

# 2013-14 Draft Basic Financial Statements

For the year ended June 30, 2014

# 2013-14 Highlights

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## Financial Results

- Net assets of PERF increased \$39.8 billion
- Total net assets of PERF \$301.8 billion
- Annual money weighted rate of return (MWRR) of 18.3% for PERF

## Reporting Standards

- New GASB Standards – GASB Statement No. 67

# GASB 67 Standards

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- Effective for CalPERS FY 2013-14
  - Statement 67, Financial Reporting for Pension Plans
- Note disclosures and required supplementary information for cost-sharing multiple-employer plans and single employer plans:
  - Net Pension liability
  - Schedule of Changes in Plan Net Pension Liability
  - Schedule of Plan Net Pension Liability
- Describe methods and assumptions used

# GASB 67 Implementation

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- CalPERS administers agent multiple-employer, cost-sharing multiple-employer plans (PERF) and single employer pension plans (JRF, JRFII, LRF). The new GASB standards apply to all three of these types of plans.
- For financial reporting purposes, PERF was split into 3 columns:
  - PERF A: Agent multiple-employer plan consists of The State of California and non pooled public agencies
  - PERF B: Cost sharing multiple-employer plan - Schools (not-teaching and non-certified)
  - PERF C: Cost sharing multiple-employer plan - public agency pools

# Money Weighted Rate of Return

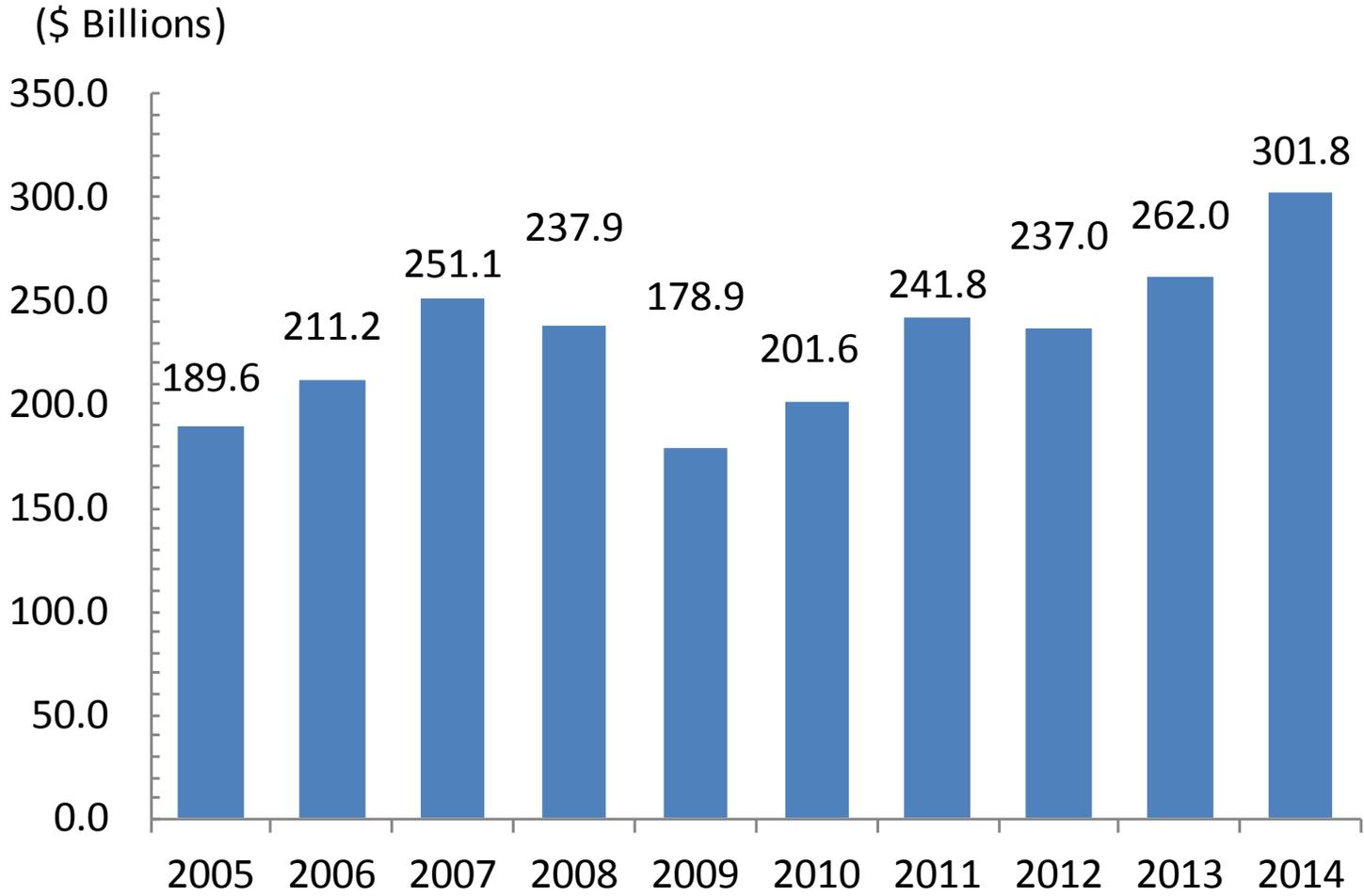
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- GASB 67 requires that pension plans report money weighted rate of return.
- Money weighted rate of return is a cash flow basis return calculation, net of expenses.
- For this fiscal year, it differs only slightly from the time weighted rate of return the Investment Office uses for performance.
- PERF's MWRR is 18.3%

# PERF Net Position

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# PERF Statement of Net Position

For the year ended June 30, 2014

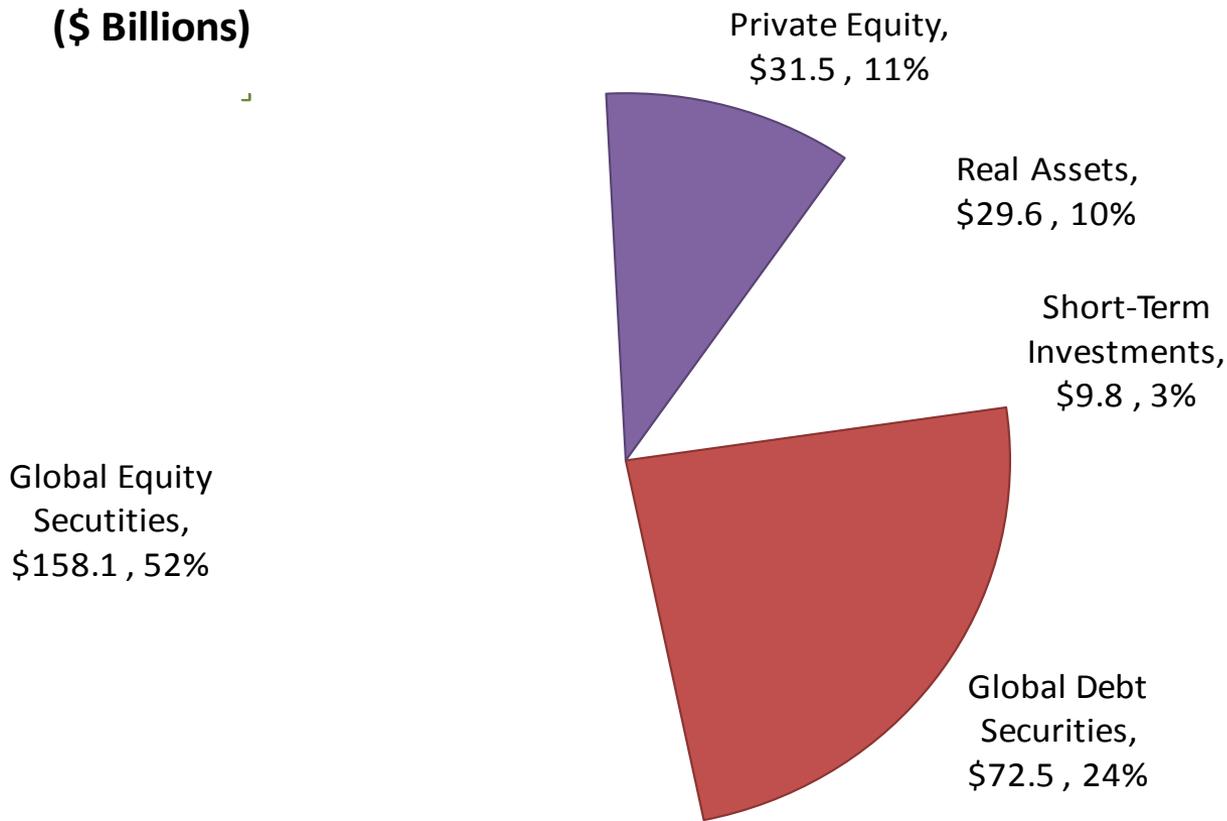
(\$ Millions)	2014
Investment	301,484
Cash	617
Receivables	2,276
Security Lending Collateral	17,249
Capital Assets, Net & Other Assets	702
Accounts Payable & Other Liabilities	(3,477)
Security Lending Obligation	<u>(17,089)</u>
Net Position	<u>\$301,762</u>

# PERF Change in Net Position

For the Year ended June 30, 2014

(\$ Millions)	2014
Net Position, beginning of year	<u>\$261,990</u>
Investment and Securities Lending Income	46,933
Contributions and Other Income	12,560
Retirement, Death and Survivor Benefits	(17,997)
Administrative and Investment Expenses	<u>(1,724)</u>
Total Increase	<u>39,772</u>
Net Position, end of year	<u>\$301,762</u>

# PERF Investment Assets

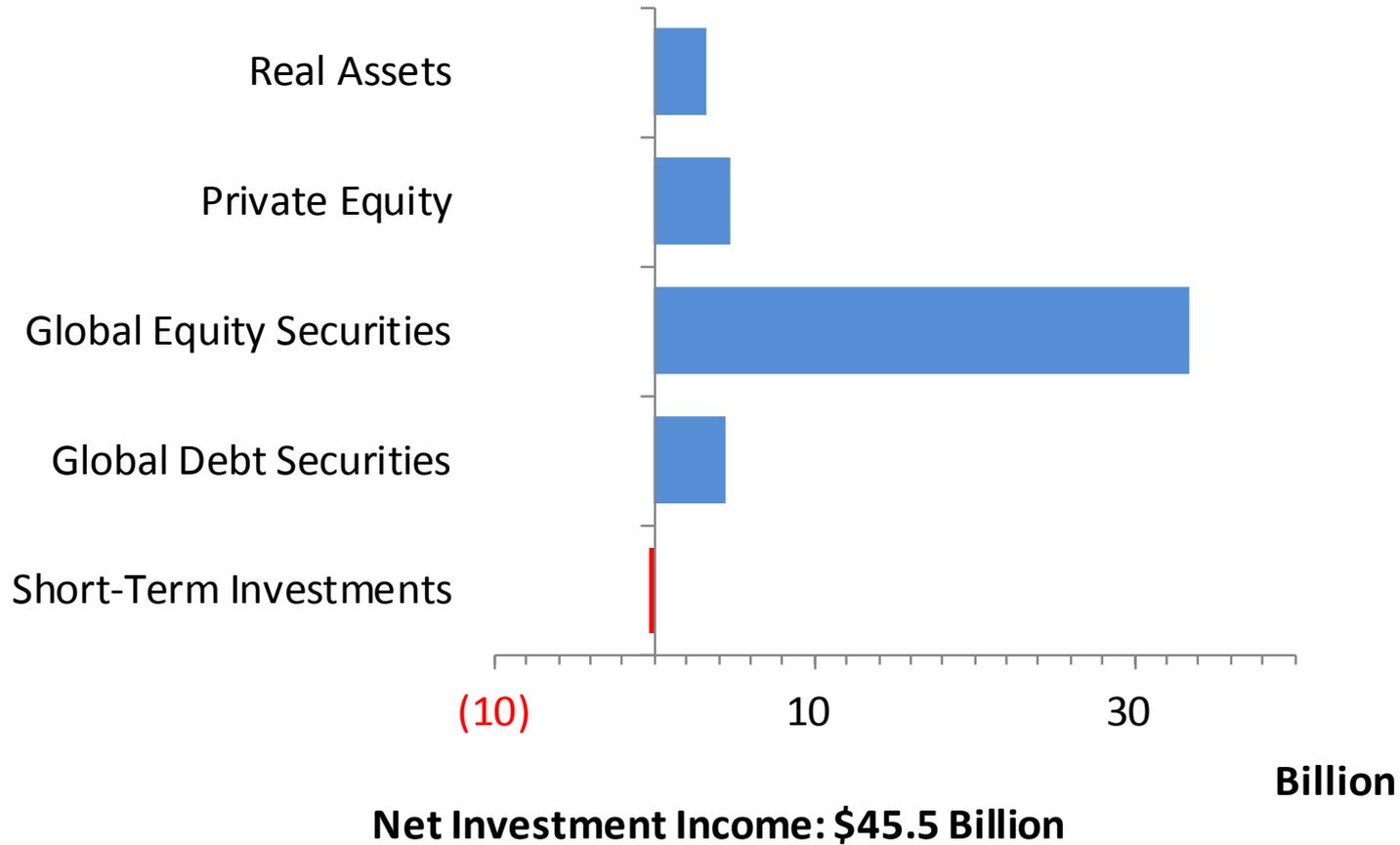


\*Investment Portfolio Total: \$301.5



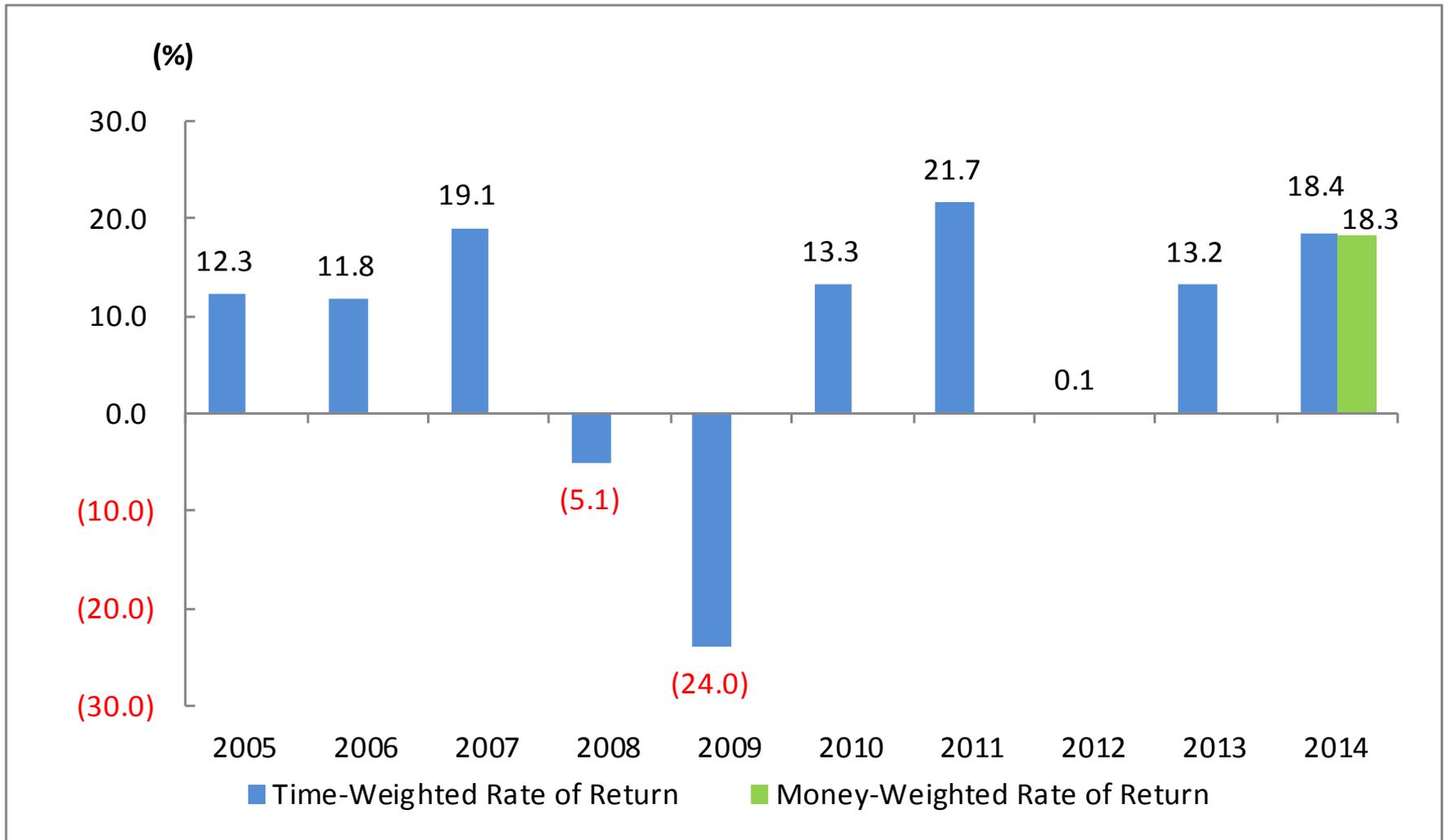
\*Excludes Cash and Cash Equivalents, Receivables, Securities lending and other assets.

# PERF Sources of Investment Income



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# PERF Annual Rates of Return



# Net Pension Liability

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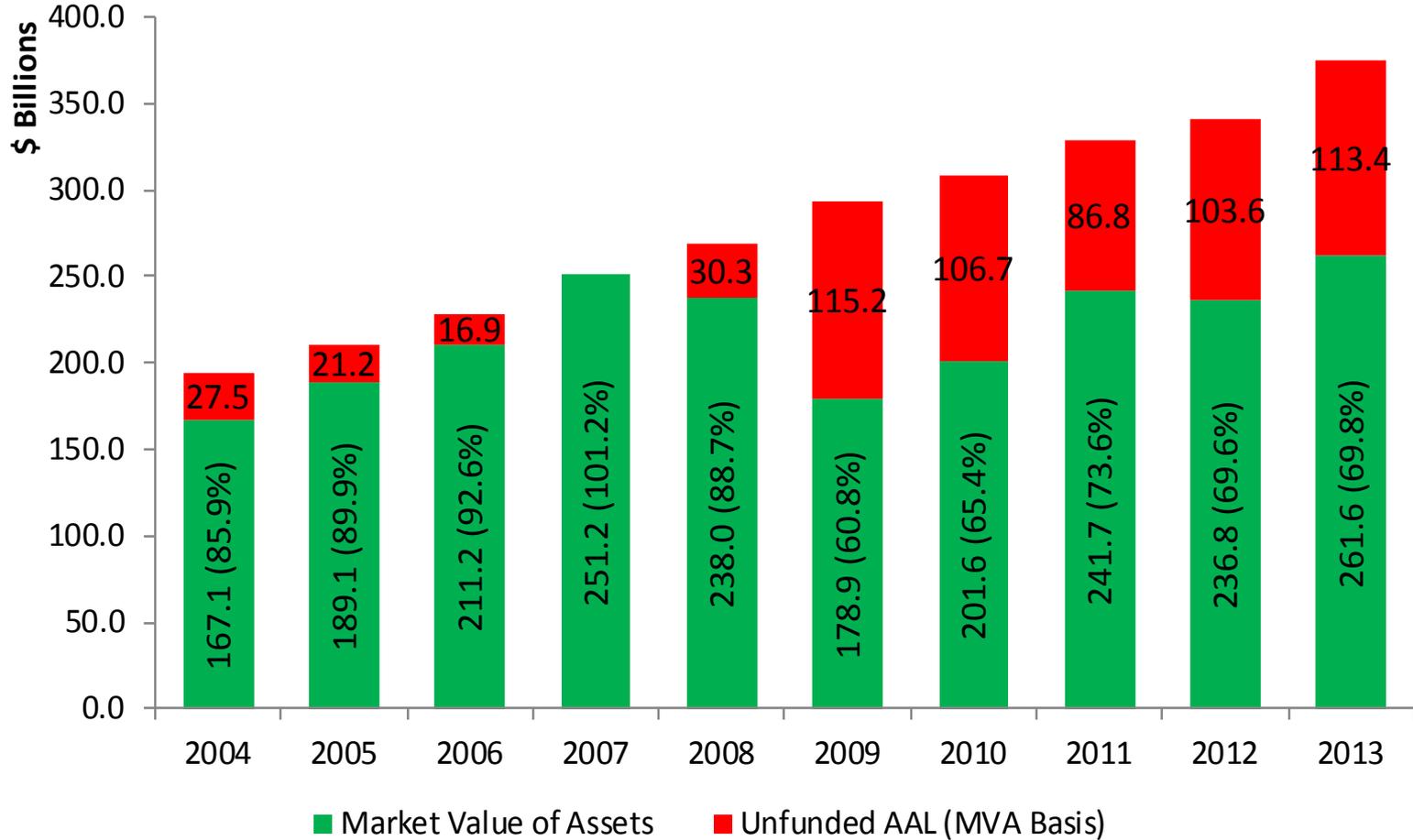
- GASB 67 requires reporting net pension liability for cost-sharing multiple-employer plans and single employer plans
- Prior to GASB 67, actuarial terms used were unfunded liability and funding ratio

# Net Pension Liability (continued)

Plan	Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a % of Total Pension Liability
PERF B (schools)	\$11,295,000	83.5%
PERF C (public agency pools)	\$5,848,666	81.0%
JRF	\$(14,833)	112.8%
JRF II	\$3,300,013	1.7%
LRF	\$(45,877)	104.7%

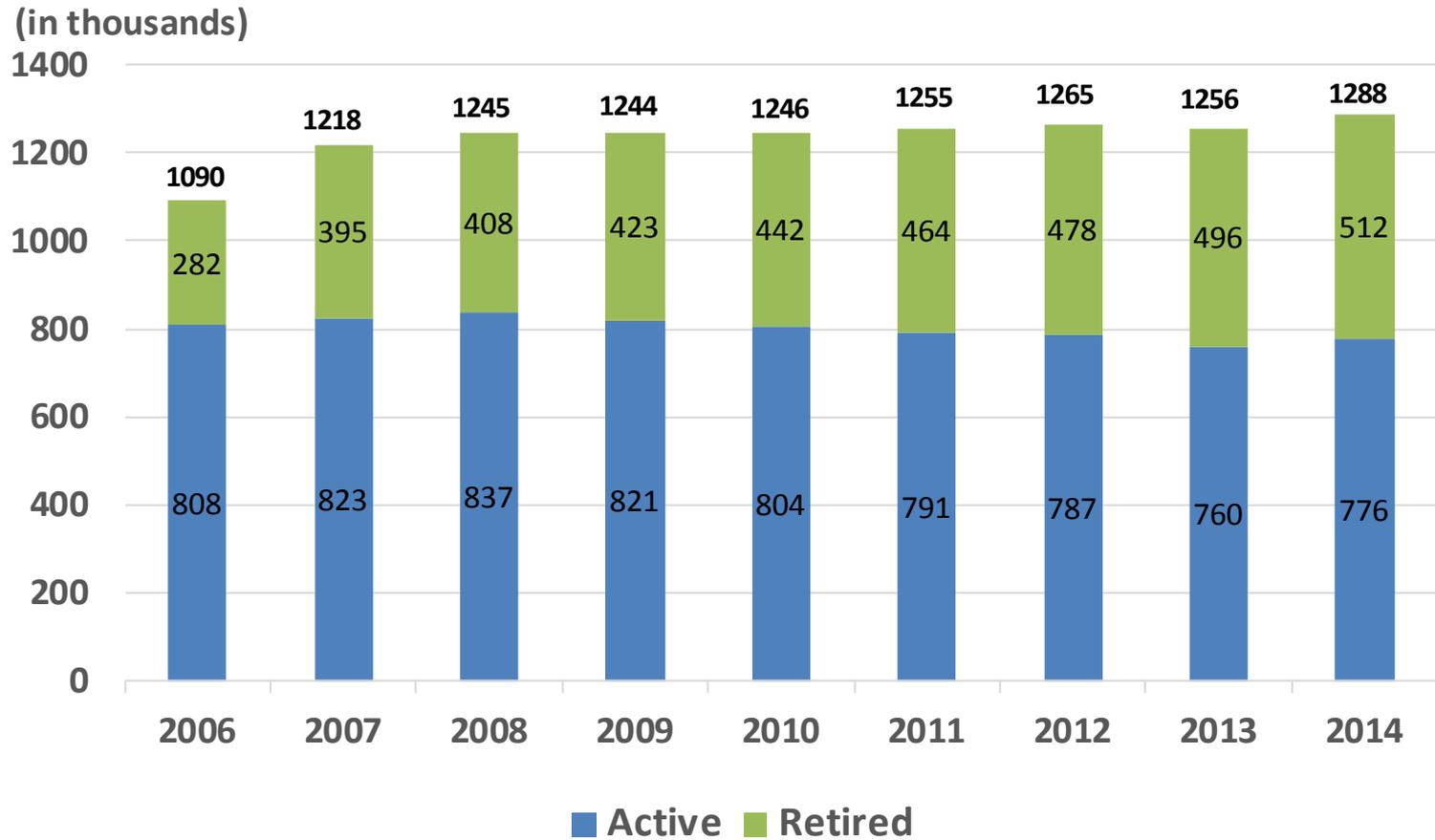
# Unfunded Liability & Funded Ratio (Market Value of Assets Basis)

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# Number of Active and Retired Members

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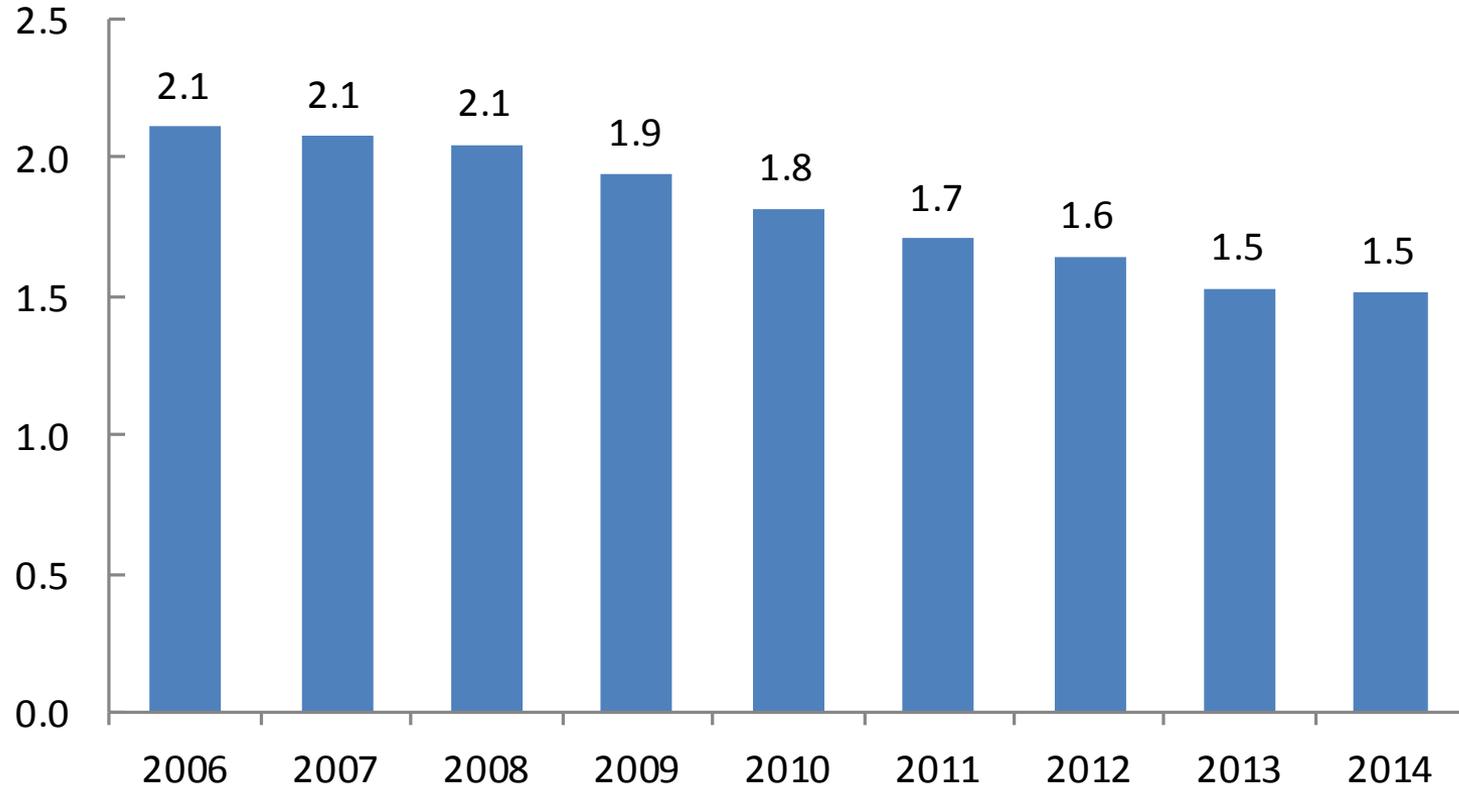


# Ratio of Active to Retired Members

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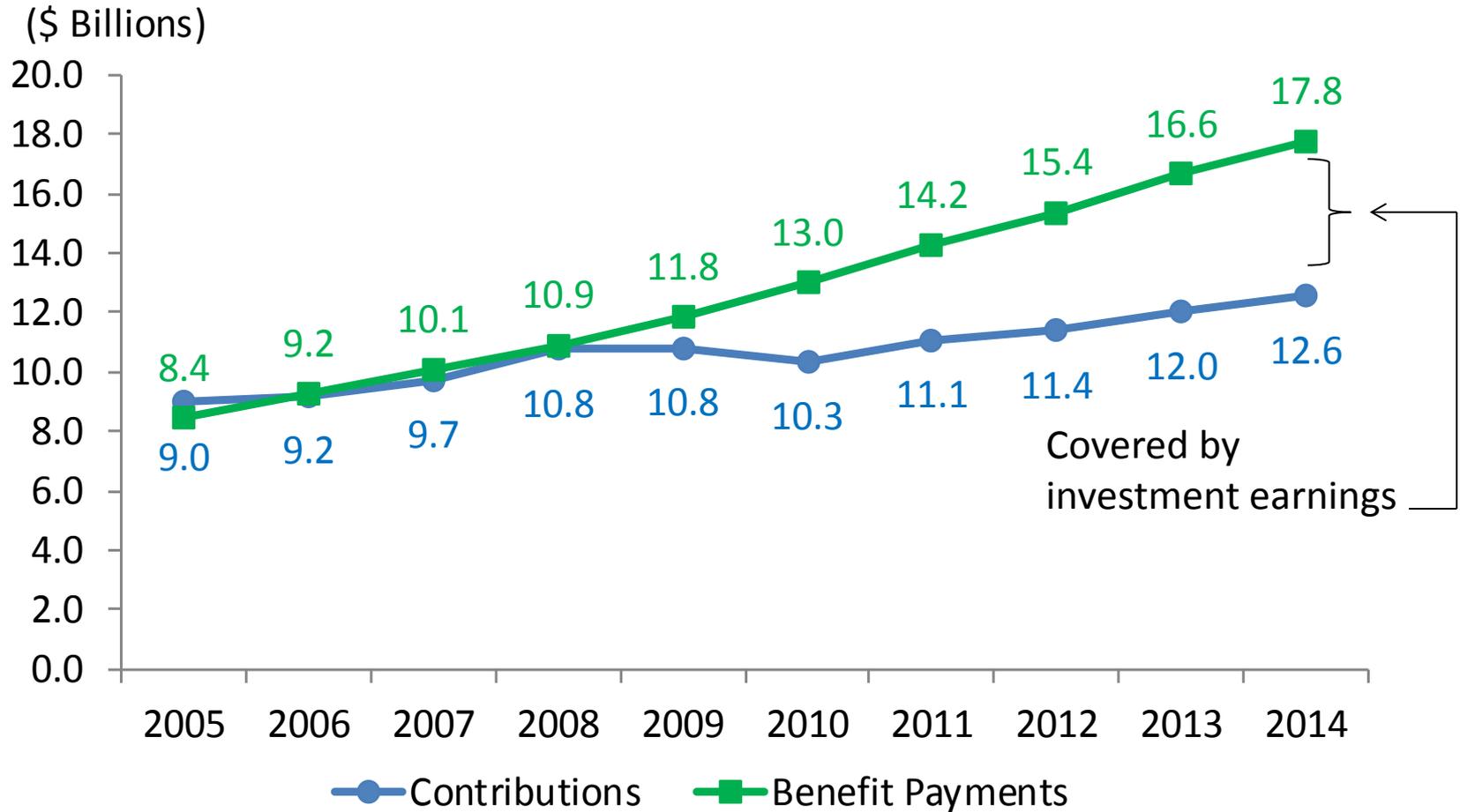
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Ratio



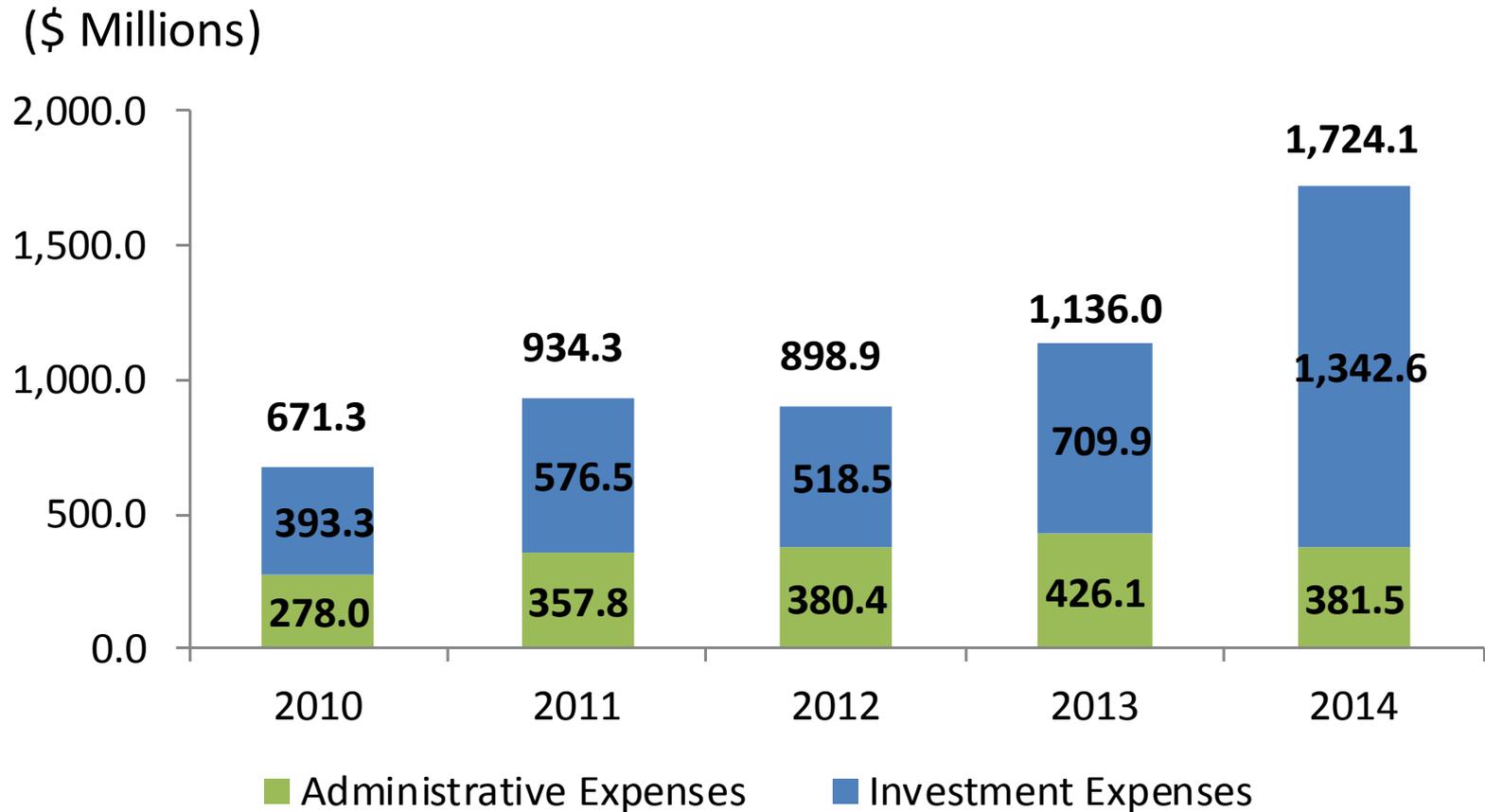
# Benefit Payments & Contribution Income

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# Investment and Administrative Cost



# Next Steps

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- Board approval of the Basic Financial Statements
- Finalization of CAFR (Comprehensive Annual Financial Report)