1) Call to Order
2) Approval of TIFA Board of Directors Meeting Minutes – Friday, January 10, 2020
3) TIFA Audited Financial Statements – YE June 30, 2019 (Action)
4) Resolution Authorizing Issuance of Refunding Bonds (Action)*
5) Open Forum for TIFA Board Members
6) Other Business
7) Public Comment
8) Adjournment
Members Present: Calvin Jones, Thomas Donaldson, Shelley Davis-Boyd Brian McGrain, Fred Schaible, Blake Johnson, Kimberly Coleman, James Butler III
Members Absent: Andrea Binoniemi (E)
Temp Members Present: None
Staff Present: Karl Dorshimer, Hannah Bryant, Kris Klein, Rachel McIlvaine, Jennifer Abood-Morris
Guests: Jeff Scharnowske

Call to Order
Chair Jones welcomed everyone and called the TIFA Board of Directors Meeting to order at 9:41 a.m.

Approval of TIFA Board of Directors Meeting Minutes – Friday, December 6, 2019

MOTION: McGrain moved to approve the TIFA Board Meeting Minutes from December 6, 2019, as presented. Motion seconded by Coleman.

YEAS: Unanimous. Motion Carried.

Update on Financials
Klein shared that Fiscal Year 2018-2019 Year End Financials will be presented at the February 2020 Meeting by Rehmann.

Open Forum for TIFA Board Members
None was provided.

Other Business
No other business was presented.

Public Comment
None was provided.

Adjournment
There being no further business, Chair Jones declared the TIFA Board of Directors meeting adjourned at 9:44 a.m.

Karl Dorshimer, Director of Economic Development
Lansing Economic Area Partnership (LEAP)
INDEPENDENT AUDITORS’ COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

December 19, 2019

Board of Directors
Tax Increment Financing Authority of the City of Lansing
Lansing, Michigan

We have audited the financial statements of the governmental activities and the major fund of the Tax Increment Financing Authority of the City of Lansing (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2019, and have issued our report thereon dated December 19, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 15, 2019, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated December 19, 2019.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on October 29, 2019.
Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Authority’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

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

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. There are no significant estimates for the year ended June 30, 2019.

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.
Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment A to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the Tax Increment Financing Authority of the City of Lansing and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

[Signature]

Rehmann Horan & S serve LLC
TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF LANSING

□ Attachment A - Upcoming Changes in Accounting Standards / Regulations
For the June 30, 2019 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 84 ■ Fiduciary Activities
Effective 12/15/2019 (your FY 2020)

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the Authority.

GASB 87 ■ Leases
Effective 12/15/2020 (your FY 2021)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period
Effective 12/15/2020 (your FY 2021)

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the Authority.

GASB 90 ■ Majority Equity Interests
Effective 12/15/2019 (your FY 2020)

This standard addresses situations in which a government acquires a majority of the equity interest in a legally separate organization, and whether such holdings should be reported as an investment or a component unit. We do not expect this standard to have any significant effect on the Authority.

GASB 91 ■ Conduit Debt Obligations
Effective 12/15/2021 (your FY 2022)

This standard defines “conduit debt obligations”, where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the Authority.
The following pages contain the written representations that we requested from management.
December 19, 2019

Rehmann Robson
2330 East Paris Avenue, SE
Grand Rapids, Michigan 49546

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and the major fund of Tax Increment Financing Authority of the City of Lansing (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan as of and for the year ended June 30, 2019, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and the budgetary comparison of the general fund of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 19, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 15, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. With regard to items reported at fair value:
   a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated courses of action.
   b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
   c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
   d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

9. All funds and activities are properly classified.

10. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

11. All components of net position and fund balance classifications have been properly reported.

12. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

13. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

14. All interfund and intra-entity transactions and balances have been properly classified and reported.

15. Deposit and investment risks have been properly and fully disclosed.

16. All required supplementary information is measured and presented within the prescribed guidelines.

**Information Provided**

17. We have provided you with:
   a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
   b. Additional information that you have requested from us for the purpose of the audit; and
   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

18. All transactions have been recorded in the accounting records and are reflected in the financial statements.

19. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

20. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
   a. Management;
   b. Employees who have significant roles in internal control; or
   c. Others where the fraud could have a material effect on the financial statements.

21. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, vendors, regulators, or others.

22. We are not aware of any litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Karl Dofshimer, Vice President of Economic Development, LEAP, Inc.
Authorized Signatory on behalf of the Tax Increment
Finance Authority of the City of Lansing

Jennifer Abood Morris, Vice President of Finance, LEAP, Inc.
Authorized Signatory on behalf of the Tax Increment
Finance Authority of the City of Lansing

The undersigned are representatives of the City of Lansing, Michigan, which provides accounting services for the Tax Increment Finance Authority of the City of Lansing, as a component unit of the City of Lansing, Michigan:

Shelbi Frayer, Chief Strategy Officer, City of Lansing, Michigan

Jeff Scharnowske, Accounting Manager, City of Lansing, Michigan
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  Government-wide Financial Statements:
    Statement of Net Position
    Statement of Activities
  Fund Financial Statements:
    Balance Sheet - Governmental Fund
    Reconciliation of Fund Balance of Governmental Fund to Net Position of Governmental Activities
    Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
    Reconciliation of Net Change in Fund Balance of Governmental Fund to Change in Net Position of Governmental Activities
  Notes to Financial Statements

Internal Control and Compliance
  Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
INDEPENDENT AUDITORS’ REPORT

December 19, 2019

Board of Directors
Tax Increment Finance Authority of the City of Lansing
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Tax Increment Finance Authority of the City of Lansing (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Independent Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Tax Increment Finance Authority of the City of Lansing as of June 30, 2019, and the respective changes in financial position thereof and the budgetary comparison of the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Required Supplementary Information**

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2019 on our consideration of the Tax Increment Finance Authority of the City of Lansing’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority’s internal control over financial reporting and compliance.
Management’s Discussion and Analysis

The Tax Increment Finance Authority of the City of Lansing (the “Authority”) was established by the City of Lansing (the “City”) on May 26, 1981, under the authority contained in Act 450, Michigan Public Acts of 1980 (the “Act”). The Authority presents this management’s discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended June 30, 2019.

Using this Annual Report

The discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The basic financial statements are comprised of the following:

- The statement of net position presents information on all of the Authority’s assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The statement of activities presents information showing how the Authority’s net position changed during the most recent fiscal year.
- The governmental fund balance sheet presents information on the Authority’s assets and liabilities, with the difference between the two reported as fund balance.
- The statement of revenues, expenditures and change in fund balance - budget and actual - general fund presents information showing the comparison of the Authority’s actual revenues and expenditures to what was budgeted.
- The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Government-wide Financial Statements. The net position of the Authority is summarized for the purpose of determining the overall financial position. The Authority’s liabilities exceeded assets and deferred outflows of resources by $39,902,166 at the end of the fiscal year. This is the result of recognizing the entire amount of outstanding debt (full accrual accounting), without a corresponding receivable for taxes to be captured in future periods (which cannot be accrued in accordance with generally accepted accounting principles).

A comparative analysis of the data is presented below:

<table>
<thead>
<tr>
<th></th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$1,158,883</td>
</tr>
<tr>
<td>Restricted assets</td>
<td>2,758,415</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,917,298</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
</tr>
<tr>
<td>Deferred charge on bond refunding</td>
<td>1,090,578</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>214,705</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>44,695,337</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>44,910,042</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>$(39,902,166)</td>
</tr>
</tbody>
</table>
Management's Discussion and Analysis

When comparing the current fiscal year to the previous fiscal year, net position decreased by $580,367, as compared to the prior year increase in net position of $530,645. The main cause for this change is an increase in interest expense related to long-term debt which increased during the year due to a refunding bond issue.

<table>
<thead>
<tr>
<th>Change in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
</tr>
<tr>
<td>General revenues</td>
</tr>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Change in net position</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
</tr>
<tr>
<td>Net position, end of year</td>
</tr>
</tbody>
</table>

General Fund Financial Analysis

At the end of the current fiscal year, the Authority's governmental fund (the general fund) reported an ending fund balance of $3,917,298, a decrease of $445,559 in comparison to the prior year. The primary reason for this decrease is an increase in interest and fiscal charges paid on debt service which increased during the year due to a refunding bond issue.

General Fund Budgetary Highlights

In accordance with State statute, the Authority adopts a budget annually prior to the commencement of the fiscal year. The budget may be amended during the year by formal resolution of the Board of Directors. The original budget was amended during the year to add amounts related to the issuance of the 2019 refunding bonds.

Property tax revenue was $89,420 over budget. Tax revenues came in higher than expected primarily due to personal property values being greater than the preliminary projections.

Capital Assets. The Authority has no capital assets at this time.

Debt Administration

At the end of the current fiscal year, the Tax Increment Finance Authority of the City of Lansing had total debt outstanding of $44,695,337. The current interest portion of the 2009 refunding bonds (as well as accreted interest related to these bonds) were refunded during fiscal 2019 by the $7.7 million 2019 refunding bonds. The new refunding issue also partially refunded the capital appreciation bond portion of the 2009 refunding bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City of Lansing, Michigan. These bonds are outstanding with varying amounts of principal maturing until 2040.
TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF LANSING

Management’s Discussion and Analysis

<table>
<thead>
<tr>
<th>Outstanding Debt</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>$27,860,758</td>
<td>$26,348,459</td>
</tr>
<tr>
<td>Lease contract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>11,029,889</td>
<td>11,029,889</td>
</tr>
<tr>
<td>Accreted interest</td>
<td>5,877,152</td>
<td>4,800,328</td>
</tr>
<tr>
<td>Unamortized discount on bonds</td>
<td>(72,462)</td>
<td>(78,501)</td>
</tr>
<tr>
<td>Total outstanding debt</td>
<td>$44,695,337</td>
<td>$42,100,175</td>
</tr>
</tbody>
</table>

Additional information on the Authority’s long-term debt can be found in Note 6 of the financial statements.

Economic Factors

The Tax Increment Finance Authority of the City of Lansing’s expenses are governed by the laws of the State of Michigan and bond indenture covenants. These laws and covenants determine how bond proceeds are spent and how and when debt retirement payments are made.

Requests for Information

This financial report is designed to provide a general overview of the Tax Increment Finance Authority of the City of Lansing finances and to show accountability for the money it receives and expends. Additional information on the Authority can be found on the City of Lansing’s website at www.lansingmi.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: 1000 S. Washington Avenue, Lansing, Michigan 48910-3201.
BASIC FINANCIAL STATEMENTS
## Statement of Net Position

June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,158,738</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>145</td>
</tr>
<tr>
<td>Restricted cash and investments</td>
<td>2,758,415</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,917,298</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
</tr>
<tr>
<td>Deferred charge on bond refunding</td>
<td>1,090,578</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>214,705</td>
</tr>
<tr>
<td>Long-term debt:</td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>254,719</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>44,440,618</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>44,910,042</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>$ (39,902,166)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF LANSING

| Statement of Activities |  
For the Year Ended June 30, 2019 |

| Expenses |  
Development expenses | $900,890 |
| Interest on long-term debt | $2,689,511 |
| **Total expenses** | **3,590,401** |

| General revenues |  
Property taxes | $2,879,420 |
| Unrestricted investment earnings | $130,614 |
| **Total general revenues** | **3,010,034** |

| Change in net position | $(580,367) |
| Net position, beginning of year | $(39,321,799) |
| **Net position, end of year** | **$(39,902,166)** |

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

Governmental Fund  
June 30, 2019

<table>
<thead>
<tr>
<th>General Fund</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$949,404</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>145</td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
</tr>
<tr>
<td>Restricted cash and investments</td>
<td>2,758,415</td>
</tr>
<tr>
<td>Equity in pooled cash and investments of the City of Lansing, Michigan</td>
<td>209,334</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$3,917,298</td>
</tr>
<tr>
<td><strong>Fund balance</strong></td>
<td></td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>$2,967,749</td>
</tr>
<tr>
<td>Unassigned</td>
<td>949,549</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td>$3,917,298</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance - governmental fund</td>
<td>$3,917,298</td>
</tr>
<tr>
<td>Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$(44,695,337)</td>
</tr>
<tr>
<td>Deferred charge on bond refunding</td>
<td>$1,090,578</td>
</tr>
<tr>
<td>Accrued interest on long-term debt</td>
<td>$(214,705)</td>
</tr>
<tr>
<td>Net position of governmental activities</td>
<td>$(39,902,166)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$2,746,270</td>
<td>$2,790,000</td>
<td>$2,879,420</td>
<td>$89,420</td>
</tr>
<tr>
<td>Interest</td>
<td>65,295</td>
<td>115,000</td>
<td>130,614</td>
<td>15,614</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,811,565</td>
<td>2,905,000</td>
<td>3,010,034</td>
<td>105,034</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>137,000</td>
<td>139,000</td>
<td>118,772</td>
<td>(20,228)</td>
</tr>
<tr>
<td>Capital projects - courts</td>
<td>574,400</td>
<td>574,000</td>
<td>573,367</td>
<td>(633)</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>311,573</td>
<td>311,573</td>
<td>311,573</td>
<td>-</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>2,452,427</td>
<td>2,452,427</td>
<td>2,451,881</td>
<td>(546)</td>
</tr>
<tr>
<td>Bond issuance costs</td>
<td></td>
<td>256,000</td>
<td>208,751</td>
<td>(47,249)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,475,400</td>
<td>3,733,000</td>
<td>3,664,344</td>
<td>(68,656)</td>
</tr>
<tr>
<td><strong>Revenues over (under) expenditures</strong></td>
<td>(663,835)</td>
<td>(828,000)</td>
<td>(654,310)</td>
<td>173,690</td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of long-term debt</td>
<td>-</td>
<td>7,730,000</td>
<td>7,730,000</td>
<td>-</td>
</tr>
<tr>
<td>Payment to refunding bond escrow agent</td>
<td>-</td>
<td>(7,652,700)</td>
<td>(7,521,249)</td>
<td>(131,451)</td>
</tr>
<tr>
<td>Discount on issuance of long-term debt</td>
<td>-</td>
<td>(77,300)</td>
<td>-</td>
<td>(77,300)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>-</td>
<td></td>
<td>208,751</td>
<td>(208,751)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>(663,835)</td>
<td>(828,000)</td>
<td>(445,559)</td>
<td>382,441</td>
</tr>
<tr>
<td><strong>Fund balance, beginning of year</strong></td>
<td>4,362,857</td>
<td>4,362,857</td>
<td>4,362,857</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance, end of year</strong></td>
<td>$3,699,022</td>
<td>$3,534,857</td>
<td>$3,917,298</td>
<td>$382,441</td>
</tr>
</tbody>
</table>

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

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2019

Net change in fund balance - governmental fund $ (445,559)

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

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.
- Amortization of deferred issuance discounts and deferred charge on bond refunding (6,039)
- Change in accrued interest on bonds payable (231,591)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.
- Issuance of long-term debt (7,730,000)
- Principal payments on long-term debt 311,573
- Payment to refunding bond escrow agent 7,521,249

Change in net position of governmental activities $ (580,367)

The accompanying notes are an integral part of these financial statements.
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tax Increment Finance Authority of the City of Lansing (the “Authority”), a component unit of the City of Lansing, was established by the City of Lansing (the “City”) on May 26, 1981, under the authority contained in Act 450, Michigan Public Acts of 1980 (the “Act”). The Act authorizes the City to designate specific districts within its corporate limits as Tax Increment Finance Authority Districts (the “Districts”). The Authority is appointed to preside over such Districts, and it is authorized to formulate plans for public improvements, economic development, neighborhood revitalization and historic preservation within the Districts. The Act allows the Authority to participate in a broad range of improvement activities intended to contribute to economic growth and prevent property value deterioration. Tax increment financing plans must be approved by the City.

The Authority is a component unit of the City because the City appoints the Authority’s Board of Directors, it has the ability to significantly influence the Authority’s operations and it is financially accountable for the Authority as defined under GASB Statement No. 61, The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34. Accordingly, the Authority is presented as a discrete component unit in the City’s financial statements and is an integral part of that reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Authority.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial information is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial information is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.
Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports a single major governmental fund - the general fund. The general fund is the Authority’s primary operating fund. It accounts for all financial resources of the Authority, except those accounted for and reported in another fund, if any.

**Deposits and Investments**

The Authority’s cash and cash equivalents are considered to be cash on hand and demand deposits and amounts held by the City of Lansing, Michigan for the benefit of the Authority.

Restricted cash consists of amounts required to be maintained separately in accordance with bond covenants.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

State statutes authorize the Authority to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers’ acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Authority follows the investment policy of the City of Lansing.

**Due From/To Primary Government**

The balance reported as due from/to primary government consists of short-term timing differences between the receipt and disbursement of amounts held by the City on the Authority's behalf.
Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority only has one item that qualifies for reporting in this category, which is the deferred charge on bond refunding. A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Long-term Obligations

In the government-wide financial statements, long-term debt is reported as a liability. Bond discounts, if any, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the period in which new debt is issued. The face amount of debt issued is reported as an other financing source. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance, if any, is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. A formal resolution of the Board of Directors is required to establish, modify, or rescind a fund balance commitment. The Authority reports assigned fund balance for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The Authority currently has no assigned fund balance, as the Board of Directors has not yet given the authority for the making of such assignments. Unassigned fund balance is the residual classification for the general fund.

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

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.
Notes to Financial Statements

2. BUDGETARY INFORMATION

The Authority has established the following procedures for determining the budgetary data presented in the accompanying financial statements:

- The secretary of the Authority’s Board of Directors submits to the City Council of the City of Lansing a proposed operating budget for the fiscal year commencing the following July 1st. The budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to July 1st, the budget is legally adopted by City Council resolution, pursuant to the Uniform Budgeting and Accounting Act (P.A. 621). This act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or to allow expenditures in excess of original estimates. Expenditures shall not be made or incurred unless authorized in the budget and shall not exceed the amount appropriated.
- Formal budgetary integration is employed as a management control device during the year for the funds.
- Budgets are adopted on a basis consistent with generally accepted accounting principles.
- Expenditures may not exceed budget at the activity level.

3. NET POSITION/FUND BALANCE

The statement of net position shows an unrestricted deficit of $39,902,166 which is due to the full accrual accounting of all long-term debt, without reflecting a corresponding receivable for tax captures to be received in future periods (which cannot be accrued in accordance with generally accepted accounting principles). Total fund balance amounts to a positive balance of $3,917,298, and unassigned fund balance amounts to $949,549.

4. DEPOSITS

Following is a reconciliation of deposit balances as of June 30, 2019:

<table>
<thead>
<tr>
<th>Statement of net position</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,158,738</td>
</tr>
<tr>
<td>Restricted cash and investments</td>
<td>2,758,415</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,917,153</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deposits and investments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents in money market funds</td>
<td>$1,158,738</td>
</tr>
<tr>
<td>Investments</td>
<td>2,758,415</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,917,153</strong></td>
</tr>
</tbody>
</table>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned. State law does not require and the Authority does not have a policy for deposit custodial credit risk. As of year-end, $3,457,918 of the Authority’s bank balance of $3,707,819 was exposed to custodial credit risk because it was uninsured and uncollateralized.
Certain of the above cash and pooled investments are held by the City of Lansing, Michigan. Specific deposit and investment accounts are not held in the name of the Authority. The amount of federal depositary insurance and custodial credit risk of investments is determined for the City of Lansing, Michigan as a whole, and cannot be separately identified for the Authority.

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

**Custodial Credit Risk - Investments.** As of June 30, 2019, the Authority's investments consisted of money market accounts in the amount of $92,692 and U.S. government debt securities totaling $2,665,723.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

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

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P AA+</td>
<td>$2,003,943</td>
</tr>
<tr>
<td>Unrated</td>
<td>661,780</td>
</tr>
<tr>
<td>Assets not subject</td>
<td></td>
</tr>
<tr>
<td>to credit risk</td>
<td>92,692</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,758,415</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within 1 year</td>
<td>$727,549</td>
</tr>
<tr>
<td>Due in 1 - 5 years</td>
<td>1,938,174</td>
</tr>
<tr>
<td>No maturity</td>
<td>92,692</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,758,415</strong></td>
</tr>
</tbody>
</table>
Notes to Financial Statements

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

Fair Value Measurements. The Authority 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. As of June 30, 2019, all of the Authority’s investments were classified as level 2 fair value.

5. LEASE CONTRACTS

The Authority entered into a 20-year lease contract with the City of Lansing to assist in the financing of various automobile parking structures and lots. On September 1, 2009 the lease agreement was amended extending the payment schedule through 2039. Upon termination of the contract, the City shall convey the project and the sites to the Authority without consideration if permissible under the City Charter and applicable State law. The lease amortization is disclosed in Note 6.

The Authority has entered into a payment agreement with the City to use excess tax increment revenues to make lease payments pursuant to an operating lease between the City and the City of Lansing and County of Ingham Joint Building Authority (the “Joint Authority”) related to the City’s use of a building constructed by the Joint Authority. The total of such payments amounted to $573,367 for the year ended June 30, 2019. The last payment related to this lease is due November 1, 2019 in the amount of $571,900.

6. LONG-TERM DEBT

The following is a summary of debt transactions of the Authority for the year ended June 30, 2019:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>$ 26,348,459</td>
<td>$ 7,730,000</td>
<td>$ (6,217,701)</td>
<td>$ 27,860,758</td>
<td>$ 260,758</td>
</tr>
<tr>
<td>Direct borrowings and and direct placements: Lease contract</td>
<td>11,029,889</td>
<td>-</td>
<td>-</td>
<td>11,029,889</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>37,378,348</td>
<td>7,730,000</td>
<td>(6,217,701)</td>
<td>38,890,647</td>
<td>260,758</td>
</tr>
<tr>
<td>Add: Accreted interest on lease contract</td>
<td>4,800,328</td>
<td>1,076,824</td>
<td>-</td>
<td>5,877,152</td>
<td>-</td>
</tr>
<tr>
<td>Less: Unamortized discount on general obligation bonds</td>
<td>(78,501)</td>
<td>-</td>
<td>6,039</td>
<td>(72,462)</td>
<td>(6,039)</td>
</tr>
<tr>
<td></td>
<td>$ 42,100,175</td>
<td>$ 8,806,824</td>
<td>$ (6,211,662)</td>
<td>$ 44,695,337</td>
<td>$ 254,719</td>
</tr>
</tbody>
</table>
TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF LANSING

Notes to Financial Statements

General obligation bonds
$3,720,000 2014 refunding bonds due in amounts ranging from $395,000 through $545,000 plus interest at 4.75% through 2039 (unlimited tax, general obligation). $3,720,000

$25,108,133 1994 tax increment revenue bonds, unrefunded portion, due in one remaining installment of $260,758 plus interest ranging at 7.10% due May 1, 2020 (unlimited tax, general obligation). 260,758

$16,150,000 2017 refunding bonds due in amounts ranging from $670,000 through $1,640,000 plus interest ranging from 3.305% to 4.075% through 2040 (unlimited tax, general obligation). 16,150,000

$7,730,000 2019 refunding bonds due in amounts ranging from $865,000 through $1,335,000 plus interest ranging from 3.050% to 3.680% through 2031 (unlimited tax, general obligation). 7,730,000

Total general obligation bonds $27,860,758

Annual debt service requirements to maturity for the Authority’s general obligation bonds are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$260,758</td>
<td>$2,331,212</td>
<td>$2,591,970</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>1,067,034</td>
<td>1,067,034</td>
</tr>
<tr>
<td>2022</td>
<td>-</td>
<td>1,067,034</td>
<td>1,067,034</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
<td>1,067,034</td>
<td>1,067,034</td>
</tr>
<tr>
<td>2024</td>
<td>-</td>
<td>1,067,034</td>
<td>1,067,034</td>
</tr>
<tr>
<td>2025-2029</td>
<td>7,745,000</td>
<td>4,862,196</td>
<td>12,607,196</td>
</tr>
<tr>
<td>2030-2034</td>
<td>8,595,000</td>
<td>3,271,412</td>
<td>11,866,412</td>
</tr>
<tr>
<td>2035-2039</td>
<td>9,620,000</td>
<td>1,443,255</td>
<td>11,063,255</td>
</tr>
<tr>
<td>2040</td>
<td>1,640,000</td>
<td>33,415</td>
<td>1,673,415</td>
</tr>
</tbody>
</table>

$27,860,758 $16,209,626 $44,070,384

Direct borrowings and direct placements
$49,660,000 1994 lease contract due in annual installments ranging from $158,540 to $2,262,649 beginning in 2020 and continuing through 2039. Interest is charged semi-annually at 3.35%. Any unpaid interest in a given year is accreted. $11,029,889
Notes to Financial Statements

Annual debt service requirements to maturity for the Authority’s direct borrowings and direct placements are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$</td>
<td>$ 158,540</td>
<td>$ 158,540</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>1,206,138</td>
<td>1,206,138</td>
</tr>
<tr>
<td>2022</td>
<td>-</td>
<td>1,157,090</td>
<td>1,157,090</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
<td>1,096,410</td>
<td>1,096,410</td>
</tr>
<tr>
<td>2024</td>
<td>-</td>
<td>1,030,242</td>
<td>1,030,242</td>
</tr>
<tr>
<td>2025-2029</td>
<td>-</td>
<td>4,661,012</td>
<td>4,661,012</td>
</tr>
<tr>
<td>2030-2034</td>
<td>533,923</td>
<td>4,593,186</td>
<td>5,127,109</td>
</tr>
<tr>
<td>2035-2039</td>
<td>9,311,156</td>
<td>2,358,671</td>
<td>11,669,827</td>
</tr>
<tr>
<td>2040</td>
<td>1,184,810</td>
<td>39,640</td>
<td>1,224,450</td>
</tr>
<tr>
<td></td>
<td>$11,029,889</td>
<td>$16,300,929</td>
<td>$27,330,818</td>
</tr>
</tbody>
</table>

Advance Refunding. In May 2019, the City issued, on behalf of the Authority, $7,730,000 of General Obligation Limited Tax Refunding Bonds to advance refund $1,386,128 of the Authority’s 2009 capital appreciation refunding bonds, and $4,520,000 of the Authority’s 2009 current interest refunding bonds, as well as accreted interest related to these bonds. The refunded bonds were callable in May of 2019, so no bonds remain defeased at June 30, 2019 related to this transaction. The refunding resulted in a cash gain of $2,611,567 and an economic gain of $2,018,045.

Prior Year Defeased Debt

As of June 30, 2019, defeased bonds related to the 1990 Tax Increment Finance Authority Bonds were still outstanding in the amount of $2,320,000, as well as defeased bonds related to the prior year refunding of 1994 Tax Increment Finance Authority Bonds in the amount of $259,906. These are scheduled to be paid by the escrow agent in a final installment on May 1, 2020.

7. PROPERTY TAXES

Property tax revenue is derived pursuant to a tax increment financing agreement between the Authority and various applicable taxing districts. Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing district. The City of Lansing bills and collects the taxes on behalf of the Authority. Delinquent taxes on ad valorem real property are purchased by the County of Ingham. Property tax revenue is recognized when levied in the government-wide financial statements and in the fund financial statements to the extent that it results in current receivables.

Except for property taxes captured from local schools that exceed contractual obligations, the Authority is entitled to all taxes levied on property within the Tax Increment Finance Authority of the City of Lansing district to the extent that the current taxable value exceeds the base year taxable value.
The Economic Development Corporation of the City of Lansing (EDC) provides administrative services to the Authority; the Authority and the EDC share a common board of directors.

Administrative fees, consisting of operating costs charged to the Authority by EDC, were $118,772. The Authority has no liability for compensated absences or pension benefits.
INTERNAL CONTROL AND COMPLIANCE
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INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 19, 2019

Board of Directors
Tax Increment Finance Authority of the City of Lansing
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Tax Increment Finance Authority of the City of Lansing (the “Authority”), a discretely presented component unit of the City of Lansing, Michigan, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Purpose of This Report

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

Resolution of the Tax Increment Finance Authority of Lansing: (1) Authorizing Issuance of Refunding Bonds (Limited Tax General Obligation) (Federally Taxable) in one or more series for the purpose of refunding all or a portion of certain bonds; (2) Authorizing execution of documents and agreements necessary to effectuate the issuance and security for said Refunding Bonds; and (3) Authorizing and delegating to the Designated Officer the authority to make certain determinations and to take certain actions in connection with the sale and delivery of said Refunding Bonds.

At a regular meeting of the Board of Directors of the Tax Increment Finance Authority of Lansing (TIFA), Lansing, Michigan, held on the 7th day of February, 2020, at 3:00 p.m. Eastern Time, pursuant to notice duly given:

PRESENT:

ABSENT:

The following preamble and resolution was offered by:

Member: __________, and supported by:

Member: __________.

WHEREAS, the TIFA is a public body corporate established by the City of Lansing, Counties of Ingham and Eaton, Michigan (the “City”) pursuant to Act 450, Public Acts of Michigan, 1980, as amended (which has since been repealed and recodified as Part 3 of Act 57, Public Acts of Michigan, 2018) (“Act 57”); and

WHEREAS, pursuant to the Act, the TIFA has previously issued its 2009 Refunding Bonds (Limited Tax General Obligation) (Federally Taxable) in the original aggregate principal amount of $10,410,265.70 (the “2009 Bonds”) for the purpose of refunding a portion of its 1994 Development and Refunding Bond (Limited Tax General Obligation) (the “1994 Bond”); and

WHEREAS, pursuant to the provisions of the TIFA Act, the TIFA has previously issued its 2014 Refunding Bonds (Limited Tax General Obligation) (Federally Taxable) dated May 29, 2014 in the original aggregate principal amount of $3,720,000 (the “2014 Bonds”) for the purpose of refunding a portion of the 1994 Bond; and

WHEREAS, pursuant to the provisions of the TIFA Act, the TIFA has previously issued its 2017 Refunding Bonds (Limited Tax General Obligation) (Federally Taxable) dated December 21, 2017 in the original aggregate principal amount of $16,150,000 for the purpose of refunding the remaining outstanding portion of the 1994 Bond and a portion of the 2009 Bonds; and

WHEREAS, pursuant to the provisions of the TIFA Act, the TIFA has previously issued its 2019 Refunding Bonds (Limited Tax General Obligation) (Federally Taxable) dated May 8,
2019 in the original aggregate principal amount of $7,730,000 for the purpose of refunding the
remaining outstanding portion of the 2009 Bonds; and

WHEREAS, Robert W. Baird & Co. (the “Municipal Advisor”) has advised the TIFA that
it may be able to accomplish a net savings of debt service costs by refunding all or a portion of the
outstanding 2014 Bonds (the “Prior Bonds”); and

WHEREAS, the TIFA deems it advisable and in the best interests of the TIFA and the
City to refund all or a portion of the Prior Bonds through issuance of its 2020 Refunding Bonds
(Limited Tax General Obligation) (Federally Taxable) in an original aggregate principal amount
of not-to-exceed Five Million Dollars $5,000,000 (the “Refunding Bonds”); and

WHEREAS, the TIFA is empowered to and desires to authorize the issuance of the
Refunding Bonds; and

WHEREAS, if the Refunding Bonds are sold pursuant to a negotiated or
public/competitive sale, the TIFA desires to authorize the submission of disclosure information in
connection with the distribution of one or more preliminary official statements (together with any
supplements thereto, each a “Preliminary Official Statement”) and final official statements
(together with any supplements thereto, each an “Official Statement”) in connection with the
offering for sale of a certain series or all of the Refunding Bonds; and

WHEREAS, if the Refunding Bonds are sold pursuant to a negotiated or
public/competitive sale, one or more Underwriters (as defined herein) will require, as a condition
precedent to purchasing the Refunding Bonds, that the City agree on the TIFA’s behalf to provide
continuing disclosure as required by Section (b)(5) of Rule 15c2-12 promulgated by the Securities
and Exchange Commission under the Securities and Exchange Act of 1934, as amended; and

WHEREAS, the TIFA desires to delegate to its Designated Officer (the “Designated
Officer”) the authority to make certain determinations with respect to the Refunding Bonds within
the parameters of this Resolution and to take such other actions and make such other
determinations as may be necessary to accomplish the sale and delivery of the Refunding Bonds
and the transactions contemplated by this Resolution, as shall be confirmed in one or more Sale
Orders (as defined herein) without the necessity of the TIFA Board of Directors (“Board”) taking
further action.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE LANSING TAX INCREMENT FINANCE AUTHORITY, AS FOLLOWS:

1. If, upon the advice of the Municipal Advisor, refunding all or a portion of the Prior
Bonds would accomplish a net savings of debt service costs, then the TIFA shall issue the
Refunding Bonds in one or more series in an original aggregate principal amount of not-to-exceed
Five Million Dollars ($5,000,000), as finally determined upon sale thereof, for the purpose of (i)
refunding all or a portion of the Prior Bonds and (ii) paying related legal and financing fees and
expenses such as bond discount, and other expenses incidental to the financing related to the
issuance of the Refunding Bonds and the redemption of the Prior Bonds, all as finally confirmed
by the Designated Officer in the order or orders executed by the Designated Officer approving the
sale of any series of Refunding Bonds and making certain determinations and/or confirming the final details of such Refunding Bonds upon the sale thereof (the “Sale Order”) in accordance with the parameters of this Resolution and the terms of a Bond Purchase Agreement between the City and the Underwriters or purchaser or purchasers of the Refunding Bonds providing for the terms and conditions of the purchase of the Refunding Bonds (the “Bond Purchase Agreement”).

2. The Refunding Bonds shall be designated as the 2020 REFUNDING BONDS, (Limited Tax General Obligation) (Federally Taxable) with additional designations, if any, to be made as determined by the Designated Officer at the time of sale of the Refunding Bonds.

The Refunding Bonds shall mature as serial bonds or term bonds on the dates and in the amounts as shall be determined by the Designated Officer in the Sale Order executed at the time of sale of the Refunding Bonds. The Refunding Bonds shall bear interest at a rate or rates to be determined at the time of sale of the Refunding Bonds, but in any event not exceeding the interest rate provided in this Resolution.

The Refunding Bonds shall consist of bonds registered as to principal and interest of the denominations of any multiple of $5,000 not exceeding for each maturity the maximum principal amount of the Refunding Bonds of that maturity, and numbered consecutively in order of registration or transfer. Principal of and interest on the Refunding Bonds will be payable in the manner set forth in the form of bond shown in this Resolution; provided that the date of determination of the registered owner for purposes of payment of interest may be changed by the TIFA to conform to market practice in the future.

The Designated Officer is hereby authorized and directed to designate as bond registrar, paying agent and transfer agent (the “Transfer Agent”), a bank or trust company located in the State of Michigan (“State”) and qualified to carry out such duties under the laws of the State. The TIFA may designate a new Transfer Agent by notice mailed to the registered owner of each of the Refunding Bonds at such time outstanding not less than sixty (60) days prior to an interest payment date. The Designated Officer is hereby authorized to execute an agreement with the Transfer Agent on behalf of the TIFA.

The Refunding Bonds may be issued in book-entry only form through The Depository Trust Company in New York, New York (“DTC”) and the Designated Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Refunding Bonds in book-entry only form, and to make such changes in the form of the Refunding Bonds within the parameters of this Resolution as may be required to accomplish the foregoing. Notwithstanding the foregoing, if the Refunding Bonds are held in book-entry form by DTC, payment shall be made in the manner prescribed by DTC.

The Refunding Bonds shall be subject to optional redemption prior to maturity as determined by the Designated Officer at the time of sale of the Refunding Bonds. If term bonds are issued, the Refunding Bonds shall be subject to mandatory redemption prior to maturity as determined at the time of sale of the Refunding Bonds. Unless waived by the registered owner of any bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the TIFA and shall conform to the requirements set forth in the form of Bond. Such notice
shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the redemption date; the redemption price or premium; the place where bonds called for redemption are to be surrendered for payment; and that interest on bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Refunding Bonds shall be signed with the manual or facsimile signatures of the Chair and the Secretary of the TIFA. The Refunding Bonds shall have the corporate seal of the TIFA, or a facsimile thereof, impressed or imprinted thereon. No bond of this series of Refunding Bonds shall be valid until authenticated by an authorized officer of the Transfer Agent, unless the purchaser thereof does not require the Refunding Bonds to be authenticated. If the Refunding Bonds are not authenticated, then at least one signature on the Refunding Bonds shall be a manual signature. After execution, the Refunding Bonds shall be delivered to the purchaser thereof or the Transfer Agent, as applicable, by the Designated Officer upon payment of the purchase price therefor.

Executed blank bonds for registration of transfer shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Any of the Refunding Bonds may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond or bonds shall be surrendered for transfer, the TIFA shall execute and the Transfer Agent shall authenticate and deliver a new bond or bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the TIFA; and, upon presentation for such purpose, the Transfer Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, bonds as hereinbefore provided.

The Transfer Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days’ notice to the TIFA and the registered owners of the Refunding Bonds. The Transfer Agent may be removed by the TIFA upon 60 days’ notice to the Transfer Agent.
In the event of the resignation or removal of the Transfer Agent, the Transfer Agent shall pay over, assign and deliver all moneys and Refunding Bonds held by it in such capacity to its successor. Upon receipt of notice of resignation or the removal of the Transfer Agent the TIFA shall appoint a successor Transfer Agent by notice mailed to the registered owner not less than 60 days prior to the effective date of the appointment which shall also be not less than 60 days prior to any maturity date.

3. The term “Tax Increment Revenues” as used in this Resolution shall include any revenues received by or on behalf of the City or the TIFA in substitution for ad valorem property taxes which would otherwise be a part of Tax Increment Revenues, including State paid reimbursements for property tax exemptions and taxes levied in lieu of property taxes.

The Refunding Bonds shall be payable from the collection of Tax Increment Revenues to be collected in the TIFA’s Development Area (the “Development Area”), including any revenues received by the City or the TIFA in substitution for ad valorem property taxes which would otherwise be a part of Tax Increment Revenues, including State paid reimbursements for property tax exemptions and taxes levied in lieu of property taxes.

In addition, it is anticipated that City will, and the City is hereby requested to, pledge its limited tax full faith and credit for the prompt payment of the Refunding Bonds. Therefore, should the Tax Increment Revenue Payments at any time be insufficient to pay the principal of and interest on the Refunding Bonds as they become due, then the City shall advance as a first budget obligation payable from the general funds of the City such sums as are necessary to pay the principal of and interest on the Refunding Bonds when due. The City’s limited tax full faith and credit pledge for repayment of the Refunding Bonds includes the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. The TIFA shall reimburse the City for any such advance from tax increment revenues or other revenues of the TIFA. The rights or remedies of Bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

The Designated Officer is hereby authorized to negotiate and execute any indenture or indentures, or agreements as shall be deemed necessary by the Designated Officer and confirmed in a Sale Order for and on behalf of the TIFA, to provide for the pledge of security to secure payment of the Refunding Bonds.

The TIFA reserves the right to issue additional bonds of equal standing with the Refunding Bonds as to the Tax Increment Revenues, subject to the limitations set forth in Section 315 of Act 57.

If at any time the Debt Retirement Fund (as defined below) is insufficient to pay the principal of and interest on the Refunding Bonds as the same become due, the Designated Officer or the Treasurer of the TIFA shall notify the Chief Strategy and Financial Officer or Treasurer of the City so that the City shall as a first budget obligation advance from its general funds a sufficient amount to pay said principal and interest, or levy ad valorem taxes on all taxable property within
the boundaries of the City to pay said principal and interest, within existing charter, statutory and constitutional limitations.

4. The Treasurer of the TIFA or the Designated Officer is authorized and directed to open a separate depository or trust account for the Refunding Bonds with a bank or trust company to be designated as the 2020 DEBT RETIREMENT FUND (the “Debt Retirement Fund”). Into the Debt Retirement Fund for the Refunding Bonds there shall be placed the accrued interest and premium, if any, received at the time of delivery of the Refunding Bonds, provided, however, that at the discretion of the Designated Officer, all or a portion of any premium received upon delivery of the Refunding Bonds may be deposited in either the Redemption Fund or the Escrow Fund created in this Resolution. There shall be paid into the Debt Retirement Fund the Tax Increment Revenues collected each year until the amount on hand in the Debt Retirement Fund, including any amounts on hand available for payment of current principal of and interest on the Refunding Bonds, is equal to all payments of principal and interest coming due prior to the next collection of taxes. All sums held in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Refunding Bonds. Any amounts remaining in the Debt Retirement Funds after payment in full of the applicable series of Refunding Bonds shall be retained by the TIFA to be used for any lawful purpose.

Moneys in the Debt Retirement Fund may be invested by the TIFA in the obligations in which the TIFA is permitted to invest under State law.

The TIFA may establish such other funds and accounts and provide for deposits thereto as it shall from time to time deem appropriate and necessary.

5. The Designated Officer is hereby authorized to select a bank or trust company to serve as Escrow Trustee (the “Escrow Trustee”) to provide for the safekeeping, administration and disposition of an Escrow Fund (the “Escrow Fund”) to be created with proceeds of the Refunding Bonds to provide for payment of the refunded portion of the Prior Bonds and to execute an Escrow Agreement (the “Escrow Agreement”) in connection with the Refunding Bonds and deliver it to the Escrow Trustee. The Escrow Agreement shall provide for the payment of the principal of and interest on the refunded portion of the Prior Bonds. There shall be deposited into the Escrow Fund from Refunding Bond proceeds, together with any monies transferred by the TIFA at the time of sale of the Refunding Bonds from the Debt Retirement Fund for the Prior Bonds and any other available funds of the TIFA, deposits of cash and Government Obligations to be used pursuant to the terms of the Escrow Agreement to pay principal and interest on the refunded portion of the Prior Bonds. The term “Government Obligations” means any bonds or other obligations, not callable at the option of the issuer thereof, which as to principal and interest constitute direct obligations of the United States of America, or direct obligations of United States agencies which are unconditionally guaranteed as to principal and interest by the United States of America, including stripped direct United States Treasury Obligations or stripped Resolution Funding Corporation Obligations. The Escrow Fund shall be held in trust by the Escrow Trustee pursuant to the Escrow Agreement, which shall irrevocably direct the Escrow Trustee to take all necessary steps to call for redemption any portion of the Prior Bonds to be redeemed prior to their maturity, including mailing of redemption notices, on any date specified by the TIFA on which the Prior Bonds may be called for redemption. The amounts deposited in the Escrow Fund shall be such that
the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal and interest on the refunded portion of the Prior Bonds as they become due pursuant to maturity or the call for redemption.

At the option of the Designated Officer, the costs of the issuance of the Refunding Bonds may be paid from a fund established for that purpose in the Escrow Agreement (the “Issuance Fund”). The Issuance Fund shall be used solely and only to pay legal, financing or other expenses incidental to issuance of the Refunding Bonds. Any remaining balance shall be paid into the Debt Retirement Fund.

The Designated Officer is hereby authorized to purchase, or cause to be purchased, escrow securities, including, but not limited to, United States Treasury Obligations — State and Local Government Series (SLGS), or other Government Obligations, or other securities as permitted by law, in an amount sufficient to fund the Issuance Fund.

6. From the proceeds of sale of the Refunding Bonds, there first shall be deposited into the Escrow Fund cash and Government Obligations in the amount required by Section 5 of this Resolution.

There shall next be deposited in the Debt Service Reserve Account, if an account is established, an amount as determined by the Designated Officer.

Next the TIFA shall deposit any accrued interest and premium received from the purchaser of the Refunding Bonds in the Debt Retirement Fund to be used to make the initial interest payments on the Refunding Bonds.

The balance of the proceeds of the sale of the Refunding Bonds shall be deposited in the Issuance Fund to be used solely and only to pay legal, financing or other expenses incidental to issuance of the Refunding Bonds. Any remaining balance shall be paid into the Debt Retirement Fund.

7. Subject to the provisions of Act 354, Public Acts of Michigan, 1972, as amended, and any other applicable law, if (i) any mutilated Refunding Bond is surrendered to the TIFA, and the TIFA receives evidence to its satisfaction of the destruction, loss or theft of any Refunding Bond and (ii) there is delivered to the TIFA such security or indemnity as may be required by it to save the City harmless, then, in the absence of notice to the TIFA that such Refunding Bond has been acquired by a bona fide purchaser, the TIFA shall execute and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Refunding Bond, a new Refunding Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

If any such mutilated, destroyed, lost or stolen Refunding Bond has become or is about to become due and payable, the TIFA in its discretion may, instead of issuing a new Refunding Bond, pay such Refunding Bond.

Any new Refunding Bond issued pursuant to this section in substitution for a Refunding Bond alleged to be mutilated, destroyed, stolen or lost shall constitute an original additional
contractual obligation on the part of the TIFA, and shall be equally secured by and entitled to equal proportionate benefits with all other Refunding Bonds of like tenor issued under this Resolution.

8. The Refunding Bonds shall be in substantially the following forms with such changes as shall be required to conform to the final terms of the Refunding Bonds established upon sale thereof:

[Remainder of page intentionally left blank]
United States of America  
State of Michigan  
Counties of Ingham and Eaton

TAX INCREMENT FINANCE AUTHORITY OF LANSING  
2020 REFUNDING BOND  
(Limited Tax General Obligation)  
(Federally Taxable)

<table>
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<th>Interest Rate</th>
<th>Date of Maturity</th>
<th>Date of Original Issue</th>
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</thead>
<tbody>
<tr>
<td>_____%</td>
<td>_____, _____</td>
<td>_____, _____</td>
<td>_____</td>
</tr>
</tbody>
</table>

Registered Owner: Cede & Co.

Principal Amount: ________________________ Dollars ($_______)

The TAX INCREMENT FINANCE AUTHORITY OF LANSING, Counties of Ingham and Eaton, State of Michigan (the “Authority”) acknowledges itself to owe and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [date] and semiannually thereafter on each [______] and [______]. Principal of this bond is payable upon presentation and surrender hereof at the designated corporate trust office of [Transfer Agent], or such other transfer agent as the Authority may hereafter designate by notice mailed to the registered owner of record not less than sixty (60) days prior to any interest payment date (the “Transfer Agent”). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the fifteenth (15th) day of the month prior to each interest payment date, the registered owner of record, at the registered address.

This bond is one of a total authorized issue of bonds (the “Bonds”) of even Date of Original Issue, aggregating the original principal sum of [aggregate principal]. This bond is issued under and in full compliance with the Constitution and statutes of the State of Michigan (“State”), including specifically Act 57, Public Acts of Michigan, 2018, and Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and a resolution of the Authority adopted on [resolution date], for the purpose of refunding bonds previously issued by the Authority.
Principal of and interest on this bond are payable from Tax Increment Revenues to be collected in the Development Area (the “Development Area”) created in the City of Lansing (the “City”), including any revenues received by the City or the Authority in substitution for ad valorem property taxes which would otherwise be a part of Tax Increment Revenues, including State paid reimbursements for property tax exemptions and taxes levied in lieu of property taxes. The Authority has reserved the right to issue additional bonds of equal standing and priority of lien with this bond as to tax increment funds collected in the Development Area. As additional security for the Bonds, the City has irrevocably pledged its full faith and credit for the payment of the Bonds and in case of insufficiency of the Tax Increment Revenues for the payment of the principal of and interest on this bond, the City is obligated to pay the same as a first budget obligation from its legally available funds or from any taxes which it may levy within applicable constitutional, statutory and charter tax limitations.

Bonds of this issue maturing on or prior to [insert date] are not subject to redemption prior to maturity.

Bonds or portions of bonds in multiples of $5,000 of this issue maturing on or after [insert date] shall be subject to redemption prior to maturity without a premium, at the option of the Authority, in such order as the Authority shall determine and within any maturity by lot, on any date on or after [insert date], at par plus accrued interest to the date fixed for redemption.

[INSERT MANDATORY REDEMPTION PROVISIONS IF TERM BONDS ARE ISSUED]

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent upon presentation of the bond called in part for redemption shall register, authenticate and deliver to the registered owner of record a new bond of the same maturity and in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given by the Transfer Agent to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner at the address of the registered owner of record as shown on the registration books of the Authority. Bonds shall be called for redemption in multiples of $5,000, and bonds of denominations of more than $5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bonds by $5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in the same aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof with the same interest rate and maturity. No further interest on bonds or portions of bonds called for redemption shall accrue after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bonds or portion thereof.

This bond is transferable only upon the books of the Authority kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written
instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or
the registered owner’s attorney duly authorized in writing, and thereupon a new registered bond
or bonds in the same aggregate principal amount and of the same maturity shall be issued to the
transferee in exchange therefor as provided in the resolution authorizing the bonds, and upon the
payment of the charges, if any, therein prescribed.

This bond is not valid or obligatory for any purpose until the Transfer Agent’s Certificate
of Authentication on this bond has been executed by the Transfer Agent.

It is hereby certified and recited that all acts, conditions and things required by law
precedent to and in the issuance of this bond and the series of Bonds of which this is one have been
done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Tax Increment Finance Authority of Lansing has caused
this bond to be signed in its name by the facsimile signatures of its Chair and Secretary and its
corporate seal to be hereunto imprinted, all as of the Date of Original Issue.

TAX INCREMENT FINANCE AUTHORITY OF LANSING

By ______________________________

Its Chair

(SEAL)

By ______________________________

Its Secretary

[STANDARD FORMS OF
TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION
AND ASSIGNMENT TO BE INSERTED HERE]

10. The TIFA hereby appoints Dykema Gossett PLLC to serve as bond counsel to the TIFA for the Refunding Bonds notwithstanding the periodic representation by Dykema in unrelated matters of the Underwriter and other potential parties to the issuance of the Refunding Bonds. Bond counsel is not retained to provide financial consultant services.

11. (a) The Refunding Bonds shall be sold at a negotiated sale described in subsection (b) below, or shall be sold at a public sale following the publication of an Official Notice of Sale as described in (c), below, all as shall be determined by an Authorized Officer to be in the best interests of the City based on the recommendation of Bond Counsel and the Municipal Advisor.

(b) Negotiated Sale. As a result of the Refunding Bonds being issued for the purpose of refunding the Prior Bonds, and in order to optimize the interest rate savings from the issuance of the Refunding Bonds and in order to provide flexibility with respect to the sale date for the Refunding Bonds, the Refunding Bonds are authorized to be sold via a negotiated sale or private placement, based on recommendations of Bond Counsel and the Municipal Advisor.

(c) Public Sale. If an Authorized Officer, based on recommendations of Bond Counsel and the Municipal Advisor, determines that it is in the best interests of the City to sell the Refunding Bonds at a public sale, then each Authorized Officer is authorized and directed to fix the date of sale of the Refunding Bonds and to publish an Official Notice of Sale relating to the Refunding Bonds (the “Official Notice of Sale”) in accordance with law, once in either The Bond Buyer or another publication of general circulation at least seven days prior to the date fixed for receipt of bids for the purchase of the Refunding Bonds. The Authorized Officers, and each of them individually, are hereby authorized to act for and on behalf of the City to receive bids for the purchase of the Refunding Bonds and to take all other steps necessary in connection with the sale, award and delivery thereof.

Any series of Refunding Bonds may, if deemed appropriate by the Designated Officer, be sold to (i) the Underwriters pursuant to a Bond Purchase Agreement or (ii) a bank or other financial institution qualified by law to purchase and take delivery of such Refunding Bonds for its own investment, pursuant to a purchase contract, in which case (A) such purchaser shall deliver an investor letter in a form acceptable to the Designated Officer and (B) the TIFA’s obligations hereunder relating to the Preliminary Official Statement, Official Statement and a Continuing Disclosure Undertaking in order to enable the Underwriter to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Continuing Disclosure Undertaking”) may not apply.

12. The Designated Officer is hereby authorized to select an underwriter to act as managing underwriter for the Refunding Bonds (the “Underwriter”) provided, however, that by adoption of this Resolution the TIFA assumes no obligations or liability to the selected Underwriter for any loss or damage that may result to the Underwriter from the adoption of this Resolution, and all costs and expenses incurred by the Underwriter in preparing for sale of the Refunding Bonds shall be paid from the proceeds of the Refunding Bonds, if the Refunding Bonds
are issued, except as may be otherwise provided in an agreement to be signed by the TIFA and the Underwriter. The TIFA reserves the right to name additional co-managers and/or to develop a selling group, and the Designated Officer is hereby authorized to name additional co-managers and/or to develop a selling group.

13. The Designated Officer is hereby authorized to select a Verification Agent to serve the TIFA in connection with issuance and payment of the Refunding Bonds.

14. The Designated Officer is hereby authorized to apply for bond ratings from such municipal bond rating agencies as deemed appropriate, in consultation with the Municipal Advisor and Underwriter.

15. If the Municipal Advisor and Underwriter recommend that the TIFA consider purchase of municipal bond insurance, and if a negotiated sale is selected, then the Designated Officer is hereby authorized and directed to negotiate with insurers regarding acquisition of municipal bond insurance.

16. The Designated Officer is hereby authorized to approve circulation of a Preliminary Official Statement or other marketing circular describing the Refunding Bonds, and to deem the Official Statement final and is directed to assist the City as necessary with respect to its obligations under a Continuing Disclosure Undertaking.

17. The Designated Officer is hereby authorized on behalf of the TIFA, subject to the provisions and limitations of this Resolution, to accept an offer by the Underwriter to purchase the Refunding Bonds pursuant to a Bond Purchase Agreement without further resolution of this TIFA, including but not be limited to determination of original principal amount of the Refunding Bonds and the prices at which they are sold; the date of the Refunding Bonds; the schedule of principal maturities and whether the Refunding Bonds shall mature serially or as term bonds; the provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Refunding Bonds; application of the proceeds of the Refunding Bonds; selection of the Prior Bonds to be refunded and selection of Prior Bonds to be called for redemption prior to maturity; transfer of balances, if any, from the debt retirement funds for the Prior Bonds to the Escrow Fund; purchase of securities for the Escrow Fund; final preparation, approval, execution and delivery of a Bond Purchase Agreement, Escrow Agreement, Preliminary Official Statement and final Official Statement, and all other necessary actions.

The Refunding Bonds shall only be sold if there shall be net present value savings of at least 2.00% as determined by the Municipal Advisor. The Refunding Bonds shall bear interest at a true interest cost not exceeding 6.00%. The underwriter’s spread shall not exceed $10.00 per thousand dollars (1%). The final maturity of the Refunding Bonds shall not be later than 2039. In making such determinations the TIFA is authorized to rely upon data and computer runs provided by the Municipal Advisor or the Underwriter.

Further, in making the determinations set forth in this Resolution with respect to the Sale Order, the Designated Officer shall be limited to the parameters as follow:
(1) The first maturity date or mandatory sinking fund redemption date for each series of the Refunding Bonds shall not be later than five (5) years from the date of issuance; the average maturity date of the Refunding Bonds shall not be later than the average maturity date of the Prior Bonds; and the final maturity dates for the Refunding Bonds shall not be later than the earlier of (i) the last year of the weighted average estimated period of usefulness of the improvements financed by the Prior Bonds or (ii) 30 years from the Prior Bonds’ dated date.

(2) To the extent permitted by applicable law, the Refunding Bonds may be sold with an original issue premium or discount in an amount as determined by the Designated Officer.

(3) The issuance of the Refunding Bonds shall produce a net present value savings.

The Refunding Bonds shall mature on such dates and shall bear interest at such rates on a fixed and/or variable and tax-exempt or taxable basis not in excess of the legal limit, and payable on such dates (each an “Interest Payment Date”), all as shall be provided in a Sale Order. Unless otherwise provided by the Designated Officer in a Sale Order, interest on the Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Refunding Bonds shall be payable as to principal and interest in lawful money of the United States of America.

Except as may be otherwise provided by an Authorized Officer in a Sale Order, interest on the Refunding Bonds shall be payable on each Interest Payment Date to the Registered Owner of record as of the 15th day of the month, whether or not a Business Day (a “Regular Record Date”), prior to each Interest Payment Date. Interest on the Refunding Bonds shall be payable to such Registered Owners by check or draft drawn on the Transfer Agent on each Interest Payment Date and mailed by first class mail or, upon the written request of the Owner of $1,000,000 or more in aggregate principal amount of Refunding Bonds (with complete wiring instructions no later than the Regular Record Date for such Interest Payment Date), by wire transfer by the Transfer Agent to such Owner. Such a request may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked at any time prior to a Regular Record Date by subsequent written notice to the Transfer Agent.

The principal of the Refunding Bonds shall be payable to the Owners of the Refunding Bonds upon the presentation of the Refunding Bonds to the Transfer Agent at the principal corporate trust office of the Transfer Agent.

Approval of the matters delegated to the Designated Officer under this Resolution may be evidenced by execution of the Bond Purchase Agreement or the Official Statement by the Designated Officer.

The Designated Officer is hereby authorized and directed on behalf of the TIFA to take any and all other actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Resolution. The Refunding Bonds shall neither be sold nor issued unless and only so long as the issuance of the Refunding Bonds as provided
herein shall have been authorized and approved in accordance with the applicable provisions of law.

The Designated Officer is hereby authorized to file applications with and to pay the related fees, if any, to the Michigan Department of Treasury (the “Department”) at his or her discretion under Act 34 for an Order or Orders of Approval to issue all or a portion of the Refunding Bonds; to file applications with the Department for a waiver of the refunding bonds savings requirement and a waiver of the investment grade rating requirement; to enter into an Escrow Agreement and to enter into one or more dealer-manager agreements, remarketing agreements, indentures, letters of credit and reimbursement agreements, and such waivers or other Department approvals as necessary to implement the sale, delivery and security for the Refunding Bonds, and as required by the Department and Act 34. The Designated Officer is hereby authorized to pay any post-closing filing fees required by Act 34 to the Department or other specified agency, as a cost of issuance or from other legally available funds.

18. After sale of the Refunding Bonds, the Designated Officer is authorized to prepare, execute and deliver a final Official Statement describing the Refunding Bonds

19. In order to enable Underwriter to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the TIFA hereby agrees to undertake Continuing Disclosure as issuer of the Refunding Bonds, or to request the City to undertake Continuing Disclosure on behalf of the TIFA.

20. In the event that the Designated Officer is not available to undertake responsibilities delegated to him under this Resolution, then the Chair of the TIFA or a person designated by the Designated Officer or the Chair is authorized to take such actions. The Designated Officer is hereby authorized to request any approvals or waivers from the Michigan Department of Treasury as may be required in order to sell and deliver the Refunding Bonds. The Designated Officer, Chair, Vice Chair, Secretary or Treasurer of the TIFA and any other officers, administrators, agents and attorneys of the TIFA are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Refunding Bonds in accordance with this Resolution, and to pay costs of issuance including but not limited to purchase of bond insurance, transfer agent fees, escrow trustee fees, verification agent fees, bond counsel fees, pricing consultant fees, rating agency fees, costs of printing the Refunding Bonds and the preliminary and final official statements, and any other costs necessary to accomplish sale and delivery of the Refunding Bonds.
21. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are hereby rescinded.

YEAS:

NAYS:

ABSTENTIONS:

ABSENT:

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN

COUNTY OF INGHAM

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Tax Increment Finance Authority of Lansing held on the 7th day of February, 2020 and said resolution is on file in the office of the Tax Increment Finance Authority of Lansing and is available to the public. Public notice of the said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the Board’s By-Laws.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 7th day of February, 2020

Calvin L. Jones, Chair
### Tax Increment Finance Authority of Lansing

#### Projected Tax Increment Revenues, Protected Obligations, Expenditures and Debt Service Coverage [1]

<table>
<thead>
<tr>
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<td>82,461</td>
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<td>-</td>
<td>-</td>
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<td>9,000</td>
<td>618,384</td>
<td>164,357</td>
<td>317,205</td>
<td>-</td>
<td>2,524,396</td>
<td></td>
<td></td>
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<tr>
<td>2024</td>
<td>6.62%</td>
<td>3,187,454</td>
<td>2,838,277</td>
<td>-</td>
<td>629,884</td>
<td>1,125,451</td>
<td>163,647</td>
<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>34.91%</td>
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<td>3,187,454</td>
<td>-</td>
<td>9,000</td>
<td>618,384</td>
<td>164,357</td>
<td>317,205</td>
<td>-</td>
<td>2,524,396</td>
<td></td>
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<tr>
<td>2026</td>
<td>4.82%</td>
<td>4,507,283</td>
<td>4,300,162</td>
<td>-</td>
<td>1,299,884</td>
<td>1,125,451</td>
<td>163,647</td>
<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
<td></td>
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<tr>
<td>2027</td>
<td>4.62%</td>
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<td>4,507,283</td>
<td>-</td>
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<td>1,125,451</td>
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<td>-</td>
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<td>-</td>
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<td>1,125,451</td>
<td>163,647</td>
<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<tr>
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<td>-</td>
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<td>-</td>
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<td>-</td>
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<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<td></td>
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<tr>
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<td>5,084,653</td>
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<td>1,303,842</td>
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<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<td>-</td>
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<td>-</td>
<td>2,524,396</td>
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<td>1.50%</td>
<td>5,590,304</td>
<td>5,414,350</td>
<td>-</td>
<td>1,303,842</td>
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<td>163,647</td>
<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<tr>
<td>2034</td>
<td>1.50%</td>
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<td>5,590,304</td>
<td>-</td>
<td>1,063,378</td>
<td>1,125,451</td>
<td>163,647</td>
<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<tr>
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<td>1.50%</td>
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<td>5,772,076</td>
<td>-</td>
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<td>1,125,451</td>
<td>163,647</td>
<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<td>5,960,476</td>
<td>-</td>
<td>1,063,378</td>
<td>1,125,451</td>
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<td>6,157,681</td>
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<td>-</td>
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<td>6,572,076</td>
<td>-</td>
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<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
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<td>6,795,076</td>
<td>-</td>
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<td>319,395</td>
<td>-</td>
<td>2,524,396</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals:**

|  | 81,830,122 | 3,215,000 | 6,198,355 | 82,461 | 172,069 | 15,534,246 | 23,485,950 | 10,126,651 | 6,259,856 | 12,193,966 | 27,719,923 | 1,145,267 | 78,665,190 | 4,722,224 | 83,387,414 |

**Notes:**

[1] Estimated. This table includes the proposed 2020 TIFA and LBA Refunding Bonds

[2] Refinanced by the proposed 2020 TIFA and LBA Refunding Bonds

Prepared by: Baird

2/3/2020

57
Tax Increment Finance Authority of Lansing | City of Lansing Building Authority
Revenue Versus Expenditure Analysis and Cumulative Fund Balance
Estimated Fund Balance After Proposed 2020 TIFA & LBA Refinancing

Debt Restructured in 2009, 2014, and 2017

Captured Taxes
Debt Service & Fees
Projected Fund Balance Prior to 2019 Refunding
Projected Fund Balance Post 2019 Refunding
Projected Fund Balance Post 2020 Refunding

Prepared by: Baird
SAVINGS

Tax Increment Finance Authority of Lansing, Michigan
2020 Refunding Bonds (Limited Tax General Obligation) (Federally Taxable)
Taxable, Advance Refunding of 2014 Refunding Bonds (TIFA)
Assumes Bond Rating of ‘AA-’

Preliminary, Estimated Interest Rates as of January 17, 2020

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<th>Date</th>
<th>Prior Debt Service</th>
<th>Refunding Debt Service</th>
<th>Savings @ 3.1475437%</th>
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<td>88,350.00</td>
<td>88,150.95</td>
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<td>165,606.93</td>
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<td>165,683.50</td>
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<td>176,700.00</td>
<td>165,032.50</td>
<td>11,667.50</td>
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<td>12,343.00</td>
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<tr>
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<td>13,053.50</td>
</tr>
<tr>
<td>06/30/2026</td>
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Savings Summary

- PV of savings from cash flow: 270,788.67
- Plus: Refunding funds on hand: 2,429.48
- Net PV Savings: 273,218.15
- Bond Par Amount: 4,260,000.00
- True Interest Cost: 3.147544%
- Net Interest Cost: 3.157451%
- All-In TIC: 3.147544%
- Average Coupon: 3.157451%
- Average Life: 14.868
- Par amount of refunded bonds: 3,720,000.00
- Average coupon of refunded bonds: 4.750000%
- Average life of refunded bonds: 15.817
- PV of prior debt to 05/05/2020 @ 3.147544%: 4,530,788.67
- Net PV Savings: 273,218.15
- Percentage savings of refunded bonds: 7.344574%
- Percentage savings of refunding bonds: 6.413572%
SAVINGS

City of Lansing Building Authority, Michigan
2020 Building Authority Refunding Bonds (Limited Tax General Obligation) (Federally Taxable)
Taxable, Advance Refunding of 2014 Building Authority Refunding Bonds (LBA)
Assumes Bond Rating of ‘AA-’

Preliminary, Estimated Interest Rates as of January 17, 2020

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12,834,443.75 12,193,965.55 640,478.20 528,677.60

Savings Summary

PV of savings from cash flow 528,677.60
Plus: Refunding funds on hand 3,038.08
Net PV Savings 531,715.68

Bond Par Amount 8,295,000.00
True Interest Cost 3.147755%
Net Interest Cost 3.157592%
All-In TIC 3.147755%
Average Coupon 3.157592%
Average Life 14.886

Par amount of refunded bonds 7,245,000.00
Average coupon of refunded bonds Average life of refunded bonds 15.814

PV of prior debt to 05/05/2020 @ 3.147755% 8,823,677.60
Net PV Savings 531,715.68
Percentage savings of refunded bonds 7.339071%
Percentage savings of refunding bonds 6.410075%