	6	6	6	6	6	8	8	8	8
Emergency Vehicles	0	0	0	0	0	0	55	27	31	44
Public works										
Streets (miles)	411.00	411.00	414.00	414.00	414.00	414.00	413.00	413.23	413.23	412.00
Traffic signals	200	200	200	200	200	200	184	206	206	206
Recreation										
Park acreage	2,364.85	2,364.85	2,363.45	2,134.26	2,134.26	2,017.56	2,174	1,659	1,659	1,641
Playgrounds	75	72	72	74	74	74	76	77	76	76
Baseball/softball fields	61	61	47	25	25	25	22	22	22	22
Soccer/football fields	6	6	6	14	15	15	15	16	16	16
Community centers	4	4	4	4	4	4	4	4	4	4
Sewage disposal										
Sanitary sewers (miles)	359	359	361	361	361	363	364	365	365	367
Storm sewers (miles)	234	234	235	235	235	237	238	239	239	241
Combined sewers (miles)	188	188	188	188	188	187	185	185	184	183
Parking system										
Ramps	4	4	4	4	4	4	3	3	3	3
Lots	18	17	17	16	16	16	16	16	17	14
Meters	2,452	2,452	2,166	2,166	2,166	2,166	2166	500	200	200
On-street Pay Stations								134	128	128
Cemetery										
Number of cemeteries	3	3	3	3	3	3	3	3	3	3
Golf										
Number of courses	1	1	1	1	1	1	1	1	1	1
Acreage	115	115	115	115	115	115	115	115	115	115
Garbage and rubbish										
Refuse collection trucks	17	17	17	14	14	16	8	7	7	7
Recycling										
Recycling trucks	7	7	7	5	5	7	8	8	8	8
Compost trucks	0	0	0	0	0	0	8	7	7	7

Sources: The City of Lansing, Michigan

Maner Costerisan

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517.323.7500
517.323.6346

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiency to be a material weakness:

2022-001 MATERIAL JOURNAL ENTRIES

Condition: Material journal entries for the proper recognition of various financial statement amounts within the City's accounting records were recorded after year end, some of which were proposed by the auditors. In addition, we received several revisions to the City's trial balance (the final version coming in early December 2022), each of which contained material corrections to previous trial balances. The City made improvements this year in recording material journal entries, but there still were several adjustments proposed subsequent to commencement of audit fieldwork. A similar issue was noted and reported last year as 2021-001.

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

Cause: Over the past several years, the City's Finance Department, who prepares the reconciliations of all accounts, has reduced in size due to budget reductions, staffing reductions, and staffing turnover. In addition, the Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City.

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

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

Corrective Action Response: The Finance Team will continue the efforts begun this year regarding the identification and correction of potential errors in the financial statements prior to the beginning of future audits. The Finance Team will meet to review adjustments made to this year's financial statements and bottlenecks that were encountered and will develop a plan to address the most significant issues in a more timely manner going forward. Within budget constraints, Management will look to increase staffing levels and/or obtain temporary assistance earlier in the fiscal year, both within the Finance Department as well as other key departments, in order to perform more timely analyses of the various account balances. In FY23, Finance will also begin working on the implementation of a new General Ledger software package, which ultimately will also help to resolve this issue.

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. We consider the following deficiency described below to be a significant deficiency:

2022-002 PAYROLL PROCESS

Condition: The City has procedures in place to ensure that employees are being paid at the correct rate and for the actual number of hours worked, but much of the data entry of this process continues to be manual and payroll can be submitted and paid before applicable department management reviews and approves their departmental staff payroll data. While no inappropriate transactions were noted during our testing of the payroll process, this is a systemic issue. A similar issue was noted and reported last year as 2021-006.

Criteria: Payroll should be reviewed and approved prior to disbursement of funds.

2022-002 PAYROLL PROCESS (concluded)

Cause: Proper up-front detective internal controls over the payroll process were not put in place to prevent inaccurate amounts being paid to an employee.

Effect: Unauthorized amounts could be disbursed either as a result of an error or fraud and those transactions could go undetected by management until "after the fact".

Recommendation: We recommend an appropriate level of management, with no other access to the payroll process, be authorized to approve payroll for their respective departments. There also should be an overarching review of the payroll reports prior to each disbursement and that review should be documented.

Corrective Action Response: Payroll now runs a listing of all transactions entered manually into the payroll system outside of those entered on timecards. The report is reviewed, signed, and saved by the Payroll Tech and the Payroll and Benefits Administrator to confirm no errors are made in typing. In addition, a summary report of payroll totals is run and compared to prior payrolls for any significant differences. The report is reviewed, signed, and saved by the Payroll Tech and the Payroll and Benefits Administrator. The Human Resources Department, to whom Payroll reports, will work to implement appropriate corrective action over the payroll process at the department level, as noted above, through the implementation process of the new General Ledger software package, the beginning phase of which will start in FY23.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

2022-003 UNFAVORABLE BUDGET VARIANCES

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

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

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

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

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

2022-003 UNFAVORABLE BUDGET VARIANCES (concluded)

Corrective Action Response: The City will continue to make improvements in control of revenue and expenditures and budget conservatively in order to maintain the City's fiscal health. The Finance Department recently added a new Budget Director and Budget Analyst as part of its team and is working with departments to be more proactive and responsive to City needs and to identify necessary changes during the fiscal year. Correcting this issue will be one of their principal tasks. We will continue to work with the various departments to be more aware of the status of their actual vs budget status throughout the year. A decision was made to implement a new ERP system, which will also help with this in the future.

City of Lansing's Responses to Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Maner Costerisan PC

December 20, 2022

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

December 20, 2022

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to City Council dated November 9, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Lansing are described in Note 1 to the financial statements. As described in Note 20 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year ended June 30, 2022. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental activities, the business-type activities, the aggregate discretely presented component units, the General Fund, the Sewage Disposal System Fund, the Municipal Parking System Fund, and the aggregate remaining fund information was:

> Management's calculation of the fair market value of pooled investments, which is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, is generally measured by quoted market prices. The City's investments are carried at fair market value.
>
> Management's calculation of the percentages for the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
>
> Management's calculation of the income tax receivable balance is based on past experience utilizing the first 45 days collections of income tax withholdings.
>
> Management's calculation of the other accrued liability for claims payable balance is based on past experience and future expectation for payments of various legal claims against the City.

The most sensitive estimates affecting the governmental activities, the business-type activities, the aggregate discretely presented component units, the Sewage Disposal System Fund, the Municipal Parking System Fund, and the aggregate remaining fund information were:

> Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.
>
> Management's calculation of the net pension liability and changes therein was based on actuarial assumptions and the use of a specialist (actuary).
>
> Management's calculation of the percentages for current and noncurrent compensated absence payments is based on an estimate of the percentage of employees' use of compensated absences.
>
> Management's calculation of the net other post-employment benefits liability is calculated using the individual entry age actuarial method of calculation based upon certain actuarial assumptions.

The most sensitive estimate affecting the governmental activities and the aggregate remaining fund information was:

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

The most sensitive estimate affecting the Sewage Disposal System Fund, the Municipal Parking Fund, and business-type activities was:

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, and the historical pension and other post-employment benefits supplementary information, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

Restriction on Use

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

Very truly yours,

Maner Costerisan PC

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Members of the City Council
City of Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lansing, Michigan (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2022.

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Cause: Over the past several years, the City's Finance Department, who prepares the reconciliations of all accounts, has reduced in size due to budget reductions, staffing reductions, and staffing turnover. In addition, the Finance Department relies significantly on other Departments providing information to them for proper recording of transactions in the financial statements. A number of these Departments were behind in getting this information to the Finance Department. These issues have placed a significant burden on the month and year end close processes and have contributed to journal entries not being completed in a timely manner. We noted that this process did improve in the current fiscal year, however this was still a systemic issue for the City.

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

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Criteria: Payroll should be reviewed and approved prior to disbursement of funds.

2022-002 PAYROLL PROCESS (concluded)

Cause: Proper up-front detective internal controls over the payroll process were not put in place to prevent inaccurate amounts being paid to an employee.

Effect: Unauthorized amounts could be disbursed either as a result of an error or fraud and those transactions could go undetected by management until "after the fact".

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2022-003 UNFAVORABLE BUDGET VARIANCES

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

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

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

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

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

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City of Lansing's Responses to Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Maner Costerisan PC

December 20, 2022

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 22, 2022

Request for Improvement of Deficiencies - Corrective Action Plan
Fiscal Year: 2022
Municipality Code: 332020
Report ID Number: 138472

Sent Via Email
City of Lansing
jeff.scharnowske@lansingmi.gov

Dear Governing Body:

The Community Engagement and Finance Division has received the audit report for the fiscal year referenced above. It is the responsibility of this division to administer certain State statutes. Consequently, your audit has been reviewed to determine compliance with budgeting, accounting, auditing, and statutory compliance related activities. This review has identified issues that we believe need your attention.

Please note the following issues corresponding to response(s) on the auditing procedures report:

- Actual expenditures exceeded the amounts authorized in the budget. Please describe actions being taken to prevent budget variances.
- There is non-compliance with guidance issued by the Community Engagement and Finance Division of the Department of Treasury. Please provide an explanation.

The matter(s) described above are either violations of state statute or are deficiencies of the local unit that may impede the local unit's ability to comply with state statute.

Additional deficiencies in your report are usually found in the form of comments and recommendations located toward the end of the report or may be filed separately. The plan should identify each Auditing Procedure Report question listed above, each additional deficiency, the corrective action to be taken, the supporting documentation requested, if any, and the date in which the action is to be implemented.

Therefore, within **30 days** from the date of this letter, please submit to us a detailed Corrective Action Plan to resolve the above-mentioned matter(s), including other deficiencies noted in your audit report. To submit your Corrective Action Plan, visit the department's online filing site at Michigan.gov/localfinancialreporting and select the File Online Reports tab. You must request local unit user access if one does not already exist. We do not accept hard-copy or emailed responses. Please combine multiple documents as only one document can be uploaded.

Failure to respond within 30 days or an inability to demonstrate that corrective action has been implemented may result in one or more of the following:

- Denial of subsequent year qualified status under Public Act 34 of 2001, the Revised Municipal Finance Act (possibly preventing your municipality the ability to borrow money);
- Subject the local unit to an audit and/or review performed by Department of Treasury auditors at the expense of the local unit.

Please contact the audit review staff at LAFD_Audits@michigan.gov if you have any questions.

Sincerely,

Cary Jay Vaughn, CPA, CGFM
Community Engagement and Finance Division

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

January 05, 2023

Approval
Municipality Code: 332020
Fiscal Year Ended: 6/2022
Report ID Number: 139176

Dear Chief Administrative Officer:

Thank you for submitting a Qualifying Statement for City of Lansing to the Michigan Department of Treasury on December 30, 2022. Based upon the information provided in the Qualifying Statement, we have determined that the municipality is in material compliance with the criteria identified in Section 303(3) of Public Act 34 of 2001.

The municipality is now authorized to issue municipal securities under this Act without further approval from the Department. This authorization will remain in effect for six months plus 30 business days after the end of your next fiscal year, or when the Department has made a new determination, whichever occurs first.

Within 15 business days after the issuance of a municipal security, you will need to upload with the Department a Treasury Website (Security Report) and the documents required in Michigan Legislature Website (Section 319) of Public Act 34 of 2001.

If you would like to speak with a member of our team, please email our office at Treas_MunicipalFinance@Michigan.gov.

Sincerely,

Rod Taylor

Rod Taylor, Administrator
Community Engagement and Finance Division

P.O. BOX 30728 • LANSING, MICHIGAN 48909-8228
www.michigan.gov/treasury • 517-335-7469

Michigan Department of Treasury
5047 (Rev 10/13)

Qualifying Statement

Issued under Public Act 34 of 2001, as amended.

Local Unit Basic Information

County:	INGHAM	**Type:**	City	**Audit Filed Under MUNI:**	33-2-020	**Local Unit Name:**	City of Lansing
Municode:	33-2-020	**FY Ending:**	2022	**Audit Filed Under MUNI Name:**	City of Lansing	**Year End Month:**	6
Form ID	110989						
Instructions	FAQs						

1. During the fiscal year for which this qualifying statement is being submitted, was the municipality required by the terms of a court order OR judgment to levy a tax? *
No. We do not levy a tax under the terms of a court order or judgment levy.

2. a) Enter the total fund balance remaining in all UNLIMITED tax levy funded debt retirement funds at the end of the fiscal year for which this qualifying statement is being submitted. An UNLIMITED tax levy debt is a voter approved debt that is secured by a pledge of ad valorem property taxes that are not limited in rate or amount. This information may be found in the municipality's annual audit. *
$0

2. b) Enter the total amount of principal and interest payments for all outstanding municipal securities funded from an UNLIMITED tax levy due the fiscal year immediately following the fiscal year for which this qualifying statement is being submitted. This information may be found in the notes to the municipality's annual audit. Do not include limited tax debt. *
$0

3. Is the municipality currently exceeding its statutory or constitutional debt limits? The statutory and constitutional debt limit is the maximum borrowing power of a governmental entity. *
No. We are not currently exceeding our statutory or constitutional debt limit.

4. Are all outstanding securities of the municipality authorized by statute? *
Yes. All outstanding municipal securities are authorized by statute.

5. Is the municipality in violation of any provision in the covenants for an outstanding security currently or in the fiscal year for which this qualifying statement is being submitted? *
No. We are not in violation of provisions in the covenants for an outstanding security.

6. During the fiscal year for which this qualifying statement is being submitted, was the municipality delinquent (greater than 30 days beyond the due date) more than one time IN ANY of the following: *

Transferring employee taxes withheld to the appropriate agency? *
No

In making all required pension, retirement, or benefit plan contributions? *
No

Transferring taxes collected as an agent for another taxing entity to that taxing unit? *
No

7. a) Enter the total dollar amount of the property taxes levied by the municipality that became delinquent as of the most recent March 1st. This amount should agree with the delinquent taxes of the municipality identified on the settlement report to the county treasurer from the tax-collecting unit. *
$3,653

7. b) Enter the total dollar amount of property taxes that were levied by the municipality in the tax year, related to the delinquencies. These property taxes should include both operating and debt taxes levied by the municipality. For schools include sinking fund taxes levied. The property taxes should not include specific taxes (e.g. Industrial Facility Taxes, Neighborhood Enterprise Zone, etc.), special assessments, SET Taxes, or Tax Administrative Fees. *
$47,200,360

8. Did the municipality submit a qualifying statement or an application for any other municipal security to the Department of Treasury in the preceding 12 months that was materially false or incorrect? *
No. We did not submit a qualifying statement or an application that was materially false or incorrect.

9. Is the municipality in default on the payment of any debt for which it is financially liable? Default occurs when the borrower has not made a scheduled payment of principal or interest. *
No. We are not in default for any debt which we are financially liable.

10. Did the municipality end the fiscal year for which this qualifying statement is being submitted with an unrestricted deficit (sum of committed, assigned, and unassigned) in any fund in its most recent audited financial statements? *
Yes

Does this deficit require a deficit elimination plan in accordance with Department of Treasury Numbered Letter 2016-1? *
No

11. As determined by a court of competent jurisdiction, did the municipality violate any State or Federal finance or tax related statutes during the fiscal year for which this qualifying statement is being submitted? *
No. We are not in violation of any State or Federal finance or tax related statutes during the fiscal year this qualifying statement is being submitted.

12. Has the municipality been in compliance with the provisions of Public Act 34 of 2001 during the fiscal year for which the qualifying statement is being submitted? This includes but is not limited to the filing of a prior approval application and the payment of filing fees under Section 303(7), and the timely filing (within 15 business days after issuance) of a security report and other required documents and the payment of filing fees under Section 319. *
Yes. We are in compliance with the provisions of Public Act 34 of 2001.

13. During the fiscal year for which this qualifying statement is being submitted, did the municipality issue a refunding security to avoid a potential default on an outstanding security? *
No. We did not issue a refunding security to avoid a potential default on an outstanding security.

Please Provide the following:

Chief Administrative Officer *	Desiree A. Kirkland	Email Address *	desiree.kirkland@lansingmi.gov
Clerk or other contact if no clerk *	Chris Swope	Email Address *	chris.swope@lansingmi.gov

Please provide the following:

Bond Attorney	Jarrod Smith	Firm Name	Dykema	Email Address	jtsmith@dykema.com

Financial Consultant	Brian Lefler	Firm Name	Baird	Email Address	blefler@rwbaird.com
Certified Public Accountant		Firm Name		Email Address	

Yes

I certify that the Chief Administrative officer is aware of the information included in this filing and has asserted to me that this is complete and accurate in all respects. It is understood (by the CAO and/or myself) that providing false information for this is a misdemeanor pursuant to the Michigan Penal Code (MCL 750 489) *

Successful submission Dec 30 2022 2:01 PM

Michigan Department of Treasury
3965 (Rev. 1/15 v1)

Annual Local Unit Fiscal Report

Issued under the authority of PA 71 of 1919, PA 2 of 1968 and PA 140 of 1971. Filing is mandatory.

Local Unit Basic Information					
County:	INGHAM	**Type:**	City	**Local Unit Name:**	City of Lansing
Municipode:	33-2-020	**FY Ending:**	2022	**Year End Month:**	6
Form ID: 110426			Instructions		FAQs

STATEMENT OF OPERATIONS

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	**REVENUE**
		101-Fund	102-499 Funds	500-599 Funds	601-699 Funds		101-699 Funds + Component units		TAX REVENUE
Tax Reverted Property	424							U99	
Payment in-Lieu-of Taxes (PILOT)	432							C30	
Swamp Land Taxes, Forest Reserve	429, 430							C30	
Commercial Facilities Tax (Act 255 of 1978)	433							T01	
Trailer Taxes (Act 243 of 1959)	434							T99	
Transient Guest Lodging Tax (Act 263 of 1974)	435							T19	
Industrial Facilities Tax (Act 198 of 1974)	437							T01	
Income Tax	438	$37,241,000.00	$37,087,593.00					T40	**$37,087,593.00**
Property Tax (includes delinquent taxes, penalties, interest, fees, community-wide special assessments)	401-449 Except Above	$46,075,000.00	$46,226,914.00	$667,684.00			$12,225,147.00	T01	**$59,119,745.00**
TOTAL TAX REVENUE		**$83,316,000.00**	**$83,314,507.00**	**$667,684.00**			**$12,225,147.00**	**$96,207,338.00**	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total
SPECIAL ASSESSMENTS								

Special Assessments	450-474			$1,116,009.00					**$1,116,009.00**
TOTAL SPECIAL ASSESSMENTS				**$1,116,009.00**					**$1,116,009.00**
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**		**Total**
LICENSES AND PERMITS									
Business Licenses and Permits	476-489	$1,720,100.00	$1,932,281.00					T99	**$1,932,281.00**
Non-Business Licenses and Permits	490-500							T99	
TOTAL LICENSES AND PERMITS		**$1,720,100.00**	**$1,932,281.00**						**$1,932,281.00**
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**		**Total**
FEDERAL GRANTS									
General Government	502							B89	
Public Safety	505			$883,620.00				B89	**$883,620.00**
Sanitation	513							B89	
Health and/or Hospitals	516							B42	
Welfare	519							B79	
Culture and Recreation	523							B89	
Housing & Community Development	522			$57,212,255.00			$169,574.00	B50	**$57,381,829.00**
All Other Federal Aid Grants	501-538 Except Above			$6,871,876.00				B89	**$6,871,876.00**
TOTAL FEDERAL GRANTS				**$64,967,751.00**			**$169,574.00**		**$65,137,325.00**
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**		**Total**
STATE GRANTS									
State Revenue Sharing	574	$16,498,000.00	$19,215,373.00					C89	**$19,215,373.00**

Public Safety	543-545, 547, 570							C89	
Streets and Highways (Act 51)	546			$16,078,191.00				C46	**$16,078,191.00**
Streets and Highways (Non-Act 51)	546			$832,023.00				C46	**$832,023.00**
Sanitation	552							C89	
Health	555							C42	
Welfare	555							C79	
Culture and Recreation	566							C89	
Other General/All Other State Aid Grants	540-579 Except Above	$4,220,000.00	$3,603,320.00	$1,471,485.00			$9,900.00	C89	**$5,084,705.00**
TOTAL STATE GRANTS		**$20,718,000.00**	**$22,818,693.00**	**$18,381,699.00**			**$9,900.00**	**$41,210,292.00**	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
CONTRIBUTIONS FROM LOCAL UNITS									
General Government	581-599							D89	
Public Safety	581-599			$1,363,114.00				D89	**$1,363,114.00**
Streets and Highways	581-599			$1,695,000.00				D46	**$1,695,000.00**
Sanitation	581-599							D89	
Health and/or Hospitals	581-599							D42	
Welfare	581-599							D79	
Culture and Recreation	581-599							D89	
Housing & Community Development	581-599							D50	
Gas, Water, and Electric Utilities	581-599							D89	
Transit	581-599							D94	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
All Other	580-599 Except Above			$3,857,769.00				D89	**$3,857,769.00**
TOTAL CONTRIBUTIONS FROM LOCAL UNITS				**$6,915,883.00**				**$6,915,883.00**	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
CHARGES FOR SERVICES									
All Other Services Rendered Charges	626-637	$5,537,250.00	$6,296,770.00	$4,190,890.00	$0.00	$95,907,146.00		A89	**$106,394,806.00**
Parking Facilities (garages, meters, etc.)	652				$5,101,852.00	$0.00		A60	**$5,101,852.00**
All Other Sales, Use, & Admission Fees	638-651, 653, 654			$457,944.00	$44,171,433.00	$0.00	$5,428,872.00	A89	**$50,058,249.00**
All Other Fees	600-654 Except Above	$3,549,600.00	$4,628,966.00		$0.00	$0.00		A89	**$4,628,966.00**
TOTAL CHARGES FOR SERVICES		**$9,086,850.00**	**$10,925,736.00**	**$4,648,834.00**	**$49,273,285.00**	**$95,907,146.00**	**$5,428,872.00**	**$166,183,873.00**	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
FINES AND FORFEITS									
All Fines, Penalties & Forfeits	655-663	$1,777,600.00	$1,335,250.00	$241,033.00				U99	**$1,576,283.00**
TOTAL FINES AND FORFEITS		**$1,777,600.00**	**$1,335,250.00**	**$241,033.00**				**$1,576,283.00**	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
INTEREST AND RENTS									
Interest & Dividends	665-666	$110,000.00	$54,380.00		$698,662.00				**$753,042.00**
Rents & Royalties	667-668	$100,000.00	$213,845.00						**$213,845.00**
Other	664-670 Except Above								
TOTAL INTEREST AND RENTS		**$210,000.00**	**$268,225.00**		**$698,662.00**			**$966,887.00**	

Description of Account	Account Number(s)	General Fund Final Amended Budget	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total
OTHER REVENUE								

Reimbursements	676								
Sale of Capital Assets	673			$400,000.00		$134,526.00		U11	**$534,526.00**
Public and Private Contributions	674	$25,378,614.00	$25,213,665.00					U99	**$25,213,665.00**
Refunds & Rebates	687							U99	
Miscellaneous/Other Revenue	671-689 Except Above	$173,000.00	$139,730.00	$258,832.00		$58,951.00	$2,234,733.00	U99	**$2,692,246.00**
TOTAL OTHER REVENUE		**$25,551,614.00**	**$25,353,395.00**	**$658,832.00**		**$193,477.00**	**$2,234,733.00**		**$28,440,437.00**
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**		**Total**
OTHER FINANCING SOURCES									
Proceeds from Bond/Note Issuance	696-698			$27,559,000.00					**$27,559,000.00**
Transfers In	699	$100,000.00	$100,000.00	$10,110,859.00	$625,000.00	$0.00			**$10,835,859.00**
TOTAL OTHER FINANCING SOURCES		**$100,000.00**	**$100,000.00**	**$37,669,859.00**	**$625,000.00**	**$0.00**			**$38,394,859.00**
TOTAL REVENUE		**$142,480,164.00**	**$146,048,087.00**	**$135,267,584.00**	**$50,596,947.00**	**$96,100,623.00**	**$20,068,226.00**		**$448,081,467.00**

STATEMENT OF OPERATIONS

Legislative (Council, Board, Commission)	101-128	$664,446.00	$630,820.00					E29	**$630,820.00**
Chief Executive	171-190	$1,618,281.00	$1,650,918.00					E29	**$1,650,918.00**
Treasurer	253	$0.00	$0.00					E23	**$0.00**
Clerk	215-218	$1,485,525.00	$1,589,380.00					E29	**$1,589,380.00**
Assessing Equalization	243, 245, 247 and 257							E23	
Finance and Tax Administration	191-260 Except Above	$6,384,489.00	$5,928,898.00					E23	**$5,928,898.00**
Elections	262							E89	
Building and Grounds	265							E31	

Attorney/Corporation Counsel	266	$3,964,001.00	$2,311,544.00						**$2,311,544.00**
All Other General Government	100-279 Except Above	$2,085,667.00	$3,450,943.00	$3,589,781.00		$75,694,022.00		E89	**$82,734,746.00**
TOTAL GENERAL GOVERNMENT		**$16,202,409.00**	**$15,562,503.00**	**$3,589,781.00**		**$75,694,022.00**		**$94,846,306.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
JUDICIAL									
Trial Court	281-282							E25	
Circuit Court	283-285							E25	
District/Municipal Court	286-288	$6,614,859.00	$6,320,992.00					E25	**$6,320,992.00**
Friend of the Court	289, 291							E25	
Friend of the Court--Cooperative Reimbursement Program	290							E25	
Law Library	292-293							E25	
Probate Court	294							E25	
Probation	295							E25	
Prosecuting Attorney	296							E25	
Grand Jury	297							E25	
Family Counseling Services	298							E25	
Other Judicial Activities	280-299 Except Above							E25	
TOTAL JUDICIAL		**$6,614,859.00**	**$6,320,992.00**					**$6,320,992.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
PUBLIC SAFETY									
Police/Sheriff/Constable	301, 305, 310, 315-320, 330-332	$50,004,825.00	$49,770,377.00	$0.00				E62	**$49,770,377.00**

Fire	336-344	$38,811,479.00	$39,436,031.00	$0.00				E24	**$39,436,031.00**
Combined Public Safety Department	345							E89	
Emergency 911 Dispatch Activities	325							E89	
Corrections/Jail	351-370							E05	
Building Inspection & Regulation Activities	371-399							E66	
All Other Public Safety Activities	300-439 Except Above			$1,124,906.00				E89	**$1,124,906.00**
TOTAL PUBLIC SAFETY		**$88,816,304.00**	**$89,206,408.00**	**$1,124,906.00**					**$90,331,314.00**
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**		**Total**
PUBLIC WORKS									
Public Works (Non-Act 51)	441, 442, 444-448	$12,677,987.00	$12,941,208.00					E44	**$12,941,208.00**
Road Commission/Street Dept. (Act 51)	449-520			$11,450,485.00				E44	**$11,450,485.00**
Sanitation/Landfill/Solid Waste	521-522, 526-528				$3,159,129.00			E81	**$3,159,129.00**
Water and/or Sewer Systems	536-566				$10,069,709.00			E80	**$10,069,709.00**
Airports	595							E01	
Public Transportation	596							E94	
Other Public Works Enterprise-Activities	567-570, 597							E89	
All Other Public Works	440-599 Except Above			$14,126.00	$2,753,643.00	$12,176,064.00			**$14,943,833.00**
TOTAL PUBLIC WORKS		**$12,677,987.00**	**$12,941,208.00**	**$11,464,611.00**	**$15,982,481.00**	**$12,176,064.00**			**$52,564,364.00**
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**		**Total**
HEALTH AND WELFARE									
Health Departments, Boards and Clinics	601, 605, 610, 611							E32	

Alcoholism and Substance Abuse	631							E32	
Hospital	635							E36	
Medical Examiner	648							E62	
Mental Health	649, 650							E32	
Emergency Services (Ambulance)	651							E32	
Child Care Activities/Human Services	662-663							E79	
Human Services & Medical Care Facility	670-671							E79	
Area Agency on Aging	672							E89	
Veteran's Programs	681-683, 689							E89	
Redevelopment & Public Housing	690, 692-699						$15,169,447.00	E50	**$15,169,447.00**
All Other Health & Welfare	600-699 Except Above							E32	
TOTAL HEALTH AND WELFARE							**$15,169,447.00**	**$15,169,447.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
COMMUNITY/ECONOMIC DEVELOPMENT									
Community Planning and Zoning	701-703, 710, 712, 713							E29	
Economic Development	728, 730-732							E89	
Register of Deeds	711								
All Other Community Development	700-749 Except Above	$11,537,533.00	$10,632,345.00	$66,152,088.00					**$76,784,433.00**
TOTAL COMMUNITY/ECONOMIC DEVELOPMENT		**$11,537,533.00**	**$10,632,345.00**	**$66,152,088.00**				**$76,784,433.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
RECREATION AND CULTURE									

Parks and Recreation	751-752, 756, 760, 764, 767, 770	$9,017,392.00	$9,134,233.00					E61	**$9,134,233.00**
Library	790-791							E52	
Various Cultural Activities, Fine Arts, Historical Society, Museums, etc.	803-805						$6,485,452.00	E61	**$6,485,452.00**
All Other Recreation and Culture	750-849 Except Above				$92,197.00				**$92,197.00**
TOTAL RECREATION AND CULTURE		**$9,017,392.00**	**$9,134,233.00**		**$92,197.00**		**$6,485,452.00**	**$15,711,882.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
OTHER									
Miscellaneous	955								
Capital Outlay	901-904			$18,396,917.00					**$18,396,917.00**
Debt Service	906-929	$2,402,020.00	$2,488,490.00	$4,034,103.00	$7,650,473.00	$18,257.00	$1,840.00		**$14,193,163.00**
Depreciation	968				$12,053,823.00	$2,109,769.00			**$14,163,592.00**
TOTAL OTHER		**$2,402,020.00**	**$2,488,490.00**	**$22,431,020.00**	**$19,704,296.00**	**$2,128,026.00**	**$1,840.00**	**$46,753,672.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
OTHER FINANCING USES									
Transfers (Out)	995	$6,507,000.00	$6,082,859.00	$4,725,000.00	$28,000.00				**$10,835,859.00**
EXTRAORDINARY /SPECIAL ITEMS	998-99			$8,621,566.00					**$8,621,566.00**
TOTAL OTHER FINANCING USES		**$6,507,000.00**	**$6,082,859.00**	**$13,346,566.00**	**$28,000.00**			**$19,457,425.00**	
TOTAL EXPENDITURES		**$153,775,504.00**	**$152,369,038.00**	**$118,108,972.00**	**$35,806,974.00**	**$89,998,112.00**	**$21,656,739.00**	**$417,939,835.00**	
Description of Account	**Account Number(s)**	**General Fund Final Amended Budget**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	

Net Change in Fund Balances/Fund Net Position		**$-11,295,340.00**	**$-6,320,951.00**	**$17,158,612.00**	**$14,789,973.00**	**$6,102,511.00**	**$-1,588,513.00**	**$30,141,632.00**	
Fund Balance/Fund Net Position Beginning Balances		$29,772,753.00	$29,772,753.00	$27,064,950.00	$241,293,513.00	$19,251,737.00	-$62,229,271.00		**$255,153,682.00**
Prior Period Adjustment									
Fund Balance/Fund Net Position Ending Balances		**$18,477,413.00**	**$23,451,802.00**	**$44,223,562.00**	**$256,083,486.00**	**$25,354,248.00**	**$-63,817,784.00**	**$285,295,314.00**	

STATEMENT OF OPERATIONS--Additions to Capital Assets

List Capital Outlay Expenditures from all funds (included in expenditures in the Statement of Operations) by category:

Description of Account		Capital Assets
Legislative	G29	
Judicial	G25	
General Government	G89	$1,228,595.00
Police	G62	$1,102,067.00
Fire	G24	$126,558.00
Combined Public Safety	G89	
Parking Meters, Off-Street Parking	G60	$198,018.00
Corrections	G05	
Other Public Safety	G89	
Streets & Highways	G44	$19,613,901.00
Sanitation/Solid Waste	G81	
Sewerage	G80	$32,195,246.00
Water	G91	
Electric Utilities	G92	
Airports	G01	
Public Transportation	G94	
Hospital & Hospital Operations	G36	
Welfare	G79	
Housing & Redevelopment	G50	
All Other Health & Welfare	G32	

Parks & Recreation	G61	$231,611.00
Library	G52	
Other Recreation & Culture	G61	
Other Functions	G89	
Other Capital Outlay		$1,321,617.00
TOTAL ADDITIONS TO CAPITAL ASSETS		**$56,017,613.00**

STATEMENT OF POSITION

Description of Account	Account Number(s)	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	ASSETS, DEFERRED OUTFLOWS OF RESOURCES
Cash & Cash Equivalents	001-016	$17,688,295.00	$74,472,633.00	$21,140,271.00	$18,599,781.00	$31,559,022.00	W61	**$163,460,002.00**
Investment in Securities	017						W61	
TOTAL CASH AND INVESTMENTS		**$17,688,295.00**	**$74,472,633.00**	**$21,140,271.00**	**$18,599,781.00**	**$31,559,022.00**	**$163,460,002.00**	

Description of Account	Account Number(s)	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
RECEIVABLES								
Tax, Utility, & Assessment Receivables	019-070	$986,572.00	$10,714,739.00					**$11,701,311.00**
Due from Other Governments & Units	071-081	$5,728,497.00	$16,838,881.00	$26,101,046.00		$114.00		**$48,668,538.00**
Due from Other Funds	084	$0.00		$6,135,551.00				**$6,135,551.00**
All Other Receivables	18-100 Except Above	$17,621,179.00	$8,897,396.00	$26,427,860.00	$868,978.00	$1,266,162.00		**$55,081,575.00**
TOTAL RECEIVABLES		**$24,336,248.00**	**$36,451,016.00**	**$58,664,457.00**	**$868,978.00**	**$1,266,276.00**	**$121,586,975.00**	

Description of Account	Account Number(s)	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total	
OTHER CURRENT ASSETS								
Inventory	101-110		$1,348,300.00	$467,401.00	$530,785.00	$72,221.00		**$2,418,707.00**
Prepaids	123	$759,490.00	$250.00	$0.00	$1,507,562.00	$62,598.00		**$2,329,900.00**
Assets Held for Sale	128							

All Other Current Assets	111-129 Except Above							
TOTAL OTHER CURRENT ASSETS		**$759,490.00**	**$1,348,550.00**	**$467,401.00**	**$2,038,347.00**	**$134,819.00**	**$4,748,607.00**	

Description of Account	**Account Number(s)**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
CAPITAL ASSETS (NET)								
Land & Improvements	130-135			$12,369,507.00	$92,892.00			**$12,462,399.00**
Buildings & Equipment	136-147			$64,321,740.00	$9,230,319.00			**$73,552,059.00**
Vehicles	148-149			$645,088.00				**$645,088.00**
Water System	152-153			$10,126,730.00				**$10,126,730.00**
Sewer System	154-155			$234,781,043.00				**$234,781,043.00**
All Other Capital Assets	150-151, 156-179			$21,158,268.00		$86,948.00		**$21,245,216.00**
TOTAL CAPITAL ASSETS (NET)				**$343,402,376.00**	**$9,323,211.00**	**$86,948.00**	**$352,812,535.00**	

Description of Account	**Account Number(s)**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**	
OTHER LONG TERM ASSETS								
Net Pension Asset	190							
Net OPEB Asset	191							
Advances to Other Funds	193							
Advances to Other Units of Government	194							
Other Investments	180-194 Except Above					$14,827.00		**$14,827.00**
TOTAL OTHER LONG TERM ASSETS						**$14,827.00**	**$14,827.00**	
	TOTAL ASSETS		**$42,784,033.00**	**$112,272,199.00**	**$423,674,505.00**	**$30,830,317.00**	**$33,061,892.00**	**$642,622,946.00**
TOTAL DEFERRED OUTFLOWS OF RESOURCES	195-199			$8,155,009.00				**$8,155,009.00**
	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**$42,784,033.00**	**$112,272,199.00**	**$431,829,514.00**	**$30,830,317.00**	**$33,061,892.00**	**$650,777,955.00**

Description of Account	Account Number(s)	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION		101-Fund	102-499 Funds	500-599 Funds	601-699 Funds		101-699 Funds + Component units
CURRENT LIABILITIES							
Due to Other Funds	214		$4,268,394.00	$1,867,157.00			**$6,135,551.00**
Accrued Wages & Benefits	257-261	$2,891,822.00	$130,795.00	$192,504.00	$380,021.00	$403,742.00	**$3,998,884.00**
All Other Accounts Payable & Current Liabilities	200-299 Except Above	$13,359,203.00	$5,353,476.00	$21,024,968.00	$3,130,535.00	$12,879,909.00	**$55,748,091.00**
TOTAL CURRENT LIABILITIES		**$16,251,025.00**	**$9,752,665.00**	**$23,084,629.00**	**$3,510,556.00**	**$13,283,651.00**	**$65,882,526.00**
Description of Account	**Account Number(s)**	**General Fund**	**All Other Governmental Funds**	**Enterprise Funds**	**Internal Service Funds**	**Component Units**	**Total**
LONG-TERM LIABILITIES							
Long-Term Debt	300-307			$102,759,270.00	$1,036,287.00	$81,909,343.00	**$185,704,900.00**
Advances from Other Funds	314						
Other Advances	328-330, 333						
Unearned Revenues	339	$285,856.00	$39,394,725.00			$459,428.00	**$40,140,009.00**
Net Pension Liability	334			$27,293,809.00			**$27,293,809.00**
OPEB Obligation	335			$15,038,900.00			**$15,038,900.00**
Accrued Benefits & Compensation	343			$814,674.00	$929,226.00		**$1,743,900.00**
All Other Long-Term Liabilities	300-359 Except Above					$95,898.00	**$95,898.00**
TOTAL LONG-TERM LIABILITIES		**$285,856.00**	**$39,394,725.00**	**$145,906,653.00**	**$1,965,513.00**	**$82,464,669.00**	**$270,017,416.00**
TOTAL DEFERRED INFLOWS OF RESOURCES	360-369	$2,795,350.00	$18,901,247.00	$6,754,746.00		$1,131,356.00	**$29,582,699.00**

Description of Account	Account Number(s)	General Fund	All Other Governmental Funds	Enterprise Funds	Internal Service Funds	Component Units	Total
FUND BALANCE/NET POSITION							
(Net) Investment in Capital Assets	391			$232,446,124.00	$8,157,282.00	$25,864.00	**$240,629,270.00**
Nonspendable	370-374	$759,490.00	$3,153,577.00				**$3,913,067.00**
Restricted	375-379, 392-398		$35,877,471.00	$2,441,780.00		$5,097,644.00	**$43,416,895.00**
Committed	380-384	$785,099.00	$5,192,514.00				**$5,977,613.00**
Assigned	385-389						
Unassigned/Unrestricted	390, 399	$21,907,213.00	$0.00	$21,195,582.00	$17,196,966.00	-$68,941,292.00	**$-8,641,531.00**
TOTAL FUND BALANCE/NET POSITION		**$23,451,802.00**	**$44,223,562.00**	**$256,083,486.00**	**$25,354,248.00**	**$-63,817,784.00**	**$285,295,314.00**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE/NET POSITION		**$42,784,033.00**	**$112,272,199.00**	**$431,829,514.00**	**$30,830,317.00**	**$33,061,892.00**	**$650,777,955.00**

Governmental Capital Assets (Net)			$207,842,733.00	Governmental Long-Term Debt			$115,802,283.00

OTHER SUPPLEMENTARY INFORMATION

Amounts Paid to Other Governments

Description of Account		Total
Corrections	M05	
Local Schools	M12	
Financial Administration	M23	
Health	M32	$18,829.00
Hospitals	M38	
Housing and Urban Renewal	M50	$245,176.00
Highways	M44	
Transit Subsidies	M94	
Police	M62	$84,289.00
Fire		
Sewerage	M80	$655,355.00
Sanitation	M81	

All Other	M89	$3,725,375.00

Amounts Paid to State

Corrections	L05	
Local Schools	L12	
Financial Administration	L23	
Health	L32	
Hospitals	L38	
Housing and Urban Renewal	L50	
Highways	L44	$1,054,243.00
Transit Subsidies	L94	
Police	L62	$113,207.00
Sewerage	L80	$143,525.00
Sanitation	L81	
All Other	L89	$879,501.00

City Income Tax Detail

Income tax revenue from residents		$21,351,173.00
Income tax revenue from nonresidents		$15,736,420.00
Other income tax revenue		$0.00

Personnel Statistics

Number of Police Personnel		251
Number of Fire Personnel		184
Combined Public Safety Personnel		
All Other Personnel		474
Total Wage and Salary Costs		$58,739,441.00

Report salaries, wages, and per diems paid to all full-time and part-time employees of your local unit. These amounts may be taken from W-3 and 1099 forms filed by your local unit at the end of the calendar year.
Show total amount on the line for total wage and salary costs.

Investment Information

Do all investments comply with P.A. 20 of 1943?		Y
Does the unit have an investment policy approved by the governing body that complies with GASB statement No. 40?		Y
Does the investment policy allow mutual funds with net asset values other than $1?		N

Other Information

Are there non-pension funds invested in derivatives at fiscal year-end?		N

How Many?		
Are there pension funds invested in derivatives at fiscal year-end?		N
How Many?		

DERIVATIVE INSTRUMENTS - NON-PENSION INVESTMENT PORTFOLIO

Note: Please report any derivative instruments your government had at the end of the fiscal year which were part of the non-pension investment portfolio. The information must be reported both on an aggregate basis, and itemized by issuer and type of derivative instrument or product.

Issuer	Type of Derivative	Cost	Market Value

DERIVATIVE INSTRUMENTS - PENSION INVESTMENT PORTFOLIO

Note: Please report any derivative instruments your government had at the end of the fiscal year which were part of the pension investment portfolio. The information must be reported both on an aggregate basis, and itemized by issuer and type of derivative instrument or product.

Issuer	Type of Derivative	Cost	Market Value

PENSION AND HEALTH BENEFIT PLANS

PENSION

Does your unit have an employee retirement system(s)?	Y

If yes, is it administered by:

CHECKED	Insurance Company		Self
	Financial Institution		MERS

Your local unit has the following plan types: (check all that apply)

CHECKED	Defined Benefit	CHECKED	Hybrid
CHECKED	Defined Contribution		

What is the aggregate Net Pension Liability? (If overfunded, please enter as a negative number)	$371,959,895.00

Please provide the following for all defined contributions plans:

Employer Contributions Made	$361,330.00	Member Contributions Made	$357,008.00

Please select the types of defined benefit plans of the primary government:

CHECKED	General Employees		Police		Other
CHECKED	Police & Fire or Public Safety		Fire		

Please provide the following for the general employees defined benefit plan:

Pension Expense	$17,550,196.00	Actuarially Determined Contribution	$12,737,487.00
Employer Contributions Made	$13,494,287.00	Actuarial Value of Assets	$153,666,353.00
Member Contributions Made	$1,289,306.00	Funded Percentage	49.23%
Investment Rate of Return	7%		

Please provide the following for the police defined benefit plan:			
Pension Expense		Actuarially Determined Contribution	
Employer Contributions Made		Actuarial Value of Assets	
Member Contributions Made		Funded Percentage	
Investment Rate of Return			

Please provide the following for the fire defined benefit plan:			
Pension Expense		Actuarially Determined Contribution	
Employer Contributions Made		Actuarial Value of Assets	
Member Contributions Made		Funded Percentage	
Investment Rate of Return			

Please provide the following for the police & fire or public safety defined benefit plan:			
Pension Expense	$47,881,846.00	Actuarially Determined Contribution	$18,263,635.00
Employer Contributions Made	$19,609,552.00	Actuarial Value of Assets	$289,411,315.00
Member Contributions Made	$2,722,350.00	Funded Percentage	57.55%
Investment Rate of Return	7%		

Please provide the following for the other defined benefit plan:			
Name of Defined Benefit Plan		Actuarially Determined Contribution	
Pension Expense		Actuarial Value of Assets	
Employer Contributions Made		Funded Percentage	
Member Contributions Made		Investment Rate of Return	

Are your defined benefit pension plans audited by an independent CPA?	N

OTHER POSTEMPLOYMENT BENEFITS

Does your unit have other post-employment benefits (OPEB) such as retiree healthcare?	Y

If yes, is it administered by:			
CHECKED	Insurance Company		Self
CHECKED	Financial Institution		MERS

What is the aggregate Unfunded Accrued Liability for the primary government? (If overfunded, please enter as a negative number)	$248,282,053.00

Please provide the following:			
Annual Required Contribution	$20,279,336.00		
Employer Contributions Made	$20,618,459.00	Funded Percentage	31%

INDEBTEDNESS

Report special obligations of all agencies of your government as well as general obligation debt.

Description	Beginning Balance	Additions (Include all refunding issues)	Reductions (Include all refunded debt)	Ending Balance

LONG-TERM DEBT

Bonds, mortgages, etc. with an original term of more than one year issued in the name of your government or of particular agencies. Exclude amounts for compensated absences.

Public Debt for Privately Owned Housing, Industrial, or Business Purposes	19T		24T		34T		44T	
ALL OTHER PURPOSES								
General Obligation Bonds		$143,119,002.00		$5,126,023.00		$15,119,834.00		**$133,125,191.00**
Revenue Bonds		$10,975,000.00		$0.00		$1,550,000.00		**$9,425,000.00**
Unlimited Tax Bonds								
Limited Tax Bonds								
Notes Payable		$16,935,539.00		$23,069,000.00		$10,661,213.00		**$29,343,326.00**
All Other Debt								
TOTAL ALL OTHER PURPOSES	19U	**$171,029,541.00**	29U	**$28,195,023.00**	39U	**$27,331,047.00**	44U	**$171,893,517.00**
TOTAL LONG-TERM DEBT		**$171,029,541.00**		**$28,195,023.00**		**$27,331,047.00**		**$171,893,517.00**

Description	Beginning Balance		Additions (Include all refunding issues)		Reductions (Include all refunded debt)		Ending Balance	
SHORT-TERM (Interest-Bearing) DEBT								
Tax anticipation notes, bond anticipation notes, interest-bearing warrants, and other obligations with a term of one year or less. Exclude accounts payable and other noninterest-bearing obligations.								
Tax Anticipation Note								
Revenue Anticipation Note								
All Other Short-Term Debt								
TOTAL SHORT-TERM DEBT	61V						64V	

Description	Amount							
INTEREST ON DEBT								
Amount of interest paid on long and short-term debt by purpose.								
Interest on Water Supply System Debt	I91							

Interest on Sewer System Debt	I89	$2,271,389.00						
Interest on Electric Power System Debt	I92							
Interest on Transit System Debt	I94							
Interest on All Other Debt	I89	$2,025,664.00						
Remarks:								

Certification

Please provide the following:		CERTIFIED	I affirm that I am authorized to submit this form on behalf of the local unit of government.
CERTIFIED	I affirm that all answers are correct to the best of my knowledge.	CERTIFIED	I affirm that the form has been reconciled to the corresponding audit report where applicable.

Michigan Department of Treasury
496 (06-16)

Auditing Procedures Report

Issued under Public Act 2 of 1968, as amended.

Local Unit Basic Information					
County:	INGHAM	**Type:**	City	**Local Unit Name:**	City of Lansing
Municode:	33-2-020	**FY Ending:**	2022	**Year End Month:**	6
Form ID: 110324			Instructions		FAQs

Attachment File	**Description**
33-2-020 City of Lansing 2022 Audit.pdf	Please attach Audit Report
City of Lansing 2022 Internal Control Letter.pdf	Please attach reported deficiencies

Reporting			
Enter Opinion Date:			12/20/2022
Select type of audit opinion for the following:			
Governmental activities:	UNMOD	Business-type activities:	UNMOD
Aggregate discretely presented component units:	UNMOD	Major fund(s):	UNMOD
Aggregate remaining fund information:	UNMOD	Aggregate discretely presented component units and remaining fund information:	

Has the local unit complied with generally accepted accounting principles (GAAP)?	Y
Are all required component units/funds/significant others of the local unit included in the financial statements and disclosed in the reporting entity notes to the financial statements when applicable?	Y

Please check all of the following that are missing:					
	Component Units		Funds		Significant Others

Please list component units missing:
Please list funds missing:
Please list others missing:

Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?	Y
Nothing came to my attention that caused me to believe that the local unit failed to comply with guidance issued by the Local Government Financial Services Division (ie., Uniform Reporting Format, Accounting Manual, Audit Manual, Budget Manual, Numbered Letters, MCGAA Statements). If nothing came to your attention, mark yes.	N

Statutory	
Nothing came to my attention that caused me to believe that the local unit failed to comply with charters or ordinances. If nothing came to your attention, mark yes.	Y
Indicate section of charter or ordinance with which the local unit is not in compliance:	
Does the local unit have a court ordered judgment tax levy or judgment bond?	N
Is this a one year levy?	

Has the local unit distributed tax revenues that were collected for another taxing unit timely as required by the general property tax act?	Y
Has the current year pension actuarially determined contribution been paid by the unit required by the State Constitution Article 9, Section 24?	Y
Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the manual for Audits of Local Units of Government in Michigan, as revised (see Appendix H of manual)?	Y
Has a description of the illegal or unauthorized expenditures been included in the audit?	
Please provide page number :	
Describe:	
Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of the audit that have not been previously communicated to the Local Government Financial Services Division?	Y
Has a written report (forensic audit) been produced?	
Has law enforcement been notified?	
Does the audit report identify violations of other statutes not described in above?	N
Describe:	

Borrowing/Debt/Deficit	
Does the local unit have a negative fund balance in any of its unrestricted (unassigned, assigned and committed) fund balances/unrestricted fund net position (not government-wide statements)?	Y
You must complete the “Deficit Worksheet” section below.	
Is the local unit in compliance with Public Act 34 of 2001, Revised Municipal Finance Act (ie., authorized borrowing, annual filing of a qualifying statement, filing of a security report within 15 days of any issuance)?	Y
Is the local unit in compliance with orders issued under Public Act 243 of 1980, Emergency Municipal Loan Act?	NA

Did the local unit adopt a budget for all required funds (MCL 141.436)?	Y
Was a public hearing on the budget held in accordance with State statute?	Y
Were the local unit's actual expenditures within the amounts authorized in the budget?	N
Are there any individual expenditures or other financing uses that exceed 10% of total expenditures?	Y
Are any of those over budget by 10% or more?	Y

Internal Controls

Has the board or council approved all disbursements prior to payment as required by charter or statute?	Y
Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?	Y
To your knowledge, were the bank reconciliations performed timely?	Y
Are there any reported deficiencies other than segregation of duties and/or the preparation of financial statements?	Y

How many are:

Material weaknesses?	1	Significant deficiencies?	1	Statutory non-compliance?	1

Are any reported deficiencies repeated from the prior year?	Y
Were there any reported deficiencies including those that would be related to internal controls, statutory compliance, or other areas of concern?	Y

Financial Statements

Please enter the following:

General Fund Revenue:	$145,948,087.00	Governmental net position:	-$391,451,470.00
General Fund Expenditure (Must be positive):	$146,286,179.00	Business type net position:	$256,083,486.00
General Fund Other financing net sources/(uses) (Can be positive or negative):	-$5,982,859.00	Component units total net position:	-$63,817,784.00
General Fund Beginning Balance:	$29,772,753.00	Governmental Activities Long-Term Debt:	$73,603,797.00
General Fund Ending Balance:	$23,451,802.00	Major Fund Deficit Amount:	$0.00
Calculated General Fund Ending Balance:	$23,451,802.00	Governmental Fund Revenues	$243,145,812.00

Please explain the difference between calculated and entered General Fund Ending Balance:

Deficit Worksheet

Fund Type	Fund Name	All Funds				Enterprise, Internal Service, Trust or Agency, & Component Unit Funds				Deficit To Be Eliminated
		Unrestricted Fund Balance/Net Position (Deficit)	Deferred Inflows of Resources	Taxes and Special Assessments Receivable	Deferred Inflows-Taxes and Special Assessments	Total Net Position (Deficit)/Surplus	Current Assets	Current Liabilities	CA-CL Deficit	
ENTERPRISE	Cemetery	-$1,380,849.00	$345,170.00	$0.00	$345,170.00 $345,170.00	$1,265,367.00	$984,806.00	$25,070.00	$959,736.00 $959,736.00	No Plan NecessaryNo Plan Necessary
ENTERPRISE	Garbage & Rubbish Collection	-$2,006,521.00	$600,126.00	$0.00	$600,126.00 $600,126.00	-$2,006,521.00	$2,119,768.00	$72,812.00	$2,046,956.00$2,046,956.00	No Plan NecessaryNo Plan Necessary
ENTERPRISE	Recycling	-$5,657,833.00	$1,157,105.00	$0.00	$1,157,105.00$1,157,105.00	-$5,641,734.00	$2,347,335.00	$169,001.00	$2,178,334.00$2,178,334.00	No Plan NecessaryNo Plan Necessary
ENTERPRISE	Municipal Parking Systen	-$543,242.00	$1,108,468.00	$0.00	$1,108,468.00$1,108,468.00	-$543,242.00	$3,679,269.00	$3,838,128.00	-$158,859.00-$158,859.00	No Plan NecessaryNo Plan Necessary

Pension Plans

Our records indicate the following pension plan(s) exist. Put a check mark next to any that are no longer active.

	Employees' Retirement System	Police & Fire			
Assets	$153,347,353.00	$289,411,315.00			
Liabilities	$312,157,774.00	$502,879,789.00			
ADC	$12,737,487.00	$18,263,635.00			

Health Care (OPEB) Plans

Our records indicate the following opeb plan(s) exist. Put a check mark next to any that are no longer active.

	Employees' Retirement System	Police & Fire			
Assets	$69,887,591.00	$41,918,165.00			
Liabilities	$157,216,430.00	$202,871,379.00			
ADC/ARC	$7,100,834.00	$13,178,502.00			

Certified Public Accountant Information	
CHECKED	We affirm that we are certified public accountants licensed to practice in Michigan.
CHECKED	We affirm that all answers are correct to the best of our knowledge.
CHECKED	We further affirm that all material weaknesses, significant deficiencies, and statutory noncompliance violations as well as all budget violations that were reported to the auditee are reported to the Michigan Department of Treasury.

CPA Name:	Steven R. Kirinovic	Ten Digit License Number:	1101022020
Please provide a primary email address for the local unit contact:		jeff.scharnowske@lansingmi.gov	

Comparison to Page 113 of the 2022 CAFR Filed with the State in December 2022

EXPENDITURES	ORG. BUDGET RES 2011-115 5/17/2021	Amend. Budget RES 2022-183 6/27/2022	2022 CAFR Final Amended Budget	Difference between CAFR "Amended Budget" and RES 2022-183
Attorney's Office	$ 2,450,461.00		$ 3,964,001.00	$ 1,513,540.00
City Clerk	$ 1,485,525.00	$ 1,469,826.94	$ 1,485,525.00	$ 15,698.06
Council	$ 664,446.00	$ 639,089.66	$ 664,446.00	$ 25,356.34
Courts	$ 6,614,859.00		$ 6,614,859.00	$ -
Internal Auditor	$ 194,724.00	$ 374,382.82	$ 194,724.00	$ (179,658.82)
Finance	$ 6,359,489.00	$ 6,283,799.20	$ 6,384,489.00	$ 100,689.80
Library Rental	?	?	$ (1,265,000.00)	
Human Resources	$ 2,572,681.00	$ 2,543,446.03	$ 2,572,681.00	$ 29,234.97
Mayor	$ 1,618,281.00		$ 1,618,281.00	$ -
Off. Of Comm. Media	$ 583,262.00	$ 575,675.23	$ 583,262.00	$ 7,586.77
Contingency				
TOTAL Gen. Govt.			$ 22,817,268.00	$ 1,512,447.12
Police	$ 49,911,211.00	$ 49,284,519.29	$ 50,004,825.00	$ 720,305.71
Fire	$ 38,811,479.00	$ 38,317,963.07	$ 38,811,479.00	$ 493,515.93
TOTAL Safety			$ 88,816,304.00	$ 1,213,821.64
Public Works/Service	$ 12,677,987.00	$ 12,677,987.00	$ 12,677,987.00	$ -
Assessing	$ 1,967,154.00	$ 1,941,797.66		
Finance	$ 2,007,522.00	$ 1,984,968.12		
Treasury/Income	$ 2,384,813.00	$ 2,357,033.42		
TOTAL	$ 6,359,489.00	$ 6,283,799.20		

Boak, Sherrie

From:	Kirkland, Desiree A.
Sent:	Monday, January 16, 2023 6:20 PM
To:	Wood, Carol; Schor, Andy; Garza, Jeremy
Cc:	DiSessa, Jane B.; City Council
Subject:	RE: Audit

Greetings All,

I inadvertently forgot to mention our audit finding related to the budget. This information was provided with the annual report. The letter included the three audit findings, one being the following:

2022-003 UNFAVORABLE BUDGET VARIANCES Condition: We noted that expenditures had exceeded the amounts appropriated for various areas of the General Fund and certain Special Revenue Funds. Criteria: The Uniform Budgeting and Accounting Act requires the City to amend the original adopted budget "as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined." The Act also states that "an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body." Cause: The City did not adequately monitor expenditures in relation to budgeted amounts in the areas where the overages occurred. Effect: Having unfavorable budget variances as described above, the City is not in compliance with Public Act 621 of 1978, as amended. Recommendation: We recommend the City monitor expenditures against adopted budgets in all applicable funds and make appropriate budget amendments as needed.

Please let me know if you have any additional questions

Best Regards,

Desiree A. Kirkland, MA, MiCPT, CPFIM
Finance Director/Treasurer
City of Lansing
124 W. Michigan Ave. | Lansing, MI 48933
Office: 517-483-4112 | Email: Desiree.Kirkland@Lansingmi.gov
Website | Facebook | Twitter | Instagram | Census 2020 Website

Andy Schor, Mayor

BE COUNTED LANSING
CENSUS 2020

From: Kirkland, Desiree A.
Sent: Friday, January 13, 2023 3:00 PM
To: Wood, Carol <Carol.Wood@lansingmi.gov>; Schor, Andy <Schor.Andy@lansingmi.gov>; Garza, Jeremy <Jeremy.Garza@lansingmi.gov>
Cc: DiSessa, Jane B. <Jane.DiSessa@lansingmi.gov>; City Council <City.Council@lansingmi.gov>
Subject: RE: Audit

Greetings,

Please see information below.

Best Regards,
Desiree A. Kirkland, MA, MiCPT, CPFIM
Finance Director/Treasurer
City of Lansing
124 W. Michigan Ave. | Lansing, MI 48933
Office: 517-483-4112 | Email: Desiree.Kirkland@Lansingmi.gov
Website | Facebook | Twitter | Instagram | Census 2020 Website

LANSING MICHIGAN
Andy Schor, Mayor

BE COUNTED LANSING
CENSUS 2020

From: Wood, Carol <Carol.Wood@lansingmi.gov>
Sent: Friday, January 13, 2023 2:11 PM
To: Schor, Andy <Schor.Andy@lansingmi.gov>; Garza, Jeremy <Jeremy.Garza@lansingmi.gov>
Cc: Kirkland, Desiree A. <Desiree.Kirkland@lansingmi.gov>; DiSessa, Jane B. <Jane.DiSessa@lansingmi.gov>; City Council <City.Council@lansingmi.gov>
Subject: Re: Audit

Mayor Schor,
Thank you for your email and the follow-up with regards to questions that arose concerning the State. This email will be forward on to all Councilmembers.

I do have a couple of follow-up questions:

1. Who is responsible for getting the correct number to the external auditor allowing them to make the corrections? The Finance team is responsible for getting information to the external auditors. Ultimately, it is my responsibility

1. When was that done? Based on the information provided in prior emails, and as stated by the auditor, "The budget vs. actual page in the audit (pages 113-114 for the General Fund). As you review those pages, keep in mind a "positive" number in the "variance" column is "good" and I "negative" number is "bad". So a couple examples: the Attorney's office was "under" budget $1.65m, so they spent less than was budgeted, a good thing. the Clerk's budget was slightly over budget $100k, not a good thing but really not too far over. There is no substantial negative repercussions at the State level due to these overages. We are required to mention them if there is a $1 overage. Basically the State, via the attached letter, will ask you "how are you going to fix this situation going forward?". A clear, accurate, honest reply to Treasury is all you need, and then implement the plan. I've never seen the state demand or require anything more than that, it wouldn't cause an additional audit, it shouldn't have a major impact on future bond issuances, etc. Basically it would be a process that you would want to improve. Similar to all the other things that you improved this past year, substantially reducing the internal control audit comments from 20/21 to 21/22."

2. When can we expect new pages from the External Auditor? No new pages are expected. Finance is reviewing the grouping of accounts/funds and will be happy to share that information with council.

To my fellow Council Members please see the email fellow from the Mayor with regards to the External Audit (CAFR).

Carol

Carol Wood
Councilmember At-Large
517 483-4188 office

From: Schor, Andy <Schor.Andy@lansingmi.gov>
Sent: Friday, January 13, 2023 2:00 PM
To: Wood, Carol <Carol.Wood@lansingmi.gov>; Garza, Jeremy <Jeremy.Garza@lansingmi.gov>
Cc: Kirkland, Desiree A. <Desiree.Kirkland@lansingmi.gov>; DiSessa, Jane B. <Jane.DiSessa@lansingmi.gov>
Subject: Audit

Council President and Vice President,

We have looked into the information regarding the audit and the affects with the state. As I mentioned, our staff will be better in reviewing audits before information is submitted to the state and published. Additionally, they will better monitor revenues and expenditures to identify any changes during the fiscal year, and timely make the necessary adjustments. Additionally, they will work with the department directors to be more aware of the status of their budget. Also, while they have closed many of the audit comments identified in previous budgets (I believe we went from 8 to 3), they are working aggressively to close the rest. Switching from One Solution with allocated dollars will be a great help in ensuring better procedures and satisfying Treasury.

You had asked about reactions of the state due to the amended submissions. I am happy to inform you that there will be no penalties. As you look at the audit, you will page 114 shows that the total expenditures were UNDER budget by $982,325. The Attorney's office was under budget $1.65m, so they spent less than was budgeted which is good in the audit. The Clerk's budget was slightly over budget $100k not good but really not too far over. There is no substantial negative repercussions at the State level due to these overages because overall we were under budget. They are certainly interested in any overages, and plans to prevent that in the future. But the state would not demand or require anything more than that. It wouldn't cause an additional audit, it shouldn't have a major impact on future bond issuances, etc. We certainly need to improve this process and are working on that, as mentioned above, similar to all the other things that we improved this past year where we substantially reduced the internal control audit comments from 20/21 to 21/22.

So I am happy to report that there will not be penalties. Our staff will be more diligent in the future in working with our CPA's and providing information to the council and state.

I understand that you have informed Council of this issue, and I ask you to please share this with the rest of Council as well. And Desiree Kirkland will be happy to address any questions from councilmembers, either by phone or email or at the Committee of the Whole discussion on the 23rd.

Thank you.

Andy

Andy Schor

Mayor
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Andy Schor, Mayor

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