



ANNUAL FINANCIAL AUDIT · JUNE 30, 2023

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



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
Superior Court Clerks' Retirement Fund of Georgia

Opinions

We have audited the 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, 2023, 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, 2023, and the related notes.

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, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedules* section of our report.

We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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 Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedules.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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, 2023. Our report thereon, dated July 22, 2024, 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, 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". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

July 22, 2024

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, 2023

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Appling	0.6536%
Atkinson	0.6536%
Bacon	0.6536%
Baker	0.6536%
Baldwin	0.6536%
Banks	0.6536%
Barrow	0.6536%
Bartow	0.6536%
Ben Hill	0.6536%
Berrien	0.6536%
Bibb	0.6536%
Bibb-State	0.6536%
Bleckley	0.6536%
Brantley	0.6536%
Bryan	0.6536%
Bulloch	0.6536%
Burke	0.6536%
Butts	0.6536%
Calhoun	0.6536%
Candler	0.6536%
Carroll	0.6536%
Catoosa	0.6536%
Chatham	0.6536%
Chatham-State	0.6536%
Chattahoochee	0.6536%
Chattooga	0.6536%
Cherokee	0.6536%
Clarke	0.6536%
Clay	0.6536%
Clayton	0.6536%
Clayton-State	0.6536%
Clinch	0.6536%
Cobb	0.6536%
Coffee	0.6536%
Colquitt	0.6536%

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2023

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Columbia	0.6536%
Cook	0.6536%
Coweta	0.6536%
Coweta-State	0.6536%
Crawford	0.6536%
Crisp	0.6536%
Dade	0.6536%
Dawson	0.6536%
Decatur	0.6536%
Dekalb	0.6536%
Dodge	0.6536%
Dooly	0.6536%
Dougherty	0.6536%
Early	0.6536%
Echols	0.6536%
Effingham	0.6536%
Elbert	0.6536%
Emanuel	0.6536%
Evans	0.6536%
Fannin	0.6536%
Fayette	0.6536%
Floyd	0.6536%
Forsyth	0.6536%
Franklin	0.6536%
Fulton	0.6536%
Gilmer	0.6536%
Glascock	0.6536%
Glynn-State	0.6536%
Gordon	0.6536%
Grady	0.6536%
Greene	0.6536%
Gwinnett	0.6536%
Habersham	0.6536%
Hall	0.6536%

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2023

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Hancock	0.6536%
Haralson	0.6536%
Harris	0.6536%
Hart	0.6536%
Heard	0.6536%
Henry	0.6536%
Henry-State	0.6536%
Houston	0.6536%
Irwin	0.6536%
Jasper	0.6536%
Jeff Davis	0.6536%
Jefferson	0.6536%
Jenkins	0.6536%
Johnson	0.6536%
Jones	0.6536%
Lamar	0.6536%
Lanier	0.6536%
Laurens	0.6536%
Lee	0.6536%
Liberty	0.6536%
Lincoln	0.6536%
Long	0.6536%
Lowndes	0.6536%
Lumpkin	0.6536%
Macon	0.6536%
Madison	0.6536%
Marion	0.6536%
Mcduffie	0.6536%
Mcintosh	0.6536%
Meriwether	0.6536%
Miller	0.6536%
Mitchell	0.6536%
Monroe	0.6536%
Montgomery	0.6536%

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2023

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Morgan	0.6536%
Murray	0.6536%
Muscogee	0.6536%
Newton	0.6536%
Oconee	0.6536%
Oglethorpe	0.6536%
Pickens	0.6536%
Pierce	0.6536%
Polk	0.6536%
Pulaski	0.6536%
Putnam	0.6536%
Quitman	0.6536%
Rabun	0.6536%
Randolph	0.6536%
Richmond	0.6536%
Schley	0.6536%
Screven	0.6536%
Seminole	0.6536%
Spalding	0.6536%
Stephens	0.6536%
Stewart	0.6536%
Sumter	0.6536%
Talbot	0.6536%
Taliaferro	0.6536%
Tattnall	0.6536%
Taylor	0.6536%
Telfair	0.6536%
Terrell	0.6536%
Thomas	0.6536%
Tift	0.6536%
Toombs	0.6536%
Towns	0.6536%
Treutlen	0.6536%
Troup	0.6536%

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2023

<u>Employer</u>	<u>Employer Allocation Percentage</u>
State of Georgia - Nonemployer Contributing Entity	
State's Proportionate Share Associated with:	
Turner	0.6536%
Twiggs	0.6536%
Union	0.6536%
Upton	0.6536%
Walker	0.6536%
Ware	0.6536%
Warren	0.6536%
Washington	0.6536%
Wayne	0.6536%
Wheeler	0.6536%
White	0.6536%
Whitfield	0.6536%
Wilcox	0.6536%
Wilkes	0.6536%
Wilkinson	0.6536%
Worth	0.6536%
Total	100.0000%
Each Employer of Plan Members - Employer Share	0.0000%
Total for All Entities	100.0000%

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, 2023

<u>Employer</u>	Deferred Outflows of Resources					Deferred Inflows of Resources			<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>Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Total Deferred Outflows of Resources</u>	<u>Changes in Assumptions</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Total Deferred Outflows of Resources</u>	
State of Georgia - Nonemployer Contributing Entity									
State's Proportionate Share Associated with:									
Appling	\$ (65,210)								\$ 35,270
Atkinson	(65,210)								35,270
Bacon	(65,210)								35,270
Baker	(65,210)								35,270
Baldwin	(65,210)								35,270
Banks	(65,210)								35,270
Barrow	(65,210)								35,270
Bartow	(65,210)								35,270
Ben Hill	(65,210)								35,270
Berrien	(65,210)								35,270
Bibb	(65,210)								35,270
Bibb-State	(65,210)								35,270
Bleckley	(65,210)								35,270
Brantley	(65,210)								35,270
Bryan	(65,210)								35,270
Bulloch	(65,210)								35,270
Burke	(65,210)								35,270
Butts	(65,210)								35,270
Calhoun	(65,210)								35,270
Candler	(65,210)								35,270
Carroll	(65,210)								35,270
Catoosa	(65,210)								35,270
Chatham	(65,210)								35,270
Chatham-State	(65,210)								35,270
Chattahoochee	(65,210)								35,270
Chattooga	(65,210)								35,270
Cherokee	(65,210)								35,270
Clarke	(65,210)								35,270
Clay	(65,210)								35,270
Clayton	(65,210)								35,270
Clayton-State	(65,210)								35,270
Clinch	(65,210)								35,270
Cobb	(65,210)								35,270
Coffee	(65,210)								35,270

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2023

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources			Total Employer Pension Expense
	Net Pension Asset	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	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	
Colquitt	(65,210)								35,270
Columbia	(65,210)								35,270
Cook	(65,210)								35,270
Coweta	(65,210)								35,270
Coweta-State	(65,210)								35,270
Crawford	(65,210)								35,270
Crisp	(65,210)								35,270
Dade	(65,210)								35,270
Dawson	(65,210)								35,270
Decatur	(65,210)								35,270
Dekalb	(65,210)								35,270
Dodge	(65,210)								35,270
Dooly	(65,210)								35,270
Dougherty	(65,210)								35,270
Early	(65,210)								35,270
Echols	(65,210)								35,270
Effingham	(65,210)								35,270
Elbert	(65,210)								35,270
Emanuel	(65,210)								35,270
Evans	(65,210)								35,270
Fannin	(65,210)								35,270
Fayette	(65,210)								35,270
Floyd	(65,210)								35,270
Forsyth	(65,210)								35,270
Franklin	(65,210)								35,270
Fulton	(65,210)								35,270
Gilmer	(65,210)								35,270
Glascocock	(65,210)								35,270
Glynn-State	(65,210)								35,270
Gordon	(65,210)								35,270
Grady	(65,210)								35,270
Greene	(65,210)								35,270
Gwinnett	(65,210)								35,270
Habersham	(65,210)								35,270
Hall	(65,210)								35,270

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, 2023

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources			Total Employer Pension Expense
	Net Pension Asset	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	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	
Hancock	(65,210)								35,270
Haralson	(65,210)								35,270
Harris	(65,210)								35,270
Hart	(65,210)								35,270
Heard	(65,210)								35,270
Henry	(65,210)								35,270
Henry-State	(65,210)								35,270
Houston	(65,210)								35,270
Irwin	(65,210)								35,270
Jasper	(65,210)								35,270
Jeff Davis	(65,210)								35,270
Jefferson	(65,210)								35,270
Jenkins	(65,210)								35,270
Johnson	(65,210)								35,270
Jones	(65,210)								35,270
Lamar	(65,210)								35,270
Lanier	(65,210)								35,270
Laurens	(65,210)								35,270
Lee	(65,210)								35,270
Liberty	(65,210)								35,270
Lincoln	(65,210)								35,270
Long	(65,210)								35,270
Lowndes	(65,210)								35,270
Lumpkin	(65,210)								35,270
Macon	(65,210)								35,270
Madison	(65,210)								35,270
Marion	(65,210)								35,270
Mcduffie	(65,210)								35,270
Mcintosh	(65,210)								35,270
Meriwether	(65,210)								35,270
Miller	(65,210)								35,270
Mitchell	(65,210)								35,270
Monroe	(65,210)								35,270
Montgomery	(65,210)								35,270
Morgan	(65,210)								35,270

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2023

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources			Total Employer Pension Expense
	Net Pension Asset	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	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	
Murray	(65,210)								35,270
Muscogee	(65,210)								35,270
Newton	(65,210)								35,270
Oconee	(65,210)								35,270
Oglethorpe	(65,210)								35,270
Pickens	(65,210)								35,270
Pierce	(65,210)								35,270
Polk	(65,210)								35,270
Pulaski	(65,210)								35,270
Putnam	(65,210)								35,270
Quitman	(65,210)								35,270
Rabun	(65,210)								35,270
Randolph	(65,210)								35,270
Richmond	(65,210)								35,270
Schley	(65,210)								35,270
Screven	(65,210)								35,270
Seminole	(65,210)								35,270
Spalding	(65,210)								35,270
Stephens	(65,210)								35,270
Stewart	(65,210)								35,270
Sumter	(65,210)								35,270
Talbot	(65,210)								35,270
Taliaferro	(65,210)								35,270
Tattnall	(65,210)								35,270
Taylor	(65,210)								35,270
Telfair	(65,210)								35,270
Terrell	(65,210)								35,270
Thomas	(65,210)								35,270
Tift	(65,210)								35,270
Toombs	(65,210)								35,270
Towns	(65,210)								35,270
Treutlen	(65,210)								35,270
Troup	(65,210)								35,270
Turner	(65,210)								35,270
Twiggs	(65,210)								35,270

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, 2023

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources			Total Employer Pension Expense
	Net Pension Asset	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	Changes in Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	
Union	(65,210)								35,270
Upson	(65,210)								35,270
Walker	(65,210)								35,270
Ware	(65,210)								35,270
Warren	(65,210)								35,270
Washington	(65,210)								35,270
Wayne	(65,210)								35,270
Wheeler	(65,210)								35,270
White	(65,210)								35,270
Whitfield	(65,210)								35,270
Wilcox	(65,210)								35,270
Wilkes	(65,210)								35,270
Wilkinson	(65,210)								35,270
Worth	(65,210)								35,270
Total State of Georgia (Nonemployer Contributing Entity)	\$ (9,977,130)	133,805	51,288	6,221,392	6,406,485	56,898	1,825,937	1,882,835	5,396,310
Each Employer of Plan Members - Employer Share	-	-	-	-	-	-	-	-	-
Total for All Entities	\$ (9,977,130)	133,805	51,288	6,221,392	6,406,485	56,898	1,825,937	1,882,835	5,396,310

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, 2023

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, 2023 were as follows:

Total pension liability	\$ 114,863,904
Plan fiduciary net position	<u>(124,841,048)</u>
Net pension liability (asset)	<u>\$ (9,977,144)</u>
Plan fiduciary net position as a percentage of total pension liability	108.69%

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, 2023

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. 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	2.50%
Salary increases	N/A
Investment rate of return	5.25%, net of pension plan investment expense including inflation

The mortality improvement scale was updated from the PUB-2010 Scale to the MP-2021 Scale with the following adjustment by status:

Active Members:	Sex Distinct Headcount Weighted General Employees Table
Non-Disabled Retirees:	Sex Distinct Amount Weighted General Healthy Retiree Table
Contingent Survivors:	Sex Distinct Amount Weighted Contingent Survivor Table
Disabled Retirees:	Sex Distinct Amount Weighted Disabled Retiree Table

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 geometric real rates of return by the target asset allocation percentage and then adding expected 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, 2023

The target asset allocation and best estimates of geometric 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>
Domestic fixed income	50 %	1.1 %
Global equity	10	6.0
International developed markets equity	10	6.4
Domestic large cap equities	25	5.7
Domestic small/mid cap equities	5	6.6
	<u>100 %</u>	

* Rates shown are net of inflation

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 liability (asset)	\$ <u>1,064,596</u>	<u>(9,977,144)</u>	<u>(19,435,250)</u>

SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA
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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.

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, 2022.

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

The following table presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the year ended June 30, 2023:

Deferred outflows of resources	Year of deferral	Amortization period	Beginning of year balance	Current Year		End of year balance
				Additions	Deductions	
Changes in assumptions	2022	3.6 years	217,434	-	83,629	133,805
Differences between expected and actual experience	2022	3.6 years	83,344	-	32,056	51,288
Differences between projected and actual investment earnings	2019	5 years	(337,504)	-	(337,504)	-
	2020	5 years	297,470	-	148,734	148,736
	2021	5 years	(10,390,966)	-	(3,463,656)	(6,927,310)
	2022	5 years	20,486,602	-	5,121,650	15,364,952
	2023	5 years	-	(2,956,232)	(591,246)	(2,364,986)
Net difference between projected and actual investment earnings (1)			10,055,602	(2,956,232)	877,978	6,221,392
Total deferred outflows of resources			\$ 10,356,380	(2,956,232)	993,663	6,406,485
Deferred inflows of resources						
Changes in assumptions	2020	3.1 years	\$ 84,946	-	84,946	-
	2021	3.3 years	246,560	-	189,662	56,898
Differences between expected and actual experience	2020	3.1 years	13,546	-	13,546	-
	2021	3.3 years	49,797	-	38,305	11,492
	2023	3.4 years	-	2,570,464	756,019	1,814,445
Total deferred inflows of resources			\$ 394,849	2,570,464	1,082,478	1,882,835

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

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

Year Ended June 30, 2024	\$	506,760
2025		380,139
2026		4,227,999
2027		<u>(591,248)</u>
Total	\$	<u><u>4,523,650</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, 2023.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2023, are shown in the following table:

Service cost	\$	2,209,603
Interest on the total pension liability and net cash flow		5,858,690
Projected earnings on plan investments		(6,184,710)
Current period effect of benefit changes		3,580,517
Member contributions		(146,350)
Administrative expenses		167,352
Recognition (amortization) of deferred inflows and outflows of resources		
Change in assumptions		(190,979)
Difference between expected and actual experience		(775,814)
Difference between projected and actual investment earnings		<u>877,978</u>
Collective pension expense	\$	<u><u>5,396,287</u></u>