



## Agenda Item 5b

November 19, 2013

**ITEM NAME:** 2012-13 Draft Basic Financial Statements

**PROGRAM:** Financial Office

**ITEM TYPE:** Action

### **RECOMMENDATION**

Recommend the Board of Administration approve the draft CalPERS 2012-13 Basic Financial Statements.

### **EXECUTIVE SUMMARY**

The draft CalPERS 2012-13 Basic Financial Statements is included in this report as Attachment 1. The Basic Financial Statements and the 2012-13 Annual Compliance Report that was presented in September 2013 will be included in the 2012-13 CalPERS Comprehensive Annual Financial Report (CAFR).

### **STRATEGIC PLAN**

The information presented in this item supports Goal B of the 2012-2017 Strategic Plan – to actively manage business risks with an enterprise-wide view.

### **BACKGROUND**

The Basic Financial Statements have been reviewed by the CalPERS Executive Team. Senior management is responsible for the accurate preparation of the Basic Financial Statements in accordance with generally accepted accounting principles.

Pursuant to Section 20228 of the Government Code, the Board of Administration's independent financial statement auditor, Macias, Gini, & O'Connell LLP, completed its audit of the 2012-13 CalPERS Basic Financial Statements as of and for the fiscal year ended June 30, 2013. The role of Macias, Gini, & O'Connell LLP is to express its opinion on CalPERS Basic Financial Statements based on their audit. As determined by the Board of Administration Powers Reserved, this opinion will be presented and discussed during the Risk & Audit Committee meeting this month.

### **ANALYSIS**

Attached in this item are the 2012-13 CalPERS Basic Financial Statements. If approved by the Board of Administration, the financial statements will be incorporated into the CAFR.

### **BUDGET AND FISCAL IMPACTS**

There are no unanticipated budgetary impacts with approving this item.

**BENEFITS/RISKS**

Approval of this item will ensure that CalPERS meets its annual financial reporting requirements in a timely manner. This report also provides necessary information to CalPERS stakeholders regarding the current state of the organization.

The primary risk associated with the approval of this item is the risk of reporting inaccurate information. Should the situation arise when information is reported inaccurately, staff will take the appropriate measures to correct the Basic Financial Statements.

**ATTACHMENT**

Attachment 1: CalPERS 2012-13 Draft Basic Financial Statements

---

CHERYL EASON  
Chief Financial Officer