DENVER WATER 457 DEFERRED COMPENSATION PLAN

Financial Statements

December 31, 2014 and 2013

(With Independent Auditors’ Report Thereon)

DENVER WATER 457 DEFERRED COMPENSATION PLAN

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KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

Independent Auditors' Report

The Board of Water Commissioners, City and County of Denver, Colorado
Denver Water 457 Deferred Compensation Plan:

Report on the Financial Statements

We have audited the accompanying statements of net position and statements of changes in net position of the Denver Water 457 Deferred Compensation Plan (Plan), as of and for the years ended December 31, 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 U.S. generally accepted accounting principles; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 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 auditors consider 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Denver Water 457 Deferred Compensation Plan as of December 31, 2014 and 2013, and the changes in financial position, and cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in management's discussion and analysis (unaudited), as of December 31, 2014, Denver Board of Water Commissioners adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 7 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, 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.

KPMG LLP

Denver, Colorado
April 30, 2015

This is an analysis and overview of the financial activities of the Denver Water 457 Deferred Compensation Plan (Plan) for the years ended December 31, 2014 and 2013. This information should be read in conjunction with the Plan financial statements and notes which follow.

Financial Highlights

As of December 31, 2014 and 2013 respectively, $32.3 million and $30.3 million was held in trust for the payment of benefits to the Plan participants.

Total net position increased $2.0 million or 6.6% in 2014. This compares with an increase in 2013 of $3.5 million or 13.2%. The increase in 2014 was due to an increase in participant contributions and an increase in dividends. The increase in net position in 2013 was due to a combination of the appreciation in the fair value of investments, an increase in participant contributions and an increase in participant rollovers.

In 2014, the Plan had net investment income of $1.8 million compared to $3.9 million in 2013. Participant contributions were approximately $1.9 million in 2014 and $1.8 million in 2013.

Deductions from net position totaled $1.7 million in 2014 and $2.4 million for 2013 and were primarily for benefit payments to participants.

The Plan is a deferred compensation plan and its primary purpose is to attract and retain qualified personnel by permitting eligible employees to defer a portion of their current income for their retirement. At December 31, 2014 there were 343 participating employees in the Plan which constituted 33.3% of all eligible Denver Water employees. This compares to 310 participating employees in the Plan, constituting 30.6% of all eligible employees in 2013. There were 1,029 employees eligible for the Plan as of December 31, 2014 compared to 1,013 as of December 31, 2013.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements which follow. The statements include:

1. Statements of Net Position

2. Statements of Changes in Net Position

3. Notes to Financial Statements

The Statements of Net Position presents the Plan's assets, liabilities and net position as of December 31, 2014 and 2013. The Statements of Changes in Net position show the additions to and deductions from Plan net position during 2014 and 2013.

(Continued)

The above financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) No. 67, *Financial Reporting for Pension Plans* (replacing GASB 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and GASB 50, *Pension Disclosures*), and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis–for State and Local Governments*, and all other applicable GASB pronouncements including GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement requires the reporting of deferred inflows and deferred outflows of resources in separate sections of the Statement of Net Position, which was renamed from Statement of Net Assets. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental entities. The Plan's financial statements comply with all material requirements of these pronouncements.

These financial statements provide a snapshot of the Plan's assets and liabilities as of December 31 and the activities which occurred during the years presented. Both financial statements were prepared using the accrual basis of accounting as required by GASB. All investment activities have been reported based on trade dates and have been valued based on independent outside sources.

The Notes to Financial Statements provide additional information which is essential to have a full understanding of the basic financial statements.

Financial Analysis

The following section provides further detail of the activities within the Plan as well as additions and deductions to the Plan. Additions to the Plan consist of participant and employer contributions, participant rollovers and net investment income. Deductions to the Plan are the result of benefit payments to participants, administrative expenses and participant investment advisory fees. Comparative financial schedules depict the changes between the years 2012, 2013 and 2014.

As of December 31, the Plan net position was:

Net Position

(Amounts expressed in thousands)

	Years ended December 31			2014 – 2013		2013 – 2012	
	2014	2013	2012	Increase (decrease)	Percent change	Increase (decrease)	Percent change
Mutual funds	$ 22,467	20,397	16,539	2,070	10.1%	$ 3,858	23.3%
Commingled fund	9,494	9,686	10,039	(192)	(2.0)	(353)	(3.5)
Money market fund	305	122	159	183	150.0	(37)	(23.3)
Total investments	32,266	30,205	26,737	2,061	6.8	3,468	13.0
Receivables:							
Contributions	71	126	61	(55)	(43.7)	65	106.6
Other receivable	2	9	11	(7)	(77.8)	(2)	(18.2)
Total receivables	73	135	72	(62)	(45.9)	63	87.5
Total assets	32,339	30,340	26,809	1,999	6.6	3,531	13.2
Total liabilities	7	7	6	—	—	1	16.7
Net position	$ 32,332	30,333	26,803	1,999	6.6%	$ 3,530	13.2%

Plan Activities

Net position increased in 2014, primarily due to an increase in dividends and participant contributions. The total increase in Plan net position was $2.0 million or 6.6%. In 2013, Plan net position increased by $3.5 million or 13.2%, as compared to 2012. Additional details for the change in net position are discussed below.

(Continued)

Additions

The moneys used to pay benefits are accumulated from the contributions made by each participant and from income generated from the participants' investments including investment appreciation, interest and dividends. Earnings on investments are reported net of investment management expenses. Investment income net of investment manager fees during 2014 was $1.8 million as compared to $3.9 million in 2013.

Additions to Net Position

(Amounts expressed in thousands)

	Years ended December 31			2014 – 2013		2013 – 2012	
	2014	**2013**	**2012**	**Increase (decrease)**	**Percent change**	**Increase (decrease)**	**Percent change**
Participant contributions	$ 1,879	1,840	1,708	39	2.1%	$ 132	7.7%
Employer contributions	35	23	—	12	52.2	23	100.0
Participant rollovers	9	110	12	(101)	(91.8)	98	816.7
Net investment income	1,752	3,937	2,258	(2,185)	(55.5)	1,679	74.4
Total additions	$ 3,675	5,910	3,978	(2,235)	(37.8)%	$ 1,932	48.6%

Deductions

Benefits paid to participants of $1.6 million in 2014 and $2.3 million in 2013 represent the majority of the deductions from the Plan. Benefits paid to participants were 30.1% less in 2014 compared to 2013 and 20.1% more in 2013 compared to 2012. The change in the amount of benefits paid to participants from year to year is attributed to the number of participants choosing to take lump sum distributions at retirement in any one year and to changes in the number of participants receiving benefits in the Plan.

Administrative expenses for 2014 and 2013 were $28,400 and $25,900, respectively. Administrative fees are calculated based upon a percentage of the fair value of investments. The increase in administrative expenses is due to an overall increase in fair market values of the investments. In 2014, participant investment advisory fees were $5,600 as compared to $3,200 in 2013. Please refer to note 4 of the financial statements for information regarding administrative expenses.

Deductions from Net Position

(Amounts expressed in thousands)

		Years ended December 31			2014 – 2013		2013 – 2012	
		2014	2013	2012	Increase (decrease)	Percent change	Increase (decrease)	Percent change
Benefits paid to participants	$	1,643	2,349	1,956	(706)	(30.1)%	393	20.1%
Administrative expenses		28	26	24	2	7.7	2	8.3
Participant investment advisory fees		6	3	1	3	100.0	2	200.0
Total deductions	$	1,677	2,378	1,981	(701)	(29.5)%	397	20.0%

Requests for Information

This discussion and analysis is designed to provide a general overview of the net position and changes in net position as of December 31, 2014 and 2013 and for the years then ended. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Treasurer
Denver Water
1600 W. 12th Ave.
Denver, CO 80204

DENVER WATER 457 DEFERRED COMPENSATION PLAN

Statements of Net Position

December 31, 2014 and 2013

		2014	2013
Assets:			
Investments, at fair value:			
Mutual funds	$	22,467,400	20,397,300
Commingled fund		9,493,800	9,685,800
Money market fund		305,400	122,000
Total investments		32,266,600	30,205,100
Receivables:			
Participant contributions		71,100	126,200
Other receivable		1,600	9,300
Total receivables		72,700	135,500
Total assets		32,339,300	30,340,600
Liabilities:			
Accrued administrative expenses		7,300	6,800
Net position	$	32,332,000	30,333,800

See accompanying notes to financial statements.

DENVER WATER 457 DEFERRED COMPENSATION PLAN

Statements of Changes in Net Position

Years ended December 31, 2014 and 2013

		2014	2013
Additions:			
Investment income:			
Net appreciation in fair value of investments	$	620,400	3,463,100
Dividends		1,125,500	461,000
Miscellaneous income		6,200	12,600
Net investment income		1,752,100	3,936,700
Contributions:			
Participant contributions		1,878,600	1,839,600
Employer discretionary contributions		35,000	23,000
Participant rollovers		9,400	110,200
Total contributions		1,923,000	1,972,800
Total additions		3,675,100	5,909,500
Deductions:			
Benefits paid to participants		1,642,900	2,349,500
Administrative expenses		28,400	25,900
Participant investment advisory fees		5,600	3,200
Total deductions		1,676,900	2,378,600
Net increase		1,998,200	3,530,900
Net position:			
Beginning of year		30,333,800	26,802,900
End of year	$	32,332,000	30,333,800

See accompanying notes to financial statements.

(1) Plan Description

The Denver Board of Water Commissioners, City and County of Denver, Colorado (Board) operates a water utility created by the Charter of the City and County of Denver. In 1987, the Board initiated a deferred compensation plan and adopted the Conference of Mayors' 457 Plan. The termination of the administrator of the Plan in December of 2000 required the Board to adopt a new plan. In January 2001, the Board adopted the Denver Water 457 Deferred Compensation Plan (Plan). All of the investments in the old Plan were sold and the proceeds were used to purchase like kind investments in the new Plan.

The Board is made up of five members appointed by the Mayor of the City and County of Denver for staggered six-year terms. The Board is the sponsor of the Plan. The Board has delegated certain responsibilities regarding the Plan administration through a delegation resolution to the Director of Human Resources and to the Director of Finance. The delegation resolution instructs the CEO/Manager to create an advisory committee, with representation from the Finance, the Human Resources, and the Legal divisions, for the purpose of making recommendations to the CEO/Manager, the Director of Finance and the Director of Human Resources regarding the Retirement Program, including this Plan. The advisory committee, in and of itself, has no decision-making authority. The Plan is exempt from compliance with the Employee Retirement Income Security Act of 1974, as amended, as it is a governmental plan.

The Board has engaged Empowerment Retirement Services to provide recordkeeping and communication services for the Plan. The Board engages investment experts to monitor and recommend changes in the investment options included in the Plan.

The following description of the Plan provides general information. Participants and others should refer to the Plan document for a more complete description of the Plan provisions.

(a) General

The Plan is a deferred compensation plan covering all regular and discretionary employees of the Board who have completed the required introductory period. The Plan's primary purpose is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death.

The Plan is exempt from compliance with the Employee Retirement Income Security Act of 1974, as amended, as it is a governmental plan.

(b) Contributions

Each year a participant may defer up to an annual maximum amount as codified by the Internal Revenue Service. The Plan will accept transfers, pursuant to Section 457 of the Internal Revenue Code (Code), of amounts deferred by an individual under another eligible deferred compensation plan. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan was amended in 2013 to authorize employer discretionary contributions to qualifying participants. In 2014 and 2013 a discretionary contribution was made of $35,000 and 23,000, respectfully. Employer contributions must be made no later than the last day of the Plan Year for which the contribution is made. The employer may suspend, reduce or eliminate future employer contributions and may rescind such action at any time. The Plan offered twenty four mutual fund

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investment options (including twelve target date funds), one money market fund and one commingled fund as of December 31, 2014 and 2013.

(c) Participant Accounts

Each participant's account reflects the cumulative amount of each participant's deferred compensation and employer discretionary contribution (if any), including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's deferred compensation and employer discretionary contribution (if any), and further reflects any distributions to the participant or his or her beneficiary and any fees or expenses charged against the participant's account. The amount of the discretionary contribution, if any, for a Plan year is determined by the employer, and subject to Treasury Regulations under IRS Code §415 and 401(a)(17).

(d) Vesting

A participant's interest in his/her participant contributions is fully vested and nonforfeitable.

In addition to the participant's contributions, in 2013 the Plan was amended to allow the Board to make discretionary contributions to qualifying participants. The qualifying participant's interest in his/her discretionary contributions become fully vested upon completing seven years of service, the qualifying participant attaining the age of 65 while employed by the employer, by termination due to the qualifying participant's death or disability, by termination of employment due to serious health conditions of the qualifying participants spouse and by termination by the employer for reasons other than serious cause.

In the event of forfeitures due to termination of the qualifying participant prior to vesting the nonvested portion of the qualifying participant's discretionary employer contribution account will be used to pay Plan administrative expenses. Any excess, after paying Plan administrative expenses, will be allocated to participant accounts as employer contributions on the last day of the Plan year during the year of the forfeiture.

(e) Participant Loans

The Plan does not permit participant loans.

(f) Payment of Benefits

On termination of service, a participant with a balance of $1,000 or less will have the amount distributed in a lump-sum as soon as feasibly possible. A participant whose account is greater than $1,000 may elect to receive either a lump-sum amount equal to the value of the participant's interest in his or her account, or leave the balance in the Plan. Distributions from balances left in the Plan must begin no later than age 70½. When balances are paid, participants will receive payment under various payment options defined by the Plan. Upon the death of a participant, a death benefit equal to the value of the participant's account shall be payable to a designated beneficiary. The beneficiary may select from various payment options defined by the Plan.

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(g) Recordkeeping, Custody and Management of Assets

The Board approved a five year contract with Great-West Retirement Services (Great-West) to provide recordkeeping and communication services to the Plan through December 29, 2015. Trust services are provided by Orchard Trust Company, LLC through a separate contract with the Board. Fees for the trust services are paid by the participants. Assets allocated to the various funds are managed by investment professionals hired by the fund.

(h) Plan Termination

Though it has not expressed any intent to do so, the Board has the right under the Plan to terminate the Plan at any time with respect to any or all participants by resolution of the Board.

(2) Summary of Significant Accounting Policies

(a) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(b) Basis of Accounting

The Plan’s financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined contribution plans. Contributions are recognized when earned without regard to the date of actual collection. Expenses are recognized when due and payable. Benefit payments and refunds are recognized upon distribution. Certain prior year amounts have been re-classified to conform to the current year presentation.

(c) Investment Valuation

The Plan investments in mutual funds (including a money market fund) and one commingled fund are reported at fair value, which is based on the net asset value (NAV) of shares/units held at year-end. The NAV is used as a practical expedient to fair value. This computation of NAV is performed by the fund company and is reported daily to Great-West.

(d) Income Recognition

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains and losses are reflected as net appreciation or depreciation in fair value of investments in the accompanying statements of changes in net position. This is determined as the difference between fair value at the beginning of the year (or date purchased during the year) and selling price or year-end fair value.

(Continued)

(e) Tax Status

The Plan is intended to be an eligible deferred compensation plan under Section 457(b) of the Code. The Board and the Plan's tax counsel believe that the Plan is currently designed and operating in compliance with the applicable requirements of the Code.

(3) Investments

The following table lists the investment options available to participants and the value of each option at December 31, 2014 and 2013 (amounts are expressed in thousands).

	2014	2013
American Beacon Small CP Val Institutional	$ 1,196	—
American Funds Washington Mutual R6	2,234	1,667
Baron Growth Institutional	572	546
Cohen & Steers Institutional Global Realty	92	131
Domini Social Equity R	925	766
Dreyfus Cash Management Fund Institutional	305	122
Frost Total Return Bond Institutional	1,987	—
Galliard Retirement Income Fund	9,494	9,685
Harbor International Institutional	1,512	1,678
Perkins Small Cap Value L	—	1,111
PIMCO High Yield Institutional	667	526
PIMCO Total Return Institutional	—	2,152
T. Rowe Price Growth Stock Fund	3,628	3,363
Vanguard Inflation Protected	343	440
Vanguard Institutional Index Fund	2,483	2,307
Vanguard Mid Cap Index	1,896	1,657
Vanguard Target Retirement 2010 Inv	63	50
Vanguard Target Retirement 2015 Inv	1,081	1,022
Vanguard Target Retirement 2020 Inv	186	139
Vanguard Target Retirement 2025 Inv	1,428	1,198
Vanguard Target Retirement 2030 Inv	35	21
Vanguard Target Retirement 2035 Inv	642	481
Vanguard Target Retirement 2040 Inv	73	22
Vanguard Target Retirement 2045 Inv	748	667
Vanguard Target Retirement 2050 Inv	4	—
Vanguard Target Retirement 2055 Inv	94	7
Vanguard Target Retirement 2060 Inv	208	172
Vanguard Target Retirement Income Inv	371	275
Total investments	$ 32,267	30,205

During 2014 and 2013, the Plan investments (including gains and losses on investments bought and sold, as well as income received on investments held during the year) generated investment income of approximately $1.8 and $3.9 million, respectively.

(4) Administrative Expenses

The majority of investment options available to participants in the Plan are registered mutual funds. The dollar amount of fees paid by the Plan for investment management and administrative services on these funds is not separately disclosed. The current recordkeeper, Great-West, assesses 0.0225% of the value of participant account balances as of the last day of each calendar quarter for recordkeeping and communication services to the Plan. Effective April 2, 2012, most investment options were converted to the lowest cost share class, which nearly eliminated the revenue sharing used to offset Great-West administration fees. The assessed recordkeeping and communication fee for the preceding quarter is now being deducted directly from each participant's account in January, April, July and October. Three funds which continue revenue sharing arrangements with Great-West (T. Rowe Price Growth Stock Fund, Baron Growth Institutional and Cohen & Steers Institutional Global Realty) are excluded from this new fee arrangement. Any revenue from revenue sharing is calculated quarterly and deposited in an unallocated Plan account. The unallocated account is also used to accumulate any recordkeeping and communication fees withdrawn from Participant accounts, any fund credits received and any income received on excess balances. Excesses and shortages in the unallocated account are disbursed to the Plan participants at year-end at the discretion of the Board. In 2014 and 2013, total disbursements to participants at year-end were $1,600 and $9,300, respectively.

The assessed recordkeeping and communication fee for 2014 totaled $28,400. Revenue sharing from 12(b)(1) fees reported by Great-West for the same period was $6,200 and participant wrap fees collected totaled $22,800. The assessed recordkeeping and communication fee for 2013 totaled $25,900. Revenue sharing from 12(b) (1) fees reported by Great-West for the same period was $5,300 and participant wrap fees collected totaled $22,600.

(5) Participant Investment Advisory Fees

In 2011, the Plan Sponsor's authorized investment advisory services for Plan participants. The participants may use an online investment advice tool or they can choose to have their account managed as an ancillary service available through the Plan administrator. Participants who choose to use the online investment advice tool pay an annual fee assessed quarterly. Participants choosing to have their account managed pay an annual tiered fee, assessed quarterly, based on the participant's account balance. In 2014 and 2013, total participant investment advisory fees paid were $5,600 and $3,200, respectively.

(6) Risks and Uncertainties

(a) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

The Plan investments are evidenced by mutual fund shares and commingled fund units. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, investments in these funds should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The Plan's investment is the mutual fund share or the commingled fund unit, not the underlying security. Additionally, investments in open-end mutual or commingled funds are not subject to custodial credit risk disclosures.

(b) Concentration Risk

Concentration risk is the credit risk of loss attributed to the magnitude of an investment in a single issuer. If 5% or more of the total assets of the Plan are invested with one issuer then the investment is considered to have concentration risk. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from concentration of credit risk requirements. The Plan investment options are all diversified mutual funds and a commingled fund and therefore do not have concentration risk.

(c) Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Plan investment policy does not specifically address the quality rating of the investments. Each participant is responsible for determining the risks and commensurate returns of their portfolio. The Plan investment options are all diversified mutual funds and one commingled fund and therefore do not have credit risk. The mutual funds and commingled fund have not been rated by any nationally recognized rating agency (Moody's, Fitch and Standard & Poor's rating agencies).

(d) Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Some of the mutual funds held by the Plan invest in debt instruments that are subject to interest rate risk. The schedule presented below provides an indication of the interest rate risk associated with the funds holding debt obligations as of the most recent information available:

Schedule of maturity, duration and credit quality

	Average effective maturity	Average effective duration	Average credit quality
Target date funds:			
Vanguard Target Retirement 2010 Inv	6.77	5.24	AA
Vanguard Target Retirement 2015 Inv	7.08	5.43	AA
Vanguard Target Retirement 2020 Inv	7.76	5.85	AA
Vanguard Target Retirement 2025 Inv	7.76	5.85	AA
Vanguard Target Retirement 2030 Inv	7.76	5.85	AA
Vanguard Target Retirement 2035 Inv	7.76	5.85	AA
Vanguard Target Retirement 2040 Inv	7.76	5.85	AA
Vanguard Target Retirement 2045 Inv	7.76	5.85	AA
Vanguard Target Retirement 2050 Inv	7.76	5.85	AA
Vanguard Target Retirement 2055 Inv	7.76	5.85	AA
Vanguard Target Retirement 2060 Inv	7.76	5.85	AA
Vanguard Target Retirement Income Inv	6.67	5.18	AA
Fixed income mutual funds:			
Frost Total Return Bond Institutional	6.94	3.82	BB
PIMCO High Yield Institutional	5.93	4.25	NR
Vanguard Inflation Protected	8.60	7.92	AAA

NR means the credit quality was either not rated or not available.

(e) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan's diversified selection of funds encourages the participants to employ diversification, asset allocation, and quality strategies to minimize risks. Each participant is responsible for determining the risks and commensurate returns of their portfolio.

The Plan exposure to foreign currency risk is measured by fund allocation to foreign securities as of the most recent information available is summarized in the table (amounts are expressed in thousands).

Schedule of assets invested in foreign securities

		Dollar allocation invested in foreign securities	Percentage of portfolio invested in foreign securities
American Beacon Small CP Val Institutional	$	13	1.1%
American Funds Washington Mutual R6		118	5.3
Baron Growth Institutional		24	4.2
Cohen and Steers Institutional Global Realty		51	55.4
Domini Social Equity R		56	6.1
Frost Total Return Bond Institutional		215	10.8
Harbor International Institutional		1,476	97.6
PIMCO High Yield Institutional		116	17.4
T. Rowe Price Growth Stock Fund		334	9.2
Vanguard Institutional Index Fund		25	1.0
Vanguard Mid Cap Index		34	1.8
Vanguard Target Retirement 2010 Inv		13	20.1
Vanguard Target Retirement 2015 Inv		220	20.3
Vanguard Target Retirement 2020 Inv		39	20.8
Vanguard Target Retirement 2025 Inv		297	20.8
Vanguard Target Retirement 2030 Inv		7	20.8
Vanguard Target Retirement 2035 Inv		134	20.8
Vanguard Target Retirement 2040 Inv		15	20.8
Vanguard Target Retirement 2045 Inv		156	20.8
Vanguard Target Retirement 2050 Inv		1	20.8
Vanguard Target Retirement 2055 Inv		19	20.8
Vanguard Target Retirement 2060 Inv		43	20.8
Vanguard Target Retirement Income Inv		74	20.0
Total	$	3,480	

(7) Plan Amendments

The SRSP was amended on August 13, 2014, with the effective date of May 1, 2013, to define “spouse” to include Colorado civil unions wherever federal tax law defines “spouse” to include a person of the same sex.

Effective June 12, 2013, the Plan was amended to provide a mechanism whereby the employer may make discretionary contributions to a qualified participant’s account. The Board may decide the amount of contributions to the qualified participant’s account annually, based upon annual performance evaluations, subject to annual contribution limits announced by the IRS.