

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, 2017

(With Independent Auditors' Report Thereon)



DEPARTMENT OF AUDITS AND ACCOUNTS

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STATE AUDITOR
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Independent Auditor's Report

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

We have audited the accompanying schedule of employer and nonemployer allocations of the Magistrates Retirement Fund of Georgia (the Retirement Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2017, 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 included in the accompanying schedule of pension amounts by employer and nonemployer of the Retirement Fund (collectively, the specified column totals) as of and for the year ended June 30, 2017, 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 of the Retirement Fund as of and for the year ended June 30, 2017, 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 Retirement Fund as of and for the year ended June 30, 2017, and our report thereon, dated April 20, 2018, and expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Retirement Fund management, the Board, the Retirement 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 27, 2018

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, 2017

<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	0.658332%
Atkinson County	42,781.22	0.658332%
Baldwin County	44,790.36	0.689250%
Banks County	42,781.22	0.658332%
Barrow County	50,201.64	0.772520%
Bartow County	57,572.40	0.885944%
Berrien County	42,781.22	0.658332%
Bleckley County	42,781.22	0.658332%
Brantley County	42,781.22	0.658332%
Brooks County	42,781.22	0.658332%
Bryan County	42,781.22	0.658332%
Bulloch County	50,201.64	0.772520%
Burke County	42,781.22	0.658332%
Butts County	42,781.22	0.658332%
Calhoun County	42,781.22	0.658332%
Camden County	50,201.64	0.772520%
Candler County	42,781.22	0.658332%
Carroll County	57,572.40	0.885944%
Catoosa County	50,201.64	0.772520%
Charlton County	42,781.22	0.658332%
Chatham County	72,871.80	1.121380%
Chattahoochee County	42,781.22	0.658332%
Chattooga County	42,781.22	0.658332%
Cherokee County	67,130.04	1.033020%
Clay County	42,781.22	0.658332%
Clayton County	72,871.80	1.121380%
Cobb County	86,974.44	1.338390%
Coffee County	44,790.36	0.689250%
Colquitt County	44,790.36	0.689250%
Columbia County	57,572.40	0.885944%
Cook County	42,781.22	0.658332%
Coweta County	57,572.40	0.885944%
Crisp County	42,781.22	0.658332%
Dade County	42,781.22	0.658332%

MAGISTRATES RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2017

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Dawson County	\$ 42,781.22	0.658332%
Decatur County	42,781.22	0.658332%
DeKalb County	86,974.44	1.338390%
Dooly County	42,781.22	0.658332%
Dougherty County	53,889.12	0.829264%
Douglas County	57,572.40	0.885944%
Early County	42,781.22	0.658332%
Echols County	42,781.22	0.658332%
Effingham County	50,201.64	0.772520%
Elbert County	42,781.22	0.658332%
Emanuel County	42,781.22	0.658332%
Evans County	42,781.22	0.658332%
Fannin County	42,781.22	0.658332%
Fayette County	57,572.40	0.885944%
Floyd County	53,889.12	0.829264%
Forsyth County	61,589.88	0.947766%
Franklin County	42,781.22	0.658332%
Fulton County	86,974.44	1.338390%
Gilmer County	42,781.22	0.658332%
GlascocK County	42,781.22	0.658332%
Glynn County	53,889.12	0.829264%
Gordon County	50,201.64	0.772520%
Grady County	42,781.22	0.658332%
Greene County	42,781.22	0.658332%
Gwinnett County	86,974.44	1.338390%
Habersham County	44,790.36	0.689250%
Hall County	61,589.88	0.947766%
Hancock County	42,781.22	0.658332%
Heard County	42,781.22	0.658332%
Henry County	67,130.04	1.033020%
Houston County	57,572.40	0.885944%
Irwin County	42,781.22	0.658332%
Jackson County	50,201.64	0.772520%

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2017

<u>Employer</u>	<u>Earnings Cap</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity		
State's Proportionate Share Associated with:		
Jeff Davis County	\$ 42,781.22	0.658332%
Jefferson County	42,781.22	0.658332%
Johnson County	42,781.22	0.658332%
Jones County	42,781.22	0.658332%
Lamar County	42,781.22	0.658332%
Laurens County	44,790.36	0.689250%
Lee County	42,781.22	0.658332%
Liberty County	50,201.64	0.772520%
Lincoln County	42,781.22	0.658332%
Long County	42,781.22	0.658332%
Lumpkin County	42,781.22	0.658332%
Macon County	42,781.22	0.658332%
Marion County	42,781.22	0.658332%
McDuffie County	42,781.22	0.658332%
McIntosh County	42,781.22	0.658332%
Meriwether County	42,781.22	0.658332%
Miller County	42,781.22	0.658332%
Mitchell County	42,781.22	0.658332%
Montgomery County	42,781.22	0.658332%
Morgan County	42,781.22	0.658332%
Murray County	44,790.36	0.689250%
Oconee County	42,781.22	0.658332%
Oglethorpe County	42,781.22	0.658332%
Paulding County	57,572.40	0.885944%
Peach County	42,781.22	0.658332%
Pickens County	42,781.22	0.658332%
Pierce County	42,781.22	0.658332%
Pike County	42,781.22	0.658332%
Polk County	44,790.36	0.689250%
Pulaski County	42,781.22	0.658332%
Putnam County	42,781.22	0.658332%
Quitman County	42,781.22	0.658332%
Randolph County	42,781.22	0.658332%

MAGISTRATES RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2017

<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	1.033020%
Rockdale County	53,889.12	0.829264%
Schley County	42,781.22	0.658332%
Screven County	42,781.22	0.658332%
Secretary Treasurer	86,974.44	1.338390%
Spalding County	50,201.64	0.772520%
Stephens County	42,781.22	0.658332%
Taliaferro County	42,781.22	0.658332%
Tattnall County	42,781.22	0.658332%
Taylor County	42,781.22	0.658332%
Terrell County	42,781.22	0.658332%
Thomas County	44,790.36	0.689250%
Tift County	44,790.36	0.689250%
Toombs County	42,781.22	0.658332%
Towns County	42,781.22	0.658332%
Treutlen County	42,781.22	0.658332%
Troup County	50,201.64	0.772520%
Turner County	85,562.44	1.316660%
Twiggs County	42,781.22	0.658332%
Union County	42,781.22	0.658332%
Upson County	42,781.22	0.658332%
Walker County	50,201.64	0.772520%
Walton County	53,889.12	0.829264%
Ware County	42,781.22	0.658332%
Warren County	42,781.22	0.658332%
Washington County	42,781.22	0.658332%
Wayne County	42,781.22	0.658332%
Webster County	42,781.22	0.658332%
Wheeler County	42,781.22	0.658332%
White County	42,781.22	0.658332%
Whitfield County	57,572.40	0.885944%
Wilcox County	42,781.22	0.658332%
Wilkes County	42,781.22	0.658332%

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2017

<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 County	\$ 42,781.22	0.658332%
Worth County	42,781.22	0.658332%
Total	\$ <u>6,498,423.96</u>	<u>100.0000%</u>
Each Employer of Plan Members - Employer Share		<u>0.000000%</u>
Total for All Entities		<u>100.0000%</u>

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

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2017

<u>Employer</u>	Deferred Outflows of Resources					Total Deferred Inflows of Resources	Total Employer Pension Expense
	Net Pension Asset	Change in Assumptions	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources	Difference Between Expected Expected and Actual Experience	
State of Georgia - Nonemployer Contributing Entity State's Proportionate Share Associated with:							
Appling County	\$ (42,354)						7,494
Atkinson County	(42,354)						7,494
Baldwin County	(44,343)						7,846
Banks County	(42,354)						7,494
Barrow County	(49,701)						8,794
Bartow County	(56,998)						10,085
Berrien County	(42,354)						7,494
Bleckley County	(42,354)						7,494
Brantley County	(42,354)						7,494
Brooks County	(42,354)						7,494
Bryan County	(42,354)						7,494
Bulloch County	(49,701)						8,794
Burke County	(42,354)						7,494
Butts County	(42,354)						7,494
Calhoun County	(42,354)						7,494
Camden County	(49,701)						8,794
Candler County	(42,354)						7,494
Carroll County	(56,998)						10,085
Catoosa County	(49,701)						8,794
Charlton County	(42,354)						7,494
Chatham County	(72,145)						12,765
Chattahoochee County	(42,354)						7,494
Chattooga County	(42,354)						7,494
Cherokee County	(66,460)						11,759
Clay County	(42,354)						7,494
Clayton County	(72,145)						12,765
Cobb County	(86,107)						15,235
Coffee County	(44,343)						7,846
Colquitt County	(44,343)						7,846
Columbia County	\$ (56,998)						10,085
Cook County	(42,354)						7,494

Coweta County	(56,998)	10,085
Crisp County	(42,354)	7,494
Dade County	(42,354)	7,494
Dawson County	(42,354)	7,494
Decatur County	(42,354)	7,494
DeKalb County	(86,107)	15,235
Dooly County	(42,354)	7,494
Dougherty County	(53,351)	9,440
Douglas County	(56,998)	10,085
Early County	(42,354)	7,494
Echols County	(42,354)	7,494
Effingham County	(49,701)	8,794
Elbert County	(42,354)	7,494
Emanuel County	(42,354)	7,494
Evans County	(42,354)	7,494
Fannin County	(42,354)	7,494
Fayette County	(56,998)	10,085
Floyd County	(53,351)	9,440
Forsyth County	(60,975)	10,789
Franklin County	(42,354)	7,494
Fulton County	(86,107)	15,235
Gilmer County	(42,354)	7,494
Glascocock County	(42,354)	7,494
Glynn County	(53,351)	9,440
Gordon County	(49,701)	8,794
Grady County	(42,354)	7,494
Greene County	(42,354)	7,494
Gwinnett County	(86,107)	15,235
Habersham County	(44,343)	7,846
Hall County	(60,975)	10,789
Hancock County	(42,354)	7,494
Heard County	(42,354)	7,494
Henry County	(66,460)	11,759
Houston County	(56,998)	10,085
Irwin County	(42,354)	7,494
Jackson County	(49,701)	8,794
Jeff Davis County	(42,354)	7,494
Jefferson County	(42,354)	7,494
Johnson County	(42,354)	7,494
Jones County	(42,354)	7,494
Lamar County	(42,354)	7,494
Laurens County	(44,343)	7,846
Lee County	(42,354)	7,494
Liberty County	\$ (49,701)	8,794
Lincoln County	(42,354)	7,494
Long County	(42,354)	7,494

Lumpkin County	(42,354)	7,494
Macon County	(42,354)	7,494
Marion County	(42,354)	7,494
McDuffie County	(42,354)	7,494
McIntosh County	(42,354)	7,494
Meriwether County	(42,354)	7,494
Miller County	(42,354)	7,494
Mitchell County	(42,354)	7,494
Montgomery County	(42,354)	7,494
Morgan County	(42,354)	7,494
Murray County	(44,343)	7,846
Oconee County	(42,354)	7,494
Oglethorpe County	(42,354)	7,494
Paulding County	(56,998)	10,085
Peach County	(42,354)	7,494
Pickens County	(42,354)	7,494
Pierce County	(42,354)	7,494
Pike County	(42,354)	7,494
Polk County	(44,343)	7,846
Pulaski County	(42,354)	7,494
Putnam County	(42,354)	7,494
Quitman County	(42,354)	7,494
Randolph County	(42,354)	7,494
Richmond County	(66,460)	11,759
Rockdale County	(53,351)	9,440
Schley County	(42,354)	7,494
Screven County	(42,354)	7,494
Secretary Treasurer	(86,107)	15,235
Spalding County	(49,701)	8,794
Stephens County	(42,354)	7,494
Taliaferro County	(42,354)	7,494
Tattall County	(42,354)	7,494
Taylor County	(42,354)	7,494
Terrell County	(42,354)	7,494
Thomas County	(44,343)	7,846
Tift County	(44,343)	7,846
Toombs County	(42,354)	7,494
Towns County	(42,354)	7,494
Treutlen County	(42,354)	7,494
Troup County	(49,701)	8,794
Turner County	(84,709)	14,988
Twiggs County	(42,354)	7,494
Union County	\$ (42,354)	7,494
Upton County	(42,354)	7,494
Walker County	(49,701)	8,794
Walton County	(53,351)	9,440

Ware County	(42,354)						7,494
Warren County	(42,354)						7,494
Washington County	(42,354)						7,494
Wayne County	(42,354)						7,494
Webster County	(42,354)						7,494
Wheeler County	(42,354)						7,494
White County	(42,354)						7,494
Whitfield County	(56,998)						10,085
Wilcox County	(42,354)						7,494
Wilkes County	(42,354)						7,494
Wilkinson County	(42,354)						7,494
Worth County	(42,354)						7,494
							<u>7,494</u>
TOTAL STATE OF GEORGIA (Nonemployer Contributing Entity)	\$ (6,433,582)	<u>671,111</u>	<u>70,546</u>	<u>571,467</u>	<u>1,313,124</u>	<u>858,151</u>	<u>1,138,339</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>
Total for All Entities	\$ (6,433,582)	<u>671,111</u>	<u>70,546</u>	<u>571,467</u>	<u>1,313,124</u>	<u>858,151</u>	<u>1,138,339</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, 2017

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, 2017 were as follows:

Total pension liability	\$ 18,660,629
Plan fiduciary net position	<u>(25,094,211)</u>
Net pension asset	<u>\$ (6,433,582)</u>
Plan fiduciary net position as a percentage of total pension liability	134.48%

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

June 30, 2017

Actuarial Assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP 2014 Healthy Mortality Table with generational mortality projection using the Conduent modified Scale MP-2016 scale for healthy lives and the RP-2014 Disabled Retiree Mortality Table with generational mortality projection using the Conduent modified MP-2016 scale for disabled lives.

The long-term expected rate of return on pension plan investments was calculated by the Retirement Fund's investment manager as 8.48% using a building block method by weighting the expected future rates of return for each asset class by the Retirement Fund's current/target asset allocation percentages within each asset class (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation). These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The Retirement Fund's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the Retirement Fund's investment manager.

Discount Rate

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

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

June 30, 2017

Sensitivity of the Collective Net Pension Liability 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>(4,279,481)</u>	<u>(6,433,582)</u>	<u>(8,253,589)</u>

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

June 30, 2017

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, 2017. 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
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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, 2017:

	Year of deferral	Amortization period	Beginning of year balance as previously reported	Current Year		End of year balance
				Additions	Deductions	
Deferred outflows of resources						
Change in assumptions	2014	8.5 years	\$ 444,313		80,785	363,528
	2016	7.6 years	362,509		54,926	307,583
Difference between expected and actual experience	2015	7.9 years	84,943		14,397	70,546
Difference between projected and actual investment earnings	2014	5 years	(521,271)		(260,634)	(260,637)
	2015	5 years	488,519		162,840	325,679
	2016	5 years	1,039,769		259,942	779,827
	2017	5 years		(341,752)	(68,350)	(273,402)
Net difference between projected and actual investment earnings (1)			\$ 1,007,017	(341,752)	93,798	571,467
Total deferred outflows of resources			\$ 1,898,782	(341,752)	243,906	1,313,124
Deferred inflows of resources						
Difference between expected and actual experience	2014	8.5 years	\$ 112,233		20,406	91,827
	2016	7.6 years	416,815		63,154	353,661
	2017	7 years		481,440	68,777	412,663
Total deferred inflows of resources			\$ 529,048	481,440	152,337	858,151

(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.

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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, 2018	\$	91,564
2019		352,201
2020		189,362
2021		(70,581)
2022		(33,858)
2023		<u>(73,715)</u>
Total	\$	<u>454,973</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, 2017.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2017, are shown in the following table:

Service cost	\$	1,439,028
Interest on the total pension liability and net cash flow		1,175,629
Projected earnings on plan investments		(1,467,709)
Member contributions		(176,627)
Administrative expenses		76,449
Recognition (amortization) of deferred inflows and outflows of resources		
Change in assumptions		135,711
Difference between expected and actual experience		(137,940)
Difference between projected and actual investment earnings		<u>93,798</u>
Collective pension expense	\$	<u>1,138,339</u>