



## Finance and Administration Committee Agenda Item 5a

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November 14, 2017

**Item Name:** 2016-17 Basic Financial Statements

**Program:** Financial Office

**Item Type:** Action

### **Recommendation**

Recommend the Board of Administration approve the Draft CalPERS 2016-17 Basic Financial Statements.

### **Executive Summary**

The Draft CalPERS 2016-17 Basic Financial Statements are included in this report as Attachment 1. Comments by the Finance and Administration Committee will be incorporated into the Basic Financial Statements and presented to the Risk and Audit Committee in the review and approval of the auditors' opinion. After approval, the Basic Financial Statements will be included in the 2016-17 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.

### **Analysis**

Attached in this item are the Draft CalPERS 2016-17 Basic Financial Statements. If approved by the Board of Administration, the financial statements will be incorporated into the CAFR. Also attached is the Draft CalPERS 2016-17 CAFR for your information.

### **Budget and Fiscal Impacts**

There are no anticipated budgetary impacts with the approval of this item.

### **Benefits and 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 this item is reporting inaccurate information, which could require the appropriate steps to correct the Basic Financial Statements.

**Attachments**

Attachment 1 – Draft CalPERS 2016-17 Basic Financial Statements

Attachment 2 – 2016-2017 Basic Financial Statements PowerPoint

Attachment 3 – Draft CalPERS 2016-17 CAFR

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**Kristin Montgomery**

Controller

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**Charles Asubonten**

Chief Financial Officer