

**MAGISTRATES RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2019

(With Independent Auditor's Report Thereon)

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## DEPARTMENT OF AUDITS AND ACCOUNTS

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Atlanta, Georgia 30334-8400

**GREG S. GRIFFIN**  
STATE AUDITOR  
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### **Independent Auditor's Report**

Board of Commissioners of the Magistrates Retirement Fund of Georgia  
Mr. Robert Carter, Secretary/Treasurer

We have audited the accompanying schedule of employer and nonemployer allocations of Magistrates Retirement Fund of Georgia (the Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2019, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer and nonemployer of the Fund (collectively, the Schedules) as of and for the year ended June 30, 2019, and the related notes.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these Schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of schedule of employer and nonemployer allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer and nonemployer

allocations and the specified column totals included in the schedule of pension amounts by employer and nonemployer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources and total employer pension expense of the Fund as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 8 to the financial Statements, subsequent to the Statement of Net Position date of June 30, 2019, the occurrence of the COVID-19 pandemic had a significant negative effect on the valuation of certain investments of the Plan. Additionally, there are unknown and uncertain future effects to the Plan's operations. Our opinions are not modified with respect to these matters.

**Other Matter**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the financial statements of the Fund as of and for the year ended June 30, 2019, and our report thereon, dated April 10, 2020, expressed an unmodified opinion on those financial statements.

**Restrictions on Use**

Our report is intended solely for the information and use of Fund management, the Board of Commissioners, the Fund employers, nonemployer contributing entities, and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Greg S. Griffin  
State Auditor

April 10, 2020

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2019

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Appling	\$ 44,735.40	0.663454%
Atkinson	44,735.40	0.663454%
Baker	44,735.40	0.663454%
Baldwin	46,836.31	0.694612%
Banks	44,735.40	0.663454%
Barrow	52,498.16	0.778581%
Bartow	60,202.21	0.892837%
Berrien	44,735.40	0.663454%
Bleckley	44,735.40	0.663454%
Brantley	44,735.40	0.663454%
Brooks	44,735.40	0.663454%
Bryan	44,735.40	0.663454%
Bulloch	52,498.16	0.778581%
Burke	44,735.40	0.663454%
Butts	44,735.40	0.663454%
Calhoun	44,735.40	0.663454%
Camden	52,498.16	0.778581%
Candler	44,735.40	0.663454%
Carroll	60,202.21	0.892837%
Catoosa	52,498.16	0.778581%
Charlton	44,735.40	0.663454%
Chatham	76,200.47	1.130101%
Chattahoochee	44,735.40	0.663454%
Chattooga	44,735.40	0.663454%
Cherokee	70,196.43	1.041057%
Clay	44,735.40	0.663454%
Clayton	76,200.47	1.130101%
Cobb	90,947.29	1.348806%
Coffee	46,836.31	0.694612%
Colquitt	46,836.31	0.694612%
Columbia	60,202.21	0.892837%
Cook	44,735.40	0.663454%
Coweta	60,202.21	0.892837%
Crisp	44,735.40	0.663454%
Dade	44,735.40	0.663454%

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2019

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Dawson	\$ 44,735.40	0.663454%
Decatur	44,735.40	0.663454%
DeKalb	90,947.29	1.348806%
Dooly	44,735.40	0.663454%
Dougherty	56,350.69	0.835716%
Douglas	60,202.21	0.892837%
Early	44,735.40	0.663454%
Echols	44,735.40	0.663454%
Effingham	52,498.16	0.778581%
Elbert	44,735.40	0.663454%
Emanuel	44,735.40	0.663454%
Evans	44,735.40	0.663454%
Fannin	44,735.40	0.663454%
Fayette	60,202.21	0.892837%
Floyd	56,350.69	0.835716%
Forsyth	64,403.21	0.955140%
Franklin	44,735.40	0.663454%
Fulton	90,947.29	1.348806%
Gilmer	44,735.40	0.663454%
Glascocock	44,735.40	0.663454%
Glynn	56,350.69	0.835716%
Gordon	52,498.16	0.778581%
Grady	44,735.40	0.663454%
Greene	44,735.40	0.663454%
Gwinnett	90,947.29	1.348806%
Habersham	46,836.31	0.694612%
Hall	64,403.21	0.955140%
Hancock	44,735.40	0.663454%
Heard	44,735.40	0.663454%
Henry	70,196.43	1.041057%
Houston	60,202.21	0.892837%
Irwin	44,735.40	0.663454%
Jasper	44,735.40	0.663454%
Jeff Davis	44,735.40	0.663454%

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2019

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Jefferson	\$ 44,735.40	0.663454%
Johnson	44,735.40	0.663454%
Jones	44,735.40	0.663454%
Lamar	44,735.40	0.663454%
Laurens	46,836.31	0.694612%
Lee	44,735.40	0.663454%
Liberty	52,498.16	0.778581%
Lincoln	44,735.40	0.663454%
Long	44,735.40	0.663454%
Lumpkin	44,735.40	0.663454%
Macon	44,735.40	0.663454%
Marion	44,735.40	0.663454%
McDuffie	44,735.40	0.663454%
McIntosh	44,735.40	0.663454%
Meriwether	44,735.40	0.663454%
Miller	44,735.40	0.663454%
Mitchell	44,735.40	0.663454%
Montgomery	44,735.40	0.663454%
Morgan	44,735.40	0.663454%
Murray	46,836.31	0.694612%
Oconee	44,735.40	0.663454%
Oglethorpe	44,735.40	0.663454%
Paulding	60,202.21	0.892837%
Peach	44,735.40	0.663454%
Pickens	44,735.40	0.663454%
Pierce	44,735.40	0.663454%
Pike	44,735.40	0.663454%
Polk	46,836.31	0.694612%
Pulaski	44,735.40	0.663454%
Randolph	44,735.40	0.663454%
Richmond	70,196.43	1.041057%
Rockdale	56,350.69	0.835716%
Schley	44,735.40	0.663454%
Screven	44,735.40	0.663454%

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2019

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Secretary Treasurer	\$ 90,947.29	1.348806%
Spalding	52,498.16	0.778581%
Stephens	44,735.40	0.663454%
Taliaferro	44,735.40	0.663454%
Tattnall	44,735.40	0.663454%
Taylor	44,735.40	0.663454%
Terrell	44,735.40	0.663454%
Thomas	46,836.31	0.694612%
Tift	46,836.31	0.694612%
Toombs	44,735.40	0.663454%
Towns	44,735.40	0.663454%
Treutlen	44,735.40	0.663454%
Troup	52,498.16	0.778581%
Turner	89,470.80	1.326909%
Twiggs	44,735.40	0.663454%
Union	44,735.40	0.663454%
Upson	44,735.40	0.663454%
Walker	52,498.16	0.778581%
Walton	56,350.69	0.835716%
Ware	44,735.40	0.663454%
Warren	44,735.40	0.663454%
Washington	44,735.40	0.663454%
Wayne	44,735.40	0.663454%
Webster	44,735.40	0.663454%
Wheeler	44,735.40	0.663454%
White	44,735.40	0.663454%
Whitfield	60,202.21	0.892837%
Wilcox	44,735.40	0.663454%
Wilkes	44,735.40	0.663454%
Wilkinson	44,735.40	0.663454%



**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2019

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Worth	\$ 44,735.40	0.663454%
Total	\$ <u>6,742,800.83</u>	<u>100.0000%</u>
Each Employer of Plan Members - Employer Share		
		<u>0.000000%</u>
Total for All Entities		
		<u>100.0000%</u>

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2019

<u>Employer</u>	Deferred Outflows of Resources				Deferred Inflows of Resources				Total Employer Pension Expense
	Net Pension Asset	Change in Assumptions	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Change in Assumptions	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources	
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Appling	\$ (\$54,736)								11,316
Atkinson	(\$54,736)								11,316
Baker	(\$54,736)								11,316
Baldwin	(\$57,306)								11,847
Banks	(\$54,736)								11,316
Barrow	(\$64,234)								13,279
Bartow	(\$73,660)								15,228
Berrien	(\$54,736)								11,316
Bleckley	(\$54,736)								11,316
Brantley	(\$54,736)								11,316
Brooks	(\$54,736)								11,316
Bryan	(\$54,736)								11,316
Bulloch	(\$64,234)								13,279
Burke	(\$54,736)								11,316
Butts	(\$54,736)								11,316
Calhoun	(\$54,736)								11,316
Camden	(\$64,234)								13,279
Candler	(\$54,736)								11,316
Carroll	(\$73,660)								15,228
Catoosa	(\$64,234)								13,279
Charlton	(\$54,736)								11,316
Chatham	(\$93,234)								19,275
Chattahoochee	(\$54,736)								11,316
Chattooga	(\$54,736)								11,316
Cherokee	(\$85,888)								17,756
Clay	(\$54,736)								11,316
Clayton	(\$93,234)								19,275
Cobb	(\$111,278)								23,005
Coffee	(\$57,306)								11,847
Colquitt	(\$57,306)								11,847
Columbia	(\$73,660)								15,228
Cook	(\$54,736)								11,316
Coweta	(\$73,660)								15,228
Crisp	(\$54,736)								11,316
Dade	(\$54,736)								11,316
Dawson	(\$54,736)								11,316

Decatur	(\$54,736)	11,316
DeKalb	(\$111,278)	23,005
Dooly	(\$54,736)	11,316
Dougherty	(\$68,947)	14,254
Douglas	(\$73,660)	15,228
Early	(\$54,736)	11,316
Echols	(\$54,736)	11,316
Effingham	(\$64,234)	13,279
Elbert	(\$54,736)	11,316
Emanuel	(\$54,736)	11,316
Evans	(\$54,736)	11,316
Fannin	(\$54,736)	11,316
Fayette	(\$73,660)	15,228
Floyd	(\$68,947)	14,254
Forsyth	(\$78,800)	16,291
Franklin	(\$54,736)	11,316
Fulton	(\$111,278)	23,005
Gilmer	(\$54,736)	11,316
Glascock	(\$54,736)	11,316
Glynn	(\$68,947)	14,254
Gordon	(\$64,234)	13,279
Grady	(\$54,736)	11,316
Greene	(\$54,736)	11,316
Gwinnett	(\$111,278)	23,005
Habersham	(\$57,306)	11,847
Hall	(\$78,800)	16,291
Hancock	(\$54,736)	11,316
Hard	(\$54,736)	11,316
Henry	(\$85,888)	17,756
Houston	(\$73,660)	15,228
Irwin	(\$54,736)	11,316
Jasper	(\$54,736)	11,316
Jeff Davis	(\$54,736)	11,316
Jefferson	(\$54,736)	11,316
Johnson	(\$54,736)	11,316
Jones	(\$54,736)	11,316
Lamar	(\$54,736)	11,316
Laurens	(\$57,306)	11,847
Lee	(\$54,736)	11,316
Liberty	(\$64,234)	13,279
Lincoln	(\$54,736)	11,316
Long	(\$54,736)	11,316
Lumpkin	(\$54,736)	11,316
Macon	(\$54,736)	11,316
Marion	(\$54,736)	11,316
McDuffie	(\$54,736)	11,316
McIntosh	(\$54,736)	11,316
Meriwether	(\$54,736)	11,316
Miller	(\$54,736)	11,316
Mitchell	(\$54,736)	11,316
Montgomery	(\$54,736)	11,316
Morgan	(\$54,736)	11,316
Murray	(\$57,306)	11,847
Oconee	(\$54,736)	11,316
Oglethorpe	(\$54,736)	11,316
Paulding	(\$73,660)	15,228
Peach	(\$54,736)	11,316

Polk	(\$57,306)								11,847
Pulaski	(\$54,736)								11,316
Randolph	(\$54,736)								11,316
Richmond	(\$85,888)								17,756
Rockdale	(\$68,947)								14,254
Schley	(\$54,736)								11,316
Secretary Treasurer	(\$111,278)								23,005
Screven	(\$54,736)								11,316
Spalding	(\$64,234)								13,279
Stephens	(\$54,736)								11,316
Taliaferro	(\$54,736)								11,316
Tattnall	(\$54,736)								11,316
Taylor	(\$54,736)								11,316
Terrell	(\$54,736)								11,316
Thomas	(\$57,306)								11,847
Tift	(\$57,306)								11,847
Toombs	(\$54,736)								11,316
Towns	(\$54,736)								11,316
Treutlen	(\$54,736)								11,316
Troup	(\$64,234)								13,279
Turner	(\$109,471)								22,632
Twiggs	(\$54,736)								11,316
Union	(\$54,736)								11,316
Upson	(\$54,736)								11,316
Walker	(\$64,234)								13,279
Walton	(\$68,947)								14,254
Ware	(\$54,736)								11,316
Warren	(\$54,736)								11,316
Washington	(\$54,736)								11,316
Wayne	(\$54,736)								11,316
Webster	(\$54,736)								11,316
Wheeler	(\$54,736)								11,316
White	(\$54,736)								11,316
Whitfield	(\$73,660)								15,228
Wilcox	(\$54,736)								11,316
Wilkes	(\$54,736)								11,316
Wilkinson	(\$54,736)								11,316
Worth	(\$54,736)								11,316
TOTAL STATE OF GEORGIA (Nonemployer Contributing Entity)	\$ (8,250,093)	399,689	41,752	441,441	38,737	908,936	321,907	1,269,580	1,705,590
Each Employer of Plan Members - Employer Share	0	0	0	0	0	0	0	0	0
Total for All Entities	\$ (8,250,093)	399,689	41,752	441,441	38,737	908,936	321,907	1,269,580	1,705,590

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2019

**Note 1: Plan Description**

The Magistrates Retirement Fund of Georgia (the Retirement Fund) was created July 1, 2006, by the General Assembly of Georgia for the purpose of paying retirement benefits to chief magistrates of the magistrate courts of the State of Georgia. The Retirement Fund administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.

Employees of magistrate courts, including the chief magistrate, are employees of the county in which the court is located. The counties, as the employers of the members of the Retirement Fund, do not make contributions to the Retirement Fund. The State of Georgia provides nonemployer contributions to the Retirement Fund through the collection of court filing fees. These nonemployer contributions are recognized as revenue by the Retirement Fund when collected from the courts.

**Note 2: Basis of Presentation**

The Schedule of Employer and Nonemployer Allocations and Schedule of Pension Amounts by Employer and Nonemployer (the schedules) are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

**Note 3: Components of Collective Net Pension Liability**

The components of the collective net pension liability of the participating employers and nonemployers at June 30, 2019 were as follows:

Total pension liability	\$ 23,635,707
Plan fiduciary net position	<u>(31,885,800)</u>
Net pension asset	<u>\$ (8,250,093)</u>
Plan fiduciary net position as a percentage of total pension liability	134.91%

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2019

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. The roll forward calculation adds the normal cost (also called service costs), subtracts the actual benefit payments and refunds for the plan year, and then applies the discount rate for the year. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	N/A
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Healthy Mortality Table with generational mortality projection using the Buck modified MP 2018 scale for healthy lives and the RP-2014 Disabled Retiree Mortality Table with generational mortality projection using the Buck modified MP 2018 scale for disabled lives.

The long-term expected rate of return on pension plan investments was calculated by the Retirement Fund's investment manager as 7.70% using a building block method by weighting the expected future rates of return for each asset class by the Retirement Fund's current/target asset allocation percentages within each asset class (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation). These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The Retirement Fund's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the Retirement Fund's investment manager.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain leveled. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MAGISTRATES RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Notes to Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2019

*Sensitivity of the Collective Net Pension Liability (Asset) to Changes in the Discount Rate*

The following table presents the collective net pension liability of the Retirement Fund, calculated using the discount rate of 6.50%, as well as what the Retirement Fund’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current discount rate (6.50%)	1% Increase (7.50%)
Collective net pension asset	\$ (5,447,500)	(8,250,093)	(10,446,001)
	(5,447,500)	(8,250,093)	(10,446,001)

**Note 4: Special Funding Situation**

The State of Georgia, although not the employer of the Retirement Fund’s members, makes contributions to the Retirement Fund through the collection of court filing fees as specified by O.C.G.A. §47-25-60. The State makes all these contributions to the Retirement Fund on behalf of the employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

Since the employers of the Retirement Fund’s members do not contribute directly to the Retirement Fund, there is no net pension liability to recognize for each employer. However, the notes to each employer’s financial statements must disclose the portion of the nonemployer contributing entity’s share of the collective net pension liability that is associated with that employer. In addition, each employer must recognize its portion of the collective pension expense of the State as well as recognize revenue contributions from the State in an equal amount.

**Note 5: Allocation Methodology**

GASB Statement No. 68 requires participating employers and nonemployer contributing entities to recognize their proportionate share of collective net pension liability and pension expense. These schedules are prepared to provide employers and nonemployer contributing entities with their calculated proportionate share.

As discussed in Note 4, the counties, as employers of the Retirement Fund’s members, do not make contributions to the Retirement Fund; therefore, the proportionate share allocation for each

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employer is 0%. The proportionate share attributable to the State of Georgia, as the nonemployer contributing entity, is therefore 100%.

Effective July 1, 2014, O.C.G.A. §47-25-81 was amended so that benefits and member contributions are based on the member's compensation, subject to a limit that is based on the population of the member's county. This law allows the Retirement Fund's Board of Commissioners to increase the population-based salary limits. The amounts attributable to the State of Georgia, as the nonemployer contributing entity, have been allocated to each employer participating in the Retirement Fund based on the maximum salary used to calculate benefits as of June 30, 2019. These maximum salaries are shown in the following table:

<u>Population of County</u>	<u>Annual Salary Maximum</u>	<u>Monthly Salary Maximum</u>
0 to 28,999	\$ 42,781.22	\$ 3,565.10
29,000 to 38,999	43,427.69	3,618.97
39,000 to 49,999	46,144.15	3,845.35
50,000 to 74,999	51,718.98	4,309.92
75,000 to 99,999	55,517.92	4,626.49
100,000 to 149,999	59,312.53	4,942.71
150,000 to 199,999	63,451.43	5,287.62
200,000 to 249,999	69,159.05	5,763.25
250,000 to 299,999	75,074.35	6,256.20
300,000 to 399,999	82,873.73	6,906.14
400,000 to 499,999	86,238.49	7,186.54
500,000 or more	89,603.24	7,466.94



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**Note 6: Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following table presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the year ended June 30, 2019:

	Year of deferral	Amortization period	Beginning of year balance as previously reported	Current Year		End of year balance
				Additions	Deductions	
<b>Deferred outflows of resources</b>						
Change in assumptions	2014	8.5 years	\$ 282,743		80,785	201,958
	2016	7.6 years	252,657		54,926	197,731
Difference between expected and actual experience	2015	7.9 years	56,149		14,397	41,752
Total deferred outflows of resources			\$ 591,549		150,108	441,441
<b>Deferred inflows of resources</b>						
Change in assumptions	2019	6.8 years	\$	45,416	6,679	38,737
Difference between expected and actual experience	2014	8.5 years	71,421		20,406	51,015
	2016	7.6 years	290,507		63,154	227,353
	2017	7 years	343,886		68,777	275,109
	2018	6.5 years	87,413		13,448	73,965
	2019	6.8 years		330,027	48,533	281,494
Difference between projected and actual investment earnings	2015	5 years	(162,839)		(162,839)	
	2016	5 years	(519,885)		(259,942)	(259,943)
	2017	5 years	205,052		68,350	136,702
	2018	5 years	(107,781)		(26,945)	(80,836)
	2019	5 years		657,480	131,496	525,984
Net difference between projected and actual investment earnings (1)			(585,453)	657,480	(249,880)	321,907
Total deferred inflows of resources			\$ 207,774	1,032,923	(28,883)	1,269,580

(1) In accordance with paragraph 71b of GASB Statement No. 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods have been aggregated and included as a net collective deferred inflows of resources related to pensions.

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	2021	\$	16,153
	2022		(243,792)
	2023		(207,072)
	2024		(273,872)
	2025		(68,660)
	2026		<u>(50,896)</u>
Total		\$	<u><u>(828,139)</u></u>

*Changes in Proportion*

The amounts shown in the two preceding tables do not include employer- or nonemployer-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. Based on the allocation methodology discussed in Note 5, there were no changes in proportion for the year ended June 30, 2019.

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**Note 7: Collective Pension Expense**

The components of collective pension expense for the year ended June 30, 2019, are shown in the following table:

Service cost	\$ 1,377,913
Interest on the total pension liability and net cash flow	1,436,563
Projected earnings on plan investments	(1,865,181)
Current period effect of benefit changes	691,810
Member contributions	(186,522)
Administrative expenses	72,016
Recognition (amortization) of deferred inflows and outflows of resources	
Change in assumptions	129,031
Difference between expected and actual experience	(199,921)
Difference between projected and actual investment earnings	<u>249,881</u>
Collective pension expense	\$ <u>1,705,590</u>

**Note 8: Subsequent Events**

In December 2019, a strain of coronavirus (COVID-19) began to spread worldwide, resulting in a severe impact to the United States economy in March 2020. The spread of COVID-19 has had a negative impact on virtually all businesses and individuals which comprise the tax base of all levels of government. The full extent of this impact is uncertain but is expected to have a negative effect on the Plan's net pension liability which will be allocated to participants. The complete impact cannot be reasonably estimated at this time.