

**GEORGIA SUPERIOR COURT  
CLERKS' COOPERATIVE AUTHORITY  
(A Component Unit of the State of Georgia)**

**FINANCIAL REPORT**

**JUNE 30, 2019**

**GEORGIA SUPERIOR COURT CLERKS'  
COOPERATIVE AUTHORITY**  
(A Component Unit of the State of Georgia)

**FINANCIAL REPORT**  
**June 30, 2019**

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(A Component Unit of the State of Georgia)

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**June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Honorable Brian Kemp, Governor  
To the Members of the General Assembly of Georgia  
To the Members of the Georgia Superior Court Clerks' Cooperative Authority  
and  
To the Honorable John E. Earle, Executive Director  
Georgia Superior Court Clerks' Cooperative Authority  
Atlanta, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the **Georgia Superior Court Clerks' Cooperative Authority** (the "Authority"), a component unit of the State of Georgia, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Georgia Superior Court Clerks' Cooperative Authority, a component unit of the State of Georgia, as of June 30, 2019 and 2018, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13), the Schedule of Proportionate Share of the Net Pension Liability (on page 48), the Schedule of Contributions – Pension Plan (on page 49), and the OPEB Liability and Contribution schedules on pages 51 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Georgia Superior Court Clerks' Cooperative Authority's basic financial statements. The schedule of reconciliation of salaries and travel as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of reconciliation of salaries and travel is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of reconciliation of salaries and travel is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019, on our consideration of the Georgia Superior Court Clerks' Cooperative Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Georgia Superior Court Clerks' Cooperative Authority's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 30, 2019

**GEORGIA SUPERIOR COURT CLERKS'  
COOPERATIVE AUTHORITY  
(A Component Unit of the State of Georgia)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the Georgia Superior Court Clerks' Cooperative Authority, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2019 and 2018.

The Georgia Superior Court Clerks' Cooperative Authority as a body corporate and politic, an instrumentality of the state, and a public corporation; and by that name the Authority may contract and be contracted with and bring and defend actions. The Authority is considered a component unit of the State of Georgia and is included within the State of Georgia reporting entity for financial reporting purposes.

As used in this report, the term "Authority" means the Georgia Superior Court Clerks' Cooperative Authority.

The purpose of the Authority is to provide a cooperative for the development, acquisition, and distribution of record management systems, information, services, supplies, and materials for Superior Court Clerks of the State, on such terms and conditions as may be determined to be in the best interest of the operation of the office of the Clerk of Superior Court, local government, and the State, in light of the following factors:

- (A) The public interest in providing cost-efficient access to record management systems, information, services, supplies, and materials, and a pool which will provide related resources and uniformity;
- (B) Cost savings to local government and the state, through efficiency in the provision of record management systems, information, services, supplies, and materials;
- (C) Fair and adequate compensation to local governments for costs incurred in the operation of the offices of Clerks of Superior Court; and
- (D) Such other factors as are in the public interest and welfare.

**Governing Structure**

The Authority board consisted of ten members as of June 30, 2019, as follows: four (4) members appointed by the Governor, three (3) members appointed by the executive board of The Council of Superior Court Clerks of Georgia, one (1) member appointed by the Chief Justice, one (1) member appointed by the Speaker of the House and one (1) member appointed by the Senate. All members serve for terms of three years each.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Major Projects of the Authority

The Authority is involved in many projects. Some are supported by a filing fee and some have no source of revenue. The Authority receives no appropriated funds from the legislature of the State of Georgia. Listed below are the major legislatively mandated projects in which the Authority is involved.

#### Statewide UCC System

With the passage of legislation in 1993, the State of Georgia established a statewide system for the indexing of Uniform Commercial Code documents. Georgia became the first state in the nation to privatize this traditional state function by outsourcing the indexing of the instruments to a third-party vendor.

Under the current system, a secured party need only file in one county to receive statewide notification of his lien position. When a filing is presented to a local Clerk of Superior Court, the clerk has 24 hours in which to transmit the UCC document to the Authority and the Authority then has 24 hours in which to add the filing to the statewide index. Before 1995, it was necessary to file in all 159 Georgia counties to receive statewide notification. The central index provides secured parties with greater protection while saving them both time and money. During the 2018-19 fiscal year, the Authority indexed and added to the database approximately 252,000 UCCs. The Authority provides free, statewide access to its database through search terminals installed in all Clerk of Superior Court offices. Additionally, the system was upgraded to allow Internet access by subscription for parties desiring 24-hour, seven-day-a-week access.

#### Statewide Real Estate System

Legislation was passed in 1996 that required the Authority to develop and implement a statewide index for real estate and personal property records. With this mandate, the Authority created a one-of-a-kind system with no direct cost to the State of Georgia. When the system became operational on January 1, 1999, the public gained unprecedented free access to information within the office of the Superior Court Clerk through search terminals installed by the Authority. Additionally, the business community gained 24-hour, seven-day-a-week desktop access to official land records through the Internet (by subscription). The Real Estate Deed Project contains the following elements:

- computer access to deed indexes in all 159 counties;
- integration of all 159 counties into an on-line statewide system;
- inclusion of standards for files, fields, screen layouts, report layouts and design; and
- standardization of all printed indexes statewide.

Since passage of the enabling legislation, the Authority has developed and implemented the only statewide intranet network in state government. Additionally, images of the corresponding real estate instruments are constantly being added to the on-line system.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Statewide Real Estate System (Continued)

The Authority added over 9,700,000 deed images to the system during the fiscal year to bring the total to over 236,000,000 deed images in the system. Revenue generated from the printing of images off the system is returned to the county where the original document resides. This revenue is an important additional revenue source for the Clerks of Superior Court and their respective counties.

The Authority also developed an online training module for clerks and their personnel on the deed indexing standards and added it to the Clerk Resource Center. This enables clerks to train their personnel at a time of their choosing and save travel costs.

A feature previously added to the system allows access to the property tax transfer forms (PT61), which has added vital new information to the real estate system. The Authority worked with the Department of Revenue, Department of Audits, and the Real Property Section of the State Bar to bring this project online.

### E-filing

House Bill 126 (HB 126), the "Uniform Electronic Transactions Act," and House Bill 127 (HB127), the "Uniform Real Property Electronic Recording Act," were passed during the 2009 legislative session. This legislation mandated the Authority to develop rules and regulations related to the electronic filing of documents.

Prior to HB 126 and HB 127, the Authority spent years researching, planning, programming, and testing their eFiling program through an extensive pilot project. During 2010, the Authority successfully launched their eFile site to the public and began accepting UCC documents for electronic filing. As of June 30, 2019, 131 counties were accepting electronic UCC filings and over 717,000 UCCs had been electronically filed since the pilot project began in fiscal year 2010.

During 2011, the Authority launched the Real Estate eFiling Project statewide. Clerks retain control of the process, and their participation is completely voluntary and at no charge. As of June 30, 2019, 159 counties were accepting electronic real estate filings and over 1,200,000 documents have been electronically filed since the inception of the program.

Legislation was passed in 2016 that requires all plats in Georgia to be electronically recorded beginning January 1, 2017. Through the cooperative effort with clerks and vendors, the Authority implemented the changes necessary to fulfill the requirements of this new law. Since becoming effective, nearly 61,000 plats have been accepted through the eFile site.

The Authority also successfully launched the Child Support eFile Project by developing a system that automatically interfaces with the eFiling system of the Administrative Office of the Courts (AOC), so that clerks can receive child support cases initiated by the Department of Human Services (DHS) directly through the GSCCCA portal. The AOC has contracted with DHS to provide a workflow and eFiling service for child support cases. As of June 30, 2019, 138 counties are participating and over 608,000 child support cases have been electronically filed since the project began in 2010.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **E-filing (Continued)**

In 2017, legislation was passed that mandated the electronic filing of state tax liens. Since the mandatory effective date of January 1, 2018, the Department of Revenue has electronically filed over 271,000 liens with Superior Court clerks by filing through the Authority's eFile portal.

Today, the Authority's electronic filing portal, [efile.gsccca.org](http://efile.gsccca.org), allows for the filing of UCC, real estate, lien, plat, PT-61, civil case, and child support documents. As thousands of documents are now being eFiled annually, the Authority continues to assess, improve, and streamline the user experience in its ongoing efforts to stay ahead of the curve and provide state-of-the-art services.

### **Notary Publics**

In 1997, the Authority was asked by the Georgia Secretary of State to begin maintaining the central database of notaries public. This project contains the following elements:

- maintenance of a central database of all active notaries public (approximately 178,000);
- renewal notification to all notaries regarding their commission expiration; and
- issuance of apostilles and notary certifications.

The Authority was recognized in 1998 by the U.S. State Department as the only agency, outside of a Secretary of State office, to issue apostilles (certification of a public document for use in a Hague Convention country). The usual turn-around time on an apostille in other states is one day or longer. In Georgia, through the Authority, the turn-around time is 15 minutes. The public now has free access through the terminals in the clerks' offices and Internet access to the notary database. Also, any individual desiring to be a Notary Public in the State of Georgia can obtain an application from the Clerk of Superior Court of the county in which he/she resides and many clerks' offices are now providing online commissions using software developed by the Authority.

During the fiscal year, the Authority's Notary staff indexed approximately 43,500 notary commissions, issued 33,500 apostilles and 200 domestic certifications.

The Authority has also developed an online training course for use by the clerks' office personnel and an online notary training course for the general public to allow them to test their knowledge on the state's notary laws.

### **SB 176 – Civil Initiation and Disposition Project**

Legislation (SB 176/Act No. 716) was passed in 2000 that required the filing of case initiation and case disposition forms for each civil case filed in superior or state court. Under the law, anyone filing a civil case with the clerk of superior or state court must complete a Civil Case Filing Form. By law, the clerk must send the data/forms to the Authority. The Authority then indexed the information for inclusion into the statewide database that was then sent to the Georgia Court Automation Commission for analysis. Legislation that was passed in 2017 changed the reporting method for clerks of Superior Court, and as of January 1, 2018, the Authority is no longer involved in the civil case disposition process.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **Protective Order Registry**

The Georgia Protective Order Registry is an online service that stores all Protective Orders issued by the Superior Courts of Georgia as authorized by the Family Violence statutes of the state. Senate Bill 57 mandated that the Registry be made part of the Georgia Criminal Information Center (GCIC) system in Georgia, and that the Authority work with GCIC to obtain the Protective Order data issued by the courts. Since the Registry became operational on July 1, 2002, Protective Orders are now available to law enforcement agencies nationwide through GCIC and National Criminal Information Center (NCIC) systems.

Clerks of Superior Court are responsible for indexing the required data for Orders filed in their courts, electronically scanning the Orders and attaching the images of the Orders to the indexed data. The clerks transmit the indexed data and the Order images to the Authority. The Authority then verifies and forwards the transmissions to the GCIC computer system.

The Registry, accessed by law enforcement through GCIC terminals, displays all Protective Orders and related data for the respondent. A respondent name search will produce information such as criminal data, court disposition data, and protective order data.

### **SB 50 – Criminal Data Elements**

During the 2001 session of the Georgia General Assembly, Senate Bill 50 mandating the electronic collection and reporting of final dispositions was passed and signed into law. The law requires that Superior Court Clerks provide this electronic collection and transmission of disposition data to the Authority. The Authority then transmits each disposition data to the Georgia Crime Information Center. The Authority has worked with the Superior Court Clerks' case management vendors to develop transmission standards and protocols to accomplish this task.

### **HB 1582 – Lien, Plats and Maps**

Georgia House Bill 1582 (Act 820) defines the dockets (Deeds, Liens, Plats, Civil, and Criminal) to be recorded and maintained by all Clerks of Superior Court. In addition to real estate records, Clerks of Superior Court must transmit to the Authority all real property, lien, map and plat indices and, whenever required or applicable, digital images. Clerks of Superior Court must index real and personal property records, including maps and plats, in compliance with the indexing standards promulgated by the Authority.

The Authority worked to certify all existing vendors and to train all Clerks of Superior Court on the new project which went live January 1, 2004. In light of the legislative mandate, the Authority worked aggressively to implement changes to the existing web site, databases, storage capabilities of all systems and infrastructure of the Authority in order to accommodate the anticipated increase in data, images, and usage.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **HB 1582 – Lien, Plats and Maps (Continued)**

The Authority also has worked to make sure all Clerks of Superior Court have the necessary equipment that is needed in order to comply with the law - new scanners, PCs and bandwidth (both locally and at the Authority) were increased in anticipation of the new project. The successful implementation of this project provides the citizens of the state with ready access to more real estate information than ever before. Georgia continues to be a leader in this area.

### **Court Fee Reporting**

Legislation was passed during the 2004 special session of the Georgia General Assembly and signed by Governor Perdue which instituted a new funding mechanism for indigent defense. The Authority was mandated to collect, account for, and disburse to the state treasury and/or beneficiary funds the new fees being collected.

In addition to this, the Authority was mandated to develop data on the collection and disbursement of all court fees being collected by the over 1,100 courts throughout the state. Court fines and fees had been added incrementally over many years and no accountability or standards for their collection existed. Information provided by the Authority is providing the policy makers with valuable information that is needed to enable them to formulate legislation.

The bill was signed by Governor Perdue on June 15, 2004 and immediately took effect. The Authority immediately developed a new division (Fines and Fees) within the Authority to handle the mandates of HB1EX. A new website, [www.courttrax.org](http://www.courttrax.org), was developed, staff hired, and rules and regulations promulgated to enable the collection of the new and existing fees. Also, remittance and reporting forms were developed for the collection and reporting of court fees and surcharges mandated by HB1EX. All of these tasks were completed in the few weeks dictated by the legislature.

The implementation of HB1EX had to be developed for the over 1,100 reporting courts, including the development of training materials on the impact of HB1EX on the local courts and regional training classes held throughout the state. The Authority also developed an online training module for the courts, private probation companies, clerks and their personnel on how to assess the different fines and fees and added it to the Clerk Resource Center. This enables the different courts and others with an interest in the court fee system to train their personnel at a time of their choosing and save travel costs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Court Fee Reporting (Continued)**

Finally, a comprehensive internal reporting and receipting program was developed and implemented in order to receive funds from the courts. \$86,400,000 was remitted by the courts through the Authority for the fiscal year. Remitted funds were sent to the Authority who then sent the funds to the state treasury or to the appropriate beneficiary fund.

The program is funded through an administrative fee withheld from the court fees remitted to the Authority up to \$500,000 as prescribed by statute. The cost to administer this program during this fiscal year ended June 30, 2019 was \$464,487.

The Georgia General Assembly passed House Bill 1245 (HB 1245) whose provisions became effective on July 1, 2008. The bill contains several provisions that amend the way in which certain court fees are to be assessed and disbursed. The bill also requires that interest earned on certain clerk and sheriff trust accounts be remitted to the Authority monthly. Previously, this interest was remitted to the Georgia Public Defenders Standards Council. In an effort to make the transition as seamless as possible, the Authority has coordinated its efforts with the affected clerks and sheriffs' offices, as well as the Georgia Public Defenders Standards Council, the Georgia Bankers Association and the Community Bankers Association. The bill names the Authority as the party responsible for creating a uniform system of procedures and forms to insure that the objectives of the bill are met. \$147,384 was remitted by certain clerks and sheriffs through the Authority for the fiscal year. These funds were then sent to the Georgia Public Defenders Standards Council by the Authority.

The changes brought about by HB 1245 to the court fee system impact over 1,200 entities. In fulfilling its obligations under HB 1245, the Authority has adopted rules and regulations, created uniform reports, provided statewide training and issued guidance to all parties affected by the bill. The Authority has also created internal accounting systems to support the indexing and processing of these fees to insure that collection data can be timely and accurately made available to the public.

### **Financial Highlights**

- The Authority's total net position decreased by \$367,586, which represents the Authority's change in net position noted on the statement of revenues, expenses and changes in net position.
- Total current assets available exceeded total current liabilities by \$10,946,732 and by \$12,274,929 in the previous year.
- Total current assets of the Authority decreased by \$631,582 from the previous fiscal year.
- Total current liabilities related to Authority projects increased by \$696,615 from the previous year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Using This Annual Financial Report**

The Authority is a special purpose government entity engaged only in business-type activities. Therefore, there are no governmental funds to consider when reviewing the financial statements of the Authority. Additionally, the Authority operates under a single fund approach; meaning the operations are accounted for under the heading of one (1) fund, which results in no consolidation of information and no major or minor funds to disclose. This annual report consists of the basic financial statements required to be prepared for a proprietary operation such as the Authority. The basic financial statements provide the information regarding the composition of the net position of the Authority, the revenues and expenses, which resulted in the change in net position, the cash flows of the Authority and the notes to the financial statements.

The "Statement of Net Position" reflect the Authority's overall financial condition. This statement discloses the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the resulting net position for the fiscal year ended 2019.

Next is the "Statement of Revenues, Expenses and Changes in Net Position" for the fiscal year. This is comparable to a profit and loss statement and reflects the results of the Authority's operations.

The "Statement of Cash Flows" discloses how much cash and "cash equivalents" (such as investments that can readily be converted to cash) the Authority had on hand at the end of the fiscal year. The Authority needs a strong cash position to complete the projects legislatively mandated.

The "Notes to Financial Statements" are an integral part of the financial report. The notes provide additional information to the financial statements that are important to consider when analyzing the financial condition, results of operations and cash flows of the Authority.

### **Proprietary Fund Accounting and Reporting**

The Authority, as noted earlier, operates as a single fund in a business-like manner. Therefore, the Authority recognizes the full accrual approach to record keeping and financial reporting. All assets and liabilities which are measurable and probable are reflected in the Authority's basic financial statements. All capital assets are depreciated, which results in a noncash expense charged to the statement of revenues, expenses and changes in net position. Capital outlay is considered to be a statement of net position activity. Consequently, the Authority's accounting practices generally resemble a commercial entity's approach.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overall Financial Condition

**Net Position:** The following table reflects the overall financial condition of the Authority as of the last three (3) fiscal years ended June 30, 2019, 2018, and 2017, respectively:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current assets - unrestricted	\$ 11,794,595	\$ 13,294,969	\$ 11,810,614
Current assets - restricted	10,616,067	9,747,275	10,293,845
Capital assets	2,131,974	1,441,783	1,128,966
Other assets	55,581	61,624	84,920
Net OPEB Asset	133,299	125,552	-
Total assets	<u>24,731,516</u>	<u>24,671,203</u>	<u>23,318,345</u>
Deferred outflow of resources	<u>430,715</u>	<u>351,924</u>	<u>508,395</u>
Current liabilities	11,463,930	10,767,315	11,157,373
Net Pension Liability	1,251,275	1,305,394	1,569,080
Net OPEB Liability	696,662	1,143,955	1,241,917
Total liabilities	<u>13,411,867</u>	<u>13,216,664</u>	<u>13,968,370</u>
Deferred inflow of resources	<u>474,863</u>	<u>163,376</u>	<u>119,367</u>
Net position – Invested in capital assets	2,131,974	1,441,783	1,128,966
Net position – Unrestricted	9,143,527	10,201,304	8,610,037
Total net position	<u>\$ 11,275,501</u>	<u>\$ 11,643,087</u>	<u>\$ 9,739,003</u>

**Revenues, Expenses and Changes in Net Position:** The following table reflects the history for the past three (3) fiscal years ended June 30, 2019, 2018 and 2017, respectively:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating revenues:			
Fees	\$ 17,384,485	\$ 17,614,161	\$ 17,445,190
Total operating revenues	<u>17,384,485</u>	<u>17,614,161</u>	<u>17,445,190</u>
Operating expenses:			
Project costs	15,218,981	13,149,368	12,914,332
Salaries and benefits	935,237	1,027,814	1,194,093
Other expenses	980,943	944,567	951,025
Depreciation and amortization	839,758	668,600	719,741
Total operating expense	<u>17,974,919</u>	<u>15,790,349</u>	<u>15,779,191</u>
Net non-operating revenue	<u>222,848</u>	<u>80,272</u>	<u>27,252</u>
Change in net position	<u>(367,586)</u>	<u>1,904,084</u>	<u>1,693,251</u>
Net position, beginning	<u>11,643,087</u>	<u>9,739,003</u>	<u>9,147,784</u>
Prior period adjustment	-	-	(1,102,032)
Net position, ending	<u>\$ 11,275,501</u>	<u>\$ 11,643,087</u>	<u>\$ 9,739,003</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Revenues, Expenses and Changes in Net Position: (Continued)** Project costs represents the costs recorded in each year related to the legislatively mandated projects as expenses are incurred. During FY 2018, the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the restatement of net position as of July 1, 2017. The impact on beginning net position was \$1,102,032. The Authority also estimates its commitment related to the projects that have not been incurred at each year end and discloses those estimated commitments in the notes to the financial statements. Please see Note 13 of the Notes to Financial Statements for more detailed information concerning commitments.

**Capital Assets Administration:** As of June 30, 2019, the Authority has total capital assets before consideration of accumulated depreciation of \$10,999,150. The majority of the Authority's capital assets are computer systems with a significant portion of those computers located in each County in the State of Georgia. Major additions to capital assets during the year consisted of computer equipment. Please see Note 4 of the Notes to Financial Statements for more detailed information concerning capital assets.

### Further Information

This financial overview is designed to provide readers with a general overview of the Authority's finances and to show accountability. If you have questions or would like further information about this financial report, you may contact officials at 1875 Century Boulevard, Suite 100, Atlanta, Georgia 30345.



**GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY**  
**(A Component Unit of the State of Georgia)**

**STATEMENTS OF NET POSITION**  
**JUNE 30, 2019 and 2018**

<b>ASSETS</b>		
	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (See Note 3)	\$ 10,635,987	\$ 12,328,066
Authority restricted cash (See Note 2)	3,299,159	2,317,114
Fines and fees restricted cash (See Note 2)	7,316,908	7,430,161
Accounts receivable, less allowance for doubtful accounts of \$87,807 and \$67,327, respectively	1,158,608	966,903
Total current assets	22,410,662	23,042,244
<b>CAPITAL ASSETS, net of accumulated depreciation</b> (See Note 4)	<b>2,131,974</b>	<b>1,441,783</b>
<b>OTHER ASSETS, net of accumulated amortization</b> (See Note 5)	<b>55,581</b>	<b>61,624</b>
<b>NET OPEB ASSET</b> (See Note 10)	<b>133,299</b>	<b>125,552</b>
Total assets	24,731,516	24,671,203
<b>DEFERRED OUTFLOWS OF RESOURCES</b> (See Note 9 and 10)	<b>430,715</b>	<b>351,924</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	3,550,204	2,888,263
Accrued expenses	596,818	448,891
Due to beneficiary funds	7,316,908	7,430,161
Total current liabilities	11,463,930	10,767,315
<b>NET PENSION LIABILITY</b> (See Note 9)	<b>1,251,275</b>	<b>1,305,394</b>
<b>NET OPEB LIABILITY</b> (See Note 10)	<b>696,662</b>	<b>1,143,955</b>
Total liabilities	13,411,867	13,216,664
<b>DEFERRED INFLOWS OF RESOURCES</b> (See Note 9 and 10)	<b>474,863</b>	<b>163,376</b>
<b>NET POSITION</b>		
Invested in capital assets	2,131,974	1,441,783
Unrestricted net position	9,143,527	10,201,304
Total net position	\$ 11,275,501	\$ 11,643,087

**See Notes to Financial Statements.**

**GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY**  
**(A Component Unit of the State of Georgia)**

**STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2019 and 2018**

	2019	2018
<b>Operating revenues</b>		
Fees	\$ 17,384,485	\$ 17,614,161
Total operating revenues	<u>17,384,485</u>	<u>17,614,161</u>
<b>Operating expenses</b>		
Project costs paid to vendors		
Real estate project costs	13,774,491	11,705,978
Uniform Commercial Code processing costs	1,235,192	1,236,581
Notary processing costs	209,298	196,786
SB-176 Project	-	10,023
Salaries, wages, and employee benefits	935,237	1,027,814
Rent	287,973	289,909
Supplies and materials	17,713	17,886
Telecommunications	30,023	30,863
Copier expense	14,463	11,384
Bank service fees	242,490	272,613
Postage	5,444	1,802
Travel	28,442	25,349
Meetings and seminars	14,322	9,275
Bad debt expense	136,416	117,201
Other general and administrative expenses	203,657	168,285
Depreciation and amortization expense	839,758	668,600
Total operating expenses	<u>17,974,919</u>	<u>15,790,349</u>
 Operating income (loss)	 <u>(590,434)</u>	 <u>1,823,812</u>
<b>Nonoperating revenues</b>		
Interest income	222,468	80,097
Gain on sale of assets	380	175
Total nonoperating revenues	<u>222,848</u>	<u>80,272</u>
 Increase (decrease) in net position	 <u>(367,586)</u>	 <u>1,904,084</u>
<b>Net position, beginning</b>	<u>11,643,087</u>	<u>9,739,003</u>
<b>Net position, ending</b>	<u><u>\$ 11,275,501</u></u>	<u><u>\$ 11,643,087</u></u>

**See Notes to Financial Statements.**

**GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY**  
**(A Component Unit of the State of Georgia)**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from clerks and customers	\$ 16,728,293	\$ 17,163,779
Cash received from courts	86,458,283	85,482,094
Cash received from courts for services	464,487	456,653
Cash paid to vendors and employees	(16,601,271)	(15,632,966)
Cash paid to beneficiary funds	(86,571,536)	(85,655,513)
Change in cash held for beneficiaries	113,253	173,419
Net cash provided by operating activities	591,509	1,987,466
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on cash from courts	119,413	36,910
Interest paid to state treasury office	(119,413)	(36,910)
Interest on interest-bearing accounts	222,468	80,097
Net cash provided by investing activities	222,468	80,097
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of equipment	(1,524,391)	(950,263)
Proceeds from sale of capital assets	380	175
Net cash used in capital and related financing activities	(1,524,011)	(950,088)
Net change in cash and cash equivalents	(710,034)	1,117,475
Cash and cash equivalents - beginning	14,645,180	13,527,705
Cash and cash equivalents - ending	\$ 13,935,146	\$ 14,645,180
<b>CLASSIFIED AS:</b>		
Cash and cash equivalents	10,635,987	12,328,066
Authority restricted cash	3,299,159	2,317,114
	\$ 13,935,146	\$ 14,645,180
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (590,434)	\$ 1,823,812
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	839,758	668,600
Increase in allowance for doubtful accounts	20,480	8,322
Changes in assets and liabilities:		
(Increase) decrease in fines and fees restricted cash	113,253	173,419
(Increase) decrease in accounts receivable	(212,185)	(2,051)
(Increase) decrease in other assets	485	(7,857)
(Increase) decrease in deferred outflows of resources	(78,791)	156,386
Increase (decrease) in other liabilities	696,615	(389,974)
Increase (decrease) in net pension liability	(54,119)	(263,686)
Increase (decrease) in net OPEB liability	(455,040)	(223,514)
Increase (decrease) in deferred inflows of resources	311,487	44,009
Total adjustments	1,181,943	163,654
Net cash provided by operating activities	\$ 591,509	\$ 1,987,466

**See Notes to Financial Statements.**

**GEORGIA SUPERIOR COURT CLERKS'  
COOPERATIVE AUTHORITY  
(A Component Unit of the State of Georgia)  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Georgia Superior Court Clerks' Cooperative Authority is an instrumentality of the State of Georgia and a public corporation. The Authority consists of ten (10) members as follows: four (4) members appointed by the Governor, three (3) members appointed by the executive board of The Council of Superior Court Clerks of Georgia, one (1) member appointed by the Chief Justice, one (1) member appointed by the Speaker of the House and one (1) member appointed by the Senate. The purpose of the Authority is to provide a cooperative for the development, acquisition and distribution of record management systems, information, services and supplies and materials for superior court clerks of the State. The Georgia Superior Court Clerks' Cooperative Authority is considered a component unit of the State of Georgia and is included within the State of Georgia reporting entity for financial reporting purposes because of the significance of its legal, operational and financial relationships with the State of Georgia. These reporting entity relationships are defined in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*.

**Basis of Accounting**

The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The financial statements include a Management Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operation.

The accompanying financial statements are prepared on the economic resources measurement focus and accrual basis of accounting, under which revenues are recognized when earned and measurable; and expenses are recognized when they are incurred, if measurable.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues are the fees associated with the projects assigned to the Authority. Operating expenses of the Authority consist of the project costs associated with the legislatively mandated projects, personnel related expenses and administrative expenses. Depreciation expense is also included in operating expenses. All other revenue and expenses are reported as nonoperating revenues and expenses.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of Accounting (Continued)

##### Budget

An internal operations budget is prepared by the Authority for management purposes. The budget is not subject to review or approval by the Legislature of the State of Georgia and, therefore, is a nonappropriated budget.

##### Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with banks and short-term, highly liquid investments with maturity dates within three months of the date acquired. This definition was applied for the preparation of the Statement of Cash Flows.

##### Accounts Receivable

Accounts receivable arising from operations are reported net of allowances for doubtful accounts. This allowance is based upon the Authority's accounting policy with regard to doubtful accounts, which considers the aging of accounts receivable and historical collections.

##### Inventories

No inventories of supplies are reported in these financial statements. Expendable supplies are recorded as expenses at the time of purchase.

##### Capital Assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at acquisition value on the date donated and disposals are deleted at recorded cost. Depreciable assets are depreciated using the straight-line method of depreciation over the estimated useful lives ranging from three to ten years. Depreciable assets are defined by the Authority as assets with an initial, individual cost of more than \$500 and an initial useful life of one year or greater.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Compensated Absences

Employees earn annual leave ranging from ten to fourteen hours each month depending upon the employee's length of continuous service with a maximum accumulation of 360 hours. Employees are paid for unused accumulated annual leave upon retirement or termination of employment. The Authority's obligation for accumulated unpaid annual leave is reported as a liability in the financial statements.

Employees earn 10 hours of sick leave each month with a maximum accumulation of 720 hours. Sick leave does not vest with the employee. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with 960 hours or more of forfeited annual and sick leave are entitled to additional service credit. No liability is recorded for rights to receive sick pay benefits.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System of Georgia (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Postemployment Benefits Other Than Pensions

For purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia State Employees Postemployment Benefit Fund (State OPEB Fund) and additions to/deductions from State OPEB Fund fiduciary net position have been determined on the same basis as they are reported by State OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) plan and additions to/deductions from the SEAD-OPEB's fiduciary net position have been determined on the same basis as they are reported by SEAD-OPEB. For this purpose, death benefits are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### NOTE 2. RESTRICTED CASH

The Authority, mandated by HB1EX and HB1245, collects funds from over 1,200 entities throughout the state. The funds are remitted to the State Treasury and to the appropriate beneficiary funds monthly. Cash in the amount of \$7,316,908 and \$7,430,161 at June 30, 2019 and 2018, respectively, which has been set aside for this purpose, is held in an interest bearing account. Print revenue generated from the direct access subscription service and current deed image fees to be paid back to the counties at June 30, 2019 and 2018 was \$3,299,159 and \$2,317,114, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. CASH DEPOSITS

#### State of Georgia Collateralization Statutes and Policies

Funds of the State of Georgia cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated Section 50-17-59:

- (1) Bonds, bills, certificates of indebtedness, notes or other direct obligations of the United States or of the State of Georgia.
- (2) Bonds, bills, certificates of indebtedness, notes or other obligations of the counties or municipalities of the State of Georgia.
- (3) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
- (4) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
- (5) Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest, or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.
- (6) Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

#### Deposits

For purposes of analysis of custodial credit risk, cash deposits consist of all bank balances which include demand deposits and/or interest-bearing accounts. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority may not be able to recover its deposits. At June 30, 2019 and 2018, all of the Authority's bank balances were covered by either federal depository insurance or by collateral held by the Authority's agent in the Authority's name.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Equipment, furniture & fixtures	\$ 4,144,513	\$ 823,067	\$ (3,002)	\$ 4,964,578
Equipment located in Counties	5,162,233	416,391	(363,672)	5,214,952
Software	265,706	284,933	-	550,639
Leasehold improvements	268,981	-	-	268,981
	9,841,433	1,524,391	(366,674)	10,999,150
Less accumulated depreciation	(8,399,650)	(834,200)	366,674	(8,867,176)
Total capital assets	<u>\$ 1,441,783</u>	<u>\$ 690,191</u>	<u>\$ -</u>	<u>\$ 2,131,974</u>

Capital assets activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Equipment, furniture & fixtures	\$ 4,028,741	\$ 137,713	\$ (21,941)	\$ 4,144,513
Equipment located in Counties	4,916,477	429,204	(183,448)	5,162,233
Software	-	265,706	-	265,706
Leasehold improvements	151,341	117,640	-	268,981
	9,096,559	950,263	(205,389)	9,841,433
Less accumulated depreciation	(7,967,593)	(637,446)	205,389	(8,399,650)
Total capital assets	<u>\$ 1,128,966</u>	<u>\$ 312,817</u>	<u>\$ -</u>	<u>\$ 1,441,783</u>

Total depreciation expense for the years ended June 30, 2019 and 2018 was \$834,200 and \$637,446, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. OTHER ASSETS

Other Assets includes deposits and payments made to vendors for services that will benefit future periods. Other assets consisted of the following at June 30, 2019 and 2018:

	2019	2018
Deposits	\$ 27,119	\$ 27,119
Prepaid software licensing costs	87,541	88,026
Less accumulated amortization on prepaid software licensing costs	(59,079)	(53,521)
	<u>\$ 55,581</u>	<u>\$ 61,624</u>

Total amortization expense for the years ended June 30, 2019 and 2018 was \$5,558 and \$31,154, respectively.

### NOTE 6. LEASE COMMITMENT

The Authority leases its office building under a noncancelable operating lease agreement beginning September 1, 2015 and expiring January 31, 2022. The Authority leased an additional building with a lease term beginning May 1, 2016 and expiring October 31, 2021. It also leased a phone system as well as two copiers under operating leases. Future minimum lease payments under noncancelable operating leases as of June 30, 2019 are:

Year Ending June 30,

2020	\$ 327,461
2021	335,926
2022	185,331
	<u>\$ 848,718</u>

Rental expense under non-cancelable operating leases during the years ended June 30, 2019 and 2018 was \$287,973 and \$289,909, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. RISK MANAGEMENT

**Public Entity Risk Pool** - The State Personnel Board, Merit System of Personnel Administration administers for the State of Georgia a program of benefits for the employees of units of government of the State of Georgia, units of county government and local education agencies located within the State of Georgia. This plan is funded by participants covered in the plan, by employers' contributions paid by the various units of government participating in the plan, and appropriations made by the General Assembly of Georgia. The State Personnel Board, Merit System of Personnel Administration has contracted with Blue Cross Blue Shield to process claims in accordance with the State Employees' Health Benefit Plan as established by the State Personnel Board.

**Other Risk Management** - The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks. The Authority is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

### NOTE 8. DEFERRED COMPENSATION PLAN

The State of Georgia offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to employees of the State of Georgia and county health departments, permits such employees to defer a portion of their salary until future years. Participation in the plan is optional. Participants choose the option or options in which they wish to participate. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Financial information relative to the plan will be presented in the State of Georgia Comprehensive Annual Financial Report for the year ended June 30, 2019.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. RETIREMENT SYSTEMS

#### Employees' Retirement System of Georgia

##### Plan Description

The Authority participates in various retirement plans administered by the Employees' Retirement System of Georgia (ERS). The plans are described below and more detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by state law.

ERS is a cost-sharing multiple-employer defined benefit pension plan that was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit and contribution provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

##### Benefits

The ERS Plan supports three benefit tiers: Old plan, New plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the old or new plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. RETIREMENT SYSTEMS (Continued)

#### Employees' Retirement System of Georgia (Continued)

##### Benefits (Continued)

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months of salary, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

##### Contributions

Member contributions under the old plan are 4% of annual compensation up to \$4,200 plus 6% of annual compensation in excess of \$4,200. Under the old plan, the Authority pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these Authority contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Authority's total contractually required contribution rate, actuarially determined annually, for the years ended June 30, 2019 and 2018 was 24.78% and 24.81% of annual covered payroll for the old and new plan members and 21.78% and 21.78% for GSEPS members, respectively. The Authority's contributions to ERS totaled \$171,003 and \$192,609 for the years ended June 30, 2019 and 2018, respectively. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

##### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Authority reported a liability for its proportionate share of the net pension liability in the amount of \$1,251,275. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The Authority's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2018. At June 30, 2018, the Authority's proportion was .03044%, which was a decrease of .00170% from its proportion measured as of June 30, 2017.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. RETIREMENT SYSTEMS (Continued)

#### Employees' Retirement System of Georgia (Continued)

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2018, the Authority reported a liability for its proportionate share of the net pension liability in the amount of \$1,305,394. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The Authority's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2017. At June 30, 2017, the Authority's proportion was .03214%, which was a decrease of .00103% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2019, the Authority recognized pension expense of \$108,361. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 38,917	\$ -
Changes of assumptions	58,951	-
Net difference between projected and actual earnings on pension plan investments	-	28,835
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	52,166
Employer contributions subsequent to the measurement date	171,003	-
Total	<u>\$ 268,871</u>	<u>\$ 81,001</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. RETIREMENT SYSTEMS (Continued)

#### Employees' Retirement System of Georgia (Continued)

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2018, the Authority recognized pension expense of \$17,799. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,304	\$ 10
Changes of assumptions	2,972	-
Net difference between projected and actual earnings on pension plan investments	-	3,251
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	36,858
Employer contributions subsequent to the measurement date	192,609	-
Total	<u>\$ 209,885</u>	<u>\$ 40,119</u>

Authority contributions subsequent to the measurement date of \$171,003 and \$192,609 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the years ended June 30, 2020 and June 30, 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 57,704
2021	19,981
2022	(47,934)
2023	(12,884)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. RETIREMENT SYSTEMS (Continued)

#### Employees' Retirement System of Georgia (Continued)

##### Actuarial Assumptions

The total pension liability as of June 30, 2018 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	2.75%
Salary increases	3.25% - 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

The total pension liability as of June 30, 2017 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	2.75%
Salary increases	3.25% - 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality for members in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2009-June 30, 2014.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. RETIREMENT SYSTEMS (Continued)

#### Employees' Retirement System of Georgia (Continued)

##### Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. The 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 by adding expected inflation.

The target allocation and best estimates of arithmetic 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>
Fixed income	30.00%	(.50)%
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
	<u>100.00%</u>	

\* Rates shown are net of inflation

##### Discount Rate

The discount rate used to measure the total pension liability was 7.30% and 7.50% as reported for June 30, 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. RETIREMENT SYSTEMS (Continued)

#### Employees' Retirement System of Georgia (Continued)

##### **Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Authority's proportionate share of the net pension liability as of June 30, 2019 calculated using the discount rate of 7.30%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.30%) or 1 percentage point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current Discount rate (7.30%)	1% Increase (8.30%)
Authority's proportionate share of the net pension liability	\$ 1,779,755	\$ 1,251,275	\$ 800,997

The following presents the same analysis of the Authority's proportionate share of the net pension liability reported as of June 30, 2018:

	1% Decrease (6.50%)	Current Discount rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net pension liability	\$ 1,842,499	\$ 1,305,394	\$ 847,227

#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

The Authority participates in two State of Georgia postemployment benefit plans, the Georgia State Employees Postemployment Health Benefit Fund (administered by the Department of Community Health) and the State Employees' Assurance Department – OPEB (administered by the ERS System). Separate financial reports that include the applicable financial statements and required

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

supplementary information for these plans are publicly available and may be obtained from the respective system offices that administer the plans.

The net OPEB asset, net OPEB liability, and related deferred outflows of resources, deferred inflows of resources, and OPEB expense for the plans are summarized below:

For year ending June 30, 2019:

	<u>State OPEB Fund</u>	<u>SEAD-OPEB</u>	<u>Total</u>
Net OPEB asset	\$ -	\$ 133,299	\$ 133,299
Net OPEB liability	696,662	-	696,662
Deferred outflows of resources related to OPEB	151,768	10,076	161,844
Deferred inflows of resources related to OPEB	370,515	23,347	393,862
OPEB expense (income)	(58,461)	(10,115)	(68,576)

For year ending June 30, 2018:

	<u>State OPEB Fund</u>	<u>SEAD-OPEB</u>	<u>Total</u>
Net OPEB asset	\$ -	\$ 125,552	\$ 125,552
Net OPEB liability	1,143,955	-	1,143,955
Deferred outflows of resources related to OPEB	138,494	3,545	142,039
Deferred inflows of resources related to OPEB	104,073	19,184	123,257
OPEB expense (income)	41,013	(9,830)	31,183

### Georgia State Employees Postemployment Health Benefit Fund

#### Plan Description

The Georgia State Employees Postemployment Health Benefit Fund (State OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of state organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health for inclusion in the plan. The State OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the health insurance plan for state employees. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board).

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)****Georgia State Employees Postemployment Health Benefit Fund (Continued)****Benefits**

The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The State OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

**Contributions**

As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the State OPEB Fund from the Authority were \$135,664 and \$133,594 for the years ended June 30, 2019 and 2018, respectively. Active employees are not required to contribute to the State OPEB Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Georgia State Employees Postemployment Health Benefit Fund (Continued)

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Authority reported a liability of \$696,662 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The Authority's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the Authority's proportion was 0.02664%, which was a decrease of 0.00144% from its proportion measured as of June 30, 2017.

At June 30, 2018, the Authority reported a liability of \$1,143,955 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The Authority's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2017. At June 30, 2017, the Authority's proportion was 0.028078%, which was a decrease of 0.000590% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2019, the Authority recognized OPEB income of \$58,461. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 54,793
Changes of assumptions	-	252,529
Net difference between projected and actual earnings on OPEB plan investments	16,104	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	63,193
Employer contributions subsequent to the measurement date	135,664	-
Total	<u>\$ 151,768</u>	<u>\$ 370,515</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Georgia State Employees Postemployment Health Benefit Fund (Continued)

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$41,013. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	82,847
Net difference between projected and actual earnings on OPEB plan investments	4,900	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	21,226
Employer contributions subsequent to the measurement date	133,594	-
Total	<u>\$ 138,494</u>	<u>\$ 104,073</u>

Authority contributions subsequent to the measurement date of \$135,664 and \$133,594 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2020 and 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ (115,528)
2021	(115,528)
2022	(95,086)
2023	(28,269)

#### Actuarial Assumptions

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Georgia State Employees Postemployment Health Benefit Fund (Continued)

##### Actuarial Assumptions (Continued)

Inflation	2.75%
Salary increases	3.25 – 7.00%, including inflation
Long-term expected rate of return	7.3%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.50%
Medicare Eligible	5.50%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation	2.75%
Salary increases	3.25 – 7.00%, including inflation
Long-term expected rate of return	7.50%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.75%
Medicare Eligible	5.75%
Ultimate trend rate	
Pre-Medicare Eligible	5.00%
Medicare Eligible	5.00%
Year of Ultimate trend rate	2022

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)****Georgia State Employees Postemployment Health Benefit Fund (Continued)****Actuarial Assumptions (Continued)**

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB. The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years or both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the State OPEB Fund is based on their current or last employer payroll location. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are allocated to the State OPEB Fund irrespective of retirement system affiliation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of 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 and by adding expected inflation.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Georgia State Employees Postemployment Health Benefit Fund (Continued)

##### Actuarial Assumptions (Continued)

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

For year ending June 30, 2019:

<u>NoitesNAsset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	(.50)%
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
	100.00%	

\* Rates shown are net of the 2.75% assumed rate of inflation

For year ending June 30, 2018:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Local Government Investment Pool	100%	3.88%

##### Discount Rate

The discount rate used to measure the total OPEB liability was 5.22% and 3.60% as of June 30, 2019 and 2018, respectively. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.87% and 3.60% per the Bond Buyers Index for years ended June 30, 2019 and 2018, respectively). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118 and 2115 for years ended June 30, 2019 and 2018, respectively. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2040 and 2029 for years ended June 30, 2019 and 2018, respectively. Therefore, the long-term expected rate of return on OPEB plan investments was applied to discount projected benefit

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Georgia State Employees Postemployment Health Benefit Fund (Continued)

##### Discount Rate (Continued)

payments until 2040 and 2029 for years ended June 30, 2019 and 2018, respectively. The discount rate of 5.22% and 3.60% for years ended June 30, 2019 and 2018, respectively, was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The calculated discount rate of 5.22% and 3.60% was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2019 and 2018, respectively.

##### Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, 2019 calculated using the discount rate of 5.22%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.22%) or 1-percentage-point higher (6.22%) than the current discount rate:

	1% Decrease (4.22%)	Current Discount rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB liability	\$ 827,659	\$ 696,662	\$ 588,434

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, 2018 calculated using the discount rate of 3.60%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.60%) or 1-percentage-point higher (4.60%) than the current discount rate:

	1% Decrease (2.60%)	Current Discount rate (3.60%)	1% Increase (4.60%)
Authority's proportionate share of the net OPEB liability	\$ 1,368,064	\$ 1,143,955	\$ 965,105

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Georgia State Employees Postemployment Health Benefit Fund (Continued)

##### **Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, 2019, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Authority's proportionate share of the net OPEB liability	\$ 574,697	\$ 696,662	\$ 845,829

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, 2018, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Authority's proportionate share of the net OPEB liability	\$ 945,509	\$ 1,143,955	\$ 1,395,147

#### **OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in the Comprehensive Annual Financial Report (CAFR) which is publicly available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)****State Employees' Assurance Department - OPEB****Plan Description**

State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost sharing multiple employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than OPEB Plans. Title 47 of the OCGA assigns the authority to establish and amend the benefit terms to the Board of Trustees for the SEAD-OPEB. The SEAD OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

**Benefits**

Members in the ERS prior to January 1, 2009 and members in CRS or GJRS prior to July 1, 2009 are eligible for participation in the SEAD-OPEB plan. Effective July 1, 2009, no newly hired members of any Georgia public retirement systems are eligible for term life insurance under the SEAD-OPEB. The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

**Contributions**

Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. Georgia Law also establishes that the Board of Trustees determines the amount of any required contributions from the employer. There were no employer contributions required or made for the fiscal years ended June 30, 2019 and 2018.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### State Employees' Assurance Department - OPEB (Continued)

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Authority reported an asset of \$133,299 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques.

The Authority's proportion of the net OPEB asset was actuarially determined based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2018. At June 30, 2018, the Authority's proportion was 0.049252%, which was an increase of 0.000945% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Authority recognized OPEB income of \$10,115. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,456	\$ -
Changes of assumptions	6,848	-
Net difference between projected and actual earnings on OPEB plan investments	-	22,037
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,772	1,310
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 10,076</u>	<u>\$ 23,347</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### State Employees' Assurance Department - OPEB (Continued)

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2018, the Authority reported an asset of \$125,552 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques.

The Authority's proportion of the net OPEB asset was actuarially determined based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2017. At June 30, 2017, the Authority's proportion was 0.048307%, which was a decrease of 0.002711% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Authority recognized OPEB income of \$9,830. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	19,184
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,545	-
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 3,545</u>	<u>\$ 19,184</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### State Employees' Assurance Department – OPEB (Continued)

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

There were no Authority contributions subsequent to the measurement date for years ended June 30, 2019 and 2018. Subsequent contributions would have been reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2019 and 2018, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2020	\$ (845)
2021	(3,852)
2022	(6,732)
2023	(1,842)

#### Actuarial Assumptions

The total OPEB liability as of June 30, 2018 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	2.75%
Salary increases:	3.25 – 7.00%, includes inflation
Investment rate of return	7.30%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

The total OPEB liability as of June 30, 2017 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	2.75%
Salary increases:	3.25 – 7.00%, includes inflation
Investment rate of return	7.50%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### State Employees' Assurance Department – OPEB (Continued)

##### Actuarial Assumptions (Continued)

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long term expected rate of return on OPEB plan investments was determined using a log normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of 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 and by adding expected inflation. The target asset allocation and estimates of arithmetic 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>
Fixed income	30.00%	(.50)%
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
	<u>100.00%</u>	

\* Rates shown are net of inflation

##### Discount Rate

The discount rate used to measure the total OPEB liability was 7.30% and 7.50% as of June 30, 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available



## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### State Employees' Assurance Department – OPEB (Continued)

##### Discount Rate (Continued)

to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2019 and 2018.

##### Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability (asset) as of June 30, 2019 calculated using the discount rate of 7.30%, as well as what the Authority's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current Discount rate (7.30%)	1% Increase (8.30%)
Authority's proportionate share of the net OPEB liability (asset)	\$ (71,821)	\$ (133,299)	\$ (183,690)

The following presents the Authority's proportionate share of the net OPEB liability (asset) as of June 30, 2018 calculated using the discount rate of 7.50%, as well as what the Authority's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net OPEB liability (asset)	\$ (68,720)	\$ (125,552)	\$ (172,128)

##### OPEB Plan Fiduciary Net Position

Detailed information about the SEAD-OPEB plan's fiduciary net position is available in the separately issued ERS comprehensive annual financial report which is publicly available at [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. CONTINGENCIES

Litigation, claims, and assessments filed against the Georgia Superior Court Clerks' Cooperative Authority, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims, and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal years ended June 30, 2019 and 2018.

### NOTE 12. BONDING INFORMATION

The Executive Director, employees and certain members of the Georgia Superior Court Clerks' Cooperative Authority are bonded under a Public Employees Blanket Bond. Under this agreement, the Public Employee Dishonesty Coverage insures the Authority to a maximum of \$50,000,000 against loss sustained through fraudulent or dishonest acts by its employees. This coverage includes The Faithful Performance of Duty Coverage which insures the Authority against loss sustained from failure of its employees to perform their duties faithfully or to account properly for all monies and property received by virtue of their position or employment.

### NOTE 13. COMMITMENTS

The Georgia Superior Court Clerks' Cooperative Authority is committed by the General Assembly of Georgia to implement a statewide uniform information system for real property records and to update the statewide indexing system and other projects such as Senate Bill (SB) 57 and SB 50. The Authority has entered into agreements to accomplish the tasks identified by the General Assembly. The agreements include: 1) Central Collection System Services Agreement, and 2) Statewide Courthouse Network Services Agreement. The minimum estimated costs to complete these projects are as follows:

Central Collection Systems Service Agreement:

Yearly operations fee	\$ 4,200,000
Historical deed index recreation	300,000

Statewide Courthouse Network Services Agreement:

Remote Site and Data Center Cost - hardware (total all counties)	2,500,000
Remote Site and Data Center Cost - yearly recurring fees	715,000
Remote Site and Data Center Cost - nonrecurring fees	1,100,000

As of June 30, 2019, expenses incurred which are associated with the above projects have been recorded as accrued expenses. The historical deed project commitment is an estimated amount to complete the project back to 1990.

## **REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**

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# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30

	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.03044%	0.03214%	0.03317%	0.03495%	0.04264%
Authority's proportionate share of the net pension liability	\$ 1,251,275	\$ 1,305,394	\$ 1,569,080	\$ 1,415,964	\$ 1,599,076
Authority's covered payroll	\$ 808,412	\$ 821,626	\$ 785,243	\$ 813,477	\$ 1,092,082
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	154.78%	158.88%	199.82%	174.06%	146.42%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	76.33%	72.34%	76.20%	77.99%

Note: This schedule is intended to show information for the last ten (10) fiscal years.

Additional years will be displayed as they become available.

# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## SCHEDULE OF CONTRIBUTIONS EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30

	2019	2018	2017	2016	2015
Contractually required contributions	\$ 171,003	\$ 192,609	\$ 195,688	\$ 190,655	\$ 215,499
Contributions in relation to the contractually required contributions	171,003	192,609	195,688	190,655	215,499
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 808,412	\$ 821,626	\$ 785,243	\$ 813,477	\$ 1,092,082
Contributions as a percentage of covered payroll	21.15%	23.44%	24.92%	23.44%	19.73%

Note: This schedule is intended to show information for the last ten (10) fiscal years.  
Additional years will be displayed as they become available.

**GEORGIA SUPERIOR COURT CLERKS’  
COOPERATIVE AUTHORITY  
(A Component Unit of the State of Georgia)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019**

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**Changes of Assumptions**

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board’s new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

**REQUIRED SUPPLEMENTARY INFORMATION –  
OTHER POSTEMPLOYMENT BENEFITS**

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# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY STATE OPEB FUND FOR THE YEAR ENDED JUNE 30

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	2019	2018
Authority's proportion of the net OPEB liability	0.02664%	0.02808%
Authority's proportionate share of the net OPEB liability	\$ 696,662	\$ 1,143,955
Authority's covered payroll	\$ 808,412	\$ 821,626
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	86.18%	139.23%
Plan fiduciary net position as a percentage of the total OPEB liability	31.48%	17.34%

Note: This schedule is intended to show information for the last ten (10) fiscal years.  
Additional years will be displayed as they become available.



# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## SCHEDULE OF CONTRIBUTIONS STATE OPEB FUND FOR THE YEAR ENDED JUNE 30

	<u>2019</u>	<u>2018</u>
Contractually required contributions	<u>\$ 135,664</u>	<u>\$ 133,594</u>
Contributions in relation to the contractually required contributions	<u>\$ 135,664</u>	<u>\$ 133,594</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Authority's covered payroll	\$ 808,412	\$ 821,626
Contributions as a percentage of covered payroll	16.78%	16.26%

Note: This schedule is intended to show information for the last ten (10) fiscal years.  
Additional years will be displayed as they become available.

**GEORGIA SUPERIOR COURT CLERKS’  
COOPERATIVE AUTHORITY  
(A Component Unit of the State of Georgia)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019**

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**Georgia State Employees Postemployment Health Benefit Fund**

**Changes of Benefit Terms**

In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare-Advantage plan to receive the State subsidy.

**Changes of Assumptions**

In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems’ experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) SEAD-OPEB FOR THE YEAR ENDED JUNE 30

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	2019	2018
Authority's proportion of the net OPEB liability (asset)	0.04925%	0.04831%
Authority's proportionate share of the net OPEB liability (asset)	\$ (133,299)	\$ (125,552)
Authority's covered employee payroll	\$ 808,412	\$ 821,626
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	16.49%	15.28%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	129.46%	130.17%

Note: This schedule is intended to show information for the last ten (10) fiscal years.  
Additional years will be displayed as they become available.

# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## SCHEDULE OF CONTRIBUTIONS SEAD-OPEB FOR THE YEAR ENDED JUNE 30

	2019	2018
Contractually required contributions	\$ -	\$ -
Contributions in relation to the contractually required contributions	-	-
Contribution deficiency (excess)	\$ -	\$ -
Authority's covered-employee payroll	\$ 808,412	\$ 821,626
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

Note: This schedule is intended to show information for the last ten (10) fiscal years.  
Additional years will be displayed as they become available.

**GEORGIA SUPERIOR COURT CLERKS’  
COOPERATIVE AUTHORITY  
(A Component Unit of the State of Georgia)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2019**

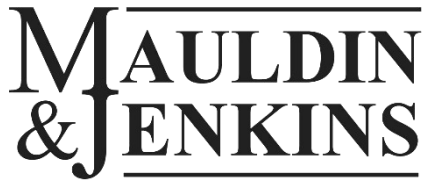
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**State Employees’ Assurance Department – OPEB**

**Changes of Assumptions**

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board’s new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.



## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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To the Honorable Brian Kemp, Governor  
To the Members of the General Assembly of Georgia  
To the Members of the Georgia Superior Court Clerks' Cooperative Authority  
and  
To the Honorable John E. Earle, Executive Director  
Georgia Superior Court Clerks' Cooperative Authority  
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Georgia Superior Court Clerks' Cooperative Authority (the "Authority") as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 30, 2019

# GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

## RECONCILIATION OF SALARIES AND TRAVEL YEAR ENDED JUNE 30, 2019

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	<u>Salaries</u>	<u>Travel</u>
Totals per annual supplement	\$ 763,378	\$ 28,442
Employee benefits	<u>171,859</u>	<u>-</u>
Totals per report	<u>\$ 935,237</u>	<u>\$ 28,442</u>