

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 13, 2015

Board Item: II-B-2

2014 Audited Financial Statements

Action by Consent

Action

Information

Summary:

Financial Statements:

The 2014 audited financial statements were provided to the Board for review on April 21, 2015. KMPG, Denver Water's external audit firm, completed their audit April 30, 2015.

2014 Financial Highlights:

- The audit opinion is unmodified (clean).
- The change in net position has decreased over the last three years due to the fact that operating income has decreased. Net position increased \$62.7 million in 2014 compared to \$79.0 million in 2013 and \$105.1 million in 2012. This decline is largely the result of:
 - Decreasing water sales since 2012; however, this decrease was in part offset by rate increases. In addition, there was unusually high water sales in 2012 from the extremely dry year;
and
 - Increasing operating expenses outpacing operating revenues. The trend of increasing operating expenses is anticipated to continue as more repair and maintenance activities are needed for an aging infrastructure.

Retirement Plan:

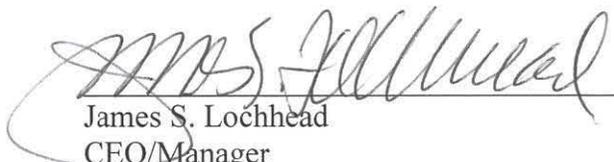
The 2014 Audited Financial Statements for the Defined Benefit (Retirement Plan), Defined Contribution (401K Plan) and the Deferred Compensation (457 Plan) are currently available on the Board portal.

Approvals:

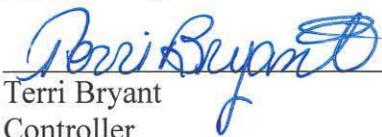


Angela Brimont
Director of Finance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller