

JANET COWELL
TREASURER

STEVE TOOLE
RETIREMENT SYSTEMS DIRECTOR

MEMORANDUM

DATE: July 12, 2016

TO: Local Governmental Employees' Retirement System Boards of Trustees

FROM: Michael Jackson
Chief, Member Services

SUBJECT: New Local Unit(s) and Election of Tax Shelter

Pursuant to G.S 128-23(c), this memorandum details requests from four (4) new units that wish to join the Retirement System. The following units have elected participation for general employees and firefighters in the Local Governmental Employees' Retirement System with an effective date of October 1, 2016. This action requires a vote from the Board of Trustees.

Unit	Unit Code	Net Contribution Rate	Number of Employees	Tax Shelter Date
Thomasville ABC Board	92914	7.25%	3	October 1, 2016
Princeville Housing Authority	93353	7.25%	2	October 1, 2016
Locust ABC Board	98404	7.25%	7	October 1, 2016
Haywood County Tourism Development Authority	94403	7.25%	8	October 1, 2016

The following units that employ law enforcement officers will be added to the Local Governmental Employees' Retirement System pursuant to G.S. 128-23(g). This action does not require a vote from the Board of Trustees.

Unit	Unit Code	Net Contribution Rate	Number of Employees	Tax Shelter Date
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None at this time

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RETIREMENT SYSTEMS DIRECTOR**MEMORANDUM**

TO: Local Governmental Employees' Retirement System Board of Trustees

FROM: Steve Toole

SUBJECT: New Local Units Applying for LGERS Participation at the July 2016 Board of Trustees Meeting

The following employers have requested participation in the Local Governmental Employees' Retirement System effective October 1, 2016:

- Haywood County Tourism Development Authority
- Locust ABC Board
- Thomasville ABC Board

Retirement Systems Division staff recommend the approval of Haywood County Tourism Development Authority, Locust ABC Board, and Thomasville ABC Board for participation in the Local Governmental Employees' Retirement System.

Haywood County Tourism Development Authority

The Haywood County Tourism Development Authority has 8 eligible general employees. The employer contribution rate will be 7.25%.

Financial Note:

The independent auditor's report attached to the audited financial statements for FYE 2015 indicates an unmodified financial opinion for the Haywood County Tourism Development Authority. The Haywood County Tourism Development Authority reported an ending fund balance for FYE 2015 of \$571,759, an increase of \$137,537 from FYE 2014. The unit's independent audit report indicates no significant internal control findings or budget violations.

Staff Recommendation:

Based on the submitted financial data, Haywood County Tourism Development Authority

is financially fit to participate in and fulfill the obligations under Chapter 128 for participation in the Local Governmental Employees' Retirement System.

Locust ABC Board

The Locust ABC Board has 7 eligible general employees. The employer contribution rate will be 7.25%.

Financial note:

The independent auditor's report attached to the audited financial statements for FYE 2015 indicates an unmodified financial opinion for the Locust ABC Board. The audited financial statements for the Locust ABC Board indicate for FYE 2015 working capital of \$22,841, and net position of \$45,572, an increase of \$78,694 over FYE 2014, and positive cash flow from operations. Notes to the Financial Statements disclose no finding that the entity had any significant statutory violations or budgetary issues.

Staff Recommendation:

Based on the submitted financial data, Locust ABC Board is financially fit to participate in and fulfill the obligations under Chapter 128 for participation in the Local Governmental Employees' Retirement System.

Thomasville ABC Board

The Thomasville ABC Board has 3 eligible general employees. The employer contribution rate will be 7.25%.

Financial note:

The independent auditor's report attached to the audited financial statements for FYE 2015 indicates an unmodified financial opinion for the Thomasville ABC Board. The audited financial statements for the Thomasville ABC Board indicate for FYE 2015 working capital of \$516,549, and net position of \$1,129,017, an increase of \$160,741 over FYE 2014, and positive cash flow from operations. Notes to the Financial Statements disclose no finding that the entity had any significant statutory violations or material budgetary issues.

Staff Recommendation:

Based on the submitted financial data, Thomasville ABC Board is financially fit to participate in and fulfill the obligations under Chapter 128 for participation in the Local Governmental Employees' Retirement System.