



ANNUAL FINANCIAL AUDIT • JUNE 30, 2021

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**

Greg S. Griffin | State Auditor
Kristina A. Turner | Deputy State Auditor



DOAA
Georgia Department
of Audits & Accounts



INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners of the Magistrates' Retirement
Fund of Georgia
and
Mr. Homer Bryson, Secretary-Treasurer

We have audited the accompanying schedule of employer and nonemployer allocations of the Magistrates Retirement Fund of Georgia (Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2021, 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 as of and for the year ended June 30, 2021, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of the schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the 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 opinions on these Schedules 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 Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the Schedules 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 Fund'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 Schedules.

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, 2021 in accordance with accounting principles generally accepted in the United States of America.

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, 2021. Our report thereon, dated April 29, 2022, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Fund's management, members of 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 29, 2022

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, 2021

<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	\$ 43,413.45	0.65980%
Baker	43,413.45	0.65980%
Baldwin	48,965.02	0.74420%
Banks	43,413.45	0.65980%
Barrow	54,884.20	0.83420%
Bartow	62,938.40	0.95660%
Berrien	43,413.45	0.65980%
Bibb	67,330.33	1.02330%
Bleckley	43,413.45	0.65980%
Brantley	43,413.45	0.65980%
Bryan	46,082.50	0.70040%
Bulloch	54,884.20	0.83420%
Butts	43,413.45	0.65980%
Calhoun	43,413.45	0.65980%
Camden	54,884.20	0.83420%
Candler	43,413.45	0.65980%
Carroll	62,938.40	0.95660%
Catoosa	54,884.20	0.83420%
Charlton	43,413.45	0.65980%
Chatham	79,663.78	1.21080%
Chattooga	43,413.45	0.65980%
Cherokee	73,386.86	1.11540%
Clay	43,413.45	0.65980%
Clayton	79,663.78	1.21080%
Cobb	95,080.85	1.44510%
Coffee	48,965.02	0.74420%
Colquitt	48,965.02	0.74420%
Columbia	62,938.40	0.95660%
Coweta	62,938.40	0.95660%
Crisp	43,413.45	0.65980%
Dade	43,413.45	0.65980%
Dawson	43,413.45	0.65980%
Decatur	43,413.45	0.65980%
Dekalb	95,080.85	1.44510%
Dooly	43,413.45	0.65980%
Dougherty	58,911.83	0.89540%
Douglas	62,938.40	0.95660%
Early	43,413.45	0.65980%
Echols	43,413.45	0.65980%
Effingham	54,884.20	0.83420%
Elbert	43,413.45	0.65980%
Emanuel	43,413.45	0.65980%
Evans	43,413.45	0.65980%
Fannin	43,413.45	0.65980%

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, 2021

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Fayette	62,938.40	0.95660%
Floyd	58,911.83	0.89540%
Forsyth	67,330.33	1.02330%
Franklin	43,413.45	0.65980%
Fulton	95,080.85	1.44510%
Gilmer	43,413.45	0.65980%
Glascocock	43,413.45	0.65980%
Gordon	54,884.20	0.83420%
Grady	43,413.45	0.65980%
Greene	43,413.45	0.65980%
Gwinnett	95,080.85	1.44510%
Habersham	48,965.02	0.74420%
Hall	67,330.33	1.02330%
Hancock	43,413.45	0.65980%
Heard	43,413.45	0.65980%
Henry	73,386.86	1.11540%
Houston	62,938.40	0.95660%
Irwin	43,413.45	0.65980%
Jackson	54,884.20	0.83420%
Jasper	43,413.45	0.65980%
Jeff Davis	43,413.45	0.65980%
Jefferson	43,413.45	0.65980%
Johnson	43,413.45	0.65980%
Jones	43,413.45	0.65980%
Lamar	43,413.45	0.65980%
Lanier	43,413.45	0.65980%
Laurens	48,965.02	0.74420%
Lee	43,413.45	0.65980%
Liberty	54,884.20	0.83420%
Lincoln	43,413.45	0.65980%
Long	43,413.45	0.65980%
Lumpkin	46,082.50	0.70040%
Macon	43,413.45	0.65980%
Marion	43,413.45	0.65980%
Mcduffie	43,413.45	0.65980%
Mcintosh	43,413.45	0.65980%
Meriwether	43,413.45	0.65980%
Miller	43,413.45	0.65980%
Mitchell	43,413.45	0.65980%
Montgomery	43,413.45	0.65980%
Morgan	43,413.45	0.65980%
Murray	48,965.02	0.74420%
Oconee	46,082.50	0.70040%

MAGISTRATES RETIREMENT FUND OF GEORGIA

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2021

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Oglethorpe	43,413.45	0.65980%
Paulding	62,938.40	0.95660%
Peach	43,413.45	0.65980%
Pickens	46,082.50	0.70040%
Pierce	43,413.45	0.65980%
Pike	43,413.45	0.65980%
Polk	48,965.02	0.74420%
Pulaski	43,413.45	0.65980%
Putnam	43,413.45	0.65980%
Randolph	43,413.45	0.65980%
Rockdale	58,911.83	0.89540%
Schley	43,413.45	0.65980%
Screven	43,413.45	0.65980%
Secretary Treasurer	95,080.85	1.44510%
Spalding	54,884.20	0.83420%
Stephens	43,413.45	0.65980%
Taliaferro	43,413.45	0.65980%
Tattnell	43,413.45	0.65980%
Taylor	43,413.45	0.65980%
Terrell	43,413.45	0.65980%
Thomas	48,965.02	0.74420%
Tift	48,965.02	0.74420%
Toombs	43,413.45	0.65980%
Towns	43,413.45	0.65980%
Treutlen	43,413.45	0.65980%
Troup	54,884.20	0.83420%
Turner	43,413.45	0.65980%
Twiggs	43,413.45	0.65980%
Union	43,413.45	0.65980%
Upson	43,413.45	0.65980%
Walker	54,884.20	0.83420%
Walton	58,911.83	0.89540%
Ware	46,082.50	0.70040%
Warren	43,413.45	0.65980%
Washington	43,413.45	0.65980%
Wayne	46,082.50	0.70040%
Webster	43,413.45	0.65980%
Wheeler	43,413.45	0.65980%
White	43,413.45	0.65980%
Whitfield	62,938.40	0.95660%
Wilcox	43,413.45	0.65980%
Wilkes	43,413.45	0.65980%
Wilkinson	43,413.45	0.65980%

MAGISTRATES RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2021

<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	43,413.45	0.65980%
Total	\$ 6,579,572.21	100.0000%
Each Employer of Plan Members - Employer Share		0.000000%

MAGISTRATES RETIREMENT FUND OF GEORGIA
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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

<u>Employer</u>	<u>Deferred Outflows of Resources</u>				<u>Deferred Inflows of Resources</u>				<u>Total Employer Pension Expense</u>
	<u>Net Pension Asset</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Inflows of Resources</u>	
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Appling	\$ (116,867)								\$ (1,971)
Baker	(116,867)								(1,971)
Baldwin	(131,811)								(2,222)
Banks	(116,867)								(1,971)
Barrow	(147,745)								(2,490)
Bartow	(169,427)								(2,856)
Berrien	(116,867)								(1,971)
Bibb	(181,248)								(3,055)
Bleckley	(116,867)								(1,971)
Brantley	(116,867)								(1,971)
Bryan	(124,052)								(2,092)
Bulloch	(147,745)								(2,490)
Butts	(116,867)								(1,971)
Calhoun	(116,867)								(1,971)
Camden	(147,745)								(2,490)
Candler	(116,867)								(1,971)
Carroll	(169,427)								(2,856)
Catoosa	(147,745)								(2,490)
Charlton	(116,867)								(1,971)
Chatham	(214,450)								(3,614)
Chattooga	(116,867)								(1,971)
Cherokee	(197,553)								(3,330)
Clay	(116,867)								(1,971)
Clayton	(214,450)								(3,614)
Cobb	(255,953)								(4,315)
Coffee	(131,811)								(2,222)
Colquitt	(131,811)								(2,222)
Columbia	(169,427)								(2,856)
Coweta	(169,427)								(2,856)
Crisp	(116,867)								(1,971)
Dade	(116,867)								(1,971)
Dawson	(116,867)								(1,971)
Decatur	(116,867)								(1,971)
Dekalb	(255,953)								(4,315)

MAGISTRATES RETIREMENT FUND OF GEORGIA
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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

<u>Employer</u>	Deferred Outflows of Resources				Deferred Inflows of Resources				Total Employer Pension Expense
	Net Pension Asset	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	Changes in Assumptions	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Inflows of Resources	
State of Georgia - Nonemployer Contributing Entity State's Proportionate Share Associated with:									
Dooly	(116,867)								(1,971)
Dougherty	(158,588)								(2,673)
Douglas	(169,427)								(2,856)
Early	(116,867)								(1,971)
Echols	(116,867)								(1,971)
Effingham	(147,745)								(2,490)
Elbert	(116,867)								(1,971)
Emanuel	(116,867)								(1,971)
Evans	(116,867)								(1,971)
Fannin	(116,867)								(1,971)
Fayette	(169,427)								(2,856)
Floyd	(158,588)								(2,673)
Forsyth	(181,248)								(3,055)
Franklin	(116,867)								(1,971)
Fulton	(255,953)								(4,315)
Gilmer	(116,867)								(1,971)
Glascocock	(116,867)								(1,971)
Gordon	(147,745)								(2,490)
Grady	(116,867)								(1,971)
Greene	(116,867)								(1,971)
Gwinnett	(255,953)								(4,315)
Habersham	(131,811)								(2,222)
Hall	(181,248)								(3,055)
Hancock	(116,867)								(1,971)
Heard	(116,867)								(1,971)
Henry	(197,553)								(3,330)
Houston	(169,427)								(2,856)
Irwin	(116,867)								(1,971)
Jackson	(147,745)								(2,490)
Jasper	(116,867)								(1,971)
Jeff Davis	(116,867)								(1,971)
Jefferson	(116,867)								(1,971)
Johnson	(116,867)								(1,971)
Jones	(116,867)								(1,971)
Lamar	(116,867)								(1,971)
Lanier	(116,867)								(1,971)
Laurens	(131,811)								(2,222)

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, 2021

<u>Employer</u>	Deferred Outflows of Resources				Deferred Inflows of Resources				<u>Total Employer Pension Expense</u>
	<u>Net Pension Asset</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Inflows of Resources</u>	
State of Georgia - Nonemployer Contributing Entity State's Proportionate Share Associated with:									
Lee	(116,867)								(1,971)
Liberty	(147,745)								(2,490)
Lincoln	(116,867)								(1,971)
Long	(116,867)								(1,971)
Lumpkin	(124,052)								(2,092)
Macon	(116,867)								(1,971)
Marion	(116,867)								(1,971)
Mcduffie	(116,867)								(1,971)
Mcintosh	(116,867)								(1,971)
Meriwether	(116,867)								(1,971)
Miller	(116,867)								(1,971)
Mitchell	(116,867)								(1,971)
Montgomery	(116,867)								(1,971)
Morgan	(116,867)								(1,971)
Murray	(131,811)								(2,222)
Oconee	(124,052)								(2,092)
Oglethorpe	(116,867)								(1,971)
Paulding	(169,427)								(2,856)
Peach	(116,867)								(1,971)
Pickens	(124,052)								(2,092)
Pierce	(116,867)								(1,971)
Pike	(116,867)								(1,971)
Polk	(131,811)								(2,222)
Pulaski	(116,867)								(1,971)
Putnam	(116,867)								(1,971)
Randolph	(116,867)								(1,971)
Rockdale	(158,588)								(2,673)
Schley	(116,867)								(1,971)
Screven	(116,867)								(1,971)
Secretary Treasurer	(255,953)								(4,315)
Spalding	(147,745)								(2,490)
Stephens	(116,867)								(1,971)
Taliaferro	(116,867)								(1,971)
Tattall	(116,867)								(1,971)
Taylor	(116,867)								(1,971)
Terrell	(116,867)								(1,971)
Thomas	(131,811)								(2,222)
Tift	(131,811)								(2,222)

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, 2021

Employer	Deferred Outflows of Resources				Deferred Inflows of Resources				Total Employer Pension Expense
	Net Pension Asset	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	Changes in Assumptions	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Inflows of Resources	
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Toombs	(116,867)								(1,971)
Towns	(116,867)								(1,971)
Treutlen	(116,867)								(1,971)
Troup	(147,745)								(2,490)
Turner	(116,867)								(1,971)
Twiggs	(116,867)								(1,971)
Union	(116,867)								(1,971)
Upson	(116,867)								(1,971)
Walker	(147,745)								(2,490)
Walton	(158,588)								(2,673)
Ware	(124,052)								(2,092)
Warren	(116,867)								(1,971)
Washington	(116,867)								(1,971)
Wayne	(124,052)								(2,092)
Webster	(116,867)								(1,971)
Wheeler	(116,867)								(1,971)
White	(116,867)								(1,971)
Whitfield	(169,427)								(2,856)
Wilcox	(116,867)								(1,971)
Wilkes	(116,867)								(1,971)
Wilkinson	(116,867)								(1,971)
Worth	(116,867)								(1,971)
TOTAL STATE OF GEORGIA (Nonemployer Contributing Entity)	<u>\$ (17,711,876)</u>	<u>139,521</u>	<u>12,958</u>	<u>152,479</u>	<u>2,359,229</u>	<u>2,290,127</u>	<u>3,645,859</u>	<u>8,295,215</u>	<u>(298,644)</u>
Each Employer of Plan Members - Employer Share	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total for All Entities	<u>\$ (17,711,876)</u>	<u>139,521</u>	<u>12,958</u>	<u>152,479</u>	<u>2,359,229</u>	<u>2,290,127</u>	<u>3,645,859</u>	<u>8,295,215</u>	<u>(298,644)</u>

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, 2021

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, 2021 were as follows:

Total pension liability	\$	24,148,943
Plan fiduciary net position		<u>(41,860,819)</u>
Net pension liability (asset)	\$	<u>(17,711,876)</u>
Plan fiduciary net position as a percentage of total pension liability		173.34%

MAGISTRATES RETIREMENT FUND OF GEORGIA
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Notes to Schedule of Employer and Nonemployer Allocations and
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2021

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. 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 PubG-2010 (Amount Weighted General Employees) Mortality Table with generational mortality projection using the Buck modified 2020 scale for healthy lives and the PubG-2010 (Amount Weighted Contingent Survivor) mortality table with generational mortality projection using Buck Modified 2020 scale for current and future beneficiaries of deceased participants, and the PubG-2010 (Amount Weighted General Employees) Disabled Mortality Table with generational mortality projection using the Buck modified 2020 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. 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 and then adding expected inflation.

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

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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 level. 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long term expected real rate of return</u>
Short-term Treasury bills	3.0 %	0.2 %
Domestic fixed income	37.0	1.1
International equities - developed markets	10.0	5.5
Emerging market equities	2.0	8.0
Large cap growth domestic equities	23.0	6.5
Large cap value domestic equities	8.0	6.3
Mid cap core domestic equities	15.0	6.9
Small cap growth domestic equities	1.0	6.7
Domestic real estate investment trusts	1.0	4.2
	<u>100.0 %</u>	

*Rates shown are net of the 2.5% assumed rate of inflation

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	\$ <u>(15,121,970)</u>	<u>(17,711,876)</u>	<u>(19,926,338)</u>

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

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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, 2021. 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	\$ 43,212.97	\$ 3,601.08
29,000 to 38,999	46,092.56	3,841.05
39,000 to 49,999	48,975.72	4,081.31
50,000 to 74,999	54,892.64	4,574.39
75,000 to 99,999	58,924.70	4,910.39
100,000 to 149,999	62,952.16	5,246.01
150,000 to 199,999	67,345.04	5,612.09
200,000 to 249,999	73,402.89	6,116.91
250,000 to 299,999	79,681.17	6,640.10
300,000 to 399,999	87,959.16	7,329.93
400,000 to 499,999	91,530.39	7,627.53
500,000 or more	95,101.61	7,925.13

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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, 2021:

	Year of deferral	Amortization period	Beginning of year balance	Current Year		End of year balance
				Additions	Deductions	
Deferred outflows of resources						
Changes in assumptions	2014	8.5 years	\$ 121,173		80,785	40,388
	2016	7.6 years	142,805		54,926	87,879
	2021	7.7 years		12,934	1,680	11,254
Differences between expected and actual experience	2015	7.9 years	27,355		14,397	12,958
Total deferred outflows of resources			\$ 291,333	12,934	151,788	152,479
Deferred inflows of resources						
Changes in assumptions	2019	6.8 years	\$ 32,058		6,679	25,379
	2020	8.1 years	2,716,449		382,599	2,333,850
Differences between expected and actual experience	2014	8.5 years	30,609		20,406	10,203
	2016	7.6 years	164,199		63,154	101,045
	2017	7 years	206,332		68,777	137,555
	2018	7.5 years	60,517		13,448	47,069
	2019	6.8 years	232,961		48,533	184,428
	2020	8.1 years	530,869		74,770	456,099
	2021	7.7 years		1,555,777	202,049	1,353,728
Differences between projected and actual investment earnings	2017	5 years	68,352		68,352	-
	2018	5 years	(53,891)		(26,945)	(26,946)
	2019	5 years	394,488		131,496	262,992
	2020	5 years	(1,124,675)		(281,169)	(843,506)
	2021	5 years		5,316,649	1,063,330	4,253,319
Net difference between projected and actual investment earnings (1)			(715,726)	5,316,649	955,064	3,645,859
Total deferred inflows of resources			\$ 3,258,268	6,872,426	1,835,479	8,295,215

(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,	2022	\$	(1,646,971)
		2023		(1,713,771)
		2024		(1,508,560)
		2025		(1,771,963)
		2026		(657,738)
		Thereafter		<u>(843,733)</u>
	Total		\$	<u><u>(8,142,736)</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, 2021.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2021, are shown in the following table:

Service cost	\$ 1,384,621
Interest on the total pension liability and net cash flow	1,543,115
Projected earnings on plan investments	(2,212,778)
Current period effect of benefit changes	707,929
Current period difference between expected and actual experience	(202,049)
Current period effect of changes in assumptions	1,680
Current period difference between projected and actual investment earnings	(1,063,330)
Member contributions	(184,381)
Administrative Expenses	146,541
Current period recognition of prior years' deferred outflows of resources	458,222
Current period recognition of prior years' deferred inflows of resources	<u>(878,214)</u>
Collective pension expense	<u><u>\$ (298,644)</u></u>