

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, 2016

(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) 656-2174

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, 2016, and the related notes. We also have audited the total for all entities of the columns titled net pension liability, total deferred inflows of resources, total deferred outflows 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, 2016, 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, 2016, 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, 2016, and our report thereon, dated May 31, 2017, and 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

June 16, 2017

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, 2016

<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	\$ 43,422.94	0.702153%
Atkinson County	43,422.94	0.702153%
Baldwin County	45,462.22	0.735128%
Banks County	43,422.94	0.702153%
Barrow County	50,954.66	0.823941%
Bartow County	58,435.99	0.944915%
Berrien County	43,422.94	0.702153%
Bleckley County	43,422.94	0.702153%
Brantley County	43,422.94	0.702153%
Brooks County	43,422.94	0.702153%
Bryan County	43,422.94	0.702153%
Bulloch County	50,954.66	0.823941%
Burke County	43,422.94	0.702153%
Butts County	43,422.94	0.702153%
Calhoun County	43,422.94	0.702153%
Camden County	50,954.66	0.823941%
Carroll County	58,435.99	0.944915%
Catoosa County	50,954.66	0.823941%
Chatham County	73,964.88	1.196019%
Chattahoochee County	43,422.94	0.702153%
Chattooga County	43,422.94	0.702153%
Cherokee County	68,139.99	1.101830%
Clay County	43,422.94	0.702153%
Clayton County	73,964.88	1.196019%
Cobb County	88,279.06	1.427480%
Coffee County	45,462.22	0.735128%
Colquitt County	45,462.22	0.735128%
Columbia County	58,435.99	0.944915%
Cook County	43,422.94	0.702153%
Coweta County	58,435.99	0.944915%

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, 2016

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Crisp County	43,422.94	0.702153%
Dade County	43,422.94	0.702153%
Dawson County	43,422.94	0.702153%
Decatur County	43,422.94	0.702153%
DeKalb County	88,279.06	1.427480%
Dooly County	43,422.94	0.702153%
Dougherty County	54,697.46	0.884463%
Douglas County	58,435.99	0.944915%
Early County	43,422.94	0.702153%
Echols County	43,422.94	0.702153%
Effingham County	50,954.66	0.823941%
Elbert County	43,422.94	0.702153%
Emanuel County	43,422.94	0.702153%
Evans County	43,422.94	0.702153%
Fannin County	43,422.94	0.702153%
Fayette County	58,435.99	0.944915%
Floyd County	54,697.46	0.884463%
Forsyth County	62,513.73	1.010853%
Franklin County	43,422.94	0.702153%
Fulton County	88,279.06	1.427480%
Gilmer County	43,422.94	0.702153%
Glascocock County	43,422.94	0.702153%
Glynn County	54,697.46	0.884463%
Gordon County	50,954.66	0.823941%
Grady County	43,422.94	0.702153%
Greene County	43,422.94	0.702153%
Gwinnett County	88,279.06	1.427480%
Hall County	62,513.73	1.010853%

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, 2016

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Hancock County	43,422.94	0.702153%
Heard County	43,422.94	0.702153%
Henry County	68,139.99	1.101830%
Houston County	58,435.99	0.944915%
Irwin County	43,422.94	0.702153%
Jeff Davis County	43,422.94	0.702153%
Jefferson County	43,422.94	0.702153%
Johnson County	43,422.94	0.702153%
Jones County	43,422.94	0.702153%
Lamar County	43,422.94	0.702153%
Lanier County	43,422.94	0.702153%
Laurens County	45,462.22	0.735128%
Lee County	43,422.94	0.702153%
Liberty County	50,954.66	0.823941%
Lincoln County	43,422.94	0.702153%
Long County	43,422.94	0.702153%
Lumpkin County	43,422.94	0.702153%
Macon County	43,422.94	0.702153%
Marion County	43,422.94	0.702153%
Meriwether County	43,422.94	0.702153%
Miller County	43,422.94	0.702153%
Mitchell County	43,422.94	0.702153%
Montgomery County	43,422.94	0.702153%
Morgan County	43,422.94	0.702153%
Murray County	45,462.22	0.735128%
Oglethorpe County	43,422.94	0.702153%
Paulding County	58,435.99	0.944915%
Peach County	43,422.94	0.702153%

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, 2016

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Pickens County	43,422.94	0.702153%
Pierce County	43,422.94	0.702153%
Pike County	43,422.94	0.702153%
Polk County	45,462.22	0.735128%
Pulaski County	43,422.94	0.702153%
Putnam County	43,422.94	0.702153%
Quitman County	43,422.94	0.702153%
Randolph County	43,422.94	0.702153%
Richmond County	68,139.99	1.101830%
Rockdale County	54,697.46	0.884463%
Secretary Treasurer	88,279.06	1.427480%
Screven County	43,422.94	0.702153%
Spalding County	50,954.66	0.823941%
Stephens County	43,422.94	0.702153%
Taliaferro County	43,422.94	0.702153%
Tattnall County	43,422.94	0.702153%
Taylor County	43,422.94	0.702153%
Terrell County	43,422.94	0.702153%
Thomas County	45,462.22	0.735128%
Tift County	45,462.22	0.735128%
Toombs County	43,422.94	0.702153%
Towns County	43,422.94	0.702153%
Treutlen County	43,422.94	0.702153%
Troup County	50,954.66	0.823941%
Turner County	43,422.94	0.702153%
Twiggs County	43,422.94	0.702153%
Union County	43,422.94	0.702153%
Upson County	43,422.94	0.702153%

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, 2016

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Walker County	50,954.66	0.823941%
Ware County	43,422.94	0.702153%
Warren County	43,422.94	0.702153%
Washington County	43,422.94	0.702153%
Wayne County	43,422.94	0.702153%
Webster County	43,422.94	0.702153%
Wheeler County	43,422.94	0.702153%
White County	43,422.94	0.702153%
Whitfield County	58,435.99	0.944915%
Wilcox County	43,422.94	0.702153%
Wilkes County	43,422.94	0.702153%
Wilkinson County	43,422.94	0.702153%
Worth County	43,422.94	0.702153%
Total	\$ 6,184,257.56	100.000000%
Each Employer of Plan Members - Employer Share		0.000000%
Total for All Entities		100.000000%

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, 2016

Employer	Net Pension Liability (Asset)	Changes in Assumptions	Deferred Outflows of Resources			Total Deferred Inflows of Resources	Pension Expense Excluding that Attributable to Employer-Paid Member Contributions Proportionate Share of Plan Pension Expense
			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 County	\$ (35,864)						9,561
Atkinson County	(35,864)						9,561
Baldwin County	(37,549)						10,010
Banks County	(35,864)						9,561
Barrow County	(42,085)						11,219
Bartow County	(48,264)						12,866
Berrien County	(35,864)						9,561
Bleckley County	(35,864)						9,561
Brantley County	(35,864)						9,561
Brooks County	(35,864)						9,561
Bryan County	(35,864)						9,561
Bulloch County	(42,085)						11,219
Burke County	(35,864)						9,561
Butts County	(35,864)						9,561
Calhoun County	(35,864)						9,561
Camden County	(42,085)						11,219
Carroll County	(48,264)						12,866
Catoosa County	(42,085)						11,219
Chatham County	(61,090)						16,286
Chattahoochee County	(35,864)						9,561
Chattooga County	(35,864)						9,561
Cherokee County	(56,279)						15,003
Clay County	(35,864)						9,561
Clayton County	(61,090)						16,286
Cobb County	(72,913)						19,437
Coffee County	(37,549)						10,010
Colquitt County	(37,549)						10,010
Columbia County	(48,264)						12,866
Cook County	(35,864)						9,561
Coweta County	(48,264)						12,866
Crisp County	(35,864)						9,561
Dade County	(35,864)						9,561
Dawson County	(35,864)						9,561
Decatur County	(35,864)						9,561
DeKalb County	(72,913)						19,437
Dooly County	(35,864)						9,561
Dougherty County	(45,176)						12,043
Douglas County	(48,264)						12,866
Early County	(35,864)						9,561
Echols County	(35,864)						9,561
Effingham County	(42,085)						11,219
Elbert County	(35,864)						9,561
Emanuel County	(35,864)						9,561
Evans County	(35,864)						9,561
Fannin County	(35,864)						9,561
Fayette County	(48,264)						12,866
Floyd County	(45,176)						12,043
Forsyth County	(51,632)						13,764
Franklin County	(35,864)						9,561
Fulton County	(72,913)						19,437
Gilmer County	(35,864)						9,561
Glascock County	(35,864)						9,561
Glynn County	(45,176)						12,043
Gordon County	(42,085)						11,219
Grady County	(35,864)						9,561

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, 2016

Employer	Net Pension Liability (Asset)	Changes in Assumptions	Deferred Outflows of Resources			Total Deferred Inflows of Resources	Pension Expense Excluding that Attributable to Employer-Paid Member Contributions Proportionate Share of Plan Pension Expense
			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:							
Greene County	(35,864)						9,561
Gwinnett County	(72,913)						19,437
Hall County	(51,632)						13,764
Hancock County	(35,864)						9,561
Heard County	(35,864)						9,561
Henry County	(56,279)						15,003
Houston County	(48,264)						12,866
Irvin County	(35,864)						9,561
Jeff Davis County	(35,864)						9,561
Jefferson County	(35,864)						9,561
Johnson County	(35,864)						9,561
Jones County	(35,864)						9,561
Lamar County	(35,864)						9,561
Lanier County	(35,864)						9,561
Laurens County	(37,549)						10,010
Lee County	(35,864)						9,561
Liberty County	(42,085)						11,219
Lincoln County	(35,864)						9,561
Long County	(35,864)						9,561
Lumpkin County	(35,864)						9,561
Macon County	(35,864)						9,561
Marion County	(35,864)						9,561
Meriwether County	(35,864)						9,561
Miller County	(35,864)						9,561
Mitchell County	(35,864)						9,561
Montgomery County	(35,864)						9,561
Morgan County	(35,864)						9,561
Murray County	(37,549)						10,010
Oglethorpe County	(35,864)						9,561
Paulding County	(48,264)						12,866
Peach County	(35,864)						9,561
Pickens County	(35,864)						9,561
Pierce County	(35,864)						9,561
Pike County	(35,864)						9,561
Polk County	(37,549)						10,010
Pulaski County	(35,864)						9,561
Putnam County	(35,864)						9,561
Quitman County	(35,864)						9,561
Randolph County	(35,864)						9,561
Richmond County	(56,279)						15,003
Rockdale County	(45,176)						12,043
Secretary Treasurer	(72,913)						19,433
Screven County	(35,864)						9,561
Spalding County	(42,085)						11,219
Stephens County	(35,864)						9,561
Taliaferro County	(35,864)						9,561
Tattnall County	(35,864)						9,561
Taylor County	(35,864)						9,561
Terrell County	(35,864)						9,561
Thomas County	(37,549)						10,010
Tift County	(37,549)						10,010
Toombs County	(35,864)						9,561
Towns County	(35,864)						9,561
Treutlen County	(35,864)						9,561

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, 2016

Employer	Net Pension Liability (Asset)	Changes in Assumptions	Deferred Outflows of Resources			Total Deferred Inflows of Resources	Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
			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:							
Troup County	(42,085)						11,219
Turner County	(35,864)						9,561
Twiggs County	(35,864)						9,561
Union County	(35,864)						9,561
Upson County	(35,864)						9,561
Walker County	(42,085)						11,219
Ware County	(35,864)						9,561
Warren County	(35,864)						9,561
Washington County	(35,864)						9,561
Wayne County	(35,864)						9,561
Webster County	(35,864)						9,561
Wheeler County	(35,864)						9,561
White County	(35,864)						9,561
Whitfield County	(48,264)						12,866
Wilcox County	(35,864)						9,561
Wilkes County	(35,864)						9,561
Wilkinson County	(35,864)						9,561
Worth County	(35,864)						9,561
TOTAL STATE OF GEORGIA	\$ (5,107,782)	806,822	84,943	1,007,017	1,898,782	529,048	1,361,650
Each Employer of Plan Members - Employer Share	\$ 0	0	0	0	0	0	0
Total for All Entities	\$ (5,107,782)	806,822	84,943	1,007,017	1,898,782	529,048	1,361,650

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, 2016

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, 2016 were as follows:

Total pension liability	\$	16,767,742
Plan fiduciary net position		<u>(21,875,524)</u>
Net pension liability (asset)	\$	<u><u>(5,107,782)</u></u>

Plan fiduciary net position as a percentage of total pension liability		130.46%
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Actuarial Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%	
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 Scale MP-2016 scale for healthy lives and the RP-2014 Disabled Retiree Mortality Table with generational mortality projection using the Buck modified MP-2016 scale for disabled lives.

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, 2016

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 8.48% using a building block method by weighting the expected future rates of return for each asset class by the 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 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 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 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 6.50%, 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 (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 liability (asset)	\$ (3,148,181)	(5,107,782)	(6,764,250)

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
(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, 2016

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. This law allows the 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 Fund based on the maximum salary used to calculate benefits as of June 30, 2016. 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	\$ 43,422.94	
39,000 to 49,999	45,462.22	\$ 3,788.52
50,000 to 74,999	50,954.66	4,246.22
75,000 to 99,999	54,697.46	4,558.12
100,000 to 149,999	58,435.99	4,869.67
150,000 to 199,999	62,513.73	5,209.48
200,000 to 249,999	68,136.99	5,678.08
250,000 to 299,999	73,964.88	6,163.74
300,000 to 399,999	81,649.00	6,804.08
400,000 to 499,999	84,964.03	7,080.34
500,000 or more	88,279.08	7,356.59

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, 2016

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, 2016:

	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	\$ 525,098		80,785	444,313
	2016	7.6 years		417,435	54,926	362,509
Difference between expected and actual experience	2015	7.9 years	99,340		14,397	84,943
Difference between projected and actual investment earnings	2014	5 years	(781,908)		(260,637)	(521,271)
	2015	5 years	651,359		162,840	488,519
	2016	5 years		1,299,711	259,942	1,039,769
Net difference between projected and actual investment earnings (1)			(130,549)	1,299,711	162,145	1,007,017
Total deferred outflows of resources			\$ 493,889	1,717,146	312,253	1,898,782
Deferred inflows of resources						
Difference between expected and actual experience	2014	8.5 years	\$ 132,639		20,406	112,233
	2016	7.6 years		479,969	63,154	416,815
Total deferred inflows of resources			\$ 132,639	479,969	83,560	529,048
Net of deferred outflows of resources and deferred inflows of resources						\$ 1,369,734

- (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 outflow 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, 2016

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, 2017	\$	228,693
2018		228,696
2019		489,329
2020		326,491
2021		66,548
Thereafter		29,977
Total	\$	1,369,734

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, 2016.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2016, are shown in the following table:

Service cost		\$ 1,337,201
Interest on the total pension liability and net cash flow		1,089,423
Current period benefit changes		238,720
Projected earnings on plan investments		(1,467,885)
Member contributions		(171,939)
Administrative expenses		107,437
Recognition (amortization) of deferred inflows and outflows of resources		
Change in assumptions		135,711
Difference between expected and actual experience		(69,163)
Difference between projected and actual investment earnings		162,145
Collective pension expense	\$	1,361,650