



Agenda Item 5a

November 18, 2014

ITEM NAME: 2013-14 Draft Basic Financial Statements

PROGRAM: Financial Office

ITEM TYPE: Action

RECOMMENDATION

Recommend the Board of Administration approve the draft CalPERS 2013-14 Basic Financial Statements.

EXECUTIVE SUMMARY

The draft CalPERS 2013-14 Basic Financial Statements are included in this report as Attachment 1. The Basic Financial Statements will be included in the 2013-14 CalPERS Comprehensive Annual Financial Report (CAFR).

STRATEGIC PLAN

This agenda item supports Goal B of the CalPERS 2012-2017 Strategic Plan, which is to cultivate a high-performing, risk-intelligent and innovative organization.

BACKGROUND

Senior management is responsible for the accurate preparation of the Basic Financial Statements in accordance with generally accepted accounting principles. The Finance and Administration Committee oversees controls over financial reporting and processes. It ensures financial soundness through the oversight of the preparation of the Basic Financial Statements and makes a recommendation to the Board of Administration for approval.

The external auditor opinion on the Basic Financial Statements will be presented and discussed at the Risk and Audit Committee.

ANALYSIS

Attached in this item are the 2013-14 CalPERS Basic Financial Statements. If approved by the Board of Administration, the financial statements will be incorporated into the CAFR.

Effective for fiscal year 2013-14, Governmental Accounting Standards Board (GASB) Statement No. 67 was implemented. This required additional note disclosures and required supplementary information.

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, which would require the appropriate steps to correct the Basic Financial Statements.

ATTACHMENTS

Attachment 1 – CalPERS 2013-14 Draft Basic Financial Statements

Attachment 2 – 2013-14 Basic Financial Statement Presentation

KRISTIN MONTGOMERY
Controller

CHERYL EASON
Chief Financial Officer