



ANNUAL FINANCIAL AUDIT • JUNE 30, 2022

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
Magistrates Retirement Fund of Georgia

Opinions

We have audited the 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, 2022, 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, 2022, and the related notes.

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, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedules* section of our report.

We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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 Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedules.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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, 2022. Our report thereon, dated June 16, 2023, 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, 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,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

June 16, 2023

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, 2022

<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	42,781.22	0.64674%
Baker	42,781.22	0.64674%
Baldwin	50,456.02	0.76277%
Banks	42,781.22	0.64674%
Barrow	60,705.70	0.91772%
Bartow	64,854.89	0.98044%
Berrien	42,781.22	0.64674%
Bibb	69,380.55	1.04886%
Bleckley	42,781.22	0.64674%
Brantley	42,781.22	0.64674%
Bryan	50,456.02	0.76277%
Bulloch	60,705.70	0.91772%
Burke	44,519.08	0.67302%
Butts	44,519.08	0.67302%
Calhoun	42,781.22	0.64674%
Camden	56,551.77	0.85492%
Candler	42,781.22	0.64674%
Carroll	64,854.89	0.98044%
Catoosa	56,551.77	0.85492%
Charlton	42,781.22	0.64674%
Chatham	82,089.54	1.24099%
Chattooga	44,519.08	0.67302%
Cherokee	82,089.54	1.24099%
Clay	42,781.22	0.64674%
Cobb	97,976.05	1.48115%
Coffee	50,456.02	0.76277%
Colquitt	50,456.02	0.76277%
Columbia	69,380.55	1.04886%
Coweta	64,854.89	0.98044%
Crisp	44,519.08	0.67302%
Dade	42,781.22	0.64674%
Dawson	44,519.08	0.67302%
Dekalb	97,976.05	1.48115%
Dodge	42,781.22	0.64674%
Dougherty	60,705.70	0.91772%
Douglas	64,854.89	0.98044%
Early	42,781.22	0.64674%
Echols	42,781.22	0.64674%
Effingham	56,551.77	0.85492%
Elbert	42,781.22	0.64674%
Emanuel	44,519.08	0.67302%
Evans	42,781.22	0.64674%
Fannin	44,519.08	0.67302%

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, 2022

<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	64,854.89	0.98044%
Floyd	60,705.70	0.91772%
Forsyth	82,089.54	1.24099%
Franklin	44,519.08	0.67302%
Fulton	97,976.05	1.48115%
Gilmer	47,485.71	0.71786%
Gordon	56,551.77	0.85492%
Grady	44,519.08	0.67302%
Greene	42,781.22	0.64674%
Gwinnett	97,976.05	1.48115%
Habersham	50,456.02	0.76277%
Hall	75,621.49	1.14321%
Hancock	42,781.22	0.64674%
Haralson	47,485.71	0.71786%
Harris	47,485.71	0.71786%
Heard	42,781.22	0.64674%
Henry	75,621.49	1.14321%
Houston	69,380.55	1.04886%
Irwin	42,781.22	0.64674%
Jackson	60,705.70	0.91772%
Jasper	42,781.22	0.64674%
Jeff Davis	42,781.22	0.64674%
Jefferson	42,781.22	0.64674%
Johnson	42,781.22	0.64674%
Jones	44,519.08	0.67302%
Lanier	42,781.22	0.64674%
Laurens	50,456.02	0.76277%
Lee	47,485.71	0.71786%
Liberty	56,551.77	0.85492%
Lincoln	42,781.22	0.64674%
Long	42,781.22	0.64674%
Lumpkin	47,485.71	0.71786%
Macon	42,781.22	0.64674%
Marion	42,781.22	0.64674%
Mcduffie	44,519.08	0.67302%
Mcintosh	42,781.22	0.64674%
Meriwether	44,519.08	0.67302%
Miller	42,781.22	0.64674%
Mitchell	44,519.08	0.67302%
Montgomery	42,781.22	0.64674%
Morgan	44,519.08	0.67302%
Murray	50,456.02	0.76277%

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, 2022

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Oconee	50,456.02	0.76277%
Oglethorpe	42,781.22	0.64674%
Paulding	69,380.55	1.04886%
Peach	44,519.08	0.67302%
Pickens	47,485.71	0.71786%
Pierce	42,781.22	0.64674%
Pike	42,781.22	0.64674%
Polk	50,456.02	0.76277%
Pulaski	42,781.22	0.64674%
Putnam	44,519.08	0.67302%
Quitman	42,781.22	0.64674%
Randolph	42,781.22	0.64674%
Rockdale	60,705.70	0.91772%
Schley	42,781.22	0.64674%
Screven	42,781.22	0.64674%
Secretary/Treasurer	97,976.05	1.48120%
Spalding	56,551.77	0.85492%
Stephens	44,519.08	0.67302%
Taliaferro	42,781.22	0.64674%
Tattnell	44,519.08	0.67302%
Taylor	42,781.22	0.64674%
Terrell	42,781.22	0.64674%
Thomas	50,456.02	0.76277%
Tift	50,456.02	0.76277%
Toombs	44,519.08	0.67302%
Towns	42,781.22	0.64674%
Troup	56,551.77	0.85492%
Twiggs	42,781.22	0.64674%
Union	44,519.08	0.67302%
Upson	44,519.08	0.67302%
Walker	56,551.77	0.85492%
Walton	60,705.70	0.91772%
Ware	47,485.71	0.71786%
Warren	42,781.22	0.64674%
Washington	42,781.22	0.64674%
Wayne	47,485.71	0.71786%
Webster	42,781.22	0.64674%
Wheeler	42,781.22	0.64674%
White	44,519.08	0.67302%
Whitfield	64,854.89	0.98044%
Wilcox	42,781.22	0.64674%
Wilkes	42,781.22	0.64674%

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, 2022

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Wilkinson	42,781.22	0.64674%
Worth	44,519.08	0.67302%
Total	\$ <u>6,614,861.63</u>	<u>100.0000%</u>
Each Employer of Plan Members - Employer Share		<u>0.000000%</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, 2022

<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>Net Difference Between Projected and Actual Earnings on Pension Plan Investments</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Inflows of Resources</u>	
State of Georgia - Nonemployer Contributing Entity								
State's Proportionate Share Associated with:								
Appling	\$ (71,606)						\$ 5,474	5,474
Baker	(71,606)							5,474
Baldwin	(84,452)							6,456
Banks	(71,606)							5,474
Barrow	(101,608)							7,768
Bartow	(108,552)							8,299
Berrien	(71,606)							5,474
Bibb	(116,127)							8,878
Bleckley	(71,606)							5,474
Brantley	(71,606)							5,474
Bryan	(84,452)							6,456
Bulloch	(101,608)							7,768
Burke	(74,515)							5,697
Butts	(74,515)							5,697
Calhoun	(71,606)							5,474
Camden	(94,655)							7,236
Candler	(71,606)							5,474
Carroll	(108,552)							8,299
Catoosa	(94,655)							7,236
Charlton	(71,606)							5,474
Chatham	(137,400)							10,505
Chattooga	(74,515)							5,697
Cherokee	(137,400)							10,505
Clay	(71,606)							5,474
Cobb	(163,990)							12,538
Coffee	(84,452)							6,456
Colquitt	(84,454)							6,456
Columbia	(116,127)							8,878
Coweta	(108,552)							8,299
Crisp	(74,515)							5,697
Dade	(71,606)							5,474
Dawson	(74,515)							5,697
Dekalb	(163,990)							12,538
Dodge	(71,606)							5,474
Dougherty	(101,608)							7,768

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, 2022

<u>Employer</u>	<u>Deferred Outflows of Resources</u>				<u>Deferred Inflows of Resources</u>			Total Employer Pension Expense
	Net Pension Asset	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Inflows of Resources	
State of Georgia - Nonemployer Contributing Entity								
State's Proportionate Share Associated with:								
Douglas	(108,552)							8,299
Early	(71,606)							5,474
Echols	(71,606)							5,474
Effingham	(94,655)							7,236
Elbert	(71,606)							5,474
Emanuel	(74,515)							5,697
Evans	(71,606)							5,474
Fannin	(74,515)							5,697
Fayette	(108,552)							8,299
Floyd	(101,608)							7,768
Forsyth	(137,400)							10,505
Franklin	(74,515)							5,697
Fulton	(163,990)							12,538
Gilmer	(79,480)							6,076
Gordon	(94,655)							7,236
Grady	(74,515)							5,697
Greene	(71,606)							5,474
Gwinnett	(163,990)							12,538
Habersham	(84,452)							6,456
Hall	(126,574)							9,678
Hancock	(71,606)							5,474
Haralson	(79,480)							6,076
Harris	(79,480)							6,076
Heard	(71,606)							5,474
Henry	(126,574)							9,678
Houston	(116,127)							8,878
Irwin	(71,606)							5,474
Jackson	(101,608)							7,768
Jasper	(71,606)							5,474
Jeff Davis	(71,606)							5,474
Jefferson	(71,606)							5,474
Johnson	(71,606)							5,474
Jones	(74,515)							5,697
Lanier	(71,606)							5,474
Laurens	(84,452)							6,456

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, 2022

<u>Employer</u>	Deferred Outflows of Resources				Deferred Inflows of Resources			Total Employer Pension Expense
	Net Pension Asset	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Inflows of Resources	
State of Georgia - Nonemployer Contributing Entity								
State's Proportionate Share Associated with:								
Lee	(79,480)							6,076
Liberty	(94,655)							7,236
Lincoln	(71,606)							5,474
Long	(71,606)							5,474
Lumpkin	(79,480)							6,076
Macon	(71,606)							5,474
Marion	(71,606)							5,474
Mcduffie	(74,515)							5,697
Mcintosh	(71,606)							5,474
Meriwether	(74,515)							5,697
Miller	(71,606)							5,474
Mitchell	(74,515)							5,697
Montgomery	(71,606)							5,474
Morgan	(74,515)							5,697
Murray	(84,452)							6,456
Oconee	(84,452)							6,456
Oglethorpe	(71,606)							5,474
Paulding	(116,127)							8,878
Peach	(74,515)							5,697
Pickens	(79,480)							6,076
Pierce	(71,606)							5,474
Pike	(71,606)							5,474
Polk	(84,452)							6,456
Pulaski	(71,606)							5,474
Putnam	(74,515)							5,697
Quitman	(71,606)							5,474
Randolph	(71,606)							5,474
Rockdale	(101,608)							7,768
Schley	(71,606)							5,474
Screven	(71,606)							5,474
Secretary/Treasurer	(163,990)							12,540
Spalding	(94,655)							7,236
Stephens	(74,515)							5,697
Taliaferro	(71,606)							5,474
Tattnall	(74,515)							5,697
Taylor	(71,606)							5,474
Terrell	(71,606)							5,474
Thomas	(84,452)							6,456

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, 2022

<u>Employer</u>	Deferred Outflows of Resources				Deferred Inflows of Resources			Total Employer Pension Expense
	Net Pension Asset	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Inflows of Resources	
State of Georgia - Nonemployer Contributing Entity								
State's Proportionate Share Associated with:								
Tift	(84,452)							6,456
Toombs	(74,515)							5,697
Towns	(71,606)							5,474
Troup	(94,655)							7,236
Twiggs	(71,606)							5,474
Union	(74,515)							5,697
Upson	(74,515)							5,697
Walker	(94,655)							7,236
Walton	(101,608)							7,768
Ware	(79,480)							6,076
Warren	(71,606)							5,474
Washington	(71,606)							5,474
Wayne	(79,480)							6,076
Webster	(71,606)							5,474
Wheeler	(71,606)							5,474
White	(74,515)							5,697
Whitfield	(108,552)							8,299
Wilcox	(71,606)							5,474
Wilkes	(71,606)							5,474
Wilkinson	(71,606)							5,474
Worth	(74,515)							5,697
TOTAL STATE OF GEORGIA (Nonemployer Contributing Entity)	<u>\$ (11,071,785)</u>	<u>115,185</u>	<u>3,487,680</u>	<u>3,602,865</u>	<u>1,969,951</u>	<u>2,613,001</u>	<u>4,582,952</u>	<u>846,436</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>
Total for All Entities	<u>\$ (11,071,785)</u>	<u>115,185</u>	<u>3,487,680</u>	<u>3,602,865</u>	<u>1,969,951</u>	<u>2,613,001</u>	<u>4,582,952</u>	<u>846,436</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, 2022

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, 2022 were as follows:

Total pension liability	\$ 26,359,901
Plan fiduciary net position	<u>(37,431,686)</u>
Net pension liability (asset)	<u>\$ (11,071,785)</u>
Plan fiduciary net position as a percentage of total pension liability	142.00%

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, 2022

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. 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 Society of Actuaries MP-2021 scale for healthy lives and the PubG-2010 (Amount Weighted Contingent Survivor) mortality table with generational mortality projection using the Society of Actuaries MP-2021 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 Society of Actuaries MP-2021 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.

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, 2022

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>
U.S. Equity	32.0 %	5.33 %
International Equity	22.0	5.63
Core Fixed Income	36.0	1.18
Core Real Estate	5.0	4.27
Private Equity	5.0	6.65
	<u>100.0 %</u>	

*Rates shown are net of the 2.25% 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>(8,264,732)</u>	<u>(11,071,785)</u>	<u>(13,468,484)</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, 2022

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%.

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, 2022

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, 2022. 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 19,999	\$ 42,781.22	\$ 3,565.10
20,000 to 28,999	44,519.08	3,709.92
29,000 to 38,999	47,785.71	3,982.14
39,000 to 49,999	50,456.02	4,204.67
50,000 to 74,999	56,551.77	4,712.65
75,000 to 99,999	60,705.70	5,058.81
100,000 to 149,999	64,854.89	5,404.57
150,000 to 199,999	69,380.55	5,781.71
200,000 to 249,999	75,621.49	6,301.79
250,000 to 299,999	82,089.54	6,840.80
300,000 to 399,999	90,617.73	7,551.48
400,000 to 499,999	94,296.90	7,858.08
500,000 or more	97,976.05	8,164.67

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, 2022

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, 2022:

	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	\$ 40,388		40,388	-
	2016	7.6 years	87,879		54,926	32,953
	2021	7.7 years	11,254		1,680	9,574
	2022	7.3 years		84,191	11,533	72,658
Differences between expected and actual experience	2015	7.9 years	<u>12,958</u>		<u>12,958</u>	-
Differences between projected and actual investment earnings	2018	5 years	26,946		26,946	-
	2019	5 years	(262,992)		(131,496)	(131,496)
	2020	5 years	843,506		281,169	562,337
	2021	5 years	(4,253,319)		(1,063,330)	(3,189,989)
	2022	5 years		7,808,535	1,561,707	6,246,828
Net difference between projected and actual investment earnings (1)			<u>(3,645,859)</u>	<u>7,808,535</u>	<u>674,996</u>	<u>3,487,680</u>
Total deferred outflows of resources			\$ <u>(3,493,380)</u>	<u>7,892,726</u>	<u>796,481</u>	<u>3,602,865</u>
Deferred inflows of resources						
Changes in assumptions	2019	6.8 years	\$ 25,379		6,679	18,700
	2020	8.1 years	2,333,850		382,599	1,951,251
Differences between expected and actual experience	2014	8.5 years	10,203		10,203	-
	2016	7.6 years	101,045		63,154	37,891
	2017	7 years	137,555		68,777	68,778
	2018	7.5 years	47,069		13,448	33,621
	2019	6.8 years	184,428		48,533	135,895
	2020	8.1 years	456,099		74,770	381,329
	2021	7.7 years	1,353,728		202,049	1,151,679
	2022	7.3 years		931,397	127,589	803,808
Total deferred inflows of resources			\$ <u>4,649,356</u>	<u>931,397</u>	<u>997,801</u>	<u>4,582,952</u>

(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 outflows of resources related to pensions.

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, 2022

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,	2023	\$	(268,120)
		2024		(62,909)
		2025		(326,312)
		2026		787,913
		2027		(773,794)
		Thereafter		(336,865)
	Total		\$	(980,087)

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, 2022.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2022, are shown in the following table:

Service cost	\$ 1,424,202
Interest on the total pension liability and net cash flow	1,636,263
Projected earnings on plan investments	(2,741,679)
Current period effect of benefit changes	797,446
Current period difference between expected and actual experience	(127,589)
Current period effect of changes in assumptions	11,533
Current period difference between projected and actual investment earnings	1,561,707
Member contributions	(193,007)
Administrative Expenses	124,531
Current period recognition of prior years' deferred outflows of resources	418,067
Current period recognition of prior years' deferred inflows of resources	(2,065,038)
Collective pension expense	\$ 846,436