



## Meeting Summary

September 12, 2012

The Finance & Administration Committee met on September 11, 2012.

### **THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:**

- **AGENDA ITEM 5a – YEAR END BUDGET AND EXPENDITURE REPORT**

Approve the Year End Budget and Expenditure Report for Fiscal Year 2011-12, the transmittal letter, and the submission of the report to the appropriate parties as noted in the item.

### **The Committee received reports on several topics including:**

Two new Governmental Accounting Standards Board (GASB) statements that impact the financial reporting of governmental pension plans. Statement 67 replaces Statement 25 and affects CalPERS reporting in three areas of the Comprehensive Annual Financial Report (CAFR). Statement 68 replaces Statement 27 and will require employers to report the net pension liability in their accrual-based financial statements.

Staff presented two annual reports. The first report detailed the CalPERS contract participation levels with Small Business (SB) and Disabled Veteran Business Enterprises (DVBE). CalPERS reached its second highest combined SB and DBVE participation level of 20.41 percent in the past 10 years, and surpassed the 3 percent participation target with DBVE by achieving a 5.33 percent participation rate. The second report showed all CalPERS contract activities over \$100,000 and all procurement activities. This report displayed a three year declining trend in contract expenditures and total number of contracts. In addition, it also described the responses received from CalPERS business partners to the voluntary five percent reduction request for an estimated total savings of \$657,000.

Staff also informed the Committee that the Budget Office is working with program divisions on Mid-Year resource requests. In addition, staff initiated a "Cost Allocation Project" in the past month to look at refining current processes on allocating direct and indirect costs to trust funds. Staff is also working with External Auditors on the Fiscal Year 2011-12 CAFR.

### **At this time I would like to share some highlights of what to expect at the October Finance & Administration Committee meeting:**

Staff will present the CalPERS Delinquency Report for the fourth quarter of Fiscal Year 2011-12.

The Committee will also be informed of staff efforts in aligning the 2012-2014 Business Plan with the 2012-2017 Strategic Plan.

The next meeting of the Finance & Administration Committee is scheduled for October 16, 2012, in Sacramento, California.