

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, 2015

(With Independent Auditors' Report Thereon)



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156

Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 856-2174

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 the Magistrates Retirement Fund of Georgia (the Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2015, 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 excluding that attributable to employer-paid member contributions included in the accompanying schedule of pension amounts by employer and nonemployer of the Fund (collectively, the specified column totals) as of and for the year ended June 30, 2015, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles; 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 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 and nonemployer 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 the 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 excluding that attributable to employer-paid member contributions for the total of all participating entities for the Fund as of and for the year ended June 30, 2015, in accordance with U.S. generally accepted accounting principles.

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, 2015, and our report thereon, dated August 23, 2016, expressed an unmodified opinion on those financial statements.

Restriction 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

August 23, 2016

GSG:slm

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, 2015

<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 County	\$ 42,781.22	0.722617%
Atkinson County	42,781.22	0.722617%
Baldwin County	44,790.36	0.756553%
Banks County	42,781.22	0.722617%
Barrow County	50,201.64	0.847955%
Bartow County	57,572.40	0.972454%
Berrien County	42,781.22	0.722617%
Bleckley County	42,781.22	0.722617%
Brantley County	42,781.22	0.722617%
Brooks County	42,781.22	0.722617%
Bryan County	42,781.22	0.722617%
Bulloch County	50,201.64	0.847955%
Burke County	42,781.22	0.722617%
Butts County	42,781.22	0.722617%
Calhoun County	42,781.22	0.722617%
Camden County	50,201.64	0.847955%
Carroll County	57,572.40	0.972454%
Catoosa County	50,201.64	0.847955%
Chatham County	72,871.80	1.230876%
Chattahoochee County	42,781.22	0.722617%
Chattooga County	42,781.22	0.722617%
Cherokee County	67,130.04	1.133892%
Clayton County	72,871.80	1.230876%
Coffee County	44,790.36	0.756553%
Colquitt County	44,790.36	0.756553%
Columbia County	57,572.40	0.972454%
Cook County	42,781.22	0.722617%
Coweta County	57,572.40	0.972454%
Crisp County	42,781.22	0.722617%
Dade County	42,781.22	0.722617%
Dawson County	42,781.22	0.722617%

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2015

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
DeKalb County	86,974.44	1.469084%
Dooly County	42,781.22	0.722617%
Dougherty County	53,889.12	0.910240%
Douglas County	57,572.40	0.972454%
Early County	42,781.22	0.722617%
Echols County	42,781.22	0.722617%
Effingham County	50,201.64	0.847955%
Elbert County	42,781.22	0.722617%
Emanuel County	42,781.22	0.722617%
Evans County	42,781.22	0.722617%
Fannin County	42,781.22	0.722617%
Fayette County	57,572.40	0.972454%
Floyd County	53,889.12	0.910240%
Forsyth County	61,589.88	1.040314%
Franklin County	42,781.22	0.722617%
Fulton County	86,974.44	1.469084%
Gilmer County	42,781.22	0.722617%
Glascocock County	42,781.22	0.722617%
Glynn County	53,889.12	0.910240%
Gordon County	50,201.64	0.847955%
Greene County	42,781.22	0.722617%
Gwinnett County	86,974.44	1.469084%
Hall County	61,589.88	1.040314%
Hancock County	42,781.22	0.722617%
Heard County	42,781.22	0.722617%
Henry County	67,130.04	1.133892%
Houston County	57,572.40	0.972454%
Irwin County	42,781.22	0.722617%
Jeff Davis County	42,781.22	0.722617%
Jefferson County	42,781.22	0.722617%

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<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Johnson County	42,781.22	0.722617%
Jones County	42,781.22	0.722617%
Lamar County	42,781.22	0.722617%
Lanier County	42,781.22	0.722617%
Laurens County	44,790.36	0.756553%
Lee County	42,781.22	0.722617%
Liberty County	50,201.64	0.847955%
Lincoln County	42,781.22	0.722617%
Long County	42,781.22	0.722617%
Lumpkin County	42,781.22	0.722617%
Macon County	42,781.22	0.722617%
Marion County	42,781.22	0.722617%
Meriwether County	42,781.22	0.722617%
Miller County	42,781.22	0.722617%
Mitchell County	42,781.22	0.722617%
Montgomery County	42,781.22	0.722617%
Morgan County	42,781.22	0.722617%
Murray County	44,790.36	0.756553%
Oconee County	42,781.22	0.722617%
Oglethorpe County	42,781.22	0.722617%
Paulding County	57,572.40	0.972454%
Peach County	42,781.22	0.722617%
Pickens County	42,781.22	0.722617%
Pierce County	42,781.22	0.722617%
Pike County	42,781.22	0.722617%
Polk County	44,790.36	0.756553%
Pulaski County	42,781.22	0.722617%
Putnam County	42,781.22	0.722617%
Quitman County	42,781.22	0.722617%
Randolph County	42,781.22	0.722617%

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2015

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Richmond County	67,130.04	1.133892%
Rockdale County	53,889.12	0.910240%
Screven County	42,781.22	0.722617%
Secretary Treasurer	86,974.44	1.469084%
Spalding County	50,201.64	0.847955%
Stephens County	42,781.22	0.722617%
Taliaferro County	42,781.22	0.722617%
Tattnall County	42,781.22	0.722617%
Taylor County	42,781.22	0.722617%
Terrell County	42,781.22	0.722617%
Thomas County	44,790.36	0.756553%
Tift County	44,790.36	0.756553%
Toombs County	42,781.22	0.722617%
Towns County	42,781.22	0.722617%
Treutlen County	42,781.22	0.722617%
Troup County	50,201.64	0.847955%
Turner County	42,781.22	0.722617%
Twiggs County	42,781.22	0.722617%
Union County	42,781.22	0.722617%
Upson County	42,781.22	0.722617%
Walker County	50,201.64	0.847955%
Ware County	42,781.22	0.722617%
Warren County	42,781.22	0.722617%
Washington County	42,781.22	0.722617%
Wayne County	42,781.22	0.722617%
Webster County	42,781.22	0.722617%
Wheeler County	42,781.22	0.722617%
White County	42,781.22	0.722617%
Whitfield County	57,572.40	0.972454%
Wilcox County	42,781.22	0.722617%

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2015

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Wilkes County	42,781.22	0.722617%
Wilkinson County	42,781.22	0.722617%
Worth County	42,781.22	0.722617%
TOTAL STATE OF GEORGIA	\$ 5,920,318.64	100.000000%
Each Employer of Plan Members - Employer Share		0.000000%
		100.000000%

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

For the year ended June 30, 2015

Employer	Net Pension Liability (Asset)	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
		Changes in Assumptions	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Difference 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:								
Appling County	(42,961)							5,790
Atkinson County	(42,961)							5,790
Baldwin County	(44,978)							6,062
Banks County	(42,961)							5,790
Barrow County	(50,412)							6,795
Bartow County	(57,814)							7,792
Berrien County	(42,961)							5,790
Bleckley County	(42,961)							5,790
Brantley County	(42,961)							5,790
Brooks County	(42,961)							5,790
Bryan County	(42,961)							5,790
Bulloch County	(50,412)							5,790
Burke County	(42,961)							6,795
Butts County	(42,961)							5,790
Calhoun County	(42,961)							5,790
Camden County	(50,412)							6,795
Carroll County	(57,814)							7,792
Catoosa County	(50,412)							6,795
Chatham County	(73,178)							7,792
Chattahoochee County	(42,961)							6,795
Chattooga County	(42,961)							9,863
Cherokee County	(67,412)							5,790
Clayton County	(73,178)							5,790
								9,086
								9,863

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

For the year ended June 30, 2015

Employer	Net Pension Liability (Asset)	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
		Changes in Assumptions	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Difference 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:								
Coffee County	(44,978)							6,062
Colquitt County	(44,978)							6,062
Columbia County	(57,814)							7,792
Cook County	(42,961)							5,790
Coweta County	(57,814)							7,792
Crisp County	(42,961)							5,790
Dade County	(42,961)							5,790
Dawson County	(42,961)							5,790
DeKalb County	(87,340)							5,790
Dooly County	(42,961)							11,772
Dougherty County	(54,115)							5,790
Douglas County	(57,814)							7,294
Early County	(42,961)							7,792
Echols County	(42,961)							5,790
Effingham County	(50,412)							5,790
Elbert County	(42,961)							6,795
Emanuel County	(42,961)							5,790
Evans County	(42,961)							5,790
Fannin County	(42,961)							5,790
Fayette County	(57,814)							7,792
Floyd County	(54,115)							7,294
Forsyth County	(61,849)							8,336

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

For the year ended June 30, 2015

Employer	Net Pension Liability (Asset)	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
		Changes in Assumptions	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Difference 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:								
Franklin County	(42,961)							5,790
Fulton County	(87,340)							11,772
Gilmer County	(42,961)							5,790
Glascock County	(42,961)							5,790
Glynn County	(54,115)							7,294
Gordon County	(50,412)							6,795
Greene County	(42,961)							5,790
Gwinnett County	(87,340)							11,772
Hall County	(61,849)							8,336
Hancock County	(42,961)							5,790
Heard County	(42,961)							5,790
Henry County	(67,412)							9,086
Houston County	(57,814)							7,792
Irwin County	(42,961)							5,790
Jeff Davis County	(42,961)							5,790
Jefferson County	(42,961)							5,790
Johnson County	(42,961)							5,790
Jones County	(42,961)							5,790
Lamar County	(42,961)							5,790
Lanier County	(42,961)							5,790
Laurens County	(44,978)							6,062
Lee County	(42,961)							5,790

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

For the year ended June 30, 2015

Employer	Net Pension Liability (Asset)	Deferred Outflows of Resources			Deferred Inflows of Resources			Total Deferred Inflows of Resources	Pension Expense Excluding that Attributable to Employer-Paid Member Contributions Proportionate Share of Plan Pension Expense
		Changes in Assumptions	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments			
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Liberty County	(50,412)								6,795
Lincoln County	(42,961)								5,790
Long County	(42,961)								5,790
Lumpkin County	(42,961)								5,790
Macon County	(42,961)								5,790
Marion County	(42,961)								5,790
Meriwether County	(42,961)								5,790
Miller County	(42,961)								5,790
Mitchell County	(42,961)								5,790
Montgomery County	(42,961)								5,790
Morgan County	(42,961)								5,790
Murray County	(44,978)								5,790
Oconee County	(42,961)								6,062
Oglethorpe County	(42,961)								5,790
Paulding County	(57,814)								5,790
Peach County	(42,961)								7,792
Pickens County	(42,961)								5,790
Pierce County	(42,961)								5,790
Pike County	(42,961)								5,790
Polk County	(44,978)								5,790
Pulaski County	(42,961)								6,062
Putnam County	(42,961)								5,790

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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2015

Employer	Net Pension Liability (Asset)	Deferred Outflows of Resources			Deferred Inflows of Resources			Total Deferred Inflows of Resources	Pension Expense Excluding that Attributable to Employer-Paid Member Contributions Proportionate Share of Plan Pension Expense
		Changes in Assumptions	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments			
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Quitman County	(42,961)								5,790
Randolph County	(42,961)								5,790
Richmond County	(67,412)								9,086
Rockdale County	(54,115)								7,294
Screven County	(42,961)								5,790
Secretary Treasurer	(87,340)								11,772
Spalding County	(50,412)								6,795
Stephens County	(42,961)								5,790
Taliaferro County	(42,961)								5,790
Tattnall County	(42,961)								5,790
Taylor County	(42,961)								5,790
Terrell County	(42,961)								5,790
Thomas County	(44,978)								6,062
Tift County	(44,978)								6,062
Toombs County	(42,961)								5,790
Towns County	(42,961)								5,790
Treutlen County	(42,961)								5,790
Troup County	(50,412)								6,795
Turner County	(42,961)								5,790
Twiggs County	(42,961)								5,790
Union County	(42,961)								5,790
Upson County	(42,961)								5,790

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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2015

Employer	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
	Net Pension Liability (Asset)	Difference Between Expected and Actual Experience	Total Deferred Outflows of Resources	Difference 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:							
Walker County	(50,412)						6,795
Ware County	(42,961)						5,790
Warren County	(42,961)						5,790
Washington County	(42,961)						5,790
Wayne County	(42,961)						5,790
Webster County	(42,961)						5,790
Wheeler County	(42,961)						5,790
White County	(42,961)						5,790
Whitfield County	(57,814)						7,792
Wilcox County	(42,961)						5,790
Wilkes County	(42,961)						5,790
Wilkinson County	(42,961)						5,790
Worth County	(42,961)						5,790
TOTAL STATE OF GEORGIA	\$ (5,945,180)	\$ 525,098	\$ 99,340	\$ 624,438	\$ 132,639	\$ 130,549	\$ 801,303
Each Employer of Plan Members - Employer Share	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total for All Entities	\$ (5,945,180)	\$ 525,098	\$ 99,340	\$ 624,438	\$ 132,639	\$ 130,549	\$ 801,303

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, 2015

Note 1: Plan Description

The Magistrates Retirement Fund of Georgia (the 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 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 Fund, do not make contributions to the Fund. The State of Georgia provides nonemployer contributions to the Fund through the collection of court filing fees. These nonemployer contributions are recognized as revenue by the 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, 2015 were as follows:

Total pension liability	\$ 14,287,045
Plan fiduciary net position	(20,232,225)
Net pension liability (asset)	(5,945,180)

Plan fiduciary net position as a percentage of total pension liability	141.61%
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Actuarial Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%	
Salary increases	N/A	
Investment rate of return	7.00%	net of pension plan investment expense, including inflation

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

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

June 30, 2015

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 6.43% using a Monte Carlo simulation in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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. The Fund's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the Fund's investment manager.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following table presents the collective net pension liability of the Fund, calculated using the discount rate of 7.00%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
Collective net pension liability (asset)	\$ <u>(4,231,886)</u>	<u>(5,945,180)</u>	<u>(7,387,637)</u>

Note 4: Special Funding Situation

The State of Georgia, although not the employer of the Fund's members, makes contributions to the 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 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 Fund's members do not contribute directly to the 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.

MAGISTRATES RETIREMENT FUND OF GEORGIA
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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 Fund's members, do not make contributions to the 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%.

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. The amounts attributable to the State of Georgia, as the nonemployer contributing entity, have been allocated to each employer participating in the Fund based on the maximum salary used to calculate benefits. 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 38,999	\$ 42,781.22	
39,000 to 49,999	44,790.36	\$ 3,732.53
50,000 to 74,999	50,201.64	4,183.47
75,000 to 99,999	53,889.12	4,490.76
100,000 to 149,999	57,572.40	4,797.70
150,000 to 199,999	61,589.88	5,132.49
200,000 to 249,999	67,130.04	5,594.17
250,000 to 299,999	72,871.80	6,072.65
300,000 to 399,999	80,442.36	6,703.53
400,000 to 499,999	83,708.40	6,975.70
500,000 or more	86,974.44	7,247.87

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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, 2015:

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred outflows of resources						
Change in assumptions	2014	8.5 years	\$ 605,884		80,786	525,098
Difference between expected and actual experience	2015	7.9 years		113,737	14,397	99,340
Total deferred outflows of resources			<u>\$ 605,884</u>	<u>113,737</u>	<u>95,183</u>	624,438
Deferred inflows of resources						
Difference between expected and actual experience	2014	8.5 years	\$ 153,045		20,406	132,639
Difference between projected and actual investment earnings	2014	5 years	1,042,546		260,638	781,908
	2015	5 years		(814,199)	(162,840)	(651,359)
Net difference between projected and actual investment earnings (1)			<u>1,042,546</u>	<u>(814,199)</u>	<u>97,798</u>	130,549
Total deferred inflows of resources			<u>\$ 1,195,591</u>	<u>(814,199)</u>	<u>118,204</u>	263,188
Net of deferred outflows of resources and deferred inflows of resources						<u>\$ 361,250</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 inflow of resources related to pensions.

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, 2016	\$ (23,021)
2017	(23,021)
2018	(23,018)
2019	237,615
2020	74,776
Thereafter	<u>117,919</u>
Total	<u>\$ 361,250</u>

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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, 2015.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2015, are shown in the following table:

Service cost	\$ 1,342,981
Interest of the total pension liability and net cash flow	930,688
Projected earnings on plan investments	(1,325,132)
Member contributions	(169,399)
Administrative expenses	45,186
Recognition (amortization) of deferred inflows and outflows of resources	
Change in assumptions	80,786
Difference between expected and actual experience	(6,009)
Difference between projected and actual investment earnings	<u>(97,798)</u>
Collective pension expense	\$ <u>801,303</u>