

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

**Financial Report
With Supplemental Information
June 30, 2004**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>Lansing Board of Water and Light Employees' Defined Contribution Pension Plan</u>		County Ingham County
Audit Date June 30, 2004	Opinion Date September 2, 2004	Date Accountant Report Submitted To State:		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- Yes No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- Yes No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- Yes No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- Yes No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- Yes No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132])
- Yes No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- Yes No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- Yes No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- Yes No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 1111 Michigan Avenue		City East Lansing	State Michigan
			ZIP 48823
Accountant Signature <i>Plante & Moran, PLLC</i>			Date

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

Contents

Report Letter	1
Basic Financial Statements	
Statement of Plan Assets	2
Statement of Changes in Plan Assets	3
Notes to Financial Statements	4-10
Supplemental Information	
Statement of Changes in Plan Assets by Fund	11-16

Independent Auditor's Report

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

We have audited the accompanying statement of Plan assets of the Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the Plan) as of June 30, 2004 and 2003, and the related statement of changes in Plan assets for the years then ended. These financial statements are the responsibility of the Plan's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Plan assets of the Plan at June 30, 2004 and 2003, and the changes in Plan assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of changes in plan assets by fund (supplemental information) is presented for the purpose of additional analysis of the basic financial statements rather than to present information regarding the Plan assets and changes in Plan assets of the individual funds. The supplemental information by fund is not a required part of the basic financial statements. The supplemental information by fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Governmental Accounting Standards Board (GASB), Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments*, requires a Management Discussion and Analysis be presented along with the financial statements. This information has not been presented.

Plante & Moran, PLLC

September 2, 2004

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

Statement of Plan Assets

	June 30	
	2004	2003
Assets		
Participant-directed investments (Notes 3 and 4):		
Mutual Funds:		
Money Market - Prudential MoneyMart Assets Z	\$ 1,629,151	\$ 1,912,143
Stable Value Fund - Stable Value 30	19,491,965	16,616,168
Income Funds:		
Dryden High-Yield Z	2,482,974	2,141,708
PIMCO Total Return A	3,117,451	3,255,294
Oppenheimer Limited Term Government A	1,423,836	2,013,856
Dryden Global Total Return Z	877,694	965,662
Balanced Funds:		
AIM Balanced A	3,892,307	3,618,778
American Balanced A	3,340,728	-
George Putnam Fund of Boston A	-	2,256,738
Growth and Income Funds:		
Jennison Utility Z	567,725	400,937
Jennison Value Z	1,043,659	790,238
Mutual Qualified Income A	4,122,419	3,388,989
Fidelity Advisor Equity Income T	3,921,939	3,090,478
Dryden Stock Index I	7,618,883	3,138,795
Jennison Equity Opportunity Z	1,738,179	1,404,425
PIMCO Stock Plus A	1,154,182	789,015
Strategic Partners Conservative Growth Z	415,782	301,025
Growth Funds:		
Mutual Discovery A	3,338,739	2,701,911
Jennison U.S. Emerging Growth Z	592,758	378,667
Strategic Partners Moderate Growth Z	676,978	420,068
Strategic Partners High Growth Z	395,829	290,180
Jennison Small Company Z	1,411,628	1,002,564
Strategic Partners Equity Z	583,535	488,804
Scudder-Dreman High Return Equity A	6,115,354	4,645,525
Putnam Capital Appreciation A	-	4,050,112
MFS Massachusetts Investors Trust A	3,475,687	3,350,673
Franklin Small-Mid Cap Growth A	6,919,717	5,810,904
Franklin Flex Cap Growth A	3,261,626	2,518,538
Jennison Growth Z	2,999,272	2,363,814
Janus Olympus	443,350	463,475
Dreyfus Small Cap Stock Index	401,542	-
PIMCO NFJ Small Cap Value A	676,341	56,621
International Funds:		
Strategic Partners International Value Z	283,327	216,231
Jennison Global Growth Z	699,765	697,647
Templeton Growth A	6,992,488	5,393,997
MFS Global Total Return A	411,022	-
MFS Global Asset Allocation A	-	377,966
Specialty Funds:		
Putnam Health Sciences Trust A	-	2,374,041
Eaton Vance Worldwide Sciences A	2,122,889	-
Alliance Bernstein Technology Class A	-	3,090,258
Scudder Technology Class A	3,121,220	-
Janus Global Technology	515,331	310,948
	<u>102,277,272</u>	<u>87,087,193</u>
Total mutual funds		
Self-directed brokerage account	575,327	720,386
Participant Loans	3,415,212	3,437,561
	<u>3,415,212</u>	<u>3,437,561</u>
Assets Held in Trust for Pension Benefits	\$ 106,267,811	\$ 91,245,140

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

Statement of Changes in Plan Assets

	Year Ended June 30	
	2004	2003
Increases		
Investment income:		
Net appreciation in fair value of investments	\$ 12,382,331	\$ 117,806
Interest income	218,605	238,826
Dividend income	1,159,294	972,143
Total investment income	13,760,230	1,328,775
Employer contributions (Note 1)	5,035,264	4,935,166
Participant rollover contributions	156,338	2,164
Other	(2,529)	(2,311)
Total increases, net of realized and unrealized gains and losses	18,949,303	6,263,794
Decreases		
Benefits paid to participants	3,689,580	4,170,750
Loan defaults	224,292	149,310
Participants' loan fees	12,760	13,942
Total decreases	3,926,632	4,334,002
Net Increases	15,022,671	1,929,792
Assets Held in Trust for Pension Benefits		
Beginning of year	91,245,140	89,315,348
End of year	\$ 106,267,811	\$ 91,245,140

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

**Notes to Financial Statements
June 30, 2004 and 2003**

Note 1 - Description of the Plan

The following description of the 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 that 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.

The Plan administrator controls and manages the operation and administration of the Plan and has contracted with Prudential Investments Retirement Services to perform certain administrative services.

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, 2004 and 2003**

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 BWL contributions and Plan earnings. Allocations are based on participant's earnings or account balances, as defined in the Plan document. Forfeited balances of terminated participants' nonvested 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, 2004, there were 770 participants in the Plan, of which 650 were active employees. As of June 30, 2003, there were 761 participants in the Plan, of which 666 were active employees.

Vesting - Participants vest in the BWL contribution and related earnings at the rate of 20 percent per year after completion of three years of service. Participants become fully vested after seven years of service.

Investment Options - Participants may direct contributions in any of the following investment options, which are administered by Prudential Investments Retirement Services. Since Prudential Investments Retirement Services is the custodian as defined by the Plan, transactions in the Prudential Funds qualify as transactions with parties-in-interest.

Money Market - Seeks maximum current income consistent with stability of capital and the maintenance of liquidity by investing in U.S. Government and agency obligations, bank certificates of deposit, and commercial paper. This type of investment option consists of the following fund:

- Prudential MoneyMart Assets Z

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. This type of investment option consists of the following fund:

- Stable Value 30

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

**Notes to Financial Statements
June 30, 2004 and 2003**

Note 1 - Description of the Plan (Continued)

Income - 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. This type of investment option consists of the following funds:

- Dryden High-Yield Z
- PIMCO Total Return A
- Oppenheimer Limited Term Government A
- Dryden Global Total Return Z

Balanced - Seeks both current income and capital appreciation by investing in a combination of stocks, bonds, and money market instruments. This type of investment option consists of the following funds:

- AIM Balanced A
- American Balanced A
- George Putnam Fund of Boston A

Growth and Income - Seeks capital appreciation and current income by investing primarily in common and preferred stocks of corporations typically selected for both appreciation potential and dividend-paying ability. This type of investment option consists of the following funds:

- Jennison Utility Z
- Jennison Value Z
- Mutual Qualified Income A
- Fidelity Advisor Equity Income T
- Dryden Stock Index I
- Jennison Equity Opportunity Z
- PIMCO Stock Plus A
- Strategic Partners Conservative Growth Z

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

Notes to Financial Statements
June 30, 2004 and 2003

Note 1 - Description of the Plan (Continued)

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. This type of investment option consists of the following funds:

- Mutual Discovery A
- Jennison U.S. Emerging Growth Z
- Strategic Partners Moderate Growth Z
- Strategic Partners High Growth Z
- Jennison Small Company Z
- Strategic Partners Equity Z
- Scudder-Dreman High Return Equity A
- Putnam Capital Appreciation A
- MFS Massachusetts Investors Trust A
- Franklin Small-Mid Cap Growth A
- Franklin Flex Cap Growth A
- Jennison Growth Z
- Janus Olympus
- Dreyfus Small Cap Stock Index
- PIMCO NFJ Small Cap Value A

International - Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S. This type of investment option consists of the following funds:

- Strategic Partners International Value Z
- Jennison Global Growth Z
- Templeton Growth A
- MFS Global Total Return A
- MFS Global Asset Allocation A

Specialty - Seeks capital appreciation by concentrating its investments in securities of companies within specific industries or sectors. This type of investment option consists of the following funds:

- Putnam Health Sciences Trust A
- Eaton Vance Worldwide Sciences A
- Alliance Bernstein Technology A
- Scudder Technology A
- Janus Global Technology

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

**Notes to Financial Statements
June 30, 2004 and 2003**

Note 1 - Description of the Plan (Continued)

Self-Directed Brokerage Account - Participants with a minimum account balance of \$50,000 may transfer from their fund accounts a minimum of \$10,000 up to a maximum of 50 percent of their account balance 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 \$100 annual account fee plus applicable commissions.

Loans to Participants - 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 balance. Loan transactions are treated as a transfer between the investment fund and the loan fund. Loan terms range from one to five years or up to 20 years for the purchase of a primary residence. The loans 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 is paid ratably through payroll deductions.

Payment of Benefits - On 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.

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. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution 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.

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

Notes to Financial Statements
June 30, 2004 and 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Valuation of Loans to Participants - The loans to participants are valued at cost plus accrued interest which approximates fair value.

Expenses - The Plan's expenses are paid by 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

At June 30, 2004 and 2003, the majority of the investments of the Plan are held in mutual funds. The mutual funds have not been categorized to give an indication of the level of credit risk assumed by the Plan at year end since these investments are not evidenced by securities that exist in physical or book entry form. The mutual funds are registered with the SEC. Management believes that the investments in the funds comply with the investment authority noted above.

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.

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

**Notes to Financial Statements
June 30, 2004 and 2003**

Note 5 - Tax Status

The Plan obtained its determination letter dated March 14, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has since been amended. Management believes the Plan continues to operate as a qualified Plan.

Therefore, no provision for income taxes has been included in the Plan's financial statements.

Supplemental Information

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

Statement of Changes in Plan Assets by Fund

	Supplemental Information by Fund			
	Money Market		Stable Value Fund	
	Year Ended June 30		Year Ended June 30	
	2004	2003	2004	2003
Increases				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ -	\$ -	\$ 728,593	\$ 739,725
Interest income	7,733	9,040	44,596	43,999
Dividend income	11,133	23,557	-	-
Employer contributions	80,324	90,160	831,082	798,818
Participant rollover contributions	-	-	10,339	-
Loan repayments	48,300	48,507	222,626	251,876
Other	(197)	(127)	(737)	(684)
Total increases, net of realized and unrealized gains and losses	147,293	171,137	1,836,499	1,833,734
Decreases				
Benefits paid to participants	396,118	252,506	1,392,922	1,063,015
Loans to participants	91,854	23,042	159,842	396,064
Loan defaults	-	-	-	-
Participants' loan fees	925	625	5,305	5,791
Total decreases	488,897	276,173	1,558,069	1,464,870
Net Increases (Decreases) Prior to Interfund Transfers				
	(341,604)	(105,036)	278,430	368,864
Interfund Transfers	58,612	(49,784)	2,597,367	2,580,608
Net Increases (Decreases)	(282,992)	(154,820)	2,875,797	2,949,472
Assets Held in Trust for Pension Benefits				
Beginning of year	1,912,143	2,066,963	16,616,168	13,666,696
End of year	<u>\$ 1,629,151</u>	<u>\$ 1,912,143</u>	<u>\$ 19,491,965</u>	<u>\$ 16,616,168</u>

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

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Income Funds		Balanced Funds	
	Year Ended June 30		Year Ended June 30	
	2004	2003	2004	2003
Increases				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ (113,001)	\$ 446,810	\$ 616,136	\$ (111,221)
Interest income	23,617	23,565	8,668	9,253
Dividend income	416,765	375,418	137,222	147,196
Employer contributions	338,625	331,650	308,776	298,197
Participant rollover contributions	41,157	-	-	-
Loan repayments	61,895	62,886	44,534	43,520
Other	(267)	(207)	(30)	(39)
Total increases, net of realized and unrealized gains and losses	768,791	1,240,122	1,115,306	386,906
Decreases				
Benefits paid to participants	293,463	521,637	289,624	332,722
Loans to participants	104,696	129,248	36,168	77,328
Loan defaults	-	-	-	-
Participants' loan fees	1,904	2,071	475	404
Total decreases	400,063	652,956	326,267	410,454
Net Increases (Decreases) Prior to Interfund Transfers	368,728	587,166	789,039	(23,548)
Interfund Transfers	(843,293)	376,533	568,480	(363,518)
Net Increases (Decreases)	(474,565)	963,699	1,357,519	(387,066)
Assets Held in Trust for Pension Benefits				
Beginning of year	8,376,520	7,412,821	5,875,516	6,262,582
End of year	<u>\$ 7,901,955</u>	<u>\$ 8,376,520</u>	<u>\$ 7,233,035</u>	<u>\$ 5,875,516</u>

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

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Growth & Income Funds		Growth Funds	
	Year Ended June 30		Year Ended June 30	
	2004	2003	2004	2003
Increases				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 2,905,580	\$ (242,487)	\$ 5,730,358	\$ (462,752)
Interest income	35,046	35,405	71,956	84,583
Dividend income	232,277	156,547	190,094	157,488
Employer contributions	877,518	757,523	1,868,571	1,912,612
Participant rollover contributions	68,089	-	30,780	2,164
Loan repayments	175,070	168,673	375,105	414,599
Other	1,715	(402)	(2,733)	(606)
Total increases, net of realized and unrealized gains and losses	4,295,295	875,259	8,264,131	2,108,088
Decreases				
Benefits paid to participants	378,116	653,119	640,137	890,798
Loans to participants	228,145	174,113	463,571	604,675
Loan defaults	-	-	-	-
Participants' loan fees	2,571	2,474	1,353	2,577
Total decreases	608,832	829,706	1,105,061	1,498,050
Net Increases (Decreases) Prior to Interfund Transfers	3,686,463	45,553	7,159,070	610,038
Interfund Transfers	3,592,403	(355,621)	(4,408,570)	(2,071,739)
Net Increases (Decreases)	7,278,866	(310,068)	2,750,500	(1,461,701)
Assets Held in Trust for Pension Benefits				
Beginning of year	13,303,902	13,613,970	28,541,856	30,003,557
End of year	\$ 20,582,768	\$ 13,303,902	\$ 31,292,356	\$ 28,541,856

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

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	International Funds		Specialty Funds	
	Year Ended June 30		Year Ended June 30	
	2004	2003	2004	2003
Increases				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 1,431,904	\$ (215,536)	\$ 943,482	\$ (86,393)
Interest income	12,539	13,038	14,450	19,943
Dividend income	160,463	111,937	11,340	-
Employer contributions	349,811	333,786	380,557	412,420
Participant rollover contributions	3,982	-	1,991	-
Loan repayments	62,622	62,595	79,469	87,658
Other	(61)	(19)	(219)	(227)
Total increases, net of realized and unrealized gains and losses	2,021,260	305,801	1,431,070	433,401
Decreases				
Benefits paid to participants	255,316	366,820	43,884	90,133
Loans to participants	112,543	71,003	74,745	72,434
Loan defaults	-	-	-	-
Participants' loan fees	-	-	227	-
Total decreases	367,859	437,823	118,856	162,567
Net Increases (Decreases) Prior to Interfund Transfers	1,653,401	(132,022)	1,312,214	270,834
Interfund Transfers	47,360	(127,007)	(1,328,021)	(298,588)
Net Increases (Decreases)	1,700,761	(259,029)	(15,807)	(27,754)
Assets Held in Trust for Pension Benefits				
Beginning of year	6,685,841	6,944,870	5,775,247	5,803,001
End of year	\$ 8,386,602	\$ 6,685,841	\$ 5,759,440	\$ 5,775,247

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

Statement of Changes in Plan Assets by Fund (Continued)

	Total Mutual Funds		Supplemental Information by Fund	
			Brokerage Account	
	Year Ended June 30		Year Ended June 30	
	2004	2003	2004	2003
Increases				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ 12,243,052	\$ 68,146	\$ 139,279	\$ 49,660
Interest income	218,605	238,826	-	-
Dividend income	1,159,294	972,143	-	-
Employer contributions	5,035,264	4,935,166	-	-
Participant rollover contributions	156,338	2,164	-	-
Loan repayments	1,069,621	1,140,314	-	-
Other	(2,529)	(2,311)	-	-
Total increases, net of realized and unrealized gains and losses	19,879,645	7,354,448	139,279	49,660
Decreases				
Benefits paid to participants	3,689,580	4,170,750	-	-
Loans to participants	1,271,564	1,547,907	-	-
Loan defaults	-	-	-	-
Participants' loan fees	12,760	13,942	-	-
Total decreases	4,973,904	5,732,599	-	-
Net Increases (Decreases) Prior to Interfund Transfers	14,905,741	1,621,849	139,279	49,660
Interfund Transfers	284,338	(309,116)	(284,338)	309,116
Net Increases (Decreases)	15,190,079	1,312,733	(145,059)	358,776
Assets Held in Trust for Pension Benefits				
Beginning of year	87,087,193	85,774,460	720,386	361,610
End of year	<u>\$ 102,277,272</u>	<u>\$ 87,087,193</u>	<u>\$ 575,327</u>	<u>\$ 720,386</u>

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

Statement of Changes in Plan Assets by Fund (Continued)

	Supplemental Information by Fund			
	Participant Loans		Total Investments	
	Year Ended June 30		Year Ended June 30	
	2004	2003	2004	2003
Increases				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ -	\$ -	\$ 12,382,331	\$ 117,806
Interest income	-	-	218,605	238,826
Dividend income	-	-	1,159,294	972,143
Employer contributions	-	-	5,035,264	4,935,166
Participant rollover contributions	-	-	156,338	2,164
Loan repayments	(1,069,621)	(1,140,314)	-	-
Other	-	-	(2,529)	(2,311)
	<u>(1,069,621)</u>	<u>(1,140,314)</u>	<u>18,949,303</u>	<u>6,263,794</u>
Total increases, net of realized and unrealized gains and losses	(1,069,621)	(1,140,314)	18,949,303	6,263,794
Decreases				
Benefits paid to participants	-	-	3,689,580	4,170,750
Loans to participants	(1,271,564)	(1,547,907)	-	-
Loan defaults	224,292	149,310	224,292	149,310
Participants' loan fees	-	-	12,760	13,942
	<u>(1,047,272)</u>	<u>(1,398,597)</u>	<u>3,926,632</u>	<u>4,334,002</u>
Total decreases	(1,047,272)	(1,398,597)	3,926,632	4,334,002
Net Increases (Decreases) Prior to Interfund Transfers	(22,349)	258,283	15,022,671	1,929,792
Interfund Transfers	-	-	-	-
Net Increases (Decreases)	(22,349)	258,283	15,022,671	1,929,792
Assets Held in Trust for Pension Benefits				
Beginning of year	3,437,561	3,179,278	91,245,140	89,315,348
End of year	<u>\$ 3,415,212</u>	<u>\$ 3,437,561</u>	<u>\$ 106,267,811</u>	<u>\$ 91,245,140</u>