AGENDA

Committee of the Whole
February 10, 2025 at 5:30 PM

Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor
To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.
To view the meeting live and participate in virtual public comment: https://www.lansingmi.gov/1212/Council-Committee-Meetings

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Council Member Ryan Kost, Chairperson
Council Member Tamera Carter, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
   A. January 27, 2025
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**
   B. Lansing Board of Water & Light (LBWL) Annual Audit for Fiscal Year ending June 30, 2024
   C. Lansing Board of Water & Light (LBWL) Update on Smart Meters, Shut-offs- General Manager Dick Peffley
   D. Update on the City of Lansing Public Safety Complex Project
6. **Other**
   E. Outside Board and Commission Updates from Council Members
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 27, 2025 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

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

PRESENT
Councilmember Jeffrey Brown
Councilmember Peter Spadafore
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeremy Garza
Councilmember Ryan Kost
Councilmember Adam Hussain
Councilmember Brian T. Jackson

OTHERS PRESENT
Sherrie Boak, Council Staff
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Emily Linden, Ovation Representative
Roy Plowman, Mayors Office -Construction Manager
Tyler Baker, Maner Costerisan
Desiree Kirkland, Finance Director
Cynthia Gill, Finance
Jake Brower, Chief Strategy Officer
Jackson Mills, Finance/Budget
Shelbi Frayer
Christopher Harkins
Brendon Fox, Dymaxion – Ovation Representative
Bill Tucker, Maner Costerisan

Minutes
MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM JANUARY 13, 2025 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment
No public comment.

Presentations

City of Lansing Annual Audit Fiscal Year Ending 6/30/2024

Mr. Tucker briefly referred to the audit presentation financial statements, funding units and opinions.

Mr. Baker went through the findings on the GF, Capital Projects and federal funding. The GF had unassigned balance of 31.3 million or approximately 20% of annual operating. The prior year was 14%. Their recommendation is for 15-20% unassigned fund balance and the City is that. For the income statement for FY, with the GF total revenue 1.668 million, 2.4 % year over year. That is with change in ARPA recognition and taxes. Total expenditures are up 3.5% with the majority driver in wages and FTE increase. Mr. Baker summarized the findings, which were in line with previous years.

Mr. Randall stated he was reiterating what was said by the Internal Auditor and there are the same audit findings as last year. Mr. Baker stated the state filings were submitted prior to the 12/31/2024 deadline, and since the city spends more than limits they are required for an additional audit they are working on due in March.

Council Member Jackson referred to page 17 of 100, there is a positive trend, and asked if their report accounts for the funding from the Cares Act, and other funding. And if it is not there, would the revenue be shorter then the expenditures. Mr. Tucker stated the revenue from the ARPA is part of that findings they are working on now in their single audit. As for the revenue that has been received, a lot was going into state and federal grant revenue funding. Council Member Jackson asked if those funds are accounted for in this report. Mr. Tucker stated it does and portions of that revenue and in prior years. Mr. Baker referred to page 32 of the report with the balance sheet, and as recognized over the last years, revenues and expenditures have agreed. Unearned revenue, the large amount is the remainder of the ARPA funds to be recognized in FY2025 and that will be the end of the five years of recognizing. If there were one time spending it would not have an impact.

Council Member Spadafore noted in the public safety special projects on page 34, 6.5 million in internet 6.4 in expenses and asked if the City is at risk. Ms. Kirkland confirmed they are earning a lot of interest, but are always aware and looking to make sure of the arbitrage.

Council Member Garza asked about the reporting speaking to vacancies, and asked if they are posted to fill. Ms. Kirkland stated that from Finance level she is fully staffed, but will get back with Council.

Mr. Randall referred to the internal control issues, and it is a repeat and asked how the City is working on the corrective action. Ms. Kirkland stated with the new BSA Cloud they are hoping this new system will address the issues and correct the efficiencies. Mr. Randall asked if the retirement funding is on line with others. Mr. Tucker stated that if looked at the State of Michigan where you can go through and see other OPEB and pensions. The state wide average for pension is funded at 73% and the City is at 53% and 51%.

Council President Kost asked if there was a $12 million grant for retirement system, was it in the report. Mr. Baker stated it is on page 122. Council Member Kost referred to the previous external auditor presentations and the same findings. He asked Ms. Kirkland on what her timeframe is when she might see the findings drop off. Ms. Kirkland stated she does not have a timeline, and they work hard to eliminate the findings and not add more. They are working hard with other departments throughout the fiscal year to make sure they are prepared and aware of what the external auditor is finding. Council President Kost asked for quarterly updates on how they addressing the findings. Ms. Kirkland agreed.

Mr. Baker then referred to the letter in the presentation on governance letter, which provides estimates in the financials and discloses those. The letter speaks to the audit process, any disagreements, difficulties and in this case they did not have any issues with the City.

Lansing Entertainment and Public Facilities Authority Financial Statements Year End 6/30/2024

Mr. Tucker and Mr. Baker spoke briefly on the LEPFA audit. There was a reference to the five year trend on LEPFA, and they presented to the LEPFA Board on 1/21/2025. They began with stating the financials are in accordance with GAP, consistent with last year. In the current year there were two findings; material weakness and matter of timeliness in submitting sales taxes to the State. Two findings in previous years fell off because they rectified. New this year was a grant, and they spent $2 million of those grants in the year.

Mr. Randall asked about the findings and if they were reoccurring. Mr. Baker stated the material weakness last year was due to transition in the finance office, and the sales tax remittance can be corrected, and the reason for the finding was remitted as of 6/30, and they hope it will be corrected. Mr. Randall noted there are material journal entries, and are these issues the same ones. Mr. Baker stated a lot of the journal entries revolved around the new grant for assets, keeping on the balance sheet until earned.

Council Member Spadafore stepped way at 6:09 p.m.

Update on the Ovation Project

Ms. Linden started the quarterly update on the project, first noting that in September there were new designs.

Council Member Spadafore returned to the meeting at 6:11 p.m.

Ms. Linden's presentation summarized property and project.

Dymaxion confirmed they have been working through the design project, completed maximizing efficiency, submitted plans to building department on the plans and work on the build out on the current building. They are tracking the budget with milestones changing with changes and working in budget.

Ms. Linden stated $28 million total construction cost, with spent $1.4 million and they have private fundraising on task.

Dymaxion stated they have paid for the design costs at estimated earn value for $1.17 million for architect, 23% value beyond what paid thus far.

Mr. Plowman stated they have engaged all trades, and any bid package goes to Building Trades Council, builders exchange and when they do not get the response they work diligently to assist.

Council Member Garza asked why the bidding is not public visibility. Mr. Plowman stated that he is not aware of why it is not, they could look into make it accessible.

Ms. Linden stated the economic impact at $17.5 million, 209 FTE, and taxes generated. The estimated economic impact of $12.5 million generated annually.

Council Member Jackson asked if fully funded, why continue to fund raise, do they expect changes in the future. Ms. Linden stated that it is funded, but they are looking to have a safety net.

Mr. Randall asked about other phases, timelines, so they can know what is going on. Dymaxion stated they are working on building permits for the build out of 520 and then the new building. He believes that they can track once it permits. Mr. Randall asked what cost until construction. Dymaxion stated that looking at architecture, there would be $550,000 in design yet. Mr. Randall asked if it all has to be spent or at the same time as construction.

Council Member Carter asked if there is a time frame of the groundbreaking. Dymaxion stated this spring and have bids back for site demolition and site preparation. Council Member Carter asked how the marketing is going for use. Ms. Linden stated that Mr. Cochran has been building relationships, but contracts aren't done until 9 months out. Council Member Carter asked what the cost would be for tickets. Ms. Linden did not have an answer but want to make sure it is accessible and cost to consumers is fair and accessible.

Council President Kost referred to the list of projects spent year to date, asked Ms. Linden where she is paid. Ms. Linden stated she is an employee of the Media Center. Council President Kost noted spring of 2025 for groundbreaking, what does that mean, and what does that mean. Dymaxion there are multiple packages on site work, asphalt removed, dirt getting moved, and there will be meaningful construction. Council President Kost asked about the ground testing, and it was confirmed it was done.

Council Member Garza asked for names of contractors, and Dymaxion stated they have not signed with contractors. Council Member Garza asked for local contractors.

Council Member Jackson noting Council Member Garza works for the 333 Plumbers Union, and the appearance if there can be a problem. Mr. Venker asked if the question is there a conflict, and it was confirmed it was. Mr. Venker stated it is not a conflict, but if Council speaks to their requests, it is not a conflict or improper in this presentation. Council Member Jackson if in future, would OCA look for it. Mr. Venker stated he would stop something is improper. This body can only act when it votes, something specific to give funds to any of the Council members employers. Council Member Jackson noted it is difficult that Plumbers and Pipefitters do a lot of work on City projects and confused it could not be a problem.

Council President Kost noted that there have been Council members who have had some tie or another to a project, and they have reaccused themselves.

Council Member Garza stated that he is VP of Local 333, unpaid, and paid from Plumbers and Pipefitters Association and would not be an employee on the project.

Discussion/Action

RESOLUTION – ACT-8-2024; Easement for Use of Right of Ways on S. Washington Avenue and W. Lenawee Street. Ovation Center for Music and Arts

Dymaxion representatives spoke on the right of way encroachments and presented a site plan of the location. It includes a building roof overhand encroachment over the right of way. The design was done to address barrier free access.

Council Member Carter asked if this is the final design and if changes impact this easement or encroachments, and Dymaxion stated they do not foresee and changes.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION TO APPROVE ACT-8-2024 FOR THE USE OF RIGHT OF WAY FOR OVATION CENTER. MOTION CARRIED 8-0.

RESOLUTION – Appointment; Christopher Harkins; At Large Member; Lansing Board of Water and Light; Term to expire June 30, 2028
Mr. Harkins summarized his residency in Lansing for 18 years, spoke briefly on his belief in community and serving on Greater Lansing Arts Council, and Habitat of Humanity. Currently work at MSU with CFO and Treasurer and prior to that worked for the State of Michigan legislature, and prior the Governor Budget Director. Interested in this position with LBWL that he can work with large complex organizations and provide oversight.

Council Member Garza asked Mr. Harkins if he would attend the monthly ward constituent contact meetings, and Mr. Harkins confirmed.

Council Member Jackson spoke about the role of the LBWL Board and asked about Board he currently sits on and asked if he has the time to gain the expertise. Mr. Harkins confirmed and said the Statewide boards he no longer serves on. He only sites on Michigan History Commission and State Policy Board which is quarterly. Council Member Jackson asked for his experience on environmental regulations, and Mr. Harkins admitted his experience is in funding. Council Member Jackson asked if he read the recent strategic plans, and Mr. Harkins confirmed and will continue to do so. Council Member Jackson asked who is in charge of BWL, and Mr. Harkins stated the rate payers, then the Board. Within the organization the Board is in charge. Council Member Jackson asked if he knew the clean energy goals, and Mr. Harkins acknowledged he has started to make himself aware of those and goals of 2035 and 2040 goals. Council Member Jackson asked if he would support BWL changing the goals if the federal administration made it possible. Mr. Harkins stated the consistent review of those goals is possible and looking at them to make them achievable. He believes they are on track to make the goal and did some review of the projects for solar and wind, but at this point do not know their plans. Council Member Jackson asked if he was aware of any struggles the BWL faces to meet their goals. Mr. Harkins noted he is aware of additional draw on power that are coming online, and understands there are plans to offset that, but nothing specific.

Council Member Pehlivanoglu asked about his thoughts on the rate payer being in charge of the utility, and recently the rate payers believe they did not have a say in the rate increase. She asked if he would meet with residents to make sure they are heard, and Mr. Harkins acknowledged.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTON FOR THE APPOINTMENT OF CHRISTOPHER HARKINS TO THE LBWL TERM TO EXPIRE 6/30/2028. MOTION CARRIED 7-1.

RESOLUTION – Appointment; Shelbi Frayer; At Large Member; Lansing Entertainment and Public Facilities Authority Board; Term to expire June 30, 2025.
Council Member Carter stepped away from the meeting at 6:54 p.m.

Ms. Frayer spoke briefly about her work experience in finance and her interest in serving.

Council Member Garza asked if she would attend constituents meeting, and she confirmed she would. Council Member Garza then referred to her past experience as an employee with the city leaving employment twice, what can they expect. Ms. Frayer stated she will make the arrangements and was notified of the vacancy.

Council Member Carter referred to the application and noted other board interests and asked why LEPFA first. Ms. Frayer stated that is board is the one she was told had the vacancy.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF SHELBI FRAYER TO THE LEPFA BOARD. MOTION CARRIED 6-2.

OTHER
No other topics.

Adjourn
The meeting adjourned at: 6:57 pm
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee

Lansing Board of Water and Light
P.O. Box 13007
1201 S. Washington Ave.
Lansing, MI 48912

Electronic Delivery

November 26, 2024

Chris Swope, City Clerk
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

RE: Annual Audit for Fiscal Year Ending June 30, 2024

Dear Mr. Swope:

Attached please find the Board of Water and Light's electronic consolidated Audited Financial Statements for the fiscal year ending June 30, 2024.

Respectfully submitted,

LaVella J. Todd
Corporate Secretary

PDF Attachment

Electronic Copy:
- Andy Schor, Mayor City of Lansing
- Dick Peffley, General Manager
- Heather Shawa, Assistant General Manager
- LBWL Commissioners
- Lansing City Council President, Jeremy Garza, and Councilmembers
- Charles Randall, City of Lansing Internal Auditor

Lansing Board of Water & Light - City of Lansing, Michigan

Financial Report

With Additional Information

June 30, 2024 and 2023

Independent Auditors' Report

To the Honorable Mayor, Members of the City Council, and Commissioners of
Lansing Board of Water and Light

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Lansing Board of Water and Light (BWL), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the BWL's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the BWL as of June 30, 2024 and 2023, and the changes in financial position and, where applicable, cash flows for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards).* The June 30, 2023 audit was not conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BWL and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the fiduciary activities were not audited in accordance with *Government Auditing Standards.*

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BWL'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BWL'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 BWL'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 required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2024 on our consideration of the BWL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BWL's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BWL's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
October 7, 2024

This section explains the general financial condition and results of operations for the Lansing Board of Water & Light (BWL). The BWL includes the consolidated operations of the electric, water, steam and chilled water utilities. The notes to financial statements following this section are essential reading for a complete understanding of the financial and operational results for the years ended June 30, 2023 and 2024.

Overview of Business

The BWL owns and operates an electric system which generates, purchases and distributes electric energy to approximately 99,300 retail customers in the greater Lansing area, and wholesale customers through participation in the Midcontinent Independent System Operator, Inc. (MISO), which is BWL's regional electric grid. The BWL generated 53% of its retail and wholesale sales from existing generation assets. Additional electric generation was supplied through BWL's membership in the Michigan Public Power Agency, which includes BWL's partial ownership of Detroit Edison's Belle River Plant, through MISO, and renewable energy purchase power agreements. The BWL maintains a diversified generation portfolio which includes wind and solar. The combination of current and existing renewable energy generation puts BWL on a path to meet state legislative requirements of 50% renewable energy by 2030 as well as move towards its own internal goal of carbon neutrality by 2040.

The BWL owns and operates water wells, a raw water transmission system, water conditioning facilities and an extensive water distribution system serving potable water to approximately 57,800 residential, commercial and industrial customers in the greater Lansing area.

The BWL owns and operates steam generation boilers, a steam transmission and distribution system serving 146 customers. BWL's chilled water facility and distribution system serves 19 customers in the City of Lansing.

Capital Expenditures

Capital expenditures are driven by the need to replace, expand, or maintain the generation, transmission and distribution systems of the BWL to meet customer utility needs and to maintain a high level of service reliability. The BWL invests essentially all revenues not paid out for operations and maintenance expense, nonoperating expenses, or debt service back into capital improvements for its water, electric, steam and chilled water systems. Gross capital expenditures were $191.3 million in fiscal year 2024, $112.2 million in fiscal year 2023 and $121.7 million in fiscal year 2022.

The BWL generally pays the cost of its capital improvements from internally generated funds; however, revenue bonds are issued from time to time to support large projects or special needs such as construction of generation facilities.

Detailed financial information for the separate utilities of water, electric, steam and chilled water can be found in the Supplementary Information section of this financial report.

Condensed Financial Information (Dollars in Millions)

	As of June 30			% Change	% Change
	2024	2023	2022	2023 to 2024	2022 to 2023
Assets					
Utility plant	$ 1,273.9	$ 1,183.3	$ 1,165.7	% 7.7	% 1.5
Current assets	340.3	306.2	348.2	11.1	(12.1)
Other assets	426.7	167.0	132.2	155.5	26.3
Total assets	2,040.9	1,656.5	1,646.1	23.2	0.6
Deferred outflow of resources	11.8	26.8	36.2	(56.0)	(26.0)
Liabilities					
Long-term liabilities	1,167.3	824.4	843.2	41.6	(2.2)
Other liabilities	141.5	113.9	93.4	24.2	21.9
Total liabilities	1,308.9	938.3	936.6	39.5	0.2
Deferred inflow of resources	21.0	32.1	48.9	(34.6)	(34.4)
Net position					
Net investment in capital assets	389.6	381.4	347.0	2.1	9.9
Restricted for debt service	80.0	48.1	42.9	66.3	12.1
Restricted for pension	6.5	5.0	2.8	30.0	78.6
Restricted for OPEB	85.0	74.6	71.7	13.9	4.0
Unrestricted	161.7	203.7	232.5	(20.6)	(12.4)
Net position	**$ 722.8**	**$ 712.9**	**$ 696.9**	**% 1.4**	**% 2.3**

Capital expenditures in FY2024 exceeded depreciation, impairments and retirements thereby increasing Utility plant assets by $90.6 million. Current Assets increased by $34.1 million primarily due to funding of 2024A bonds capitalized interest and cash recovery associated with fuel and environmental remediation costs. Other Assets increased by $259.7 million primarily due to issuance of 2024A bonds. Deferred Outflows decreased by $15.0 million primarily due to higher investment returns on OPEB retirement plan. Total liabilities increased by $370 million driven by the 2024A series bond issuance. Deferred Inflows decreased by $11.1 million primarily due to amortization of prior changes within the OPEB retirement plan.

Capital expenditures in FY2023 exceeded depreciation, impairments and retirements thereby increasing Utility plant assets by $17.6 million. Current Assets decreased by $42 million primarily due to higher cash outflows associated with fuel and environmental remediation costs. Other Assets increased by $34.8 million primarily due to increases in recoverable energy and environmental remediation assets. Deferred Outflows decreased by $9.4 million primarily due to higher investment returns on OPEB retirement plan. Total liabilities increased by $1.7 million driven by higher current liabilities related to capital projects. Deferred Inflows decreased by $16.8 million primarily due to amortization of prior changes within the OPEB retirement plan.

	For the Year Ended June 30			% Change	% Change
	2024	2023	2022	2023 to 2024	2022 to 2023
Result of operations					
Operating revenue	$ 417.4	$ 448.9	$ 397.2	% (7.0)	% 13.0
Operating expense	387.9	406.2	348.4	(4.5)	16.6
Nonoperating expense - net	(19.6)	(26.6)	(37.2)	(26.3)	(28.5)
Changes in net position	**$ 9.9**	**$ 16.1**	**$ 11.6**	**% (38.5)**	**% 38.8**

The $31.5 million decrease in FY2024 operating revenue is primarily driven by decreases in electric wholesale as a result of decreased market prices and sales volume. The $18.3 million decrease in FY2024 operating expense is attributable primarily to the net result of decreased fuel costs of $33.9 million, increased administrative and general costs of $9.7 million and increased transmission and distribution costs of $5.9 million.

The $51.7 million increase in FY2023 operating revenue is primarily driven by increases in electric wholesale as a result of increased market prices and recovery of increased fuel costs. The $57.8 million increase in FY2023 operating expense is attributable primarily to increased fuel costs of $23.6 million, increased administrative and general costs of $11.6 million and increased depreciation costs of $13.9 million.

Budget

The BWL Commissioners approved a $314.7 million operating expense budget (excluding depreciation and Return on Equity) for FY2024. Actual expenses (excluding depreciation and Return on Equity) were $297.3 million. The capital improvement budget, net of customer contributions in aid of construction, was $84.1 million for FY2024, and actual net capital expenditures were $84.5 million.

Financing Activities

In January of 2024, $364,625,000 of Utility System Revenue and Revenue Refunding Bonds, Series 2024A, were issued for the purposes of paying costs for system improvements, capitalized interest, tendering a portion of 2019B bonds, and refunding a portion of 2013A bonds.

Contacting the Plan's Management

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Lansing Board of Water and Light, P.O. Box 13007, Lansing, Michigan 48901-3007.

Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Restricted cash and investments (Notes 2 and 3)	$ 101,353,712	$ 62,772,401
Cash and investments (Notes 1 and 2)	50,954,526	67,108,994
Designated cash and investments (Notes 1 and 2)	89,256,997	85,227,457
Accounts receivable, net (Note 1)	50,807,763	43,111,657
Estimated unbilled accounts receivable (Note 1)	23,567,761	22,368,141
Inventories (Note 1)	18,423,558	19,725,090
Prepayments (Note 1)	5,963,382	5,929,758
Total current assets	340,327,699	306,243,498
Other Assets		
Restricted assets:		
Net pension asset (Note 8)	6,479,599	5,009,098
Net OPEB asset (Note 8)	84,992,538	74,641,660
Restricted cash and investments (Notes 2 and 3)	259,946,436	-
Recoverable environmental remediation (Note 6)	20,853,276	19,939,958
Recoverable energy asset (Note 6)	26,154,048	33,810,383
Special deposit (Note 1)	25,230,262	31,334,023
Other (Note 1)	3,080,515	2,261,914
Total other assets	426,736,674	166,997,036
Utility Plant (Notes 1 and 4)		
Water	380,759,488	367,082,687
Electric	1,278,077,851	1,246,833,576
Steam	100,366,159	96,662,683
Chilled water	34,105,305	34,105,305
Common facilities	131,931,308	123,933,055
Total	1,925,240,111	1,868,617,306
Less accumulated depreciation	793,981,863	731,121,625
Net	1,131,258,248	1,137,495,681
Construction in progress	142,601,832	45,813,286
Total utility plant	1,273,860,080	1,183,308,967
Total assets	2,040,924,453	1,656,549,501
Deferred Outflows of Resources		
Bond refunding loss being amortized (Note 1)	1,703,891	7,256,405
Pension deferred outflows (Note 8)	204,912	1,636,061
OPEB deferred outflows (Note 8)	9,881,923	17,913,026
Total deferred outflows of resources	11,790,726	26,805,492

See notes to financial statements

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Liabilities and Net Position		
Current Liabilities		
Accounts payable	$ 88,906,185	$ 69,132,076
Accrued payroll and related taxes	6,514,032	4,434,300
Customer deposits	3,521,026	5,623,094
Accrued compensated absences (Note 1)	6,581,232	5,786,414
Accrued interest	57,774	63,276
Current portion of long-term debt (Note 5)	777,438	819,635
Current liabilities payable from restricted assets:		
Current portion of long-term debt (Note 5)	13,890,000	13,410,000
Accrued interest	21,298,139	14,637,798
Total current liabilities	141,545,826	113,906,593
Compensated Absences, Net of Current Portion (Note 1)	7,730,937	7,644,878
Other Long-Term Liabilities		
Workers' compensation (Note 12)	2,200,000	2,200,000
Environmental remediation liability (Note 9)	16,098,612	15,192,215
Other	9,320,770	4,423,149
Total other long-term liabilities	27,619,382	21,815,364
Long-Term Debt, Net, Less Current Portion (Note 5)	1,131,994,669	794,911,441
Total liabilities	1,308,890,814	938,278,276
Deferred Inflows of Resources		
Revenue intended to cover future costs (Note 6)	6,343,647	8,014,598
OPEB deferred inflows (Note 8)	14,634,723	24,108,346
Total deferred inflows of resources	20,978,370	32,122,944
Net Position (Note 1)		
Net investment in capital assets	389,625,738	382,243,931
Restricted for debt service	80,055,573	48,134,603
Restricted for pension	6,479,599	5,009,098
Restricted for OPEB	84,992,538	74,641,660
Unrestricted	161,692,547	202,924,481
Total net position	$ 722,845,995	$ 712,953,773

See notes to financial statements

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues (Note 1)		
Water	$ 55,757,309	$ 50,683,766
Electric	341,976,263	378,791,716
Steam	12,785,927	12,661,267
Chilled water	6,915,341	6,740,010
Total operating revenues	417,434,840	448,876,759
Operating Expenses		
Production:		
Fuel, purchased power and other operating expenses	138,777,452	172,700,755
Maintenance	22,732,499	18,044,058
Transmission and distribution:		
Operating expenses	14,757,338	8,872,835
Maintenance	23,933,835	22,386,918
Administrative and general	93,398,015	86,060,107
Return on equity (Note 7)	26,028,591	26,428,992
Depreciation (Note 1)	68,302,725	71,759,716
Total operating expenses	387,930,455	406,253,381
Operating income	29,504,385	42,623,378
Nonoperating Income (Expenses)		
Investment income	14,264,806	3,682,036
Other expense	(1,480,080)	(3,840,612)
Bonded debt interest expense	(32,361,141)	(26,376,856)
Other interest expense	(35,748)	(39,109)
Total nonoperating income (expenses), net	(19,612,163)	(26,574,541)
Net income (changes in net position)	9,892,222	16,048,837
Net Position, Beginning	712,953,773	696,904,936
Net Position, Ending	$ 722,845,995	$ 712,953,773

See notes to financial statements

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash received from customers	$ 413,044,418	$ 406,233,630
Cash paid to suppliers	(206,579,720)	(232,958,122)
Cash paid to employees	(77,075,359)	(73,760,320)
Return on equity (Note 7)	(26,028,591)	(26,428,992)
Cash from customer deposits	(2,102,068)	1,208,412
Interest on customer deposits	(35,748)	(39,109)
Net cash flows from operating activities	101,222,932	74,255,499
Cash Flows From Capital and Related Financing Activities		
Planned, bonded, and annual construction	(142,913,213)	(84,370,376)
Principal payments on debt	(14,004,724)	(13,758,538)
Proceeds from new borrowings net of premium received	360,835,763	-
Principal payments on subscription-based IT arrangements	(3,538,950)	-
Interest on debt	(29,463,795)	(29,727,324)
Net cash flows from capital and related financing activities	170,915,081	(127,856,238)
Cash Flows From Investing Activities		
Proceeds from the sale and maturity of investments	99,919,225	56,702,619
Interest received	10,315,739	3,816,534
Purchase of investments	(270,547,587)	(51,589,605)
Net cash flows from investing activities	(160,312,623)	8,929,548
Net change in cash and cash equivalents	111,825,390	(44,671,191)
Cash and Cash Equivalents, Beginning	93,143,233	137,814,424
Cash and Cash Equivalents, Ending	$ 204,968,623	$ 93,143,233

See notes to financial statements

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Cash and Cash Equivalents to Statement of Net Position		
Restricted cash and investments	$ 101,353,712	$ 62,772,401
Cash and investments	50,954,526	67,108,994
Designated cash and investments	89,256,997	85,227,457
Noncurrent restricted cash and investments	259,946,436	-
Total cash and investments	501,511,671	215,108,852
Less noncash investments	(296,543,048)	(121,965,619)
Cash and cash equivalents, ending	$ 204,968,623	$ 93,143,233
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income	$ 29,504,385	$ 42,623,378
Adjustments to reconcile operating income to net cash from operating activities:		
Other nonoperating	(2,813,134)	(5,854,826)
Depreciation	68,302,725	71,759,716
Sewerage collection fees	1,333,054	1,182,244
Interest on customer deposits	(35,748)	(39,109)
Decrease (increase) in assets:		
Accounts receivable (Note 1)	(7,696,106)	(8,564,418)
Unbilled accounts receivable (Note 1)	(1,199,620)	(3,966,342)
Inventories	1,301,532	4,838,323
Other postemployment benefits asset and deferrals	(11,793,398)	(10,795,699)
Special deposit	6,103,761	3,987,142
Net pension asset	(1,470,501)	(2,237,018)
Other	(1,765,543)	(9,199,869)
(Decrease) increase in liabilities and deferred outflows/inflows of resources:		
Accounts payable and other accrued expenses	13,570,246	13,287,481
Customer deposits	(2,102,068)	1,208,412
Net pension asset deferrals	1,431,149	1,583,717
Other	8,552,198	(25,557,633)
Total adjustments	71,718,547	31,632,121
Net cash provided by operating activities	$ 101,222,932	$ 74,255,499
Noncash Capital and Financing Activities		
Increase (decrease) in noncash investment valuations	$ 3,949,067	$ (134,498)
Amortization of bond premium	$ 3,757,493	$ 3,115,745
Bond proceeds placed directly to escrow in refunding	$ 45,634,991	$ -

See notes to financial statements

Statements of Fiduciary Net Position -
Pension and OPEB Trust Funds
June 30, 2024 and 2023

	2024	2023
Assets		
Receivable, investment interest receivable	$ 14,641	$ 14,872
Participant notes receivable	3,532,182	3,439,525
Cash and cash equivalents	28,368,369	29,312,142
Investments at fair value:		
Mutual funds, bonds	96,482,199	89,794,532
Mutual funds, equity	333,580,797	301,565,237
Real estate trust investment	42,233,893	46,403,500
Self-directed brokerage account:		
Equity securities/stocks	12,507,716	9,997,083
Certificates of deposit (negotiable)	100,039	349,683
Mutual funds, equity	598,099	454,285
Total assets	517,417,935	481,330,859
Liabilities		
Trade payable, due to broker/other	2,765,666	2,380,543
Net position, held in trust for pension and other employee benefits	$ 514,652,269	$ 478,950,316

See notes to financial statements

Statements of Changes in Fiduciary Net Position -
Pension and OPEB Trust Funds
Years Ended June 30, 2024 and 2023

	2024	2023
Increases		
Investment income:		
Net appreciation in fair value of investments	$ 44,546,231	$ 32,812,234
Interest and dividend income	9,769,087	10,601,969
Net investment income	54,315,318	43,414,203
Employer contributions	9,500,292	11,716,780
Interest from participant notes receivable	189,210	131,862
Other	269,948	84,494
Total increases	64,274,768	55,347,339
Decreases		
Retiree benefits paid	27,701,902	37,670,444
Loan defaults	331,152	396,895
Participants' note and administrative fees	539,761	612,089
Total decreases	28,572,815	38,679,428
Change in net position held in trust	35,701,953	16,667,911
Net Position Held in Trust for Pension and Other Employee Benefits		
Beginning	478,950,316	462,282,405
Ending	$ 514,652,269	$ 478,950,316

See notes to financial statements

1. Significant Accounting Policies

The following is a summary of the significant accounting policies used by the Lansing Board of Water & Light (BWL):

Reporting Entity

The BWL, a related organization of the City of Lansing, Michigan (City), is an administrative board established by the City Charter. The City Charter grants the BWL full and exclusive management of the electric, water, steam and chilled water services of the City. The commissioners of the governing board are appointed by the mayor with approval of the City Council. The BWL provides water, steam, chilled water and electric services to the City and surrounding townships. The governing board (Board of Commissioners) has the exclusive authority to set rates for the services provided. The financial statements include the financial activities of the electric, water, steam and chilled water operations of the BWL. The financial statements also include the financial activities of the BWL Pension and OPEB Trust Funds. The BWL is exempt from taxes on income because it is a municipal entity.

Fund Accounting

The BWL accounts for its activities in two different fund types. In order to demonstrate accountability for how it has spent certain resources, separate funds allow the BWL to show the particular expenditures that specific revenues were used for. The funds are aggregated into two fund types:

Enterprise funds provide goods or services to users in exchange for charges or fees.

Fiduciary funds:

1. The Lansing Board of Water and Light Defined Contribution Plan and Trust 1 and Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions, which accumulate resources for benefit payments to participants.

2. The Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light, a Voluntary Employees' Beneficiary Association (VEBA), which accumulates funds for future payment of retiree benefits.

Basis of Accounting

Enterprise funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. In addition, the utilities meet the criteria and, accordingly, on July 1, 2012, the BWL adopted the accounting and reporting requirements of GASB 62, paragraphs 476-500.

The BWL continues to follow the accounting and reporting requirements of GASB 62, paragraphs 476-500, which require that the effects of the ratemaking process be recorded in the financial statements. Such effects primarily concern the time at which various items enter into the determination of net income in order to follow the principle of matching costs and revenues. Accordingly, the BWL records various regulatory assets and deferred inflows and outflows of resources to reflect the regulator's actions (see Note 6). Management believes that the BWL meets the criteria for continued application of GASB 62 paragraphs 476-500 but will continue to evaluate its applicability based on changes in the regulatory and competitive environment.

System of Accounts

The BWL's accounts are maintained substantially in accordance with the Uniform Systems of Accounts of the Federal Energy Regulatory Commission for its electric and steam systems and in accordance with the Uniform Systems of Accounts of the National Association of Regulatory Utility Commissioners for the water and chilled water systems. The chart of accounts dictates how the BWL classifies revenue and expense items in the statement of revenues, expenses and changes in net position as operating and nonoperating.

Rate Matters

Rates charged to customers are established solely by the governing board. The BWL has agreed to set rates sufficient to meet certain requirements of the bond resolutions for the outstanding revenue bonds.

Operating Classification

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, return on equity and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Report Presentation

This report includes the fund-based statements of the BWL. In accordance with government accounting principles, a government-wide presentation with program and general revenues is not applicable to special purpose governments engaged only in business-type activities.

Specific Balances and Transactions

Cash and Cash Equivalents

The BWL considers demand deposits and current restricted funds, which consist of cash and highly liquid investments with an original maturity of 90 days or less, as cash and cash equivalents for financial statement purposes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between two willing parties. Fair values are based on methods and inputs as discussed in Note 2. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year end.

Designated Cash and Investments

The BWL has established special purpose funds designated to meet anticipated operating requirements. In addition, BWL management has established a future construction fund designated to meet future construction requirements. These funds consist principally of securities issued or backed by the government of the United States or its agencies, including but not limited to treasury notes and bonds, and are segregated as follows:

	Carrying Value	
	2024	2023
Designated purpose:		
Litigation, environmental and uninsured losses	$ 20,876,509	$ 19,939,802
Future water facilities	4,211,679	4,019,823
Subtotal	25,088,188	23,959,625
Special purpose, future construction	64,168,809	61,267,832
Total	$ 89,256,997	$ 85,227,457

Accounts Receivable

Accounts receivable are stated at net invoice amounts. A general valuation allowance is established based on an analysis of the aged receivables and historical loss experience. All amounts deemed to be uncollectible are charged to expense in the period that determination is made. Accounts receivables are not deemed uncollectible until they are approximately 425 days past due and have remained completely unpaid throughout the BWL's collection policy. The components of accounts receivable for 2024 and 2023 are as follows:

	2024	2023
Customer receivables	$ 29,571,916	$ 26,598,190
Sewerage collections	2,728,219	2,879,959
Wholesale sales receivables	4,613,189	2,778,199
Grant receivables	6,197,388	7,171,247
Refundable deposit	6,103,762	-
Miscellaneous	4,593,289	6,684,062
Less allowance for doubtful accounts	(3,000,000)	(3,000,000)
Net	$ 50,807,763	$ 43,111,657

Unbilled Accounts Receivable and Revenue

Unbilled accounts receivable at June 30, 2024 and 2023 represent the estimated amount of accounts receivable for services that have not been billed as of the statement of net position date. The amounts are a result of a timing difference between the end of the financial statement cycle (month end) and the billing cycle (various dates within the month for each billing period). Accordingly, the current year revenue from customers whose billing period ends after June 30 for services rendered prior to July 1 will be recognized in the current period.

Special Deposit

In 2018, the BWL contracted with Consumer's Energy to install a new gas pipeline. Under the terms of the contract, the BWL was expected to make installment payments totaling up to $52,000,000 throughout the construction period. Based on usage of the new pipeline, the BWL is eligible to recover all but $10,000 of the installment payments. The BWL has made installment payments totaling $46,280,000. During 2024 and 2023, the BWL recovered $6,103,762 and $3,987,142, respectively, back due to pipeline usage. The BWL estimates it will recover the remaining installment payments based on expected usage. The long-term other asset for the Consumer's Energy deposit recorded was $25,189,097 in 2024 and $31,292,858 in 2023. The BWL has $41,165 of miscellaneous other deposits as of June 30, 2024 and 2023.

Inventories

Inventories are stated at weighted average cost and consist of the following at June 30:

	2024	2023
Gas	$ 1,225,790	$ 2,233,398
Materials and supplies	17,197,768	17,358,060
Emissions allowances	-	133,632
Total	$ 18,423,558	$ 19,725,090

Prepayments

Prepayments relate to advanced payments on goods or services that will be consumed in future periods.

Utility Plant

The utility plant is stated on the basis of cost, which includes expenditures for new facilities and those which extend the useful lives of existing facilities and equipment. Expenditures for normal repairs and maintenance are charged to maintenance expense as incurred. Capital assets are generally defined as assets with an initial, individual cost of more than $5,000 and an estimated life in excess of one year.

Depreciation

Depreciation of the utility plant is computed using the straight-line method based on estimated useful lives. The resulting provisions for depreciation in 2024 and 2023, expressed as a percentage of the average depreciable cost of the related assets, are as follows:

		Average Rate (Percent)	
	Life (Years)	2024	2023
Classification of utility plant:			
Water	4-100	2.0	1.9
Electric	4-50	3.6	4.1
Steam	5-50	2.8	3.5
Chilled water	5-50	3.4	3.4
Common facilities	2-50	6.9	8.0

When units of property are retired, their costs are removed from the utility plant and charged to accumulated depreciation.

Accrued Compensated Absences

The BWL records a liability for estimated compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the BWL and its employees. This liability is accrued as employees earn the rights to such benefits. The BWL estimates the total current and noncurrent portions of the liability to be $14,312,169 and $13,431,292 as of June 30, 2024 and 2023, respectively.

Capital Contributions

Capital contributions represent nonrefundable amounts received for the purpose of construction for the utility plant. These contributions are from third parties, including amounts from customers, grant programs and insurance proceeds from damage. Electric, water and steam contributions are credited against the related assets or recorded as a separate regulatory deferred inflow of resources and will offset the depreciation of the related assets over the estimated useful lives. This treatment is consistent with the BWL's ratemaking policy and is thus permitted under GASB 62 paragraphs 476-500.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The BWL has three items that qualify for reporting in this category. The deferred outflows of resources relate to deferred losses on refunding, pension related deferrals under GASB 68, OPEB related deferrals under GASB 75.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The BWL has the following items that qualify for reporting in this category: the deferred inflows of resources related to costs that have been recovered from customers and will be applied to customers in the future related to the renewable energy plan and energy optimization, chiller plant and Wise Road items described in Note 6, pension related deferrals under GASB 68 and OPEB related deferrals under GASB 75.

Net Position

Equity is classified as net position and displayed in four components:

- **Net Investment in Capital Assets** - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction or improvement of those assets.

- **Restricted for Debt Service** - Consists of net position with constraints placed on their use by revenue bond resolution.

- **Restricted for Pension and OPEB** - Consists of net position with constraints placed on their use as this balance must be used to fund employee benefits.

- **Unrestricted** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption

Sometimes the BWL will fund outlays for a particular purpose from both restricted (e.g., restricted bond) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the enterprise fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the BWL's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net Pension Asset

A net pension asset is recorded in accordance with GASB Statement No. 68. The asset is the difference between the actuarial total pension liability and the Plan's fiduciary net position as of the measurement date. See Note 8 for additional information.

Other Assets

Other assets consists of a deposit held with the Michigan Public Power Agency (MPPA) related to the Belle River project.

Long-Term Obligations

Long-term debt and other obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow on the statements of net position.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (Plan), a fiduciary fund of the BWL, and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Inter-Utility Transactions

The water, electric, steam and chilled water operations of the BWL bill each other for services provided and these services are reported as revenue to the generating operation and expense to the consuming operation. Such internal billings aggregated $6,281,268 and $8,045,764 in 2024 and 2023, respectively, and are not eliminated in the statement of revenues, expenses and changes in net position.

Use of Estimates

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

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

2. Cash, Investments and Fair Value Disclosure

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; certificates of deposit, savings accounts, deposit accounts or depository receipts of an eligible financial institution; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The operating cash investment policy adopted by the BWL in accordance with Public Act 20, as amended, and the Lansing City Charter has authorized investment in bonds and securities of the United States government, certificates of deposit, time deposits and bankers' acceptances of qualified financial institutions, commercial paper rated A1 by Standard & Poor's and P1 by Moody's, repurchase agreements using bonds, securities and other obligations of the United States or an agency or instrumentality of the United States and liquid asset accounts managed by a qualified financial institution using any of these securities. The BWL's deposits and investment policies are in accordance with statutory authority.

Michigan Cooperative Liquid Assets Securities System (MI CLASS) reports the fair value of its underlying assets annually. Participants in the MI CLASS have the right to withdraw their funds in total on one day's notice. At June 30, 2024 and 2023, the fair value of the MI CLASS' assets were substantially equal to the BWL's share. MI CLASS is rated AAAm by Standard and Poor's. The BWL also has cash and investments with Governments of Michigan Investing Cooperatively (GovMIC). The GovMIC cash and investments are recorded at amortized cost which approximates fair value.

The BWL's cash and investments are subject to several types of risk, which are examined in more detail below:

The BWL's Cash and Investments (Exclusive of Fiduciary Funds)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the BWL's deposits may not be returned to it. The BWL requires that financial institutions must meet minimum criteria to offer adequate safety to the BWL. At June 30, 2024 and 2023, the BWL had $20,225,479 and $16,123,652, respectively, of bank deposits that were uninsured and uncollateralized. The BWL evaluates each financial institution with which it deposits funds and only those institutions meeting minimum established criteria are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the BWL will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The BWL does not have a policy for custodial credit risk.

At June 30, 2024, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the BWL's name:

Type of Investment	Fair Value	How Held
U.S. agency bond or notes	$ 45,719,291	Counterparty
U.S. treasury bonds	277,330,789	Counterparty
State and local bonds	553,117	Counterparty

At June 30, 2023, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the BWL's name:

Type of Investment	Fair Value	How Held
U.S. agency bond or notes	$ 45,871,269	Counterparty
U.S. treasury bonds	68,762,729	Counterparty
State and local bonds	1,896,278	Counterparty

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The BWL's investment policy restricts investments to a maximum weighted average life of five years unless matched to a specific cash flow.

At June 30, 2024, the average maturities of investments are as follows:

Investment	Fair Value	Less Than 1 Year	1-5 Years	6+ Years
Pooled investment funds	$ 108,854,651	$ 108,854,651	$ -	$ -
U.S. treasury bonds	277,330,789	129,439,631	147,891,158	-
State and local bonds	553,117	553,117	-	-
U.S. agency bonds/notes	45,719,291	6,030,413	31,421,905	8,266,972
Supra national agency bonds	247,122	247,122	-	-
Mutual funds, bonds	51,134,416	-	51,134,416	-
Total	$ 483,839,386	$ 245,124,934	$ 230,447,480	$ 8,266,972

At June 30, 2023, the average maturities of investments are as follows:

Investment	Fair Value	Less Than 1 Year	1-5 Years	6+ Years
Pooled investment funds	$ 41,984,644	$ 41,984,644	$ -	$ -
U.S. treasury bonds	68,762,729	9,214,874	59,547,855	-
State and local bonds	1,896,278	1,364,428	531,850	-
U.S. agency bonds/notes	45,871,269	3,706,722	27,646,909	14,517,638
Supra national agency bonds	5,435,343	3,401,512	2,033,831	-
Commercial paper	3,872,539	3,872,539	-	-
Total	$ 167,822,802	$ 63,544,719	$ 89,760,445	$ 14,517,638

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations.

As of June 30, 2024, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Pooled investment funds	$ 108,854,651	AAAm	S&P
U.S. treasury bonds	277,330,789	AA+ (Aaa)	S&P (Moody's)
U.S. agency bonds/notes	45,719,291	AA+ (Aaa)	S&P (Moody's)
Supra national agency bonds	247,122	AAA+ (Aaa)	S&P (Moody's)
State and local bonds	553,117	AA/AA1	S&P (Moody's)
Mutual funds, bonds	51,134,416	AAAm	S&P

As of June 30, 2023, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Pooled investment funds	$ 41,984,644	AAAm	S&P
U.S. treasury bonds	68,762,729	AA+ (Aaa)	S&P (Moody's)
U.S. agency bonds/notes	45,871,269	AA+ (Aaa)	S&P (Moody's)
Supra national agency bonds	5,435,343	AA+ (Aaa)	S&P (Moody's)
State and local bonds	1,896,278	AA+ (Aaa)	S&P (Moody's)
Money markets	2,270,803	AAAm	S&P
Commercial paper	3,872,539	A-1/P-1	S&P

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investment in a single issuer. The Board's policy limits the amount of investments with an individual issuer, with the exception of the U.S. government. As of June 30, 2024 and 2023, the BWL's investment portfolio was concentrated as follows:

Investment	2024	2023
Fannie Mae	2 %	7 %
Freddie Mac	7	21
FHLB	1	7

Fair Value

The BWL 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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following investments are recorded at fair value using the Matrix Pricing Technique.

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
U.S. treasury bonds	$ -	$ 277,330,789	$ -	$ 277,330,789
Supra national agency bonds	-	247,122	-	247,122
Federal agency mortgage-backed security	-	30,142,641	-	30,142,641
Federal agency collateralized mortgage obligation	-	2,302,719	-	2,302,719
State and local bonds	-	553,117	-	553,117
Federal agency bond/note	-	13,273,931	-	13,273,931
Mutual funds, bonds	-	51,134,416	-	51,134,416
Total investments at fair value level	$ -	$ 374,984,735	$ -	$ 374,984,735

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
U.S. treasury bonds	$ -	$ 68,762,729	$ -	$ 68,762,729
Supra national agency bonds	-	5,435,343	-	5,435,343
Federal agency mortgage-backed security	-	23,679,729	-	23,679,729
Federal agency collateralized mortgage obligation	-	2,880,483	-	2,880,483
State and local bonds	-	1,896,278	-	1,896,278
Federal agency bond/note	-	19,311,057	-	19,311,057
Commercial paper	-	3,872,539	-	3,872,539
Total investments at fair value level	$ -	$ 125,838,158	$ -	$ 125,838,158

Fiduciary Fund Investments

Interest Rate Risk - Pension and OPEB Trust Funds

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Plans investment policy does not restrict investment maturities.

At June 30, 2024, the average maturities of investments subject to interest rate risk are as follows:

Investment	Fair Value	Weighted Average Maturity (in Years)
Mutual fund, bonds	$ 96,482,199	8.8
Certificates of deposit (negotiable)	100,039	0.6

At June 30, 2023, the average maturities of investments subject to interest rate risk are as follows:

Investment	Fair Value	Weighted Average Maturity (in Years)
Mutual fund, bonds	$ 89,794,532	9.0
Certificates of deposit (negotiable)	349,683	0.6

Credit Risk - Pension and OPEB Trust Funds

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plans have no investment policy that would further limit its investment choices. As of June 30, 2024, the credit quality ratings of debt securities (other than the U.S. government) subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	$ 96,482,199	Not rated	Not rated
Certificates of deposit (negotiable)	100,039	Not rated	Not rated

As of June 30, 2023, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	$ 89,794,532	Not rated	Not rated
Certificates of deposit (negotiable)	349,683	Not rated	Not rated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plans have no investments subject to concentration of credit risk as of June 30, 2024 and June 30, 2023.

Fair Value - Pension Trust Funds

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;

- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023:

Common Stock, Corporate Bonds and Notes, U.S. Government Obligations and Fixed Income Securities - Valued at the most recent closing price reported on the market on which individual securities are traded.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Stable Value Fund - Seeks safety of principal, adequate liquidity and returns superior to shorter maturity alternatives by actively managing a diversified portfolio of assets issued by highly rated financial institutions and corporations as well as obligations of the U.S. government or its agencies.

Self-Directed Brokerage Account - Participants meeting minimum balance and transaction requirements may transfer funds to a self-directed brokerage account providing access to additional investment options including a large selection of mutual funds.

Real estate fund investment - Valued by a certified independent appraiser and an internal expert group. There is also another level of verification by an independent valuation advisor to audit and review both the external and internal valuations performed.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2024 and 2023:

	June 30, 2024			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds, bonds	$ 17,497,649	$ 78,984,550	$ -	$ 96,482,199
Mutual funds, equities	279,521,028	54,059,769	-	333,580,797
Self-directed brokerage account, equities	12,507,716	-	-	12,507,716
Self-directed brokerage account, bonds	598,099	-	-	598,099
Certificates of deposit	-	100,039	-	100,039
Real estate investment trust	42,233,893	-	-	42,233,893
Total investments by fair value level	$ 352,358,385	$ 133,144,358	$ -	$ 485,502,743

	June 30, 2023			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds, bonds	$ 17,745,597	$ 72,048,935	$ -	$ 89,794,532
Mutual funds, equities	218,475,290	83,089,947	-	301,565,237
Self-directed brokerage account, equities	9,997,083	-	-	9,997,083
Self-directed brokerage account, bonds	454,285	-	-	454,285
Certificates of deposit	-	349,683	-	349,683
Real estate investment trust	46,403,500	-	-	46,403,500
Total investments by fair value level	$ 293,075,755	$ 155,488,565	$ -	$ 448,564,320

3. Restricted Assets

Restricted assets are required under the 2013A, 2017A, 2019A, 2019B, 2021A, 2021B and 2024A Revenue Bond resolutions and the related Nonarbitrage and Tax Compliance Certificates. These assets are segregated into the following funds:

	Carrying Value 2024	Carrying Value 2023
Operations and maintenance fund	$ 39,896,170	$ 30,537,525
Bond and interest redemption fund	61,457,542	32,234,876
Construction Fund	259,946,436	-
Total	$ 361,300,148	$ 62,772,401

The carrying value in excess of the required value for the current portion is reported as cash and cash equivalents or investments for the years ended 2024 and 2023.

The restrictions of the various funds required per the bond resolutions are as follows:

Operations and Maintenance Fund - By the end of each month, this fund shall include sufficient funds to provide for payment of the succeeding month's expenses.

Bond and Interest Redemption Fund - Restricted for payment of the current portion of bond principal and interest on the 2013A, 2017A, 2019A, 2019B, 2021A, 2021B and 2024A Revenue Bonds.

Construction Fund – Restricted for utility system upgrades as required by the 2024A Revenue Bonds.

In addition, restricted assets have been reported in connection with the net pension and OPEB asset balances since this balance must be used to fund employee benefits.

4. Utility Plant

The tables below reflect the capital asset activity of the utility plant categories for the years ended June 30, 2024 and 2023:

Capital Asset Activity for Year Ended June 30, 2024

	Capital Assets FY Start	Transfers	Acquisition	Retirement	Capital Assets FY End
Water	$ 367,082,687	$ 15,216,703	$ -	$ (1,539,902)	$ 380,759,488
Electric	1,246,833,576	34,269,839	-	(3,025,564)	1,278,077,851
Steam	96,662,683	3,708,614	-	(5,138)	100,366,159
Chilled	34,105,305	-	-	-	34,105,305
Common	123,933,055	2,206,851	8,055,371	(2,263,969)	131,931,308
AUC	45,813,286	(55,402,008)	154,272,797	(2,082,243)	142,601,832
Total	$ 1,914,430,592	$ -	$ 162,328,168	$ (8,916,816)	$ 2,067,841,943

Accumulated Depreciation for Year Ended June 30, 2024

	Accumulated Depreciation FY Start	Depreciation Transfers	Depreciation / Amortization and Impairment for Year	Depreciation Retirement	Accumulated Depreciation FY End
Water	$ (135,995,162)	$ (9,230)	$ (8,301,141)	$ 845,842	$ (143,459,691)
Electric	(471,205,697)	-	(44,860,132)	1,830,016	(514,235,813)
Steam	(31,341,987)	-	(2,767,415)	5,138	(34,104,264)
Chilled	(18,451,534)	-	(1,165,051)	-	(19,616,585)
Common	(74,127,245)	9,230	(10,710,340)	2,262,845	(82,565,510)
Total	$ (731,121,625)	$ -	$ (67,804,079)	$ 4,943,841	$ (793,981,863)

Nondepreciable Assets - Included in the table above are nondepreciable assets of $2,204,045 for water, $17,449,965 for electric, $124,099 for steam, $412,339 for common facilities and $142,601,834 for AUC.

Capital Asset Activity for Year Ended June 30, 2023

	Capital Assets FY Start	Transfers	Acquisition	Retirement	Capital Assets FY End
Water	$ 352,112,157	$ 15,768,003	$ -	$ (797,473)	$ 367,082,687
Electric	1,221,755,100	42,209,597	-	(17,131,121)	1,246,833,576
Steam	95,083,252	5,022,080	-	(3,442,649)	96,662,683
Chilled	34,099,039	6,266	-	-	34,105,305
Common	123,793,139	4,277,454	1,672,935	(5,810,473)	123,933,055
AUC	23,067,588	(67,283,400)	90,029,098	-	45,813,286
Total	$ 1,849,910,275	$ -	$ 91,702,033	$ (27,181,716)	$ 1,914,430,592

Accumulated Depreciation for Year Ended June 30, 2023

	Accumulated Depreciation FY Start	Depreciation Transfers	Depreciation / Amortization and Impairment for Year	Depreciation Retirement	Accumulated Depreciation FY End
Water	$ (128,799,223)	$ 157,406	$ (7,845,441)	$ 492,096	$ (135,995,162)
Electric	(438,098,343)	(65,428)	(50,595,965)	17,554,039	(471,205,697)
Steam	(31,087,552)	-	(3,364,815)	3,110,380	(31,341,987)
Chilled	(17,287,736)	-	(1,163,798)	-	(18,451,534)
Common	(68,896,851)	(91,978)	(10,396,764)	5,258,348	(74,127,245)
Total	$ (684,169,705)	$ -	$ (73,366,783)	$ 26,414,863	$ (731,121,625)

Nondepreciable Assets - Included in the table above are nondepreciable assets of $1,194,869 for water, $17,571,123 for electric, $124,098 for steam, $412,339 for common facilities and $45,813,286 for AUC

Erickson Power Station Impairment

In 2017, the BWL agreed to close the Erickson Power Station by 2025 as a result of a settlement with the Sierra Club in support of BWL's strategic plan. As a result, BWL recorded an impairment of $9,337,129 in 2017 using the service units approach to measure the impairment. In 2021, the estimated date of closure was re-examined and determined to be May 2023. Asset cost and accelerated depreciation were adjusted from the initial impairment and an additional impairment loss of $4,304,965 was recognized in 2021. In 2022, the estimated date of closure was re-examined and determined to be November 2022. Accelerated depreciation was adjusted from the previous impairment adjustment and additional impairment loss of $1,456,410 was recognized in fiscal year 2022. The plant was retired in fiscal year 2023.

5. Long-Term Debt

Long-term debt as of June 30 consists of the following:

	2024	2023
Water Supply, Steam, Chilled Water and Electric Utility System Revenue and revenue refunding Bonds, Series 2024A, due in annual principal installments beginning July 1, 2025, and continuing through July 1, 2054, plus interest at a rate of 5.00%. Original amount of issue $364,625,000.	$ 364,625,000	$ -
Water Supply, Steam, Chilled Water and Electric Utility System Revenue Taxable Bonds, Series 2021A, due in annual principal installments beginning July 1, 2025 and continuing through July 1, 2051, plus interest at a rate of 5.00%. Original amount of issue $56,020,000.	56,020,000	56,020,000
Water Supply, Steam, Chilled Water and Electric Utility System Revenue Taxable Bonds, Series 2021B, due in annual principal installments beginning July 1, 2026 and continuing through July 1, 2051, initial term rate is 2%, with an assumed interest rate of 3.5% following the mandatory tender in 2026. Original amount of issue $70,875,000	70,875,000	70,875,000
Water Supply, Steam, Chilled Water and Electric Utility System Revenue Refunding Taxable Bonds, Series 2019B, due in annual principal installments beginning July 1, 2022 and continuing through July 1, 2041, plus interest at rates ranging from 1.95% to 3.53%. Original amount of issue $251,995,000. During fiscal year 2024 $45,625,000 of the 2019B original issuance was tendered as part of the 2024A issuance.	193,605,000	245,680,000
Water Supply, Steam, Chilled Water and Electric Utility System Revenue Refunding Bonds, Series 2019A, due in annual principal installments beginning July 1, 2022 and continuing through July 1, 2048, plus interest at rates ranging from 4.00% to 5.00%. Original amount of issue $319,875,000.	313,730,000	316,880,000
Water Supply, Steam, Chilled Water and Electric Utility System Revenue Refunding Bonds, Series 2017A, due in annual principal installments beginning July 1, 2019 and continuing through July 1, 2032, plus interest at a rate of 5.00%. Original amount of issue $30,365,000.	21,625,000	23,525,000

	2024	2023
Water Supply, Steam, Chilled Water and Electric Utility System Revenue Refunding Bonds, Series 2013A, due in annual principal installments beginning July 1, 2014 through July 1, 2026, plus interest at rates ranging from 2.00% to 5.00%. Original amount of issue $21,085,000. During fiscal year 2024, $4,330,000 of the 2013A original issuance was refunded as part of the 2024A issuance.	$ 2,000,000	$ 8,240,000
Promissory note, due to the City of Lansing in semi-annual installments through October 1, 2024, plus interest at a rate of 2.50%. Original amount of issue $13,225,385.	3,368,762*	4,062,093*
Charter Township of Lansing Special Assessment pertaining to the Groesbeck II Park Drain. Due in annual installments ranging from $132,000 to $291,000 with final payment in 2044.	2,652,412*	2,778,718*
Total	1,028,501,175	728,060,811
Less current portion	(14,667,438)	(14,229,635)
Plus unamortized premium	118,160,932	81,080,265
Total	$ 1,131,994,669	$ 794,911,441

The unamortized premium and deferral on refunded bonds is being amortized over the life of the bonds, using the straight-line method.

* The debt noted is directly placed with a third party.

Aggregate principal and interest payments applicable to revenue debt are as follows:

Years Ending June 30:	Principal	Interest	Total
2025	$ 13,890,000	$ 43,827,532	$ 57,717,532
2026	13,495,000	44,790,523	58,285,523
2027	14,025,000	44,772,718	58,797,718
2028	18,665,000	44,636,718	63,301,718
2029	19,435,000	43,877,996	63,312,996
2030-2034	109,420,000	206,767,638	316,187,638
2035-2039	134,265,000	181,283,008	315,548,008
2040-2044	165,550,000	149,166,897	314,716,897
2045-2049	209,280,000	103,923,063	313,203,063
2050-2055	324,455,000	49,990,113	374,445,113
Total	$ 1,022,480,000	$ 913,036,206	$ 1,935,516,206

Aggregate principal and interest payments applicable to direct placement debt are as follows:

Years Ending June 30:	Principal	Interest	Total
2025	$ 777,438	$ 184,669	$ 962,107
2026	766,153	165,789	931,942
2027	712,205	147,609	859,814
2028	658,250	130,396	788,646
2029	575,934	114,230	690,164
2030-2034	1,141,835	411,942	1,553,777
2035-2039	631,527	255,567	887,094
2040-2044	631,527	113,585	745,112
2045 and later	126,305	5,679	131,984
Total	$ 6,021,174	$ 1,529,466	$ 7,550,640

All Water Supply and Electric Utility System Revenue Bonds were issued by the authority of the BWL. All bonds were issued on a parity basis and are payable solely from the net revenue of the combined water, electric, chilled water and steam operations of the BWL.

The Series 2024A Bonds maturing in the years 2025 through 2034, inclusive, shall not be subject to optional redemption prior to maturity. The Series 2024A Bonds, or portions of the Series 2024A Bonds in multiples of $5,000 maturing or subject to mandatory redemption in the years 2035 and thereafter shall be subject to redemption at the option of the Board in such order of maturity as the Board shall determine, and within a single maturity by lot, on any date on or after July 1, 2034 at par plus accrued interest to the date fixed for redemption. The Term Bonds maturing on July 1, 2049, the 5.00% Term Bonds maturing on July 1, 2054, and the 5.25% Term Bonds July 1, 2054 are subject to mandatory redemption prior to maturity in part by lot on July 1 in the years and in the principal amounts set forth below at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, without premium.

The 2021A Bonds are payable in annual installments in the years 2025 through 2051, inclusive, and shall not be subject to optional redemption prior to maturity. The bonds maturing on or after July 1, 2031 shall be subject to redemption at the option of the BWL in such order of maturity as the BWL shall determine, and within a single maturity by lot, on any date on or after July 1, 2031 at par plus accrued interest to the fixed date for redemption.

The 2021B Bonds are payable in annual installments in the years 2026 through 2051, inclusive, and are subject to optional and mandatory redemption prior to maturity. The put bonds maturing on or after January 1, 2026 shall be subject to redemption at the option of the BWL in such order of maturity as the BWL shall determine, and within a single maturity by lot, on any date on or after January 1, 2026 at par plus accrued interest to the fixed date for redemption. The mandatory tender for purchase date of the Bonds is July 1, 2026—the first business day following the last day of the Initial Term Interest Rate Period. In the event not all the Bonds are purchased on or before the Purchase Date, a Delayed Remarketing Period shall commence during which the Bonds will bear interest at a Stepped Interest Rate. Additional information is available in the Official Statement for the Series 2021B Bonds.

The 2019B Bonds are payable in annual installments in the years 2022 through 2041, inclusive, and shall not be subject to optional redemption prior to maturity. The bonds maturing on or after July 1, 2030 shall be subject to redemption at the option of the BWL in such order of maturity as the BWL shall determine, and within a single maturity by lot, on any date on or after July 1, 2029 at par plus accrued interest to the fixed date for redemption. During fiscal year 2024 $45,625,000 of the 2019B original issuance was tendered as part of the 2024A issuance.

The 2019A Bonds are payable in annual installments in the years 2022 through 2048, inclusive, and shall not be subject to optional redemption prior to maturity. The bonds maturing on or after July 1, 2028 shall be subject to redemption at the option of the BWL in such order of maturity as the BWL shall determine, and within a single maturity by lot, on any date on or after July 1, 2028 at par plus accrued interest to the fixed date for redemption.

The 2017A Bonds are payable in annual installments in the years 2019 through 2027, inclusive, and shall not be subject to optional redemption prior to maturity. The bonds, or portions of the bonds in multiples of $5,000 maturing or subject to mandatory redemption in the years 2028 and thereafter, shall be subject to redemption at the option of the BWL in such order of maturity as the BWL shall determine, and within a single maturity by lot, on any date on or after July 1, 2027 at par plus accrued interest to the fixed date for redemption.

The 2013A Bonds are payable in annual installments in the years 2014 to 2024, inclusive, and shall not be subject to optional redemption prior to maturity. The bonds maturing on or after July 1, 2024 shall be subject to redemption at the option of the BWL on or after July 1, 2023 as a whole or in part at any time and by lot within a maturity at par plus accrued interest to the redemption date. During fiscal year 2024, $4,330,000 of the 2013A original issuance was refunded as part of the 2024A issuance.

The Series 2011A Bonds are payable in annual installments in the years 2015 to 2022, inclusive, and shall not be subject to optional redemption prior to maturity. The bonds maturing on or after July 1, 2022 shall be subject to redemption at the option of the BWL on or after July 1, 2021 as a whole or in part at any time and by lot within a maturity at par plus interest accrued to the redemption date. These bonds were part of an advanced refunding with the issuance of the 2019B Revenue bonds. The final maturity for these bonds was on July 1, 2022.

Current Refunding

On January 31, 2024, BWL issued $364,625,000 in bonds (new bonds), which included a premium of $41,845,754, at a rate of 5.00% to refund $4,364,100 (Principal & Interest) in outstanding 2013A Bonds and $41,597,960 (Principal & Interest) in outstanding 2019B Bonds with an average rate of 4.3% and 3.25%, respectively. Of the principal amount issued, $39,625,000 went to refund the aforementioned bonds and $325,000,000 was new money.

The cash flow requirements on the old bonds prior to the current refunding were $45,962,060 through July 1, 2037. The cash flow requirements for the new bonds are $58,314,774 through July 1, 2054. The current refunding resulted in an economic gain of $4,987,279.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2013A Bonds and a portion of the 2019B Bonds. As a result, the 2013A Bonds and a portion of the 2019B Bonds are considered defeased and the liability for these bonds has been removed from the Statement of Net Position.

The long-term debt activity for the year ended June 30, 2024 is as follows:

	Revenue Bonds (Net of Unamortized Premiums)	Other Notes	Total
Beginning balance	$ 802,300,266	$ 6,840,810	$ 809,141,076
Additions	406,470,754	-	406,470,754
Reductions	(68,130,088)	(819,635)	(68,949,723)
Ending balance	$ 1,140,640,932	$ 6,021,175	$ 1,146,662,107
Due with-in one year	$ 13,890,000	$ 777,438	$ 14,667,438

The BWL has pledged substantially all revenue, net of operating expenses, to repay the revenue bonds. Proceeds from the bonds provided financing for the construction of the utility plant. The bonds are payable solely from the net revenues of the BWL. In fiscal year 2024, the remaining principal and interest to be paid on the bonds total $1,935,516,206. During fiscal year 2024, net revenues of the BWL were $106,854,384 compared to the annual debt requirements of $41,859,344. In fiscal year 2023, the remaining principal and interest to be paid on the bonds total $1,284,584,899. During fiscal year 2023, net revenues of the BWL were $112,994,683 compared to the annual debt requirements of $42,589,615.

The long-term debt activity for the year ended June 30, 2023 is as follows:

	Revenue Bonds (Net of Unamortized Premiums)	Other Notes	Total
Beginning balance	$ 818,870,786	$ 7,649,348	$ 826,520,134
Additions	-	-	-
Reductions	(16,570,520)	(808,538)	(17,379,058)
Ending balance	$ 802,300,266	$ 6,840,810	$ 809,141,076
Due with-in one year	$ 13,410,000	$ 819,635	$ 14,229,635

6. Costs/Credits Recoverable in Future Years

Environmental Remediation

During the fiscal year ended June 30, 2006, the GASB 49 environmental remediation liability related to a second landfill was approved for regulated entity accounting under GASB 62. The balance of the regulatory asset at June 30, 2024 and 2023 was $0 and $4,069, respectively. The BWL reviews the adequacy of its rates to recover its cost of service on an annual basis. During the year ended June 30, 2009, regulatory accounting as per GASB 62 was authorized by the Board of Commissioners to collect rates for all environmental remediation sites. The balance as of June 30, 2024 and 2023 for additional sites was $20,853,276 and $19,935,889 respectively.

Recoverable Cost Adjustments

During the year ended June 30, 2005, the Board of Commissioners approved the use of regulatory accounting as per GASB 62 in accounting for the BWL's power supply cost recovery (PSCR) adjustment, power chemical adjustment (PCA), fuel cost adjustment (FCA) and chilled water fuel cost adjustment (CWFCA). These affect the amount to be billed to retail electric, water, steam and chilled water customers to reflect the difference between the BWL's actual material costs and the amounts incorporated into rates. This resulted in recoverable assets of $26,154,048 and $33,810,383 at June 30, 2024 and 2023, respectively. This amount represents costs to be billed (credited) to customers in future years because actual costs of providing utilities were higher (lower) than the costs incorporated into the BWL's rates.

Renewable Energy Plan (REP) and Energy Optimization (EO)

During the year ended June 30, 2010, the Board of Commissioners approved the implementation of regulatory accounting as per GASB 62 to account for Public Act 295 of 2008 (PA. 295). PA. 295 set forth requirements for all Michigan utilities to meet the new renewable energy standards and undertake energy optimization programs. As a municipally owned electric utility, the BWL was required to file a proposed energy plan with the Michigan Public Service Commission (MPSC) and this plan was approved on July 1, 2009. These changes will affect the amount to be billed to electric customers. This resulted in deferred inflow of resources of $1,292,134 and $1,760,188 as of June 30, 2024 and 2023, respectively.

Chiller Plant

During the year ended June 30, 2010, the BWL chose to use regulatory accounting as per GASB 62 to recognize the contribution in aid of construction (CIAC) for the development of a new chilled water plant. The remaining recoverable inflow of resources of $220,271 and $440,543 as of June 30, 2024 and 2023, respectively. The BWL will recognize this as revenue monthly over the life of the new chilled water plant to offset depreciation expense.

Wise Road

During the year ended June 30, 2012, the BWL chose to use regulatory accounting as per GASB 62 to recognize the insurance proceeds for the damaged equipment at the Wise Road Water Conditioning Plant (see Note 13). The remaining recoverable inflow of resources as of June 30, 2024 and 2023 was $4,831,242 and $5,813,867, respectively.

7. Transactions with the City of Lansing, Michigan

Operations

The BWL recognized revenue of $10,547,324 and $9,806,375 in 2024 and 2023, respectively, for water, electric and steam services provided to the City. The BWL incurred expenses for sewerage services purchased from the City of $2,213,195 and $764,394 in 2024 and 2023, respectively.

Additionally, the BWL bills and collects sewerage fees for the City. In connection with these services, the BWL received sewerage collection fees of $1,333,054 and $1,182,244 in 2024 and 2023, respectively, included in other income.

Return on Equity

Effective July 1, 1992, the BWL entered into an agreement with the City to provide payment of a return on equity in accordance with a formula based on net billed retail sales from its water, steam heat and electric utilities for the preceding 12-month period ending May 31 of each year. Effective March 1, 2002, the formula to calculate the amount owed to the City was modified to include wholesale revenue generated from the BWL's electric, water, steam and chilled water utilities for the preceding 12-month period ending May 31 of each year. Subject to the provisions of Act 94 Public Acts of 1933, as amended, and the BWL's various bond covenants, this amount is payable to the City in semi-annual installments. Effective July 1, 2020, the BWL and the City agreed to pay a flat amount for fiscal years 2021 through 2022. In fiscal year 2023, a flat percentage of 6% was applied to reported operating revenues, excluding inter-utility sales from providing retail water, electric, steam and chilled water services. In fiscal year 2024, a flat percentage of 6% was applied to budgeted operating revenues, excluding inter-utility sales from providing retail water, electric, steam and chilled water services. Under terms of these agreements, the BWL paid to the City $26,028,591 and $26,428,992 for 2024 and 2023, respectively, of operational cash flow in excess of debt service requirements.

8. Retirement Plans

The BWL has three retirement plans. The BWL administers a tax-qualified, single-employer, noncontributory, defined benefit public employee retirement pension plan (Defined Benefit Plan) and the BWL has a tax-qualified, single-employer, noncontributory, defined contribution public employee retirement plan (Defined Contribution Plan). The BWL also has a tax-qualified, single-employer, retiree benefit plan to administer and fund retiree benefits (Retiree Benefit Plan).

Defined Benefit Plan

Plan Description - The BWL administers the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions (Defined Benefit Plan), a noncontributory single-employer defined benefit pension plan for employees of the BWL. The benefit terms were established by the BWL and may be amended by future BWL actions.

The Defined Benefit Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions, Attn: Retirement Plan Committee, P.O. Box 13007, Lansing, Michigan 48901-3007.

Effective July 1, 1999, the Defined Benefit Plan was amended to include a medical benefit component, in addition to the normal retirement benefits, to fund a portion of the postretirement obligations for certain retirees and their beneficiaries. The funding of the medical benefit component is limited to the amount of excess pension plan assets available for transfer, as determined by the actuary. No medical benefits were paid by the Defined Benefit Plan during the years ended June 30, 2024 and 2023.

Employees Covered by Benefit Terms - At February 29, 2024 and February 28, 2023 (the most recent actuarial valuation for funding purposes), Defined Benefit Plan membership consisted of the following:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	255	265
Inactive plan members entitled to but not yet receiving benefits	1	1
Active plan members	3	3
Total	259	269

The Defined Benefit Plan, by resolution of the Board of Commissioners, was closed to employees hired subsequent to December 31, 1996, and a defined contribution retirement savings plan was established for employees hired after December 31, 1996. Effective December 1, 1997, all active participants in this plan were required to make an irrevocable choice to either remain in this plan (defined benefit) or move to the newly established defined contribution plan. Those participants who elected to move to the defined contribution plan received lump-sum distributions from this plan that were rolled into their accounts in the newly established defined contribution plan. Of the 760 employees who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred $75,116,470 to the newly established defined contribution plan, reflecting the plan participants' accumulated benefits as of said date.

Benefits Provided - The Defined Benefit Plan provides retirement, early retirement, disability, termination and death benefits. The Plan provides for an annual benefit upon normal retirement age equal to the product of the total number of years of credited service multiplied by a percentage equal to 1.80% of the highest annual pay during the last 10 years of service, paid in equal monthly installments.

Payments will either be nonincreasing or increase only as follows: (a) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics; (b) To the extent of the reduction in the amount of the employee's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Subsection 8 dies or is no longer the employee's beneficiary pursuant to a qualified domestic relations order within the meaning of Internal Revenue Code Section 414(p); (c) To provide cash refunds of employee contributions upon the employee's death; or (d) To pay increased benefits that result from a plan amendment.

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the BWL retains an independent, external actuary to determine the annual contribution. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. There was no contribution required for the years ended June 30, 2023 and 2024. Plan documents do not require participant contributions.

Net Pension Asset - The components of the net pension asset of the BWL at June 30, 2024 and June 30, 2023 were as follows (in thousands):

	2024	2023
Total pension liability	$ 42,054	$ 44,514
Plan fiduciary net pension	48,534	49,523
Total	$ (6,480)	$ (5,009)
Plan fiduciary net position, as a percentage of the total pension liability	115.41 %	111.25 %

The BWL has chosen to use June 30, 2024 as its measurement date for fiscal year 2024. The June 30, 2024 reported net pension asset was determined using a measure of the total pension liability and the pension net position as of June 30, 2024. The June 30, 2024 total pension liability was determined by an actuarial valuation as of February 29, 2024, which used update procedures to roll forward the estimated liability to June 30, 2024.

The BWL has chosen to use June 30, 2023 as its measurement date for fiscal year 2023. The June 30, 2023 reported net pension asset was determined using a measure of the total pension liability and the pension net position as of June 30, 2023. The June 30, 2023 total pension liability was determined by an actuarial valuation as of February 28, 2023, which used update procedures to roll forward the estimated liability to June 30, 2023.

Changes in the net pension asset during the measurement years were as follows:

	In Thousands		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, June 30, 2022	$ 47,887	$ 50,659	$ (2,772)
Changes for the year:			
Service cost	29	-	29
Interest	2,721	-	2,721
Differences between expected and actual experience	(981)	-	(981)
Changes in assumptions	-	-	-
Net investment income	-	4,134	(4,134)
Benefit payments, including refunds	(5,142)	(5,142)	-
Administrative expenses	-	(127)	127
Miscellaneous other charges	-	-	-
Net changes	(3,373)	(1,136)	(2,237)
Balances, June 30, 2023	44,514	49,523	(5,009)
Changes for the year:			
Service cost	31	-	31
Interest	2,523	-	2,523
Differences between expected and actual experience	(18)	-	(18)
Changes in assumptions	-	-	-
Net investment income	-	4,134	(4,134)
Benefit payments, including refunds	(4,996)	(4,996)	-
Administrative expenses	-	(127)	127
Miscellaneous other charges	-	-	-
Net changes	(2,460)	(989)	(1,471)
Balance, June 30, 2024	$ 42,054	$ 48,534	$ (6,480)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended June 30, 2024, the BWL recognized pension expense of ($39,352). At 2024, the BWL 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
Net difference between projected and actual earnings on pension plan investments	$ 204,912	$ -

For the year ended June 30, 2023, the BWL recognized pension expense of ($653,301). At June 30, 2023, the BWL 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
Net difference between projected and actual earnings on pension plan investments	$ 1,636,061	$ -

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

Years Ending June 30:	
2025	$ (352,237)
2026	1,332,666
2027	512,769
2028	262,749
Total	$ 204,912

Actuarial Assumptions - The total pension liability in the June 30, 2024 and June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Inflation	2.25 %	2.25 %
Salary increases	3.50	3.50
Investment rate of return	6.00	6.00

Mortality rates were based on the PUB-2010 General Mortality Table with MP-2021 Improvement Scale for the June 30, 2024 valuation. The June 30, 2023 valuation used the PUB-2010 General Employees Mortality Table and projected using the MP-2021 scale.

The most recent experience review was completed in 2014. Since the Defined Benefit Plan covered 3 active participants in fiscal year 2024 and fiscal year 2023, assumptions like termination, retirement and disability have an immaterial impact on the results and have not been changed.

Discount Rate - The discount rate used to measure the total pension liability was 6.0% in 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that BWL contributions will be made at rates equal to the actuarially determined contribution rates.

Projected Cash Flows

Based on those assumptions, the Defined Benefit Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the Defined Benefit Plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

The long-term expected rate of return on Defined Benefit Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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. Best estimates of arithmetic real rates of return as of June 30, 2024 and 2023 for each major asset class included in the Defined Benefit Plan's target asset allocation, as disclosed in the Defined Benefit Plan's financial statements, are summarized in the following table:

Asset Class	2024 Long-Term Expected Real Rate of Return	2023 Long-Term Expected Real Rate of Return
Core bonds	2.56 %	2.58 %
Multi-sector	3.50	3.54
Liquid absolute return	3.25	3.25
U.S. large cap equity	7.15	7.17
U.S. small cap equity	8.58	8.61
Non-U.S. equity	8.26	8.29
Core real estate	6.49	6.54

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following presents the net pension asset of the BWL at June 30, 2024, calculated using the discount rate of 6.00%, as well as what the BWL's net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability (asset) of the BWL	$ (2,557,349)	$ (6,479,599)	$ (8,368,884)

The following presents the net pension asset of the BWL at June 30, 2023, calculated using the discount rate of 6.00%, as well as what the BWL's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability (asset) of the BWL	$ (836,993)	$ (5,009,098)	$ (7,108,925)

Defined Benefit Plan Fiduciary Net Position - Detailed information about the Defined Benefit Plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension asset, deferred outflows of resources and deferred inflows or resources related to pension and pension expense, information about the Defined Benefit Plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the Defined Benefit Plan. The Defined Benefit Plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Defined Contribution Plan

The Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (Defined Contribution Plan) was established by the BWL in 1997 under Section 5-203.10 of the City Charter. The Defined Contribution Plan covers substantially all full-time employees hired after December 31, 1996. In addition, 602 employees hired before January 1, 1997 elected to convert their retirement benefits from the Defined Benefit Plan effective December 1, 1997.

The Defined Contribution Plan issues a publicly available financial report. That report may be obtained by writing to the Lansing Board of Water and Light Defined Contribution Plan and Trust 1, Attn: Retirement Plan Committee, P.O. Box 13007, Lansing, Michigan 48901-3007.

The Defined Contribution Plan operates as a money purchase pension plan and meets the requirements of Sections 401(a) and 501(a) of the IRC of 1986, as amended from time to time.

For employees hired before January 1, 1997, the BWL is required to contribute 15.0% of the employees' compensation. For employees hired after January 1, 1997, the BWL is required to contribute 9.5% of the employees' compensation. In addition, the BWL is required to contribute 3.0% of the employees' compensation for all employees who are not eligible to receive overtime pay and 0.5% of the employees' compensation for all nonbargaining employees. No participant contributions are required.

During the years ended June 30, 2024 and 2023, the BWL contributed $9,435,006 and $11,648,704, respectively. The BWL’s contributions are recognized in the period that the contributions are due.

Basis of Accounting - The Defined Contribution Plan’s financial statements are prepared using the accrual method of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*.

Valuation of Investments and Income Recognition - The Defined Contribution Plan investments are stated at fair market value based on closing sales prices reported on recognized securities exchanges on the last business day of the year, or, for listed securities having no sales reported and for unlisted securities, upon the last reported bid prices on that date. The mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Defined Contribution Plan at year end.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

Regulatory Status - The Defined Contribution Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

Retiree Benefit Plan (OPEB)

Plan Description - The Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (Retiree Benefit Plan) is a single-employer retiree benefit plan. The Plan provides medical, dental and life insurance benefits in accordance with Section 5-203 of the City Charter. Substantially all of the BWL’s employees may become eligible for healthcare benefits and life insurance benefits if they reach normal retirement age while actively employed full-time by working for the BWL. There were 755 participants eligible to receive benefits at June 30, 2024 and 753 participants eligible at June 30, 2023.

In October 1999, the BWL formed a Voluntary Employee Benefit Administration (VEBA) trust for the purpose of accumulating assets sufficient to fund retiree healthcare insurance costs in future years. During the years ended June 30, 2024 and 2023, the cost to BWL of maintaining the Retiree Benefit Plan and Trust was $65,286 and $68,076, of which respectively, was incurred as direct costs of benefits.

The Retiree Benefit Plan issues a publicly available financial report. That report may be obtained by writing to the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light, Attn: Retirement Plan Committee, P.O. Box 13007, Lansing, Michigan 48901-3007.

Benefits Provided - The Plan provides medical, dental and life insurance benefits in accordance with Section 5-203 of the City Charter. Benefits are provided through third-party insurers carriers. The plan coverage includes payment of deductibles and co-pays for health services to all employees hired before January 1, 2009. All employees hired after that date must pay a percentage of their health premium.

Employees covered by benefit terms. At June 30, 2024, the following employees were covered by the benefit terms:

Active plan members (not eligible to receive benefits)	778
Disabled participants	67
Retired participants	532
Surviving spouses	156
Total	1,533

At June 30, 2023, the following employees were covered by the benefit terms:

Active plan members (not eligible to receive benefits)	731
Disabled participants	69
Retired participants	534
Surviving spouses	150
Total	1,484

Contributions - Section 5-203 of the City Charter grants the authority to establish and amend the contribution requirement to the BWL. The BWL establishes its minimum contribution based on an actuarially determined rate. For the years ended June 30, 2024 and 2023, the actual contribution rates of the BWL were 0.08% and 0.1% of covered-employee payroll, respectively.

Net OPEB Liability (Asset) - The BWL has chosen to use June 30, 2024 as its measurement date for fiscal year 2024. The June 30, 2024 reported net OPEB liability (asset) was determined using a measure of the total OPEB liability and the OPEB net position as of June 30, 2024. The June 30, 2024 total OPEB liability was determined by an actuarial valuation as of February 29, 2024, which used update procedures to roll forward the estimated liability to June 30, 2024.

The BWL has chosen to use June 30, 2023 as its measurement date for fiscal year 2023. The June 30, 2023 reported net OPEB liability (asset) was determined using a measure of the total OPEB liability and the OPEB net position as of June 30, 2023. The June 30, 2023 total OPEB liability was determined by an actuarial valuation as of February 28, 2023, which used update procedures to roll forward the estimated liability to June 30, 2023.

Actuarial Assumptions - The total OPEB liability in the June 30, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements, unless otherwise specified:

Inflation:	2.25%
Payroll Growth:	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit/productivity increases.
Investment rate of return:	6.5%, net of OPEB plan investment expense, including inflation

Healthcare cost trend rates:

	Medical / RX			
FYE	**Pre-65**	**Post-65**	**Part B**	**Dental**
2024	7.25%	5.50%	3.75%	4.25%
2025	7.00	5.25	4.00	4.00
2026	6.75	5.00	4.25	4.00
2027	6.50	4.75	4.50	4.00
2028	6.25	4.50	4.75	4.00
2029	6.00	4.50	5.00	4.00
2030	5.75	4.50	5.00	4.00
2031	5.50	4.50	5.00	4.00
2032	5.25	4.50	5.00	4.00
2033	5.00	4.50	5.00	4.00
2034	4.75	4.50	5.00	4.00
2035+	4.50	4.50	5.00	4.00

2024 and 2023 Mortality rates were based on the PUBH-2010 General Employee Mortality Table fully generational using Scale MP-2021.

Best actuarial practices call for a periodic assumption review and BWL completed an experience study in 2022.

BWL's policy in regard to the allocation of invested assets is established and may be amended by the BWL by a majority vote of the Board of Commissioners. It is the policy of the BWL to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the adopted asset allocation policy as of June 30, 2024 and 2023:

Asset Class	2024 Target Allocation	2023 Target Allocation
Core bonds	15.00 %	15.00 %
Multi-sector	5.00	5.00
Liquid absolute return	5.00	5.00
U.S. large cap equity	25.00	30.00
U.S. small cap equity	15.00	10.00
Non-U.S. equity	20.00	20.00
Core real estate	8.00	8.00
Value add real estate	7.00	7.00

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major 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. The best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 and June 30, 2023 are summarized in the following table:

Asset Class	2024 Long-Term Expected Real Rate of Return	2023 Long-Term Expected Real Rate of Return
Core bonds	2.56 %	2.58 %
Multi-sector	3.50	3.54
Liquid absolute return	3.25	3.25
U.S. large cap equity	7.15	7.17
U.S. small cap equity	8.58	8.61
Non-U.S. equity	8.26	8.29
Core real estate	6.49	6.54
Value add real estate	7.99	8.04

For the June 30, 2024 valuation, the long-term expected rate of return was 6.50%. The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown. The final equivalent single discount rate used for the June 30, 2024 valuation was 6.50% with the expectation that BWL will continue contributing the actuarially determined contribution and/or paying for the pay-go cost.

Asset Class	Long-Term Expected Real Rate of Return
Fidelity 20-year GO Municipal Bond Index	3.97 %
Actual Discount Rate Used	6.50

Discount Rate - The discount rate used to measure the total OPEB liability was 6.50% for June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that BWL contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	In Thousands		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a)-(b)**
Balance, June 30, 2023	$ 163,829	$ 238,471	$ (74,642)
Changes for the year:			
Service cost	4,201	-	4,201
Interest	10,355	-	10,355
Change in benefit terms	-	-	-
Differences between expected and actual experience	(801)	-	(801)
Changes in assumptions	-	-	-
Contributions, employer	-	65	(65)
Contributions, employee	-	-	-
Net investment income	-	24,300	(24,300)
Benefit payments	(9,181)	(9,181)	-
Administrative expenses	-	(259)	259
Net changes	4,575	14,925	(10,350)
Balance, June 30, 2024	$ 168,403	$ 253,396	$ (84,993)

	In Thousands		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a)-(b)**
Balance, June 30, 2022	$ 156,408	$ 228,141	$ (71,733)
Changes for the year:			
Service cost	3,452	-	3,452
Interest	9,827	-	9,827
Change in benefit terms	-	-	-
Differences between expected and actual experience	4,770	-	4,770
Changes in assumptions	-	-	-
Contributions, employer	-	68	(68)
Contributions, employee	-	-	-
Net investment income	-	21,226	(21,226)
Benefit payments	(10,628)	(10,628)	-
Administrative expenses	-	(336)	336
Net changes	7,421	10,330	(2,909)
Balance, June 30, 2023	$ 163,829	$ 238,471	$ (74,642)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1-percentage-point higher (7.5%) than the current discount rate (6.5%) as of June 30, 2024:

	June 30, 2024		
	1% Decrease	Current Discount Rate	1% Increase
NET OPEB liability (asset)	$ (65,718,636)	$ (84,992,538)	$ (101,207,086)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1-percentage-point higher (7.5%) than the current discount rate (6.5%) as of June 30, 2023:

	June 30, 2023		
	1% Decrease	Current Discount Rate	1% Increase
NET OPEB liability (asset)	$ (56,244,193)	$ (74,641,660)	$ (90,173,785)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as of June 30, 2024:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability (asset)	$ (102,871,148)	$ (84,992,538)	$ (63,323,723)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trent Rates - The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as of June 30, 2023:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability (asset)	$ (91,718,544)	$ (74,641,660)	$ (53,961,790)

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light June 30, 2024 GASB 74/75 Report, issued August 2, 2024.

For the year ended June 30, 2024, the Plan recognized OPEB expense of ($11,728,112). At June 30, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,256,591	$ 6,079,101
Changes of assumptions	6,625,332	4,762,702
Net difference between projected and actual earnings on OPEB plan investments	-	3,792,920
Total	$ 9,881,923	$ 14,634,723

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

Years ending June 30:	
2025	$ (6,222,418)
2026	4,370,313
2027	(1,906,255)
2028	(1,028,662)
2029	109,512
Thereafter	(75,290)

For the year ended June 30, 2023, the Plan recognized OPEB expense of $(10,727,623). At June 30, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,013,128	$ 9,327,630
Changes of assumptions	9,452,248	14,780,716
Net difference between projected and actual earnings on OPEB plan investments	4,447,650	-
Total	$ 17,913,026	$ 24,108,346

Other Post-Retirement Benefits

The BWL offers its employees a deferred compensation plan, created in accordance with IRC 457. The BWL makes contributions of $1,000 annually for the employees as of January 1 of each year, during the month of January. The BWL also will match employee contributions at one dollar for every one dollar up to $1,500 in a calendar year.

9. Commitments and Contingencies

At June 30, 2024 and 2023, the BWL has two letters of credit in the amounts of $817,000 issued to the Michigan Department of Natural Resources. The letters of credit were issued to satisfy requirements of the Michigan Department of Natural Resources to provide financial assurance to the State of Michigan for the cost of closure and post closure monitoring and maintenance of a landfill site operated by the BWL.

Through monitoring tests performed on the landfill sites operated by the BWL, it has been discovered that the sites are contaminating the groundwater. The contamination does not pose a significant health risk but does lower the quality of the groundwater. The BWL received landfill closure approval as well as interim remediation approval. The BWL has estimated the total cost for remediation, including closure and post closure cost of the landfills, and has recorded a liability of $5,389,412 and $5,578,615 for the years ended June 30, 2024 and 2023, respectively. Certain remediation activities have commenced and are in progress. The landfill sites are no longer receiving waste products. Landfill closure and post closure requirements are associated with the Michigan Department of Environmental Quality. Annual post closure costs of these landfill sites are not expected to exceed $380,000 annually and are included in the liability above. Estimates will be revised as approvals are received from the State. In accordance with the regulatory basis of accounting as per GASB 62 (see Note 1), the BWL recorded a corresponding regulatory asset (see Note 6).

The BWL is subject to various laws and regulations with respect to environmental matters such as air and water quality, soil contamination, solid waste disposal, handling of hazardous materials and other similar matters. Compliance with these various laws and regulations could result in substantial expenditures. The BWL has established a Designated Purpose Fund (see Note 1), of which one of the purposes of the fund is to meet extraordinary expenditures resulting from responsibilities under environmental laws and regulations. Management believes that all known or expected responsibilities to these various laws and regulations by the BWL will be sufficiently covered by the Designated Purpose Fund and the environmental remediation liability.

The BWL is involved in various other legal actions which have arisen in the normal course of business. Such actions are usually brought for claims in excess of possible settlement or awards, if any, that may result. After taking into consideration legal counsel's evaluation of pending actions, management has recorded an adequate reserve as of June 30, 2024 and 2023 in regard to specific pending legal cases.

Construction in progress consists of projects for expansion or additions to the utility plant. The estimated additional cost to complete various projects is approximately $382,841,704 and $213,216,141 at June 30, 2024 and 2023, respectively. These projects will be funded through operational cash flow, revenue bonds and grant funding, including the project funds reported as other assets.

10. Power Supply Purchase

In 1983, the BWL entered into power supply and project support contracts with MPPA, of which the BWL is a member. Under the agreement, the BWL has the ability to purchase power from MPPA, will sell power to MPPA at an agreed-upon rate, and will purchase 64.29% of the energy generated by MPPA's 37.22% ownership in Detroit Edison's Belle River Plant (Belle River), which became operational in August 1984.

Under the terms of its contract, the BWL must make minimum annual payments equal to its share of capital and its share of the fixed operating costs of Belle River. The estimated required payments presented below assume no early calls or refinancing of existing revenue bonds and a 3.0% annual inflation of fixed operating costs, which include expected major maintenance projects.

Years	Capital	Estimated Fixed Operating Costs	Total Required
2025	$ 20,849,247	$ 19,142,455	$ 39,991,702
2026	6,017,544	15,981,377	21,998,921
2027	3,420,228	13,045,844	16,466,072
2028	2,725,896	14,235,195	16,961,091
2029	642,900	14,991,454	15,634,354

In addition to the above required payments, the BWL must pay for fuel, other operating costs and transmission costs related to any kilowatt hours (KWHs) purchased under these contracts.

The BWL recognized expenses for 2024 and 2023 of $41,402,193 and $53,183,185, respectively, to purchase power under the terms of this contract. The price of this power was calculated on a basis, as specified in the contracts, to enable MPPA to recover its production, transmission and capital costs.

11. Estimated Liability for Excess Earnings on Water Supply and Electric Utility System Revenue Bonds

In accordance with Section 148(f)(2) of the IRC of 1986, as amended, the BWL is required on each anniversary date (July 1) of the Water Supply, Electric Utility and Steam Utility System Revenue Bonds, Series 2013A, 2017A, 2019A, 2021A, 2021B and 2024A to compute amounts representing the cumulative excess earnings on such bonds. That amount essentially represents a defined portion of any excess of interest earned on funds borrowed over the interest cost of the tax-exempt borrowings. Expense is charged (credited) annually in an amount equal to the estimated increase (decrease) in the cumulative excess earnings for the year. On every fifth anniversary date and upon final maturity of the bonds, the BWL is required to remit to the Internal Revenue Service the amount of any cumulative excess earnings computed on the date of such maturity plus an amount equal to estimated interest earned on previous years' segregated funds. The estimated liability for excess earnings was $0 at 2024 and 2023. In accordance with the requirements of the bond indenture, the BWL is required to set aside any current year additions to this estimated liability in a rebate fund within 60 days of the anniversary date of the bonds.

12. Risk Management and Insurance

The BWL is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The BWL has purchased commercial insurance for certain general liability, business auto, excess liability, property and boiler and machinery, public officials and employee liability claims, specific excess health insurance claims and specific excess workers' compensation claims, subject to policy terms, limits, limitations and deductibles. The BWL is self-insured for most workers' compensation and health insurance claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The BWL estimates the liability for self-insured workers' compensation and health insurance claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past three fiscal years were as follows:

	Workers' Compensation			Health Insurance		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
Unpaid claims, beginning	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 1,686,723	$ 1,773,595	$ 1,334,297
Incurred claims, including claims incurred but not reported	49,474	24,127	75,737	23,176,317	20,178,663	16,793,719
Claim payments	(49,474)	(24,127)	(75,737)	(22,969,689)	(20,265,535)	(16,354,421)
Unpaid claims, ending	$ 2,200,000	$ 2,200,000	$ 2,200,000	$ 1,893,351	$ 1,686,723	$ 1,773,595

The liability for health insurance is included with accounts payable on the statement of net position.

13. Upcoming Pronouncements

GASB has approved Statement No. 101, *Compensated Absences*, Statement No. 102, *Certain Risk Disclosures* and Statement No. 103, *Financial Reporting Model Improvements*. When they become effective, application of these standards may restate portions of these financial statements.

14. Subsequent Events

The Board evaluated subsequent events through October 7, 2024, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Lansing Board of Water and Light

Defined Benefit Plan and Trust for Employees' Pensions

Required Supplementary Information (Unaudited)
Schedule of Changes in the BWL's
Net Pension Asset and Related Ratios
Last Ten Fiscal Years
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 31	$ 29	$ 26	$ 26	$ 42	$ 60	$ 50	$ 113	$ 223	$ 274
Interest	2,523	2,721	2,974	3,212	3,566	3,691	4,031	4,317	4,625	4,919
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(18)	(981)	179	(968)	(919)	(743)	(230)	(383)	299	(1,093)
Changes in assumptions	-	-	1,730	(366)	1,555	1,210	1,419	(857)	(1,468)	-
Benefit payments, including refunds	(4,996)	(5,142)	(5,466)	(5,658)	(5,872)	(6,143)	(6,414)	(7,473)	(7,896)	(8,046)
Net Change in Total Pension Liability	(2,460)	(3,373)	(557)	(3,754)	(1,628)	(1,925)	(1,144)	(4,283)	(4,217)	(3,946)
Total Pension Liability, Beginning	44,514	47,887	48,444	52,198	53,826	55,751	56,895	61,178	65,395	69,341
Total Pension Liability, Ending	42,054	44,514	47,887	48,444	52,198	53,826	55,751	56,895	61,178	65,395
Plan Net Position										
Contributions, employer	-	-	-	-	-	-	-	-	-	-
Contributions, member	-	-	-	-	-	-	-	-	-	-
Net investment income	4,134	4,134	(5,399)	11,853	1,658	4,381	3,112	8,272	47	1,771
Administrative expenses	(128)	(127)	(134)	(123)	(145)	(183)	(255)	(317)	(388)	(576)
Benefit payments, including refunds	(4,996)	(5,142)	(5,466)	(5,658)	(5,872)	(6,143)	(6,414)	(7,473)	(7,896)	(8,045)
Other	-	-	-	-	(477)	-	-	-	-	-
Net change in Net Position Held in Trust	(989)	(1,136)	(10,999)	6,072	(4,836)	(1,945)	(3,557)	482	(8,237)	(6,850)
Net Position Restricted for Pensions, Beginning	49,523	50,659	61,658	55,586	60,422	62,367	65,924	65,442	73,679	80,529
Net Position Restricted for Pensions, Ending	48,534	49,523	50,659	61,658	55,586	60,422	62,367	65,924	65,442	73,679
BWL Net Pension Asset, Ending	$ (6,480)	$ (5,009)	$ (2,772)	$ (13,214)	$ (3,388)	$ (6,596)	$ (6,616)	$ (9,029)	$ (4,264)	$ (8,284)
Plan Net Position as a % of Total Pension Liability	115%	111%	106%	127%	106%	112%	112%	116%	107%	113%
Covered Employee Payroll	$ 262	$ 248	$ 238	$ 237	$ 240	$ 406	$ 603	$ 586	$ 772	$ 1,018
BWL's Net Pension Asset as a % of Covered Employee Payroll	(2,473%)	(2,020%)	(1,165%)	(5,576%)	(1,412%)	(1,625%)	(1,097%)	(1,541%)	(552%)	(814%)

See notes to required supplementary information

Lansing Board of Water and Light

Defined Benefit Plan and Trust for Employees' Pensions

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions
Last Ten Fiscal Years
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 262	$ 248	$ 238	$ 237	$ 240	$ 406	$ 603	$ 586	$ 772	$ 1,018
Contributions as a Percentage of Covered Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

See notes to required supplementary information

Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Required Supplemental Information (Unaudited)
Schedule of Changes in BWL's
Net OPEB Liability (Asset) and Related Ratios
Last Ten Fiscal Years*
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 4,201	$ 3,452	$ 3,299	$ 3,396	$ 3,245	$ 4,403	$ 4,827	$ 3,130
Interest	10,355	9,827	9,871	10,535	10,804	14,920	15,039	14,226
Changes in benefit terms	-	-	-	-	-	(415)	-	-
Differences between expected and actual experience	(801)	4,770	(1,084)	(8,794)	(6,093)	(5,231)	(9,880)	5,281
Changes in assumptions	-	-	10,173	(3,752)	7,254	(59,336)	(1,728)	(2,027)
Benefit payments, including refunds	(9,181)	(10,628)	(13,493)	(8,344)	(9,157)	(9,278)	(10,395)	(9,574)
Net Change in Total OPEB Liability	4,574	7,421	8,766	(6,959)	6,053	(54,937)	(2,137)	11,036
Total OPEB Liability, Beginning	163,829	156,410	147,644	154,603	148,550	203,487	205,624	194,588
Total OPEB Liability, Ending	168,403	163,831	156,410	147,644	154,603	148,550	203,487	205,624
Trust Net Position								
Contributions, employer	65	68	13,493	8,344	9,157	9,278	10,395	9,574
Contributions, member	-	-	-	-	-	-	-	-
Net investment income	24,300	21,226	(19,247)	49,387	4,158	11,688	11,039	18,040
Administrative expenses	(259)	(336)	(354)	(449)	(512)	(569)	(634)	(705)
Benefit payments, including refunds	(9,181)	(10,628)	(13,493)	(8,344)	(9,157)	(9,278)	(10,395)	(9,574)
Other	-	-	-	-	-	-	-	-
Net change in Net Position Held in Trust	14,925	10,330	(19,601)	48,938	3,646	11,119	10,405	17,335
Trust Fiduciary Net Position, Beginning	238,471	228,142	247,743	198,805	195,159	184,040	173,635	156,300
Trust Fiduciary Net Position, Ending	253,396	238,472	228,142	247,743	198,805	195,159	184,040	173,635
BWL Net OPEB Liability (Asset), Ending	$ (84,993)	$ (74,641)	$ (71,732)	$ (100,099)	$ (44,202)	$ (46,609)	$ 19,447	$ 31,989
Trust Fiduciary Net Position as a % of Total OPEB Liability (Asset)	150.47%	145.56%	145.86%	167.80%	128.59%	131.38%	90.44%	84.44%
Covered Employee Payroll	$ 77,109	$ 69,744	$ 62,976	$ 60,269	$ 58,198	$ 56,785	$ 55,650	$ 54,383
BWL's Net OPEB Liability (Asset) as a % of Covered Employee Payroll	(110.22%)	(107.02%)	(113.90%)	(166.09%)	(75.95%)	(82.08%)	34.95%	58.82%

*GASB Statement No. 74 was implemented as of June 30, 2017. Information from 2015 - 2016 is not available and this schedule will be presented on a prospective basis.

Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Required Supplemental Information (Unaudited)
Schedule of Employer Contributions
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended	Employer Contributions: Required	Employer Contributions: Actual	Difference of Required to Actual Contributions	Covered Employee Payroll	Percentage of Actual Contributions to Covered Payroll
6/30/2015	$ 5,762	$ 9,671	$ 3,909	$ 50,885	19%
6/30/2016	5,788	9,423	3,635	53,893	17%
6/30/2017	7,508	9,574	2,066	54,383	18%
6/30/2018	7,535	10,395	2,860	55,650	19%
6/30/2019	7,031	9,278	2,247	56,785	16%
6/30/2020	-	9,157	9,157	58,198	16%
6/30/2021	220	8,344	8,124	60,269	14%
6/30/2022	-	13,493	13,493	62,976	21%
6/30/2023	-	68	68	69,744	0%
6/30/2024	-	65	65	77,109	0%

See notes to required supplementary information

1. Defined Benefit Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2024, based on roll-forward of February 29, 2024 valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Level dollar over a 15-year period
Remaining amortization period	15 years
Asset valuation method	Market value of the assets
Inflation	2.25%
Salary increases	3.5% per year
Investment rate of return	6.0% per year compounded annually
Mortality	PUB-2010 General Mortality Table with MP-2021 Improvement Scale
Changes to assumptions:	No changes in assumptions.

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023, based on roll-forward of February 28, 2023 valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Level dollar over a 15-year period
Remaining amortization period	15 years
Asset valuation method	Market value of the assets
Inflation	2.25%
Salary increases	3.5% per year
Investment rate of return	6.0% per year compounded annually
Mortality	PUB-2010 General Mortality Table with MP-2021 Improvement Scale
Changes to assumptions:	No changes in assumptions.

Significant Changes

June 30, 2024

- Difference between actual and expected experience - The $18.1K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2024 is primarily attributable to favorable demographic experience.

- Assumption change – None.

June 30, 2023

- Difference between actual and expected experience - The $981K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2023 is primarily attributable to participant deaths.

- Assumption change – None.

June 30, 2022

- Difference between actual and expected experience - The $179K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2022 is primarily attributable to the difference between actual experience and demographic assumptions.

- Assumption change - The plan experienced a $1.73MM actuarial loss due to the change in the mortality improvement scale and the decrease in the discount rate from 6.50% to 6.00%. Updating the mortality improvement scale to the MP-2021 scale resulted in a $120K actuarial loss and decreasing the discount rate resulted in a $1.61MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of $1.73MM.

June 30, 2021

- Difference between actual and expected experience - The $968K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2021 is primarily attributable to participant deaths.

- Assumption change - The plan experienced a $366K actuarial gain due to the change in the mortality improvement scale.

June 30, 2020

- Difference between actual and expected experience - The $.92MM actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2020 is primarily attributable to participant deaths.

- Assumption change - The plan experienced a $1.55MM actuarial loss due to the change in the mortality improvement scale and the decrease the discount rate from 7.00% to 6.50%. Updating the mortality improvement scale to the MP-2019 scale resulted in a $.22MM actuarial gain and decreasing the discount rate resulted in a $1.77MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of $1.55MM.

June 30, 2019

- Difference between actual and expected experience - The $.74MM gain on the Total Pension Liability for the fiscal year ending June 30, 2019 is primarily attributable to participant deaths.

- Assumption change - The plan experienced a $1.21MM loss due to the change of the mortality assumption from the RP-2014 Total Dataset Mortality adjusted to 2006 and projected generationally using the MP-2017 improvement scale to the PUB-2010 General Employees Mortality, projected generationally using the MP-2018 improvement scale.

June 30, 2018

- Difference between actual and expected experience - The $230,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2018 is primarily attributable to participant deaths.

- Assumption change - Assumptions for the discount rate and expected return on assets were decreased from 7.50% to 7.00% to reflect the expected long term rate of return on the trust.

June 30, 2017

- Difference between actual and expected experience - The $383,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2017 is primarily attributable to participant deaths.

- Assumption change - The plan experienced a $.86MM gain due to the change of the mortality assumption from the RP-2014 table projected generationally with Scale MP-2014 with MP-2016 Improvement Scale.

June 30, 2016

- Difference between actual and expected experience - The $299,000 loss on the Total Pension Liability for the fiscal year ending June 30, 2016 is primarily attributable to participant deaths.

- Assumption change - The plan experienced a $1.47MM gain due to the change of the mortality assumption from the RP-2014 table projected generationally with Scale MP-2014 with MP-2015 Improvement Scale.

June 30, 2015

- Difference between actual and expected experience - The $1.01MM gain on the Total Pension Liability for the fiscal year ending June 30, 2015 is primarily attributable to participant deaths.

- Assumption change - There were no impacts associated with assumption changes.

2. Post-Retirement Benefit Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2024, based on roll-forward of February 29, 2024 valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal level % of salary method
Amortization method	Level dollar over a 30-year closed period
Remaining amortization period	25 years
Inflation	2.25%
Salary increases	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit / productivity increases.
Investment rate of return	6.5% per year compounded annually
Mortality	PUBH-2010 General Employees Mortality Table projected generationally using MP-2021 scale

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023, based on roll-forward of February 28, 2023 valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal level % of salary method
Amortization method	Level dollar over a 30-year closed period
Remaining amortization period	26 years
Inflation	2.25%
Salary increases	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit / productivity increases.
Investment rate of return	6.5% per year compounded annually
Mortality	PUBH-2010 General Employees Mortality Table projected generationally using MP-2021 scale

Significant Changes:

June 30, 2024

- Difference between actual and expected experience - The $800.9K actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2024 is attributable to the combination of favorable demographic experience and lower than expected per capita claims cost.

- Assumption change – None.

June 30, 2023

- Difference between actual and expected experience - The $4.77M actuarial loss on the Total OPEB Liability for the fiscal year ending June 30, 2023 is attributable to the combination of unfavorable demographic experience and unfavorable claims experience for the pre-Medicare retirees. $1.86M of the actuarial loss is associated with demographic experience. The remaining $2.91M of the actuarial loss is due to higher than expected 2023 per capita claims cost.

- Assumption change – None.

- Investment gain - The $6.75M investment gain during the fiscal year ending June 30, 2023 is attributable an actual return on assets of 9.52% vs. an expected return of 6.50%.

June 30, 2022

- Difference between actual and expected experience - The $1.08MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2022 is attributable to favorable demographic experience. The favorable demographic experience is mainly attributable to deaths (25 participants), termination of active participants and changes in coverage elections.

- Assumption change - The $10.17MM actuarial loss on the Total OPEB liability for the fiscal year ending June 30, 2022 is attributable to updating the mortality improvement scale to the MP-2021 scale, updating the demographic assumptions to reflect the results of the 2022 experience analysis and decreasing the discount rate from 7.0% to 6.5%. Updating the mortality improvement scale resulted in a $.38MM actuarial loss. Updating the demographic assumptions resulted in a $1.73MM actuarial loss. The remaining $8.06MM of actuarial loss is attributable to decreasing the discount rate from 7.0% to 6.5%.

June 30, 2021

- Difference between actual and expected experience - The $8.79MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2021 is attributable to the combination of favorable demographic experience and lower than expected 2021 per capita claims cost. $3.94MM of the actuarial gain is associated with demographic experience and is mainly attributable to deaths (37 participants), termination of active participants and changes in coverage elections. The remaining $4.85MM of the actuarial gain is due to less than expected 2021 per capita claims cost. The 2021 Humana premiums are slightly lower than what was expected for 2021 ($321.92 per month vs. $347.80 per month)

- Assumption change - The $3.75MM actuarial gain on the Total OPEB liability for the fiscal year ending June 30, 2021 is attributable to updating the mortality improvement scale to the MP-2020 scale and reflecting the updated healthcare trend assumptions set forth in the Michigan Uniform Assumptions memo for the 2021 fiscal year. Updating the mortality improvement scale resulted in a $1.18MM actuarial gain. The remaining $2.57MM of the actuarial gain is attributable to reflecting the updated trend assumptions.

June 30, 2020

- Difference between actual and expected experience - The $6.09MM gain on the Total OPEB Liability for the fiscal year ending June 30, 2020 is attributable to the combination of unfavorable demographic experience and a reduction in the per capita claims cost used in the June 30, 2020 valuation. The $1.13MM loss associated with demographic experience is mainly attributable to active participant retirements. The $7.22MM gain due to a reduction in per capita claims cost is attributable a decrease in the Pre-65 medical and prescription drug premiums for 2021. The 2020 Pre-65 medical and Rx monthly premium for a retiree was $1,073.13. For 2020, the Pre-65 medical and Rx monthly premium for a retiree is $957.99. An 11% reduction in monthly premium. The combination of the demographic loss and the reduction in monthly premiums resulted in the overall $6.09MM actuarial gain.

- Assumption change - The $7.25MM loss on the Total OPEB liability for the fiscal year ending June30, 2020 is attributable to updating the mortality improvement scale to the MP-2019 scale and decreasing the discount rate from 7.50% to 7.00%. Updating the mortality improvement scale resulted in a $.53MM actuarial gain. Whereas, decreasing the discount rate resulted in a $7.78MM actuarial loss. The combination of these changes resulted in the overall $7.25MM actuarial loss.

June 30, 2019

- Difference between actual and expected experience - The $5.2 million gain on the Total OPEB Liability for the fiscal year ending June 30, 2019 is primarily due to favorable demographic experience. The favorable experience is mainly attributable to terminations of active participants and deaths of participants with and without beneficiaries.

- Assumption changes - (1) The plan experienced a $54.4 million gain on the Total OPEB Liability due to a change of the assumed per capita claims cost. The Board changed the Plan's insurance provider for Medicare eligible participants from The Hartford and Envision Insurance to Humana. Doing so resulted in a dramatic decrease in both the medical and prescription drug monthly premiums from the prior fiscal year ($98.99 per month vs. $219.54 per month for medical coverage and $213.47 per month vs. $305.00 per month for prescription drug coverage); (2) The Plan experienced a $3.8 million loss on the mortality assumption change. The mortality assumption was updated from the RPH-2014 Total Dataset mortality, adjusted to2006 and projected generationally using the MP-2017 improvement scale to the PUBH-2010 General Employees mortality, projected generationally using the MP-2018 improvement scale; and (3) The Plan experienced a $8.7 million gain on a change to the medical and prescription drug trend assumptions. The trend assumptions were changed to those prescribed under the Michigan Uniform Assumptions for the 2019 fiscal year.

- Change in benefit terms - The Plan experienced a $.4 million gain due to an expected increase in the retiree contribution percentage for employees hired on or after January 1, 2009. The expected contribution percentage was increased from 14% to 20% of the premium charged to active employees.

June 30, 2018

- Difference between actual and expected experience - The $9.9 million gain on the Total OPEB Liability for the fiscal year ending June 30, 2018, is attributable to a reduction in the per capita claims cost used in the June 30, 2018 valuation. Better than expected claims experience during the fiscal year resulted in a decrease in the projected claims when compared to those used in the June 30, 2017, valuation.

- Assumption change - The mortality improvement scale was updated to the MP-2017 scale.

SUPPLEMENTARY INFORMATION

Income Available for Revenue Bond Debt Retirement

Years Ended June 30, 2024 and 2023

	2024	2023
Income, Before Capital Contributions Per Statement of Revenues, Expenses and Changes in Net Position	$ 9,892,222	$ 16,048,837
Adjustments to Income		
Depreciation	68,302,725	71,759,716
Interest on long-term debt:		
Notes	35,748	39,109
Revenue bonds	32,361,141	26,376,856
Total additional income	100,699,614	98,175,681
Income Available for Revenue Bonds and Interest Redemption	110,591,836	114,224,518
Debt Retirement Pertaining to Revenue Bonds		
Principal	14,040,000	13,410,000
Interest	31,791,164	29,113,395
Total	$ 45,831,164	$ 42,523,395
Percent Coverage of Revenue Bonds and Interest Requirements	241%	269%

Detail of Statements of Revenues and Expenses

Years Ended June 30, 2024 and 2023

	Combined		Water		Electric		Steam		Chilled Water	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Operating Revenues										
Water	$ 55,757,309	$ 50,683,766	$ 55,757,309	$ 50,683,766	$ -	$ -	$ -	$ -	$ -	$ -
Electric:										
Retail	320,953,423	315,840,115	-	-	320,953,423	315,840,115	-	-	-	-
Sales for resale	21,022,840	62,951,601	-	-	21,022,840	62,951,601	-	-	-	-
Steam	12,785,927	12,661,267	-	-	-	-	12,785,927	12,661,267	-	-
Chilled water	6,915,341	6,740,010	-	-	-	-	-	-	6,915,341	6,740,010
Total operating revenues	417,434,840	448,876,759	55,757,309	50,683,766	341,976,263	378,791,716	12,785,927	12,661,267	6,915,341	6,740,010
Operating Expenses										
Production:										
Fuel, purchased power and other operating expenses	138,777,452	172,700,755	11,937,645	11,198,644	120,777,854	154,698,656	3,748,279	4,644,100	2,313,674	2,159,355
Maintenance	22,732,499	18,044,058	4,829,509	4,198,230	16,417,358	12,565,644	847,694	688,443	637,938	591,741
Transmission and distribution:										
Operating expenses	14,757,338	8,872,835	1,723,667	1,658,536	12,824,290	7,042,845	209,381	171,454	-	-
Maintenance	23,933,835	22,386,918	4,318,783	3,551,034	18,930,788	18,364,613	684,264	471,271	-	-
Administrative and general	93,398,015	86,060,107	20,268,440	19,254,288	67,809,873	62,383,567	3,331,409	3,048,315	1,988,293	1,373,937
Return on equity	26,028,591	26,428,992	3,052,498	2,858,495	21,813,339	22,419,987	793,022	746,109	369,732	404,401
Depreciation	68,302,725	71,759,716	9,296,051	9,127,075	54,230,343	57,233,821	3,400,940	3,988,030	1,375,391	1,410,790
Total operating expenses	387,930,455	406,253,381	55,426,593	51,846,302	312,803,845	334,709,133	13,014,989	13,757,722	6,685,028	5,940,224
Operating income	29,504,385	42,623,378	330,716	(1,162,536)	29,172,418	44,082,583	(229,062)	(1,096,455)	230,313	799,786
Nonoperating Income (Expenses)										
Investment income (loss)	14,264,806	3,682,036	1,155,936	547,979	12,267,458	2,480,644	619,445	496,610	221,967	156,803
Other (expense) income	(1,480,080)	(3,840,612)	736,040	862,904	(2,470,239)	(4,820,837)	28,970	(330,534)	225,149	447,855
Bonded debt interest expense	(32,361,141)	(26,376,856)	(1,383,139)	(1,512,107)	(28,982,836)	(22,648,357)	(1,818,781)	(1,941,266)	(176,385)	(275,126)
Other interest expense	(35,748)	(39,109)	(3,682)	(4,015)	(32,026)	(35,051)	(40)	(43)	-	-
Total nonoperating expense	(19,612,163)	(26,574,541)	505,155	(105,239)	(19,217,643)	(25,023,601)	(1,170,406)	(1,775,233)	270,731	329,532
Net income (loss)	$ 9,892,222	$ 16,048,837	$ 835,871	$ (1,267,775)	$ 9,954,775	$ 19,058,982	$ (1,399,468)	$ (2,871,688)	$ 501,044	$ 1,129,318

Detail of Statements of Changes in Net Position

Years Ended June 30, 2024 and 2023

	Combined	Water	Electric	Steam	Chilled Water
Net Position, June 30, 2022	$ 696,904,936	$ 104,452,546	$ 593,493,329	$ (11,622,978)	$ 10,582,039
Income (loss) before contributions	16,048,837	(1,267,775)	19,058,982	(2,871,688)	1,129,318
Net Position, June 30, 2023	712,953,773	103,184,771	612,552,311	(14,494,666)	11,711,357
Income (loss) before contributions	9,892,222	835,871	9,954,775	(1,399,468)	501,044
Net Position, June 30, 2024	$ 722,845,995	$ 104,020,642	$ 622,507,086	$ (15,894,134)	$ 12,212,401

Board of Water & Light - City of Lansing, Michigan

Detail of Fiduciary Statements of Net Position -
Pension and OPEB Trust Funds
Years Ended June 30, 2024 and 2023

	2024			
	Defined Contribution Plan	Defined Benefit Plan	VEBA	Total
Assets				
Receivable, investment interest receivable	$ -	$ -	$ 14,641	$ 14,641
Trade receivable, due from broker	-	-	-	-
Cash and cash equivalents	26,073,272	437,821	1,857,276	28,368,369
Investments at fair value:				
Mutual funds, bonds	17,497,649	23,149,441	55,835,109	96,482,199
Mutual funds, equity	152,413,555	21,335,946	159,831,296	333,580,797
Real estate fund investment	-	3,668,689	38,565,204	42,233,893
Self-directed brokerage account				
Equity securities/stocks	12,507,716	-	-	12,507,716
Certificates of deposit (negotiable)	100,039	-	-	100,039
Mutual funds, equity	598,099	-	-	598,099
Participants note receivable	3,532,182	-	-	3,532,182
Total assets	212,722,512	48,591,897	256,103,526	517,417,935
Liabilities				
Trade payable, due to broker/other	-	58,122	2,707,544	2,765,666
Net Position, Held in Trust for Pension and Other Employee Benefits	$ 212,722,512	$ 48,533,775	$ 253,395,982	$ 514,652,269

	2023			
	Defined Contribution Plan	Defined Benefit Plan	VEBA	Total
Assets				
Receivable, investment interest receivable	$ -	$ 1,100	$ 13,772	$ 14,872
Trade receivable, due from broker	-	-	-	-
Cash and cash equivalents	28,195,849	778,163	338,130	29,312,142
Investments at fair value:				
Mutual funds, bonds	17,745,597	18,695,086	53,353,849	89,794,532
Mutual funds, equity	130,774,490	26,132,357	144,658,390	301,565,237
Real estate fund investment	-	3,932,003	42,471,497	46,403,500
Self-directed brokerage account				
Equity securities/stocks	9,997,083	-	-	9,997,083
Certificates of deposit (negotiable)	349,683	-	-	349,683
Mutual funds, equity	454,285	-	-	454,285
Participants note receivable	3,439,525	-	-	3,439,525
	-	-	-	-
Total assets	190,956,512	49,538,709	240,835,638	481,330,859
Liabilities				
Trade payable, due to broker/other	-	15,476	2,365,067	2,380,543
Net Position, Held in Trust for Pension and Other Employee Benefits	$ 190,956,512	$ 49,523,233	$ 238,470,571	$ 478,950,316

Detail of Statement of Changes in Fiduciary Net Position -
Pension and OPEB Trust Funds
Years Ended June 30, 2024 and 2023

	2024			
	Defined Contribution Plan	**Defined Benefit Plan**	**VEBA**	**Total**
Increases				
Investment income:				
Net appreciation in fair value of investments	$ 22,518,517	$ 2,980,011	$ 19,047,703	$ 44,546,231
Interest and dividend income	3,363,114	1,153,670	5,252,303	9,769,087
Net investment income	25,881,631	4,133,681	24,300,006	54,315,318
Employer contributions	9,435,006	-	65,286	9,500,292
Interest from participant notes receivable	189,210	-	-	189,210
Other	269,948	-	-	269,948
Total increases	35,775,795	4,133,681	24,365,292	64,274,768
Decreases				
Retiree benefits paid	13,525,681	4,995,541	9,180,680	27,701,902
Loan defaults	331,152	-	-	331,152
Participants' note and administrative fees	152,962	127,599	259,201	539,762
Total decreases	14,009,795	5,123,140	9,439,881	28,572,816
Change in net position held in trust	21,766,000	(989,459)	14,925,411	35,701,952
Net Position Held in Trust for Pension and Other Employee Benefits				
Beginning	190,956,512	49,523,233	238,470,571	478,950,316
Ending	$ 212,722,512	$ 48,533,774	$ 253,395,982	$ 514,652,268

Detail of Statement of Changes in Fiduciary Net Position -
Pension and OPEB Trust Funds
Years Ended June 30, 2024 and 2023

	2023			
	Defined Contribution Plan	**Defined Benefit Plan**	**VEBA**	**Total**
Increases				
Investment income:				
Net appreciation in fair value of investments	$ 14,923,330	$ 2,662,472	$ 15,226,432	$ 32,812,234
Interest and dividend income	3,131,258	1,471,375	5,999,336	10,601,969
Net investment income	18,054,588	4,133,847	21,225,768	43,414,203
Employer contributions	11,648,704	-	68,076	11,716,780
Interest from participant notes receivable	131,862	-	-	131,862
Other	84,494	-	-	84,494
Total increases	29,919,648	4,133,847	21,293,844	55,347,339
Decreases				
Retiree benefits paid	21,900,248	5,142,408	10,627,788	37,670,444
Loan defaults	396,895	-	-	396,895
Participants' note and administrative fees	149,530	126,980	335,579	612,089
Total decreases	22,446,673	5,269,388	10,963,367	38,679,428
Change in net position held in trust	7,472,975	(1,135,541)	10,330,477	16,667,911
Net Position Held in Trust for Pension and Other Employee Benefits				
Beginning of year	183,483,537	50,658,774	228,140,094	462,282,405
End of year	$ 190,956,512	$ 49,523,233	$ 238,470,571	$ 478,950,316

Agenda Item Presentations:

Lansing Board of Water and Light Update
Smart Meters and Shut-offs

No Materials

MEMO TITLE:	**Public Safety Project Q4 2024 Quarterly Update**
TO:	**The City of Lansing**
PRESENTED BY:	**John McGraw - River Caddis Development**
DATE:	**January 2025**

PROJECT TEAM

Owner Representative: River Caddis Development

Construction Manager: Christman Company

Design Team: Hobbs and Black Architects | BKV Group

Overview

River Caddis Development is honored to provide this quarterly update for the City of Lansing on the Public Safety Consolidated Facility project. This report consolidates progress and planning details from The Christman Company and Hobbs + Black Architects. We remain grateful for the opportunity to collaborate with the City of Lansing and its partners to deliver this transformative project, enhancing public safety infrastructure while meeting budget and timeline expectations.

Current Project Status – 2024 First Quarter Overview

Construction Progress

The Christman Company has updated the cost model for the Public Safety Consolidated Facility, reflecting design documentation from Hobbs + Black Architects and BKV Group as of March 14, 2023. Construction activities and bid packages have progressed as follows:

1. **Bid Packages Underway or Completed**:
   - Abatement and mass demolition of main site buildings.
   - Mass grading and site utilities.
   - Structural foundations and steel for the main building and parking structure.
   - Construction for Fire Stations #2 and #9.
2. **Bid Packages Currently Being Bid**
   - Core and shell construction for the consolidated facility.
   - Geothermal System.
3. **Key Milestones Achieved**:

- Secured site work permits for the South Washington site.
- Completed 90% of underground utility work for the site.
- Finalized designs for specialized fire training facilities, including the LFD Burn Tower and trench rescue.
- Progressed on the geo-thermal wellfield with successful test well installation and thermal conductivity testing.
- Continued weekly project team meetings and coordination with utility providers and City departments.

Coordination and Design Updates

- Developed the furniture and equipment bid packages to be bid by the City.
- Continued coordination with the City IT department, facilities group, and external utility providers.
- Review and approved Requests for Information (RFIs), addenda, bulletins, and shop drawings to support the construction timeline.

Budget

The project remains on track within the $175M budget with minimal adjustments to contingencies. Independent cost reviews and bid evaluations confirm feasibility within the timeline and budget parameters.

Next Quarter Look Ahead – 1st Quarter Projections

Anticipated Construction Activities

1. **Fire Stations**:
   - Demolition and commencement of construction at Fire Station #2.
   - Award and initiation of construction for Fire Training Facility (Bid Package #11).
   - Continued work on Fire Station #9.
2. **South Washington Site**:
   - Finalize geo-thermal wellfield design.
   - Continue construction of the Public Safety Building and Parking Ramp.
   - Award contracts for landscaping, asphalt, and site concrete (Bid Package #16).

3. **Public Safety Building**:
    - Commence above-ground construction activities.
    - Process and approve shop drawings for major electrical equipment and structural steel.
    - Initiate work on interior systems and miscellaneous steel (Bid Package #10B).

Ongoing Coordination

- Maintain engagement with the Lansing Arts Council for design enhancements.
- Finalize Real Time Crime Center design for the Lansing Police Department.
- Continue weekly team meetings and procurement for furniture and equipment.

Future Planning

Bid Packages #14 (Fire Station #8 renovations) and #15 (storage buildings) are expected to proceed pending approval in the upcoming quarter.

In Summary

The Public Safety Consolidated Facility project represents a critical investment in Lansing's future. We are thrilled with the progress achieved to date and remain fully committed to delivering a state-of-the-art facility that will serve the City for decades to come. River Caddis Development, along with the project partners, thanks the City of Lansing for entrusting us with this important project. We look forward to continued collaboration and success in the upcoming phases.

Sincerely,

John McGraw
President
River Caddis Development

Attached:
****Cost Model narrative from Christman****

January 15, 2025

River Caddis Development

4215 Legacy Parkway

Lansing, MI 48911

Attention: Mr. John McGraw, President & COO

RE: Public Safety Consolidated Facility – Quarterly High-Level Cost Model Narrative

The Christman Company has updated the cost model for the Public Safety Bond Election based on the most current design development documentation provided by Hobbs + Black Architects and BKV Group as of March 14, 2023. Additionally, we have procured certain bid packages as we have begun construction while we complete the design and finalize the project documents.

Current Bid Packages Under or in Process of Contract:

A. Combined Public Safety Building
    a. Bid Package No. 1 – Abatement
    b. Bid Package No. 2 – Mass Demolition of Main Site Buildings
    c. Bid Package No. 3 – Mass Grading and Site Utilities
    d. Bid Package No. 4 – Structural Foundations (Main Building / Parking Structure)
    e. Bid Package No. 5 – Generator Equipment
    f. Bid Package No. 6 – Structural Steel
    g. Bid Package No. 7 – Core & Shell
    h. Bid Package No. 8 – Fire Station No. 2
    i. Bid Package No. 9 – Fire Station No. 9

Our Cost Model based on the following scopes, not including packages listed above:

A. New Construction – Consolidated Facility
    a. Police Department Headquarters relocation from Wise Road and Downtown Locations
    b. Fire Training Center
    c. Relocation of 54A District Court
    d. Relocation of Detention Center for Police Department and District Court.
    e. Relocation of Fire Department Executive Administration from Fire Station No. 1
    f. Parking Structure & Connector
    g. GeoThermal Wellfield
    h. Low Voltage Systems
    i. Site Improvements

B. Renovations
    a. Update of Fire Station No. 8
    b. Relocation of Existing Buildings for Police Out Building for Dive, Radio Lab & Fleet Maintenance Support

C. Alternates priced out for consideration include
   a. Police Range & Special Tactics / Rescue Team
   b. Police Command Vehicle Storage
   c. Enhanced Fire Training Facilities
   d. Add Carports and Solar Panels

Based on the information currently presented by Hobbs + Black Architects, BKV Group and associated consultants, and all bids received and awards to date, we believe this is viable within reasonable assumptions and the given timeline. As the Construction Manager on this project, we believe we can build the new construction and renovation projects within the timeline and budget of $175M.

Sincerely,

The Christman Company

Patrick Schrauben

Patrick Schrauben

Senior Project Manager

cc: Robert Crowe, The Christman Company, Vice President

2025 Council Member Board and Commission Assignments-

Capital Area Michigan Works Admin. Board: *Council Members Pehlivanoglu, Kost and Carter*
Capital Region Airport Authority: *Council Member Spadafore*
City of Lansing & Charter Township of Lansing Liaison Commission: *Council Member Pehlivanoglu*
Community Corrections Advisory Board: *Council Member Kost*
Downtown Lansing, Inc.: *Council Member Spadafore*
Employee Retirement: *Council Member Garza*
Police & Fire Retirement: *Council Member Garza*
Lansing Entertainment & Public Facilities Authority: *Council Member Jackson*
Planning Commission: *Council Members Kost and Hussain*
Tri-County on Aging Consortium Board: *Council Members Kost and Pehlivanoglu*
Tri-County Regional Planning Commission: *Council Members Hussain, Pehlivanoglu and Spadafore*