

Denver Board of Water Commissioners

Title:

2008 Audited Financial Statements for Denver Water's Retirement Plan

Meeting Date: 5/13/2009

Contract/Proposal

 Action by Consent Action Information

Attached are the Audited Financial Statements for Denver Water's Retirement Plans. The Board's external auditor BKD LLP is available to discuss their findings at the next workshop in May if the Board so desires.

BKD's Audit resulted in an unqualified (clean) opinion for all three Plan's financial statements; The Employees' Retirement Plan and Trust of the Denver Board of Water Commissioners, the Denver Water Supplemental Retirement Savings Plan and the Denver Water 457 Deferred Compensation Plan. The audit was conducted in accordance with generally accepted auditing standards and the standards contained in Government Auditing Standards.

The audit document contains financial statements and associated notes. Financial highlights are presented in the Management's Discussion and Analysis (MD&A) located at the front of the document.

Attached is a letter from the external auditor describing the results of their audit. There were no matters that required reporting. Also, attached are letters from Denver Water to the Auditor which confirm our management responsibilities for the three retirement programs they audited.

Following are highlights of the audited statement information:

The Employees' Retirement Plan and Trust of the Denver Board of Water Commissioners

- In 2008 negative market returns were greater than the Board contributions resulting in a net decrease in the plan of \$69.7 million; in 2007 the plan gained \$26.5 million.
- In 2008 deductions from the plan assets in the form of retiree payments and administrative expense were \$15.4 million; in 2007 they were \$20.4 million.
- At the end of 2008 the net assets held in trust for pension benefits were \$174.8 million this is a decrease of \$85.1 from the 2007 year-end balance.

Denver Water Supplemental Retirement Savings Plan


- In 2008 negative market returns were greater than employee and Board contributions resulting in a net decrease in assets of \$3.6 million; in 2007 the plan gained \$7.1 million.
- In 2008 deductions from the plan by participants and administrative fees totaled \$1.9 million; in 2007 they were \$3.1 million.
- At the end of 2008 the net assets available to participants was \$30.4 million this is a decrease of \$5.5 million from the 2007 year-end.

Denver Water 457 Deferred Compensation Plan

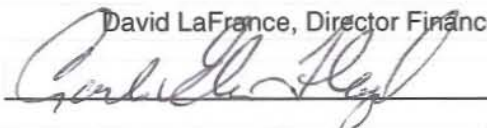
- In 2008 negative market returns were greater than employee contributions resulting in a net decrease in assets of \$3.2 million; in 2007 the plan gained \$3.3 million.
- In 2008 deductions from the plan by participants and administrative fees totaled \$2.6 million; in 2007 they were \$3.1 million.
- At the end of 2008 the net assets available to participants was \$22.9 million this is a decrease of \$5.8 million from the 2007 year-end balance.

RECOMMENDATION:

Approvals:



David LaFrance, Director Finance



Carla Elam-Floyd, Manager Human Resources



Manager Approval: