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

Financial Report

with Supplemental Information

As of and for the Years Ended June 30, 2016 and 2015

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

Contents

Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

INDEPENDENT AUDITORS' 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

We have audited the accompanying financial statements of the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan"), which comprise the statement of plan net position as of June 30, 2016 and the related statement of changes in plan net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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.

Auditors' 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 Plan'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 Plan'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
City of Lansing, Michigan

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Plan as of June 30, 2016 and the changes in plan net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Plan as of June 30, 2015, were audited by other auditors whose report dated August 28, 2015, expressed an unmodified opinion on those statements.

Other Matters

Report on Required Management's Discussion and Analysis

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required management's discussion and analysis 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of changes in net position by fund is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
September 6, 2016

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:

	2016	2015	2014
Assets held in trust:			
Mutual funds	$ 124,001,268	$ 130,790,091	$ 127,907,621
Stable value	34,193,741	31,844,948	33,607,203
Guaranteed income fund	7,735,485	5,220,516	2,535,165
Participant notes receivable and other	5,300,821	5,265,081	5,229,750
Net position	**$ 171,231,315**	**$ 173,120,636**	**$ 169,279,739**
Changes in plan assets:			
Net investment income/(loss)	$ (1,505,961)	$ 7,317,020	$ 23,453,570
Employer and participant contributions	7,688,472	6,893,841	6,521,703
Benefits paid to participants	(7,946,117)	(10,451,713)	(7,645,116)
Loan defaults and other changes	(125,715)	81,749	55,140
Changes in net position	**$ (1,889,321)**	**$ 3,840,897**	**$ 22,385,297**

Investment Objectives

The principal purpose of the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (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.

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, 2016 saw a net investment loss of $1.5 million. Total assets held in trust at the end of the fiscal year were $171.2 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 Heather Shawa-DeCook, Chief Financial Officer, at P.O. Box 13007, Lansing, Michigan 48901-3007.

Statement of Net Position

	As of June 30	
	2016	2015
Assets		
Participant-directed investments (Note 1):		
Mutual funds:		
Money market	$ 675,272	$ 228,799
Bond and equity funds	17,070,664	17,657,647
Stock funds	60,866,409	64,962,538
Balanced funds	24,859,849	24,993,891
Growth funds	6,212,755	6,269,076
International funds	14,316,319	16,678,140
Total mutual funds	124,001,268	130,790,091
Stable value	34,193,741	31,844,948
Guaranteed income fund	7,735,485	5,220,516
Self-directed brokerage account	1,551,450	1,376,730
Total participant-directed investments	167,481,944	169,232,285
Participant notes receivable	3,749,371	3,888,351
Net Position Restricted for Pensions	**$ 171,231,315**	**$ 173,120,636**

See Notes to Financial Statements.

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

Statement of Changes in Net Position

	For the Year Ended June 30	
	2016	2015
Increase		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ (8,061,276)	$ 21,201
Dividend income	6,555,315	7,295,819
Total investment income (loss)	(1,505,961)	7,317,020
Employer contributions (Note 1)	5,661,884	5,548,360
Participant rollover contributions	2,026,588	1,345,481
Interest from participant notes receivable	150,624	155,010
Other	-	152,128
Total increase	6,333,135	14,517,999
Decrease		
Benefits paid to participants	7,946,117	10,451,713
Loan defaults	186,801	125,254
Participants' note and administrative fees	89,538	100,135
Total decrease	8,222,456	10,677,102
Change in Net Position Held in Trust	(1,889,321)	3,840,897
Net Position Restricted for Pensions		
Beginning of year	173,120,636	169,279,739
End of year	**$ 171,231,315**	**$ 173,120,636**

See Notes to Financial Statements.

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 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.

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, 2016, there were 915 participants in the Plan, of which 705 were active employees. As of June 30, 2015, there were 878 participants in the Plan, of which 725 were active employees.

Vesting – Participants start to 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.

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.

Guaranteed Lifetime Income fund: The Retirement Income Advantage Fund seeks both moderate capital growth and current income. It invests in a separate account under a group variable annuity. The separate account, in turn, invests in a mix of registered funds and a collective trust fund with an allocation of approximately 60% domestic and foreign equities and 40% fixed income.

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.

Note 1 - Description of the Plan (Continued)

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.

Reclassifications – Certain reclassifications have been made to prior year amounts to conform with current year presentations except for the Supplemental Information. The reclassifications have no effect on net income.

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.*

In February 2015, the GASB issued statement No. 72 – Fair Value Measurement and Application. The objective of this statement is to provide guidance for determining a fair value measurement for financial reporting purposes as well as to provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard was implemented effective July 1, 2015.

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.

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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, 2016

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

Concentrations – As of June 30, 2016, the plan had stable value investments of $34,193,741 that were concentrated in one fund.

Note 3 – Investments (Continued)

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	$ 124,001,268	Not rated	Not rated
Stable value	34,193,741	AA	S&P

<u>Risks at June 30, 2015</u>

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

Concentrations – As of June 30, 2015, the plan had stable value investments of $31,844,948 that were concentrated in one fund.

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	$ 130,790,091	Not rated	Not rated
Stable value	31,844,948	AA	S&P

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 14 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.

Note 6 – Fair Value Measurements

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

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

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability

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

Note 6 – Fair Value Measurements (Continued)

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015:

Money market fund, growth funds, and international funds: Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.

Common stock and bond and equity funds: Valued at the most recent closing price reported on the market on which individual securities are traded.

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

Stable value fund: The Plus Fund is a collective fund that seeks to maintain a stable net asset value. It invests primarily in a diversified portfolio of stable-value investments, including traditional guaranteed investment contracts (traditional GICs), separate account GICs, synthetic GICs backed by fixed income securities or investments, and short-term investment funds, including money market mutual funds.

Guaranteed Lifetime Income fund: The Retirement Income Advantage Fund seeks both moderate capital growth and current income. It invests in a separate account under a group variable annuity. The separate account, in turn, invests in a mix of registered funds and a collective trust fund with an allocation of approximately 60% domestic and foreign equities and 40% fixed income.

Note 6 – Fair Value Measurements (Continued)

Self-directed brokerage account: The self-directed brokerage account allows participants of the Plan the option of selecting a more personalized and broad range of investment choices. The investments within the account consist of corporate stocks, which are valued at the most recent closing price reported on the market on which individual securities are traded.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2016 and 2015:

	June 30, 2016			
Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	$ 675,272	$ -	$ -	$ 675,272
Bond and equity funds	17,070,664	-	-	17,070,664
Stock funds	60,866,409	-	-	60,866,409
Balanced funds	24,859,849	-	-	24,859,849
Growth funds	6,212,755	-	-	6,212,755
International funds	14,316,319	-	-	14,316,319
Self-directed brokerage account	1,551,450	-	-	1,551,450
Total investments by fair value level	$125,552,718	$ -	$ -	$125,552,718
Investments measured at the net asset value (NAV)				
Stable value				34,193,741
Guaranteed Lifetime Income				7,735,485
Total investments measured at fair value				$167,481,944

Note 6 – Fair Value Measurements (Continued)

	June 30, 2015			
Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds:				
Money market	$ 228,799	$ -	$ -	$ 228,799
Bond and equity funds	17,657,647	-	-	17,657,647
Stock funds	64,962,538	-	-	64,962,538
Balanced funds	24,993,891	-	-	24,993,891
Growth funds	6,269,076	-	-	6,269,076
International funds	16,678,140	-	-	16,678,140
Self-directed brokerage account	1,376,730	-	-	1,376,730
Total investments by fair value level	$ 132,166,821	$ -	$ -	$ 132,166,821
Investments measured at the net asset value (NAV)				
Stable value				31,844,948
Guaranteed Lifetime Income				5,220,516
Total investments measured at fair value				$ 169,232,285

Investments Measured Using NAV per Share Practical Expedient: The stable value fund and guaranteed lifetime income fund use NAV per share as a practical expedient to measuring fair value. The stable value fund had a fair value of $34,193,741 and $31,844,948 as of June 30, 2016 and 2015, respectively and the guaranteed lifetime income fund had a fair value of $7,735,485 and $5,220,516, respectively. These funds have no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Note 7 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Net Position.

Note 8 – Subsequent Events

The Plan has evaluated subsequent events occurring through September 6, 2016, which is the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

Supplemental Information

Statement of Changes in Net Position by Fund

	Money Market		Bond Funds	
	Year Ended June 30		Year Ended June 30	
	2016	2015	2016	2015
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	$ -	$ 410	$ (319,980)	$ (845,789)
Interest income	-	-	-	-
Dividend income	22	-	810,705	813,414
Employer contributions	34,540	13,977	529,792	477,593
Participant rollover contributions	-	-	8,532	25,541
Loan repayments	5,074	21,638	193,306	197,715
Interest from participant notes receivable	-	-	-	-
Other	-	-	(385,742)	(2,216)
Total increase, net of realized and unrealized gains and losses	39,636	36,025	836,613	666,258
Decrease				
Benefits paid to participants	43,376	150,217	1,091,421	660,545
Loans to participants	33,845	2,210	187,775	197,409
Loan defaults	-	-	-	-
Participants' note and administrative fees	510	327	24,262	24,358
Total decrease	77,731	152,754	1,303,458	882,312
Net (Decrease) Increase Prior to Interfund Transfers	(38,095)	(116,729)	(466,845)	(216,054)
Interfund Transfers	484,568	227,735	(120,138)	1,316,824
Net (Decrease) Increase	446,473	111,006	(586,983)	1,100,770
Net Position Restricted for Pensions				
Beginning of year	228,799	117,793	17,657,647	16,556,877
End of year	**$ 675,272**	**$ 228,799**	**$ 17,070,664**	**$ 17,657,647**

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	
	2016	2015	2016	2015
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	$ (6,007,342)	$ 530,586	$ (991,563)	$ (122,553)
Interest income	-	-	-	-
Dividend income	4,282,319	5,067,314	922,976	972,450
Employer contributions	1,766,531	1,689,400	1,952,650	1,588,916
Participant rollover contributions	73,093	246,359	180,578	643,541
Loan repayments	553,734	635,470	428,538	405,918
Interest from participant notes receivable	-	-	-	-
Other	9,779	87	10	40,549
Total increase, net of realized and unrealized gains and losses	678,114	8,169,216	2,493,189	3,528,821
Decrease				
Benefits paid to participants	2,689,987	3,269,915	898,284	1,639,212
Loans to participants	473,779	496,175	466,829	353,843
Loan defaults	-	-	-	-
Participants' note and administrative fees	27,779	29,869	11,212	14,811
Total decrease	3,191,545	3,795,959	1,376,325	2,007,866
Net (Decrease) Increase Prior to Interfund Transfers	(2,513,431)	4,373,257	1,116,864	1,520,955
Interfund Transfers	(1,582,698)	(28,034)	(1,250,906)	(3,487,477)
Net Increase (Decrease)	(4,096,129)	4,345,223	(134,042)	(1,966,522)
Net Position Restricted for Pensions				
Beginning of year	64,962,538	60,617,315	24,993,891	26,960,413
End of year	**$ 60,866,409**	**$ 64,962,538**	**$ 24,859,849**	**$ 24,993,891**

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	
	2016	2015	2016	2015
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	$ (143,888)	$ 115,442	$ (1,409,383)	$ (279,065)
Interest income	-	-	-	-
Dividend income	-	-	539,293	432,105
Employer contributions	555,780	568,790	499,889	514,289
Participant rollover contributions	-	71,130	4,804	44,996
Loan repayments	192,185	235,807	169,473	201,380
Interest from participant notes receivable	-	-	-	-
Other	-	-	9,748	50
Total increase, net of realized and unrealized gains and losses	604,077	991,169	(186,176)	913,755
Decrease				
Benefits paid to participants	13,370	160,116	440,001	605,388
Loans to participants	167,821	280,581	109,981	205,341
Loan defaults	-	-	-	-
Participants' note and administrative fees	3,550	3,972	11,794	15,306
Total decrease	184,741	444,669	561,776	826,035
Net (Decrease) Increase Prior to Interfund Transfers	419,336	546,500	(747,952)	87,720
Interfund Transfers	(475,657)	(422,184)	(1,613,869)	(920,041)
Net Increase (Decrease)	(56,321)	124,316	(2,361,821)	(832,321)
Net Position Restricted for Pensions				
Beginning of year	6,269,076	6,144,760	16,678,140	17,510,461
End of year	**$ 6,212,755**	**$ 6,269,076**	**$ 14,316,319**	**$ 16,678,140**

Statement of Changes in Net Position by Fund (Continued)

	Total Mutual Funds	
	Year Ended June 30	
	2016	2015
Increase		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ (8,872,156)	$ (600,969)
Interest income	-	-
Dividend income	6,555,315	7,285,283
Employer contributions	5,339,182	4,852,965
Participant rollover contributions	267,007	1,031,567
Loan repayments	1,542,310	1,697,928
Interest from participant notes receivable	-	-
Other	(366,205)	38,470
Total increase, net of realized and unrealized gains and losses	4,465,453	14,305,244
Decrease		
Benefits paid to participants	5,176,439	6,485,393
Loans to participants	1,440,030	1,535,559
Loan defaults	-	-
Participants' note and administrative fees	79,107	88,643
Total decrease	6,695,576	8,109,595
Net (Decrease) Increase Prior to Interfund Transfers	(2,230,123)	6,195,649
Interfund Transfers	(4,558,700)	(3,313,177)
Net Increase (Decrease)	(6,788,823)	2,882,472
Net Position Restricted for Pensions		
Beginning of year	130,790,091	127,907,619
End of year	**$ 124,001,268**	**$ 130,790,091**

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	
	2016	2015	2016	2015
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	$ 555,204	$ 580,681	$ -	$ -
Interest income	-	-	42,977	10,536
Dividend income	-	-	-	-
Employer contributions	643,972	631,503	-	-
Participant rollover contributions	1,461,825	313,914	-	-
Loan repayments	162,931	177,673	-	-
Interest from participant notes receivable	-	-	-	-
Other	114,020	113,632	-	-
Total increase, net of realized and unrealized gains and losses	2,937,952	1,817,403	42,977	10,536
Decrease				
Benefits paid to participants	2,719,980	3,947,408	-	-
Loans to participants	184,103	136,331	-	-
Loan defaults	-	-	-	-
Participants' note and administrative fees	10,331	11,373	-	-
Total decrease	2,914,414	4,095,112	-	-
Net Increase (Decrease) Prior to Interfund Transfers	23,538	(2,277,709)	42,977	10,536
Interfund Transfers	2,325,255	515,454	131,743	219,153
Net Increase (Decrease)	2,348,793	(1,762,255)	174,720	229,689
Net Position Restricted for Pensions				
Beginning of year	31,844,948	33,607,203	1,376,730	1,147,041
End of year	**$ 34,193,741**	**$ 31,844,948**	**$ 1,551,450**	**$ 1,376,730**

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

Statement of Changes in Net Position by Fund (Continued)

	Participant Notes Receivable		Guaranteed Lifetime Income	
	Year Ended June 30		Year Ended June 30	
	2016	2015	2016	2015
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	$ -	$ -	$ 79,128	$ 41,489
Interest income	-	-	-	-
Dividend income	-	-	-	-
Employer contributions	-	-	64,473	63,892
Participant rollover contributions	-	-	297,756	-
Loan repayments	(1,726,936)	(1,896,004)	21,695	20,403
Interest from participant notes receivable	150,624	155,010	-	-
Other	-	-	13	26
Total increase, net of realized and unrealized gains and losses	(1,576,312)	(1,740,994)	463,065	125,810
Decrease				
Benefits paid to participants	-	-	49,698	18,912
Loans to participants	(1,624,133)	(1,671,890)	-	-
Loan defaults	186,801	125,254	-	-
Participants' note and administrative fees	-	-	103	119
Total decrease	(1,437,332)	(1,546,636)	49,801	19,031
Net Increase (Decrease) Prior to Interfund Transfers	(138,980)	(194,358)	413,264	106,779
Interfund Transfers	-	-	2,101,702	2,578,570
Net Increase (Decrease)	(138,980)	(194,358)	2,514,966	2,685,349
Net Position Restricted for Pensions				
Beginning of year	3,888,351	4,082,709	5,220,519	2,535,167
End of year	**$ 3,749,371**	**$ 3,888,351**	**$ 7,735,485**	**$ 5,220,516**

Statement of Changes in Net Position by Fund (Continued)

	Reclassifications		Total	
	Year Ended June 30		Year Ended June 30	
	2016	2015	2016	2015
Increase				
Investment income:				
Net appreciation (depreciation) in fair value of investments	$ 133,571	$ -	$ (8,104,253)	$ 21,201
Interest income	-	-	42,977	10,536
Dividend income	-	-	6,555,315	7,285,283
Employer contributions	(385,743)	-	5,661,884	5,548,360
Participant rollover contributions	-	-	2,026,588	1,345,481
Loan repayments	-	-	-	-
Interest from participant notes receivable	-	-	150,624	155,010
Other	252,172	-	-	152,128
Total increase, net of realized and unrealized gains and losses	-	-	6,333,135	14,517,999
Decrease				
Benefits paid to participants	-	-	7,946,117	10,451,713
Loans to participants	-	-	-	-
Loan defaults	-	-	186,801	125,254
Participants' note and administrative fees	-	-	89,538	100,135
Total decrease	-	-	8,222,456	10,677,102
Net Increase (Decrease) Prior to Interfund Transfers	-	-	(1,889,321)	3,840,897
Interfund Transfers	-	-	-	-
Net Increase (Decrease)	-	-	(1,889,321)	3,840,897
Net Position Restricted for Pensions				
Beginning of year	-	-	173,120,636	169,279,739
End of year	**$ -**	**$ -**	**$ 171,231,315**	**$ 173,120,636**