



ANNUAL FINANCIAL AUDIT • JUNE 30, 2021

# Superior Court Clerks' Retirement Fund of Georgia

## A Component Unit of the State of Georgia

**Schedule of Employer and Nonemployer Allocations and  
Schedule of Pension Amounts by Employer and Nonemployer**

Greg S. Griffin | State Auditor  
Kristina A. Turner | Deputy State Auditor



**DOAA**  
Georgia Department  
of Audits & Accounts



## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Commissioners of the Superior Court Clerks'  
Retirement Fund of Georgia  
and  
Mr. Homer Bryson, Secretary-Treasurer

We have audited the accompanying schedule of employer and nonemployer allocations of the Superior Court Clerks' Retirement Fund of Georgia (Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2021, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer and nonemployer of the Fund as of and for the year ended June 30, 2021, and the related notes.

### ***Management's Responsibility for the Schedules***

Management is responsible for the preparation and fair presentation of the schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, 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 Schedules.

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

## ***Opinions***

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources and total employer pension expense of the Fund as of and for the year ended June 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matter***

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the financial statements of the Fund as of and for the year ended June 30, 2021. Our report thereon, dated April 29, 2022, expressed an unmodified opinion on those financial statements.

## ***Restriction on Use***

Our report is intended solely for the information and use of the Fund's management, members of the Board of Commissioners, the Fund employers, nonemployer contributing entities, and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin", with a stylized flourish at the end.

Greg S. Griffin  
State Auditor

April 29, 2022

# **SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

## **Schedule of Employer and Nonemployer Allocations**

For the year ended June 30, 2021

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Appling	0.6579%
Atkinson	0.6579%
Bacon	0.6579%
Baker	0.6579%
Baldwin	0.6579%
Banks	0.6579%
Barrow	0.6579%
Bartow	0.6579%
Ben Hill	0.6579%
Berrien	0.6579%
Bibb	1.3158%
Bleckley	0.6579%
Brantley	0.6579%
Brooks	0.6579%
Bryan	0.6579%
Bulloch	0.6579%
Burke	0.6579%
Butts	0.6579%
Calhoun	0.6579%
Candler	0.6579%
Carroll	0.6579%
Catoosa	0.6579%
Charlton	0.6579%
Chatham	1.3158%
Chattahoochee	0.6579%
Chattooga	0.6579%
Cherokee	0.6579%
Clarke	0.6579%
Clay	0.6579%
Clayton	0.6579%
Clinch	0.6579%
Cobb	1.3158%
Coffee	0.6579%
Colquitt	0.6579%

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

## Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2021

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Columbia	0.6579%
Cook	0.6579%
Coweta	1.3158%
Crawford	0.6579%
Crisp	0.6579%
Dade	0.6579%
Dawson	0.6579%
Decatur	0.6579%
Dekalb	1.3158%
Dodge	0.6579%
Dooly	0.6579%
Dougherty	0.6579%
Douglas	0.6579%
Early	0.6579%
Echols	0.6579%
Elbert	0.6579%
Emanuel	0.6579%
Evans	0.6579%
Fannin	0.6579%
Fayette	0.6579%
Floyd	0.6579%
Forsyth	0.6579%
Franklin	0.6579%
Fulton	0.6579%
Gilmer	0.6579%
Glascock	0.6579%
Glynn	0.6579%
Gordon	0.6579%
Grady	0.6579%
Greene	0.6579%
Habersham	0.6579%
Hall	0.6579%
Hancock	0.6579%

# **SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

## **Schedule of Employer and Nonemployer Allocations**

For the year ended June 30, 2021

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Haralson	0.6579%
Harris	0.6579%
Hart	0.6579%
Heard	0.6579%
Henry	1.3158%
Houston	0.6579%
Irwin	0.6579%
Jeff Davis	0.6579%
Jefferson	0.6579%
Jenkins	0.6579%
Johnson	0.6579%
Jones	0.6579%
Lamar	0.6579%
Lanier	0.6579%
Laurens	0.6579%
Lee	0.6579%
Liberty	0.6579%
Lincoln	0.6579%
Long	0.6579%
Lowndes	0.6579%
Lumpkin	0.6579%
Macon	0.6579%
Madison	0.6579%
Marion	0.6579%
Mcduffie	0.6579%
Meriwether	0.6579%
Miller	0.6579%
Mitchell	0.6579%
Monroe	0.6579%
Montgomery	0.6579%
Morgan	0.6579%
Murray	0.6579%
Muscogee	0.6579%

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

## Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2021

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Newton	0.6579%
Oconee	0.6579%
Oglethorpe	0.6579%
Peach	0.6579%
Pickens	0.6579%
Pierce	0.6579%
Polk	0.6579%
Pulaski	0.6579%
Putnam	0.6579%
Quitman	0.6579%
Rabun	0.6579%
Randolph	0.6579%
Richmond	0.6579%
Schley	0.6579%
Screven	0.6579%
Seminole	0.6579%
Spalding	0.6579%
Stephens	0.6579%
Stewart	0.6579%
Sumter	0.6579%
Talbot	0.6579%
Taliaferro	0.6579%
Taylor	0.6579%
Terrell	0.6579%
Thomas	0.6579%
Tift	0.6579%
Toombs	0.6579%
Towns	0.6579%
Treutlen	0.6579%
Troup	0.6579%
Turner	0.6579%
Twiggs	0.6579%
Union	0.6579%

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

## Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2021

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Upson	0.6579%
Walker	0.6579%
Ware	0.6579%
Warren	0.6579%
Washington	0.6579%
Wayne	0.6579%
Wheeler	0.6579%
White	0.6579%
Whitfield	0.6579%
Wilcox	0.6579%
Wilkes	0.6579%
Wilkinson	0.6579%
Worth	0.6579%
Total	<u>100.0000%</u>
Each Employer of Plan Members - Employer Share	<u>0.000000%</u>
Total for All Entities	<u>100.0000%</u>



**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

<u>Employer</u>	<u>Deferred Outflows of Resources</u>				<u>Deferred Inflows of Resources</u>				<u>Total Employer Pension Expense</u>
	<u>Net Pension Asset</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Outflows of Resources</u>	
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Appling	(220,883)								(10,988)
Atkinson	(220,883)								(10,988)
Bacon	(220,883)								(10,988)
Baker	(220,883)								(10,988)
Baldwin	(220,883)								(10,988)
Banks	(220,883)								(10,988)
Barrow	(220,883)								(10,988)
Bartow	(220,883)								(10,988)
Ben Hill	(220,883)								(10,988)
Berrien	(220,883)								(10,988)
Bibb	(441,766)								(21,976)
Bleckley	(220,883)								(10,988)
Brantley	(220,883)								(10,988)
Brooks	(220,883)								(10,988)
Bryan	(220,883)								(10,988)
Bulloch	(220,883)								(10,988)
Burke	(220,883)								(10,988)
Butts	(220,883)								(10,988)
Calhoun	(220,883)								(10,988)
Candler	(220,883)								(10,988)
Carroll	(220,883)								(10,988)
Catoosa	(220,883)								(10,988)
Charlton	(220,883)								(10,988)
Chatham	(441,766)								(21,976)
Chattahoochee	(220,883)								(10,988)
Chattooga	(220,883)								(10,988)
Cherokee	(220,883)								(10,988)
Clarke	(220,883)								(10,988)
Clay	(220,883)								(10,988)
Clayton	(220,883)								(10,988)
Clinch	(220,883)								(10,988)
Cobb	(441,766)								(21,976)
Coffee	(220,883)								(10,988)
Colquitt	(220,883)								(10,988)
Columbia	(220,883)								(10,988)
Cook	(220,883)								(10,988)

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

<u>Employer</u>	<u>Deferred Outflows of Resources</u>				<u>Deferred Inflows of Resources</u>				<u>Total Employer Pension Expense</u>
	<u>Net Pension Asset</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Outflows of Resources</u>	
Coweta	(441,766)								(21,976)
Crawford	(220,883)								(10,988)
Crisp	(220,883)								(10,988)
Dade	(220,883)								(10,988)
Dawson	(220,883)								(10,988)
Decatur	(220,883)								(10,988)
Dekalb	(441,766)								(21,976)
Dodge	(220,883)								(10,988)
Dooley	(220,883)								(10,988)
Dougherty	(220,883)								(10,988)
Douglas	(220,883)								(10,988)
Early	(220,883)								(10,988)
Echols	(220,883)								(10,988)
Elbert	(220,883)								(10,988)
Emanuel	(220,883)								(10,988)
Evans	(220,883)								(10,988)
Fannin	(220,883)								(10,988)
Fayette	(220,883)								(10,988)
Floyd	(220,883)								(10,988)
Forsyth	(220,883)								(10,988)
Franklin	(220,883)								(10,988)
Fulton	(220,883)								(10,988)
Gilmer	(220,883)								(10,988)
Glascok	(220,883)								(10,988)
Glynn	(220,883)								(10,988)
Gordon	(220,883)								(10,988)
Grady	(220,883)								(10,988)
Greene	(220,883)								(10,988)
Habersham	(220,883)								(10,988)
Hall	(220,883)								(10,988)
Hancock	(220,883)								(10,988)
Haralson	(220,883)								(10,988)
Harris	(220,883)								(10,988)
Hart	(220,883)								(10,988)
Heard	(220,883)								(10,988)
Henry	(441,766)								(21,976)

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

<u>Employer</u>	<u>Deferred Outflows of Resources</u>				<u>Deferred Inflows of Resources</u>				<u>Total Employer Pension Expense</u>
	<u>Net Pension Asset</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Outflows of Resources</u>	
Houston	(220,883)								(10,988)
Irwin	(220,883)								(10,988)
Jeff Davis	(220,883)								(10,988)
Jefferson	(220,883)								(10,988)
Jenkins	(220,883)								(10,988)
Johnson	(220,883)								(10,988)
Jones	(220,883)								(10,988)
Lamar	(220,883)								(10,988)
Lanier	(220,883)								(10,988)
Laurens	(220,883)								(10,988)
Lee	(220,883)								(10,988)
Liberty	(220,883)								(10,988)
Lincoln	(220,883)								(10,988)
Long	(220,883)								(10,988)
Lowndes	(220,883)								(10,988)
Lumpkin	(220,883)								(10,988)
Macon	(220,883)								(10,988)
Madison	(220,883)								(10,988)
Marion	(220,883)								(10,988)
Mcduffie	(220,883)								(10,988)
Meriwether	(220,883)								(10,988)
Miller	(220,883)								(10,988)
Mitchell	(220,883)								(10,988)
Monroe	(220,883)								(10,988)
Montgomery	(220,883)								(10,988)
Morgan	(220,883)								(10,988)
Murray	(220,883)								(10,988)
Muscogee	(220,883)								(10,988)
Newton	(220,883)								(10,988)
Oconee	(220,883)								(10,988)
Oglethorpe	(220,883)								(10,988)
Peach	(220,883)								(10,988)
Pickens	(220,883)								(10,988)
Pierce	(220,883)								(10,988)
Polk	(220,883)								(10,988)
Pulaski	(220,883)								(10,988)

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

<u>Employer</u>	<u>Deferred Outflows of Resources</u>				<u>Deferred Inflows of Resources</u>				<u>Total Employer Pension Expense</u>
	<u>Net Pension Asset</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Outflows of Resources</u>	
Putnam	(220,883)								(10,988)
Quitman	(220,883)								(10,988)
Rabun	(220,883)								(10,988)
Randolph	(220,883)								(10,988)
Richmond	(220,883)								(10,988)
Schley	(220,883)								(10,988)
Screven	(220,883)								(10,988)
Seminole	(220,883)								(10,988)
Spalding	(220,883)								(10,988)
Stephens	(220,883)								(10,988)
Stewart	(220,883)								(10,988)
Sumter	(220,883)								(10,988)
Talbot	(220,883)								(10,988)
Taliaferro	(220,883)								(10,988)
Taylor	(220,883)								(10,988)
Terrell	(220,883)								(10,988)
Thomas	(220,883)								(10,988)
Tift	(220,883)								(10,988)
Toombs	(220,883)								(10,988)
Towns	(220,883)								(10,988)
Treutlen	(220,883)								(10,988)
Troup	(220,883)								(10,988)
Turner	(220,883)								(10,988)
Twiggs	(220,883)								(10,988)
Union	(220,883)								(10,988)
Upson	(220,883)								(10,988)
Walker	(220,883)								(10,988)
Ware	(220,883)								(10,988)
Warren	(220,883)								(10,988)
Washington	(220,883)								(10,988)
Wayne	(220,883)								(10,988)
Wheeler	(220,883)								(10,988)
White	(220,883)								(10,988)
Whitfield	(220,883)								(10,988)
Wilcox	(220,883)								(10,988)
Wilkes	(220,883)								(10,988)

**SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**  
(A Component Unit of the State of Georgia)

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2021

	Deferred Outflows of Resources				Deferred Inflows of Resources				Total Employer Pension Expense
	Net Pension Asset	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	Changes in Assumptions	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Outflows of Resources	
<u>Employer</u>									
Wilkinson	(220,883)								(10,988)
Worth	<u>(220,883)</u>								<u>(10,988)</u>
Total State of Georgia (Nonemployer Contributing Entity)	\$ <u>(33,574,279)</u>	<u>407,408</u>	<u>-</u>	<u>407,408</u>	<u>1,370,632</u>	<u>536,659</u>	<u>14,490,826</u>	<u>16,398,117</u>	<u>(1,670,175)</u>
Each Employer of Plan Members - Employer Share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total for All Entities	\$ <u>(33,574,279)</u>	<u>407,408</u>	<u>-</u>	<u>407,408</u>	<u>1,370,632</u>	<u>536,659</u>	<u>14,490,826</u>	<u>16,398,117</u>	<u>(1,670,175)</u>

# **SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

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

June 30, 2021

### **Note 1: Plan Description**

The Superior Court Clerks' Retirement Fund of Georgia (the Fund) was created in 1952 by the Georgia General Assembly to provide retirement benefits for clerks of the Superior Courts of Georgia and any clerk of State Court where that clerk is someone other than the clerk of Superior Court. The Fund administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.

The Fund is governed by its Board of Commissioners. The Board is comprised of the Governor of the State of Georgia or his designee; an appointee of the Governor other than the Attorney General; and five superior court clerks, of which at least one but not more than two are retired clerks receiving retirement benefits. The Board of Commissioners is ultimately responsible for the administration of the Fund.

### **Note 2: Basis of Presentation**

The Schedule of Employer and Nonemployer Allocations and Schedule of Pension Amounts by Employer and Nonemployer (the schedules) are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

### **Note 3: Components of Collective Net Pension Liability**

The components of the collective net pension liability of the participating employers and nonemployers at June 30, 2021 were as follows:

Total pension liability	\$ 108,653,863
Plan fiduciary net position	<u>(142,228,142)</u>
Net pension liability (asset)	<u>\$ (33,574,279)</u>
Plan fiduciary net position as a percentage of total pension liability	130.90%

# **SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

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

June 30, 2021

### *Actuarial Assumptions:*

The total pension liability was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The roll forward calculation adds the normal cost (also called service costs), subtracts the actual benefit payments and refunds for the plan year, and then applies the discount rate for the year. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	N/A
Investment rate of return	5.25%, net of pension plan investment expense including inflation

The mortality table for healthy lives was updated to PubG-2010 (Amount Weighted General Employees) Mortality Table with generational mortality projection using Scale MP-2020, except for current and future beneficiaries of deceased participants. For current and future beneficiaries of deceased participants, the mortality table was updated to PubG-2010 (Amount Weighted Contingent Survivor) Mortality Table with generational mortality projection using Scale MP-2020. The mortality table for disabled lives was updated to PubG-2010 (Amount Weighted General Employees) Disabled Mortality Table with generational mortality projection using Scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long term expected real rate of return*</b>
Domestic fixed income	50 %	0.9 %
Global equity	10	7.0
International developed markets equity	10	8.2
Domestic large cap equities	25	5.7
Domestic small/mid cap equities	5	6.2
	<u>100 %</u>	

\* Rates shown are net of inflation

# SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA

(A Component Unit of the State of Georgia)

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

June 30, 2021

### *Discount Rate*

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Sensitivity of the Collective Net Pension Liability (Asset) to Changes in the Discount Rate*

The following table presents the net pension liability of the Fund, calculated using the discount rate of 5.25%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1% Decrease (4.25%)	Current discount rate (5.25%)	1% Increase (6.25%)
Collective net pension asset	\$ <u>(22,992,371)</u>	<u>(33,574,279)</u>	<u>(42,637,038)</u>

### **Note 4: Special Funding Situation**

The State of Georgia, although not the employer of the Retirement Fund's members, makes contributions to the Retirement Fund through the collection of court fines and forfeitures as specified by O.C.G.A. §47-14-50 and §47-14-51. The State makes all these contributions to the Retirement Fund on behalf of the employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

Since the employers of the Retirement Fund's members do not contribute directly to the Retirement Fund, there is no net pension liability to recognize for each employer. However, the notes to each employer's financial statements must disclose the portion of the nonemployer contributing entity's share of the collective net pension liability that is associated with that employer. In addition, each employer must recognize its portion of the collective pension expense of the State as well as recognize revenue contributions from the State in an equal amount.

### **Note 5: Allocation Methodology**

GASB Statement No. 68 requires participating employers and nonemployer contributing entities to recognize their proportionate share of collective net pension liability and pension expense. These schedules are prepared to provide employers and nonemployer contributing entities with their calculated proportionate share.



# SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA

(A Component Unit of the State of Georgia)

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

June 30, 2021

As discussed in Note 4, the counties, as employers of the Retirement Fund's members, do not make contributions to the Retirement Fund; therefore, the proportionate share allocation for each employer is 0%. The proportionate share attributable to the State of Georgia, as the nonemployer contributing entity, is therefore 100%.

The amounts attributable to the State of Georgia, as the nonemployer contributing entity, have been allocated to each employer based on the number of Fund members employed as of June 30, 2020.

### **Note 6: Collective Deferred Outflows of Resources and Deferred Inflows of Resources**

The following table presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the year ended June 30, 2021:

Deferred outflows of resources	Year of deferral	Amortization period	Beginning of year balance	Current Year		End of year balance
				Additions	Deductions	
Changes in assumptions	2019	3.4 years	\$ 1,425,924	-	1,018,516	407,408
Total deferred outflows of resources			<u>\$ 1,425,924</u>	<u>-</u>	<u>1,018,516</u>	<u>407,408</u>
<b>Deferred inflows of resources</b>						
Changes in assumptions	2020	3.1 years	\$ 1,783,874	-	849,464	934,410
	2021	3.3 years	-	625,884	189,662	436,222
Differences between expected and actual experience	2019	3.4 years	1,048,477	-	748,912	299,565
	2020	3.1 years	284,438	-	135,446	148,992
	2021	3.3 years	-	126,407	38,305	88,102
Differences between projected and actual investment earnings	2017	5 years	1,039,544	-	1,039,544	-
	2018	5 years	814,796	-	407,397	407,399
	2019	5 years	1,012,514	-	337,505	675,009
	2020	5 years	(594,938)	-	(148,734)	(446,204)
	2021	5 years	-	17,318,278	3,463,656	13,854,622
Net difference between projected and actual investment earnings (1)			<u>2,271,916</u>	<u>17,318,278</u>	<u>5,099,368</u>	<u>14,490,826</u>
Total deferred inflows of resources			<u>\$ 5,388,705</u>	<u>18,070,569</u>	<u>7,061,157</u>	<u>16,398,117</u>

(1) In accordance with paragraph 71b of GASB Statement No. 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods have been aggregated and included as a net collective deferred inflows of resources related to pensions.

# **SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

(A Component Unit of the State of Georgia)

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

June 30, 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30, 2022	\$	(5,164,860)
2023		(3,978,885)
2024		(3,383,310)
2025		<u>(3,463,654)</u>
Total	\$	<u><u>(15,990,709)</u></u>

### *Changes in Proportion*

The amounts shown in the two preceding tables do not include employer- or nonemployer-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. Based on the allocation methodology discussed in Note 5, there were no changes in proportion for the year ended June 30, 2021.

### **Note 7: Collective Pension Expense**

The components of collective pension expense for the year ended June 30, 2021, are shown in the following table:

Service cost	\$	1,950,642
Interest on the total pension liability and net cash flow		5,469,281
Projected earnings on plan investments		(6,330,547)
Current period effect of benefit changes		3,223,784
Member contributions		(135,550)
Administrative expenses		194,856
Recognition (amortization) of deferred inflows and outflows of resources		
Change in assumptions		(20,610)
Difference between expected and actual experience		(922,663)
Difference between projected and actual investment earnings		<u>(5,099,368)</u>
Collective pension expense	\$	<u><u>(1,670,175)</u></u>