

DSRA Benefit Trust Committee Presentation



Presented by

*G*AINES *K*RINER *E*LLIOTT_{LLP}
CERTIFIED PUBLIC ACCOUNTANTS  BUSINESS ADVISORS

Discussion Outline

- The GKE Relationship
- Financial highlights
- Required auditor communication
- Purpose of 5500
- Looking forward to next year
- Questions

Gaines Kriner Elliott LLP

GKE strives to provide a superior CPA and advisory firm experience with dedicated people who possess the expertise, relationship skills and perseverance needed to help clients succeed in a global economy.

We work extremely hard to go beyond providing traditional accounting services by focusing on understanding our clients' business, operations and the challenges they face. These skills differentiate us and allow us to focus on our clients and their individual needs.

Financial highlights

	\$ (000's omitted)
Contributions	63,948
Investment income	255
Insurance premiums	(53,657)
Other expenses	<u>(1,833)</u>
Net Increase	8,713
Investments at beginning of year	<u>7,777</u>
Investment at end of year	<u>16,490</u>

Required Communication

Auditor's responsibilities:

- Forming and expressing an opinion about whether the financial statements have been prepared in accordance with the modified cash basis of accounting;
- Performing the audit in accordance with Generally Accepted Auditing Standards;
- Communicating significant matters with those charged with governance (the board);

These were communicated in our engagement letter.

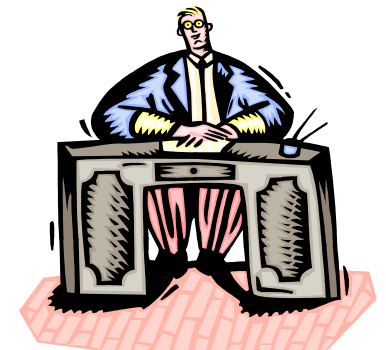


An audit does not relieve management of their responsibilities.

Required Communication

Management's responsibilities:

- Fair presentation of the financial statements in accordance with the modified cash basis of accounting;
- The design, implementation and maintenance of internal control over financial reporting;
- Provide the auditor with access to information and people relevant to the audit;
- Informing us of subsequent events;
- Providing us with written representation relative to the financial statements and information provided.



These and other responsibilities were confirmed in our engagement letter.

Required Communication

Significant Audit Findings:

- **Significant accounting policies** – disclosed in Note 2 to the financial statements. No new accounting policies adopted in 2011 and no policies change during 2011
- **Significant estimates** – Valuation of investments is based on quoted market prices as described in Note 3 to the financial statements.
- **Difficulties encountered** – None.
 - The information that we requested from Marsh and the various insurance providers was received.
 - The representative from Marsh who provided us the information was prompt with providing responses to our follow up requests.
 - Follow up requests for information from the insurance providers were also promptly received.

Required Communication

Significant Audit Findings:

- **Corrected and uncorrected misstatements** – none noted during the performance of our audit procedures
- **Disagreements with management** – none
- **Required supplemental information** – Information required to comply with ERISA reporting requirements

Purpose of 5500

- Required to be filed by ERISA;
 - The 5500 provides information about the nature of the plans activities and benefits provided;
 - Assess compliance with fiduciary requirements; and
 - Retain tax exempt status.
- ERISA enacted to protect the interest of employee benefit plan participants from the abuses and underfunding of benefits by employers.

Looking forward to next year

- Begin the audit process in late April/early May.
 - Request info from Marsh. Although we received all the information we requested from Marsh, it took about 6 weeks from the initial request to the date we received the info. this was an unexpected delay which pushed the start of the audit to October.
 - This should allow for the performance of the audit during mid to late June through early July and the completion of the audit by mid July. This is the time frame that was outline in the original proposal.
- Provide special assistance for tax and other matters as requested.

Questions???



From all of us at GKE to the DSRA – Benefit Trust Committee

Happy Holidays

