

**Lansing Board of Water and Light
Employees' Defined Contribution
Pension Plan**

**Financial Report
with Supplemental Information
June 30, 2014**

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

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Independent Auditor's Report

To the Honorable Mayor, Members of
the City Council, and Commissioners
of the Board of Water and Light
Lansing Board of Water and Light Employees'
Defined Contribution Pension Plan
City of Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan") as of and for the years ended June 30, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the Plan'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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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 opinion.

To the Honorable Mayor, Members of
the City Council, and Commissioners
of the Board of Water and Light
Lansing Board of Water and Light Employees'
Defined Contribution Pension Plan

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan as of June 30, 2014 and 2013 and the changes in its net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2014, Plan adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 and 4 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, which 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan's basic financial statements. The statement of changes in net position by fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The statement of changes in net position by fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of changes in net position by fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

September 2, 2014

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of two parts: (1) management's discussion and analysis (this section) and (2) the basic financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two years:

	2014	2013	2012
Assets held in trust:			
Mutual funds	\$ 130,442,786	\$ 109,882,178	\$ 97,085,185
Stable value	33,607,203	32,243,585	30,547,019
Participant notes receivable and other	5,229,750	4,768,679	4,388,840
Net position	<u>\$ 169,279,739</u>	<u>\$ 146,894,442</u>	<u>\$ 132,021,044</u>
Changes in plan assets:			
Net investment income	\$ 23,453,570	\$ 16,035,621	\$ 520,705
Employer and participant contributions	6,521,703	7,889,794	6,633,327
Benefits paid to participants	(7,645,116)	(9,097,209)	(11,632,674)
Loan defaults and other increases	55,140	45,192	104,423
Changes in net position	<u>\$ 22,385,297</u>	<u>\$ 14,873,398</u>	<u>\$ (4,374,219)</u>

During fiscal year 2014, net investment income was \$23.5 million.

Investment Objectives

The principal purpose of the Plan is to provide benefits at a normal retirement age; the Plan's funds are selected to optimize return on a risk-adjusted basis within each asset class, to provide an opportunity to create a well-diversified portfolio, to control administrative and management cost, and to comply with relevant Michigan and federal law.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Management's Discussion and Analysis (Continued)

The Plan allows each participant to direct the investment of the funds in his or her plan accounts. The Lansing Board of Water and Light (the "BWL") will offer various investment options (consistent with the investment policy statement), among which participants may choose to invest their respective interests in the Plan. The BWL periodically reviews the performance of investment options available to participants to ensure that each such option is meeting its investment objectives.

Investment Results

The fiscal year ended June 30, 2014 saw a net investment income of \$23.5 million. Total assets held in trust at the end of the fiscal year were \$169.3 million.

Future Events

The BWL has no current plans to revise the terms of its defined contribution pension plan.

Contacting the Plan's Management

This financial report is intended to provide a general overview of the Plan's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the office of Susan Devon, Chief Administrative and Technology Officer, at P.O. Box 13007, Lansing, Michigan 48901-3007.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Net Position

	June 30	
	2014	2013
Assets		
Participant-directed investments (Note 1):		
Mutual funds:		
Money market	\$ 117,793	\$ 418,421
Bond and equity funds	16,556,877	16,438,836
Stock funds	60,617,315	51,617,791
Balanced funds	29,495,580	20,394,104
Growth funds	6,144,760	5,736,285
International funds	17,510,461	15,276,741
Total mutual funds	130,442,786	109,882,178
Stable value	33,607,203	32,243,585
Self-directed brokerage account	1,147,041	859,599
Total participant-directed investments	165,197,030	142,985,362
Participant notes receivable	4,082,709	3,909,080
Net Position	<u>\$ 169,279,739</u>	<u>\$ 146,894,442</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position

	Year Ended June 30	
	2014	2013
Increase		
Investment income:		
Net appreciation in fair value of investments	\$ 17,907,856	\$ 12,924,636
Dividend income	5,545,714	3,110,985
Total investment income	23,453,570	16,035,621
Employer contributions (Note 1)	5,467,824	5,494,101
Participant rollover contributions	1,053,879	2,395,693
Interest from participant notes receivable	155,997	139,026
Other	114,992	110,424
Total increase	30,246,262	24,174,865
Decrease		
Benefits paid to participants	7,645,116	9,097,209
Loan defaults	119,694	120,280
Participants' note and administrative fees	96,155	83,978
Total decrease	7,860,965	9,301,467
Change in Net Position	22,385,297	14,873,398
Net Position		
Beginning of year	146,894,442	132,021,044
End of year	<u>\$ 169,279,739</u>	<u>\$ 146,894,442</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2014 and 2013**

Note 1 - Description of the Plan

The following description of Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan was established by the Lansing Board of Water and Light (the "BWL") in 1997 under Section 5-203 of the City Charter. Prior to its establishment, the BWL sponsored a defined benefit plan (Plan for Employees' Pensions of the Board of Water and Light - City of Lansing, Michigan - Defined Benefit Plan) in which substantially all employees of the BWL were participants. Effective December 1, 1997, all active participants of the defined benefit plan were required to make an irrevocable choice to either remain in the defined benefit plan or move to the newly established defined contribution plan (Lansing Board of Water and Light Employees' Defined Contribution Plan). Those participants who elected to move to the defined contribution plan received lump-sum distributions from the defined benefit plan, which were rolled into their accounts in the new defined contribution plan. Of the 760 active participants who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the newly established defined contribution plan, reflecting the plan participants' accumulated benefits as of said date.

ICMA-RC, the plan administrator, controls and manages the operation and administration of the Plan.

Contributions - For employees hired before January 1, 1997, the BWL is required to contribute 15 percent of the employees' compensation. For employees hired on or after January 1, 1997, the BWL is required to contribute 8.1 percent of the employees' compensation. In addition, the BWL is required to contribute an additional 3.0 percent of the employees' compensation for all employees who are not eligible to receive overtime pay and 0.5 percent of the employees' compensation for all non-bargaining employees. The Board of Commissioners of the Board of Water and Light - City of Lansing may amend the Plan's provisions and contribution requirements.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2014 and 2013

Note 1 - Description of the Plan (Continued)

Participant Accounts - Each participant's account is credited with the participant's rollover contributions and withdrawals, as applicable, and allocations of the BWL's contributions and plan earnings. Allocations are based on participants' earnings or account balances, as defined in the plan document. Forfeited balances of terminated participants' non-vested accounts are used to reduce future BWL contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

As of June 30, 2014, there were 822 participants in the Plan, of which 682 were active employees. As of June 30, 2013, there were 825 participants in the Plan, of which 657 were active employees.

Vesting - Participants become vested in the BWL contribution and related earnings after completing three years of service, at a rate of 25 percent each year. Participants become fully vested after six years of service.

Investment Options - Participants may direct contributions in any of the following investment options, which are administered by ICMA-RC. Since ICMA-RC is the custodian as defined by the Plan, transactions in the ICMA funds qualify as transactions with parties-in-interest.

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

Balanced - Seeks both current income and capital appreciation by investing in a combination of stocks, bonds, and money market instruments.

Growth - Seeks long-term capital appreciation by investing primarily in equity securities of companies with above-average growth prospects. Current income is a secondary concern.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2014 and 2013

Note 1 - Description of the Plan (Continued)

International - Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S.

Stock Funds - Seeks long-term growth through capital gains, although historically dividends have been an important source of total return. These funds primarily invest in the common stocks of companies based in the United States. There are many options for diversification within this category.

Bond and Equity Funds - Seeks to maximize current income with capital appreciation as a secondary consideration by investing primarily in debt securities issued by the U.S. government or its agencies and domestic and foreign corporations. They are not fixed-income investments. Even when a mutual fund's portfolio is composed entirely of bonds, the fund itself has neither a fixed yield nor a contractual obligation to give investors back their principal at some later maturity date - the two key fixed characteristics of individual bonds.

Self-directed Brokerage Account - Participants with a minimum account balance of \$35,000 may transfer from their fund accounts a minimum of \$5,000 to a self-directed brokerage account. Eligible investments are equity securities traded on U.S. exchanges valued at greater than \$5 and over 400 mutual funds from 18 investment management companies. Participants pay a one-time set-up fee of \$50.

Participant Notes Receivable - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50 percent of their account balances. Notes receivable are treated as transfers between the investment fund and the notes receivable fund. Note terms range from one to five years or up to 20 years for the purchase of a primary residence. The notes receivable are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined periodically by the plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits - Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or choose from a variety of periodic payment options.

Change in Accounting - During the current year, the Plan adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*. This statement required certain information to be included within the notes to the financial statements. As this information was already included, there were no significant changes due to the implementation of this standard.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2014 and 2013

Note 2 - Summary of Significant Accounting Policies

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

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

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

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

Participant Notes Receivable - Participant notes receivable are recorded at their unpaid principal balances plus any accrued interest. Participant notes receivable are written off when deemed uncollectible.

Expenses - The Plan's expenses are paid by the BWL as provided by the plan document.

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

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2014 and 2013

Note 3 - Investments

The pension trust fund is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Plan's deposits and investment policies are in accordance with PA 196 of 1997 and has authorized the investments according to Michigan PA 314 of 1965, as amended.

Risks at June 30, 2014

Custodial Credit Risk of Bank Deposits - At the end of the year, the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds	\$ 130,442,786	Not rated	Not rated
Stable value	33,607,203	AA	S&P

Risks at June 30, 2013

Custodial Credit Risk of Bank Deposits - At the end of the year, the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds	\$ 109,882,178	Not rated	Not rated
Stable value	32,243,585	AA	S&P

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2014 and 2013**

Note 4 - Plan Termination

Although it has not expressed any intention to do so, the BWL has the right under the Plan to terminate the Plan subject to the provisions set forth in Article 12 of the Plan. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, the accounts of each affected participant shall become fully vested.

Note 5 - Tax Status

The Plan is a prototype plan. The prototype plan has received a favorable opinion letter from the Internal Revenue Service (IRS) that the prototype plan, as designed, is qualified for federal income tax-exempt status. The Plan has not individually sought its own determination letter.

Supplemental Information

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position by Fund

	Money Market		Bond Funds	
	Year Ended June 30		Year Ended June 30	
	2014	2013	2014	2013
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 485	\$ 672	\$ 449,026	\$ (597,106)
Interest income	-	-	-	-
Dividend income	-	2	555,414	818,952
Employer contributions	13,731	10,367	487,362	477,598
Participant rollover contributions	-	3,553	33,403	14,921
Loan repayments	4,550	3,271	173,174	157,446
Interest from participant notes receivable	-	-	-	-
Other	-	-	13	(5,068)
Total increase, net of realized and unrealized gains and losses	18,766	17,865	1,698,392	866,743
Decrease				
Benefits paid to participants	64,086	64,224	536,673	519,536
Loans to participants	3,572	4,869	169,585	183,939
Loan defaults	-	-	-	-
Participants' note and administrative fees	972	552	21,360	16,768
Total decrease	68,630	69,645	727,618	720,243
Net (Decrease) Increase Prior to Interfund Transfers	(49,864)	(51,780)	970,774	146,500
Interfund Transfers	(250,764)	294,155	(852,733)	2,652,578
Net (Decrease) Increase	(300,628)	242,375	118,041	2,799,078
Net Position				
Beginning of year	418,421	176,046	16,438,836	13,639,758
End of year	<u>\$ 117,793</u>	<u>\$ 418,421</u>	<u>\$ 16,556,877</u>	<u>\$ 16,438,836</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position by Fund (Continued)

	Stock Funds		Balanced Funds	
	Year Ended June 30		Year Ended June 30	
	2014	2013	2014	2013
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 9,532,529	\$ 8,254,935	\$ 3,198,720	\$ 1,770,597
Interest income	-	-	-	-
Dividend income	3,874,276	1,273,144	558,296	425,615
Employer contributions	1,752,951	1,802,137	1,375,608	1,269,412
Participant rollover contributions	100,790	289,661	197,557	830,559
Loan repayments	602,678	619,254	349,248	370,113
Interest from participant notes receivable	-	-	-	-
Other	5	39	65	5,255
	<u>15,863,229</u>	<u>12,239,170</u>	<u>5,679,494</u>	<u>4,671,551</u>
Total increase, net of realized and unrealized gains and losses				
Decrease				
Benefits paid to participants	2,539,594	2,599,500	996,083	1,262,633
Loans to participants	634,522	640,159	367,726	497,315
Loan defaults	-	-	-	-
Participants' note and administrative fees	31,744	31,247	12,891	9,530
	<u>3,205,860</u>	<u>3,270,906</u>	<u>1,376,700</u>	<u>1,769,478</u>
Total decrease				
Net (Decrease) Increase Prior to Interfund Transfers	12,657,369	8,968,264	4,302,794	2,902,073
Interfund Transfers	<u>(3,657,845)</u>	<u>(2,789,461)</u>	<u>4,798,682</u>	<u>(761,958)</u>
Net Incease (Decrease)	8,999,524	6,178,803	9,101,476	2,140,115
Net Position				
Beginning of year	<u>51,617,791</u>	<u>45,438,988</u>	<u>20,394,104</u>	<u>18,253,989</u>
End of year	<u>\$ 60,617,315</u>	<u>\$ 51,617,791</u>	<u>\$ 29,495,580</u>	<u>\$ 20,394,104</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position by Fund (Continued)

	Growth Funds		International Funds	
	Year Ended June 30		Year Ended June 30	
	2014	2013	2014	2013
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 1,053,965	\$ 587,820	\$ 3,063,853	\$ 2,231,514
Interest income	-	-	-	-
Dividend income	-	176,562	397,037	416,710
Employer contributions	588,556	609,029	535,453	595,157
Participant rollover contributions	9,045	-	31,217	148,746
Loan repayments	138,956	114,581	168,865	176,721
Interest from participant notes receivable	-	-	-	-
Other	-	-	22	-
Total increase, net of realized and unrealized gains and losses	1,790,522	1,487,992	4,196,447	3,568,848
Decrease				
Benefits paid to participants	266,068	308,879	712,842	873,697
Loans to participants	355,677	108,463	154,955	174,776
Loan defaults	-	-	-	-
Participants' note and administrative fees	4,010	2,718	14,078	13,339
Total decrease	625,755	420,060	881,875	1,061,812
Net (Decrease) Increase Prior to Interfund Transfers	1,164,767	1,067,932	3,314,572	2,507,036
Interfund Transfers	(756,292)	(476,252)	(1,080,852)	(1,662,094)
Net Increase (Decrease)	408,475	591,680	2,233,720	844,942
Net Position				
Beginning of year	5,736,285	5,144,605	15,276,741	14,431,799
End of year	<u>\$ 6,144,760</u>	<u>\$ 5,736,285</u>	<u>\$ 17,510,461</u>	<u>\$ 15,276,741</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position by Fund (Continued)

	Total Mutual Funds	
	Year Ended June 30	
	2014	2013
Increase		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 17,298,578	\$ 12,248,432
Interest income	-	-
Dividend income	5,385,023	3,110,985
Employer contributions	4,753,661	4,763,700
Participant rollover contributions	372,012	1,287,440
Loan repayments	1,437,471	1,441,386
Interest from participant notes receivable	-	-
Other	105	226
	<u>29,246,850</u>	<u>22,852,169</u>
Total increase, net of realized and unrealized gains and losses	29,246,850	22,852,169
Decrease		
Benefits paid to participants	5,115,346	5,628,469
Loans to participants	1,686,037	1,609,521
Loan defaults	-	-
Participants' note and administrative fees	85,055	74,154
	<u>6,886,438</u>	<u>7,312,144</u>
Total decrease	6,886,438	7,312,144
Net (Decrease) Increase Prior to Interfund Transfers	22,360,412	15,540,025
Interfund Transfers	<u>(1,799,804)</u>	<u>(2,743,032)</u>
Net Increase (Decrease)	20,560,608	12,796,993
Net Position		
Beginning of year	<u>109,882,178</u>	<u>97,085,185</u>
End of year	<u>\$ 130,442,786</u>	<u>\$ 109,882,178</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position by Fund (Continued)

	Stable Value Fund		Brokerage Account	
	Year Ended June 30		Year Ended June 30	
	2014	2013	2014	2013
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 609,278	\$ 695,952	\$ -	\$ (19,748)
Interest income	-	-	160,691	-
Dividend income	-	-	-	-
Employer contributions	714,164	730,401	-	-
Participant rollover contributions	681,866	1,108,253	-	-
Loan repayments	233,842	235,983	-	-
Interest from participant notes receivable	-	-	-	-
Other	114,887	110,198	-	-
Total increase, net of realized and unrealized gains and losses	2,354,037	2,880,787	160,691	(19,748)
Decrease				
Benefits paid to participants	2,529,770	3,468,740	-	-
Loans to participants	122,602	255,109	-	-
Loan defaults	-	-	-	-
Participants' note and administrative fees	11,100	9,824	-	-
Total decrease	2,663,472	3,733,673	-	-
Net Increase (Decrease) Prior to Interfund Transfers	(309,435)	(852,886)	160,691	(19,748)
Interfund Transfers	1,673,053	2,549,452	126,751	193,580
Net Increase (Decrease)	1,363,618	1,696,566	287,442	173,832
Net Position				
Beginning of year	32,243,585	30,547,019	859,599	685,767
End of year	<u>\$ 33,607,203</u>	<u>\$ 32,243,585</u>	<u>\$ 1,147,041</u>	<u>\$ 859,599</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Net Position by Fund (Continued)

	Participant Notes Receivable		Total	
	Year Ended June 30		Year Ended June 30	
	2014	2013	2014	2013
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ -	\$ -	\$ 17,907,856	\$ 12,924,636
Interest income	-	-	160,691	-
Dividend income	-	-	5,385,023	3,110,985
Employer contributions	-	-	5,467,825	5,494,101
Participant rollover contributions	-	-	1,053,878	2,395,693
Loan repayments	(1,671,313)	(1,677,369)	-	-
Interest from participant notes receivable	155,997	139,026	155,997	139,026
Other	-	-	114,992	110,424
Total increase, net of realized and unrealized gains and losses	(1,515,316)	(1,538,343)	30,246,262	24,174,865
Decrease				
Benefits paid to participants	-	-	7,645,116	9,097,209
Loans to participants	(1,808,639)	(1,864,630)	-	-
Loan defaults	119,694	120,280	119,694	120,280
Participants' note and administrative fees	-	-	96,155	83,978
Total decrease	(1,688,945)	(1,744,350)	7,860,965	9,301,467
Net Increase (Decrease) Prior to Interfund Transfers	173,629	206,007	22,385,297	14,873,398
Interfund Transfers	-	-	-	-
Net Increase (Decrease)	173,629	206,007	22,385,297	14,873,398
Net Position				
Beginning of year	3,909,080	3,703,073	146,894,442	132,021,044
End of year	<u>\$ 4,082,709</u>	<u>\$ 3,909,080</u>	<u>\$ 169,279,739</u>	<u>\$ 146,894,442</u>