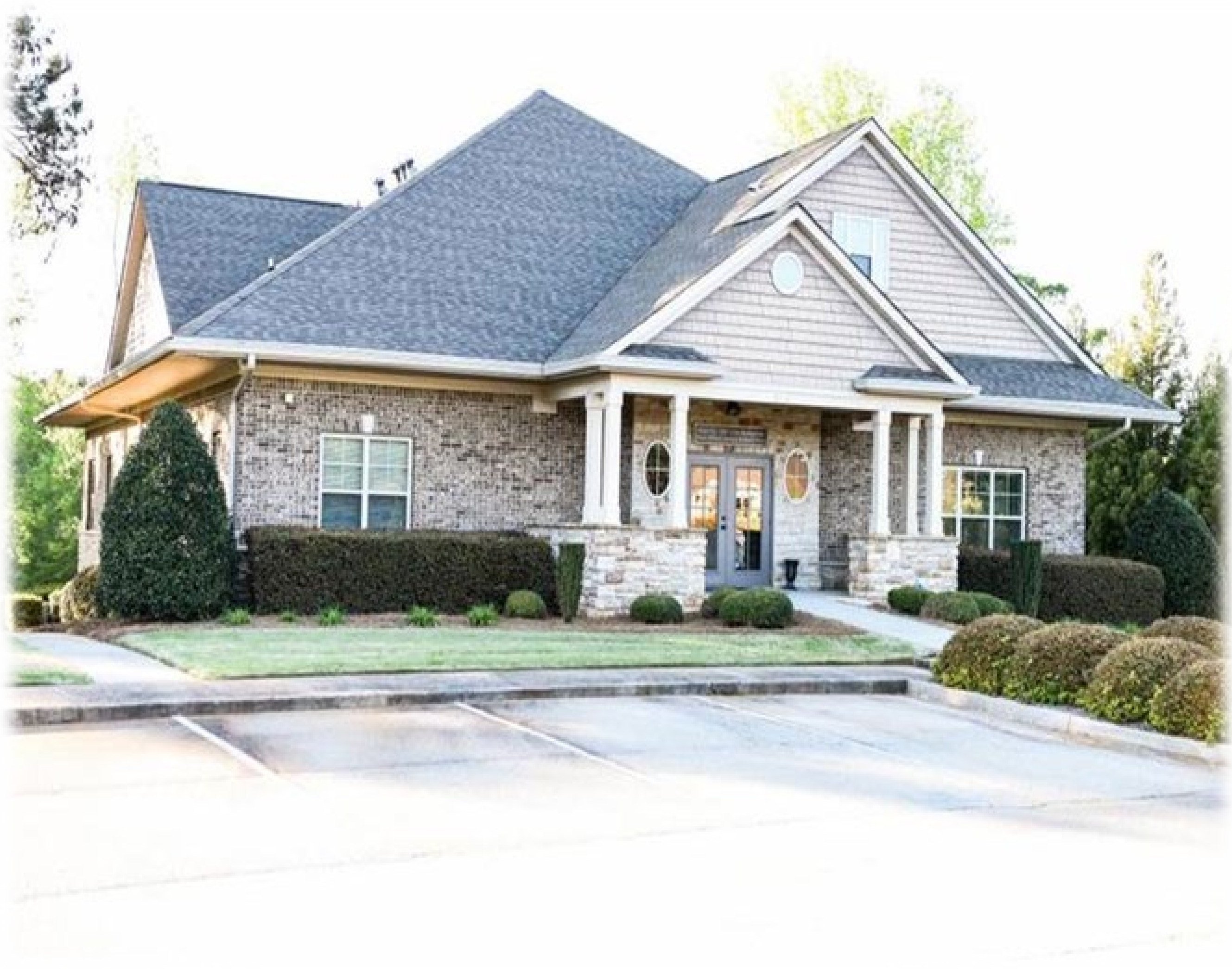
Judges of the Probate Courts Retirement Fund of Georgia

Financial Statements
Fiscal Year Ended June 30, 2025



Cover photograph is the Major W.L. "Bill" Cline, Fund Headquarters located in Griffin, Georgia.

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Financial Section

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

Independent Auditor's Report

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Commissioners of the Judges of the Probate Courts Retirement Fund of Georgia
and
Mr. Homer Bryson, Secretary-Treasurer

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Judges of the Probate Courts Retirement Fund of Georgia (Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Fund as of June 30, 2025, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 financial statements.
- 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

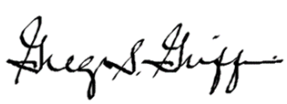
Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the 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 GAAS, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2026 on our consideration of the Fund'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 Fund'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 Fund's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

September 15, 2026

Basic Financial Statements

Judges of the Probate Courts Retirement Fund of Georgia

(A Component Unit of the State of Georgia)

Statement of Fiduciary Net Position

June 30, 2025

Assets:			
Cash and cash equivalents			$ 2,987,056
Receivables:			
Interest, dividends and other			262,696
Investments - at fair value:			
Obligations:			
U.S. Treasury obligations	$ 9,621,300		
U.S. Agency obligations	1,727,484		
Corporate bonds/notes/debentures:			
Domestic	7,842,960		
International	698,907		
Asset-backed securities	1,465,900		
Mortgage investments	714,391	$ 22,070,942	
Equities:			
Stocks:			
Domestic	66,804,998		
International	37,198,964	104,003,962	
Total investments			126,074,904
Total assets			129,324,656
Liabilities:			
Accounts payable and other accruals			40,785
Total liabilities			40,785
Net position restricted for pensions			$ 129,283,871

See accompanying notes to the financial statements.

Judges of the Probate Courts Retirement Fund of Georgia

(A Component Unit of the State of Georgia)

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2025

Additions:		
Contributions:		
Nonemployer		$ 1,440,206
Members		190,929
Net investment income:		
Net increase in fair value of investments	$ 15,045,925	
Interest, dividends, and other	2,468,404	
Less investment expense	(847,239)	16,667,090
Total additions		18,298,225
Deductions:		
Benefit payments		6,587,627
Refunds of member contributions		13,661
Administrative expenses, net		188,095
Total deductions		6,789,383
Net increase in net position		11,508,842
Net position restricted for pensions:		
Beginning of year		117,775,029
End of year		$ 129,283,871

See accompanying notes to the financial statements.

Note 1: Plan Description

The Judges of the Probate Courts Retirement Fund of Georgia (the Fund) was created in 1958 by the Georgia General Assembly to provide retirement benefits for judges of the probate courts of Georgia. The Fund administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.

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; an appointee of the Governor who is a member of the Fund; four judges of the probate courts who are members of the Fund; and a retired judge of a probate court. The Board of Commissioners is ultimately responsible for the administration of the Fund.

Eligibility and Membership

Individuals eligible to apply for membership in the Fund are defined in the Official Code of Georgia Annotated (O.C.G.A.) §47-11-40 and generally include all qualified and commissioned judges of the probate courts of the counties of the State of Georgia; any person serving as secretary-treasurer of the Board of Commissioners; and qualified employees of the Board of Commissioners.

As of June 30, 2025, participation in the Fund is as follows:

Member Type	Count
Inactive plan members and beneficiaries currently receiving benefits	176
Terminated members not yet receiving benefits, vested	4
Active plan members	148
Total	328

Participating Employers and Other Contributing Entities

At June 30, 2025, the active members of the Fund were employed by 148 employers. The Fund also had one nonemployer contributing entity, which is the State of Georgia.

Retirement Benefits

The Fund provides retirement as well as disability and death benefits. Title 47 of the O.C.G.A. assigns the authority to establish and amend the provisions of the Fund to the General Assembly. Members prior to July 1, 1995 are eligible for retirement at age 60 and must have served at least four years in a position eligible for membership in the Fund. Members joining the Fund on or after July 1, 1995, are eligible for retirement at age 60 and must have served at least eight years. A member must have terminated his or her official capacity as a judge of a probate court or as an employee of the Board to receive benefits.

Members approved for retirement benefits prior to July 1, 2016, are paid a monthly benefit equal to 5% of his or her average monthly net earnings (subject to a salary cap) for each year served up to, but not exceeding, a total of 20 years, with exceptions. The benefit for members approved for retirement benefits on or after July 1, 2016, is equal to 5% of his or her final monthly net earnings (subject to a salary cap) for each year served up to, but not exceeding, a total of 30 years with exceptions. The Board of Commissioners is authorized to provide for increases in benefits being paid up to 1.5% in a six-month period and can increase the salary caps in effect up to 3% annually. These benefits are payable for the lifetime of the member. Members may elect, as an alternate to the benefit described above, to receive an actuarially reduced benefit in the form of a Joint and Survivor Annuity.

Death and Disability Benefits

Any member who becomes totally and permanently disabled after completing four years of creditable service is entitled to receive retirement benefits in the amount that the member would receive if their retirement were effective at the time the member became disabled.

If a member dies before retirement, the member's spouse may withdraw the dues paid into the Fund plus interest and thus waive any rights to any benefits through the Fund. The surviving spouse may also elect to receive benefits through an optional payment offered by the Fund. If a member who is receiving benefits dies, the surviving spouse, upon reaching age 60, may elect to receive a benefit equal to 50% of the monthly retirement benefit being paid to the deceased member at the time of death. These benefits will be paid for the remainder of the surviving spouse's life.

Terminations

In the event of termination, a member is entitled to any retirement benefits that may have been earned. However, the member may waive the right to these benefits and receive all dues paid plus interest.

Contributions

The Fund is funded by member and nonemployer contributing entity (Nonemployer) contributions. Contribution provisions are established by statute and may be amended only by the General Assembly.

Member Contributions: Member contribution requirements are set forth in O.C.G.A. §47-11-40 and are not actuarially determined. Each member must contribute $105 per month; however, the requirement to pay dues ceases after the member has paid dues for 30 years.

Nonemployer Contributions: In accordance with O.C.G.A. §47-11-50 and §47-11-51, the State of Georgia provides nonemployer contributions to the Fund through the collection of court fines, forfeitures, and fees. For each criminal and quasi-criminal case involving the violation of State of Georgia traffic laws which is before a probate court and results in the collection of a fine or forfeiture of a bond, $3 is collected and paid to the Fund. For fees associated with various services, the following fees are collected and paid to the Fund:

For civil filings	$2
For marriage licenses	20% of fee
For pistol licenses	$1

The court fines, forfeitures, and fees are considered employer contributions for the purpose of determining whether the Fund has met minimum funding requirements specified in §O.C.G.A. 47-20-10. This statute also prohibits any action to grant a benefit increase until such time as the minimum annual contribution requirements meet or exceed legislative requirements. The actuarial valuation as of July 1, 2024, calculated the minimum employer contribution for the fiscal year ended June 30, 2025, as $417,544. The court fines, forfeitures, and fees revenue of $1,440,206 for the fiscal year ended June 30, 2025, meets the minimum required fund contribution.

Administrative Expenses
Administrative expenses are generally funded from current member and court fines, forfeitures, and fees contributions. Investment earnings may be utilized to fund any expenses in excess of contributions.

Note 2: Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting
The Fund's financial statements are prepared on the accrual basis of accounting, except for the collection of contributions, which are recognized when collected from the members and the courts. Any accrual of these contributions would be immaterial to the Fund's financial statements. Retirement and refund payments are recognized as deductions when due and payable.

Reporting Entity
The Fund is a component unit of the State of Georgia; however, it is accountable for its own fiscal matters and presentation of its separate financial statements. The Fund has considered potential component units under GASB Statements No. 61, *The Financial Reporting Entity's Omnibus – an amendment of GASB Statement No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and determined there were no component units of the Fund.

Cash and Cash Equivalents
Cash and cash equivalents, reported at cost, include cash in banks, cash on deposit with the investment custodian earning a credit to offset fees, and short-term highly liquid financial securities with original maturities of three months or less from the date of acquisition.

Investments
Investments are reported at fair value. Equity securities traded on a national or international exchange are valued at the last reported sales price. Fixed income securities are valued based primarily on quoted market prices provided by independent pricing sources. Global foreign exchange holdings are translated using a third-party vendor. Investment income is recognized as earned by the Fund. There are no investments in, loans to, or leases with parties related to the Fund.

The Fund utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as credit, interest rate, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Fund maintains an investment policy that may be amended by its Board of Commissioners both upon its own initiative and upon consideration of the advice and recommendations of its investment managers. There were no significant changes in the investment policy for the Fund during the fiscal year.

The Fund's policy for the allocation of invested assets is established on a cost basis in compliance with State law. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the Fund's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Allocation
Fixed income	0% - 100%
Equities	0% - 75%
Cash and cash equivalents	1% - 100%
Total	100%

Approximately 9.0% of the investments held in trust for pension benefits are invested in debt securities of the U.S. government and its instrumentalities, of which 7.63% are U.S. government debt securities and 1.37% are debt securities of the U.S. government instrumentalities. The Fund has no investments in any one organization, other than those issued by the U.S. government and its instrumentalities that represent 5% or more of the Fund's net position restricted for pensions.

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of fiduciary net position and changes therein. Actual results could differ from those estimates.

New Accounting Pronouncements
In June 2022, the GASB issued Statement No. 101, *Compensated Absences* effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. There are no applicable reporting requirements for the Fund related to this statement.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. There are no applicable reporting requirements for the Fund related to this statement.

Note 3: Investment Program

The Fund maintains sufficient cash to meet its immediate liquidity needs. Cash not immediately needed is invested as directed by the investment policy of the Fund. All investments are held by agent custodial banks in the name of the Fund. State law (O.C.G.A. §47-20-83) and the Fund's investment policy authorize the Fund to invest in a variety of short-term and long-term securities.

Cash and Cash Equivalents

The carrying amount of the Fund's operating account totaled $33,669 at June 30, 2025, which is also the operating account's balance. The Fund's cash balance is fully insured through the Federal Deposit Insurance Corporation, an independent agency of the U.S. Government.

The carrying amount of the Fund's cash balances maintained within an investment account is $2,953,387 at June 30, 2025, which is also the investment account's balance. This balance includes $2,952,370 which is uncollateralized, and $1,017 which is fully insured through the Federal Deposit Insurance Corporation, an independent agency of the U.S. Government.

Investments

Fixed income investments are maintained in municipal bonds, U.S. Treasury obligations, obligations issued by agencies of the U.S. Government, investment-grade corporate bonds, asset-backed securities, and mortgage-related securities.

Equity investments are maintained in domestic equities and international equities. Domestic equities are those securities considered by the O.C.G.A. to be domiciled in the United States. International equities will be a diversified portfolio including both developed and emerging countries. These securities are not considered by the O.C.G.A. to be domiciled in the United States.

The equity portfolio is managed by the Fund in conjunction with independent advisors. Buy/sell decisions are based on securities meeting rating criteria established by the investment policy of the Fund. Equity trades are approved and executed by the independent advisors. Common stocks eligible for investment must meet the Objectives and Guidelines of the Fund's investment policy. State law limits the total investment in equity securities to 75% of the total invested assets calculated on a historical cost basis.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Fund. State law limits investments to investment grade securities. The Fund's investment policy requires that purchases of bonds be restricted to bonds rated as investment grade rated BAA (or equivalent) or better as defined by a nationally recognized rating agency. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality.

The quality ratings of investments in fixed income securities at June 30, 2025, as described by Standard & Poor's, which is a nationally recognized statistical rating organization, are shown in the following table:

Quality Ratings of Fixed Income Investments Held at June 30, 2025

Investment Type	Total Fair Value	AAA	AA	A	BBB	BB	Unrated
Cash equivalents subject to credit risk:							
Short-term investment funds	$ 2,952,370	-	-	-	-	-	2,952,370
Debt securities subject to credit risk:							
U.S. Agency obligations implicitly guaranteed	$ 1,727,484	30,887	-	-	-	-	1,696,597
Corporate debt							
Domestic	7,842,960	142,073	-	1,008,759	6,482,365	209,763	-
International	698,907	-	-	55,711	586,735	56,461	-
Asset-backed securities	1,465,900	1,388,652	-	-	77,248	-	-
Mortgage investments	714,391	714,391	-	-	-	-	-
Total debt securities subject to credit risk	12,449,642	$ 2,276,003	-	1,064,470	7,146,348	266,224	1,696,597
Debt securities not subject to credit risk:							
U.S. Treasury obligations	9,621,300						
Total debt securities	$ 22,070,942						

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund does not have a formal policy for managing interest rate risk. The following table provides information about the Fund's interest rate risk:

Fair Value of Fixed Income Investments by Maturity Period - Specific Identification Method
Held at June 30, 2025

			Maturity Period				
Investment type		Total Fair Value	Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Cash equivalents subject to interest rate risk:							
Short-term investment funds	$	2,952,370	2,952,370	-	-	-	-
Debt securities subject to interest rate risk:							
U.S. Treasury obligations	$	9,621,300	-	945,837	7,368,793	1,306,670	-
U.S. Agency obligations		1,727,484	-	-	-	30,887	1,696,597
Corporate debt							
Domestic		7,842,960	213,907	1,660,547	4,300,790	1,431,075	236,641
International		698,907	-	160,844	281,322	256,741	-
Asset-backed securities		1,465,900	-	-	1,210,053	255,847	-
Mortgage Investments		714,391	-	-	-	-	714,391
Total debt securities subject to interest rate risk	$	22,070,942	213,907	2,767,228	13,160,958	3,281,220	2,647,629

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Fund's investment in a single issue. The Fund's concentration of credit risk policy is that the securities of any one company or government agency should not exceed 5% of the total fund. On June 30, 2025, the Fund did not have debt investments in any one organization, other than those issued or guaranteed by the U.S. Government or its agencies, which represented greater than 5% of the plan's total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Fund's currency risk exposures, or exchange rate risks, primarily reside within the Fund's international investment holdings. The Fund does not have a formal policy for managing foreign currency risk. As of June 30, 2025, the Fund's investments that are classified as international are payable in U.S. dollars.

Fair Value Measurement
The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs. These guidelines recognize a three-tiered hierarchy, as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical instruments in active markets that the Fund has the ability to access.

Level 2 – Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instrument in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Fund's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each investment.

The following table shows the fair value leveling of the Fund's investments:

Investments Measured at Fair Value as of June 30,2025

			Fair Value Measures Using:		
Investments by fair value level		Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents:					
Short-term investment funds	$	2,952,370	2,952,370	-	-
Debt securities:					
U.S. Treasury obligations	$	9,621,300	-	9,621,300	-
U.S. Agency obligations		1,727,484	-	1,727,484	-
Corporate debt					
Domestic		7,842,960	-	7,842,960	-
International		698,907	-	698,907	-
Asset-backed securities		1,465,900	-	1,465,900	-
Mortgage Investments		714,391	-	714,391	-
Equities:					
Stocks					
Domestic		66,804,998	66,804,998	-	-
International		37,198,964	37,198,964	-	-
Total Investments by fair value level	$	126,074,904	104,003,962	22,070,942	-

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The Fund did not have any Net Asset Value (NAV) investments at June 30, 2025.

Note 4: Net Pension Liability of Employers and Nonemployers

The components of the collective net pension liability of the participating employers and nonemployers at June 30, 2025, were as follows:

Component	Amount
Total pension liability	$ 96,354,706
Plan fiduciary net position	(129,283,871)
Net pension liability (asset)	$ (32,929,165)
Plan fiduciary net position as a percentage of total pension liability	134.17%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025. 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	6.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 Mortality Table projected generationally using the MP-2021 mortality improvement scale.

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:

Asset class	Target allocation	Long-term expected real rate of return
U.S. Large Cap Equities	60%	7.1%
Developed Market Ex U.S. Equities	7.5%	6.4%
Emerging Market Equities	7.5%	7.5%
U.S. Intermediate Taxable Fixed Income	25%	3.6%
Total	100%	

Discount Rate

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

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability of the Fund, calculated using the discount rate of 6.50%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current discount rate (6.50%)	1% Increase (7.50%)
Employers' and nonemployers' net pension liability (asset)	$ (23,862,165)	$ (32,929,165)	$ (40,731,901)

Note 5: Subsequent Events

Georgia Senate Bill 489 was signed into law, effective July 1, 2026. The legislation provides that each member of the Fund shall pay monthly dues in an amount determined annually by the Board of Commissioners. Monthly dues must be at least $105 and may not exceed $150. The Board will determine the monthly dues amount based on the recommendation of the Board's actuary.

The legislation also provides for the following changes to amounts withheld, collected, and remitted to the Fund:

Source	Prior Amount	New Amount
Marriage licenses	20%	25%
Civil filing fees	$2.00	$5.00
Criminal and quasi-criminal fines and bond forfeitures	$3.00 per case	$5.00 per case

On May 8, 2025 and November 13, 2025, respectively, the Board of Commissioners approved two 1.5% cost-of-living adjustments to the benefit terms, effective July 1, 2025 and January 1, 2026.

Required Supplementary Information (Unaudited)

Judges of the Probate Courts Retirement Fund of Georgia

(A Component Unit of the State of Georgia)

Required Supplementary Information

Schedule of Employers' and Nonemployers' Net Pension Liability

For the year ended June 30

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability	$ 96,354,706	$ 93,119,052	$ 89,213,977	$ 84,824,265	$ 81,038,978	$ 77,017,828	$ 75,714,483	$ 73,304,133	$ 69,530,681	$ 66,303,982
Plan fiduciary net position	129,283,871	117,775,029	110,055,093	105,207,243	126,488,409	100,409,565	96,648,792	91,109,658	86,212,839	76,759,439
Employers' and nonemployers' net pension liability (asset)	$ (32,929,165)	$ (24,655,977)	$ (20,841,116)	$ (20,382,978)	$ (45,449,431)	$ (23,391,737)	$ (20,934,309)	$ (17,805,525)	$ (16,682,158)	$ (10,455,457)
Plan fiduciary net position as a percentage of the total pension liability	134.17%	126.48%	123.36%	124.03%	156.08%	130.37%	127.65%	124.29%	123.99%	115.77%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employers' and nonemployers' net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to the required supplementary information and accompanying independent auditor’s report.

Judges of the Probate Courts Retirement Fund of Georgia

(A Component Unit of the State of Georgia)

Required Supplementary Information

Schedule of Changes in Employers' and Nonemployers' Net Pension Liability

For the year ended June 30

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	$ 2,233,109	$ 2,197,478	$ 2,062,322	$ 1,999,276	$ 1,968,234	$ 1,700,283	$ 1,679,237	$ 1,634,988	$ 1,598,011	$ 1,434,313
Interest	5,983,349	5,748,836	5,457,930	5,214,375	4,969,879	4,884,784	4,731,363	4,481,341	4,276,618	4,206,592
Change of benefit terms	3,026,634	2,911,575	2,794,018	2,659,218	2,379,741	1,093,521	2,233,311	2,101,044	2,000,255	4,210,396
Differences between expected and actual experience	(1,406,150)	(1,017,155)	(87,701)	(712,138)	(226,483)	(1,840,106)	(1,643,369)	-	(3,841)	(914,191)
Changes of assumptions	-	-	-	258,754	(17,456)	65,776	(133,696)	-	(428,598)	668,706
Benefit payments	(6,587,627)	(5,928,675)	(5,834,442)	(5,634,195)	(4,991,193)	(4,600,913)	(4,456,391)	(4,436,786)	(4,205,305)	(3,916,867)
Refunds of member contributions	(13,661)	(6,984)	(2,415)	(3)	(61,572)	-	(105)	(7,135)	(10,441)	(6,522)
Net change in total pension liability	3,235,654	3,905,075	4,389,712	3,785,287	4,021,150	1,303,345	2,410,350	3,773,452	3,226,699	5,682,427
Total pension liability - beginning	93,119,052	89,213,977	84,824,265	81,038,978	77,017,828	75,714,483	73,304,133	69,530,681	66,303,982	60,621,555
Total pension liability - ending (a)	96,354,706	93,119,052	89,213,977	84,824,265	81,038,978	77,017,828	75,714,483	73,304,133	69,530,681	66,303,982
Plan fiduciary net position:										
Contributions - nonemployer	1,440,206	1,370,208	1,368,914	1,491,218	1,483,960	1,261,704	1,453,119	1,454,921	1,466,740	1,419,750
Contributions - member	190,929	192,115	192,194	191,019	192,950	194,402	195,807	198,080	190,947	156,057
Net investment income	16,667,090	12,280,441	9,275,685	(17,177,178)	29,630,446	7,041,341	8,451,755	7,793,489	12,145,217	1,298,928
Benefit payments	(6,587,627)	(5,928,675)	(5,834,442)	(5,634,195)	(4,991,193)	(4,600,913)	(4,456,391)	(4,436,786)	(4,205,305)	(3,916,867)
Refunds of member contributions	(13,661)	(6,984)	(2,415)	(3)	(61,572)	-	(105)	(7,135)	(10,441)	(6,522)
Administrative expense	(188,095)	(187,169)	(152,086)	(152,027)	(175,748)	(135,761)	(105,051)	(105,750)	(133,758)	(125,825)
Net change in plan fiduciary net position	11,508,842	7,719,936	4,847,850	(21,281,166)	26,078,843	3,760,773	5,539,134	4,896,819	9,453,400	(1,174,479)
Plan fiduciary net position - beginning	117,775,029	110,055,093	105,207,243	126,488,409	100,409,565	96,648,792	91,109,658	86,212,839	76,759,439	77,933,918
Plan fiduciary net position - ending (b)	129,283,871	117,775,029	110,055,093	105,207,243	126,488,408	100,409,565	96,648,792	91,109,658	86,212,839	76,759,439
Net pension liability (asset) - ending (a) - (b)	$ (32,929,165)	$ (24,655,977)	$ (20,841,116)	$ (20,382,978)	$ (45,449,430)	$ (23,391,737)	$ (20,934,309)	$ (17,805,525)	$ (16,682,158)	$ (10,455,457)

See accompanying notes to the required supplementary information and accompanying independent auditor’s report.

Judges of the Probate Courts Retirement Fund of Georgia

(A Component Unit of the State of Georgia)

Required Supplementary Information

Schedule of Employer and Nonemployer Contributions

For the year ended June 30

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined employer and nonemployer contribution	$ 417,544	$ 383,180	$ 231,642	$ 114,983	$ 678,593	$ 718,071	$ 717,011	$ 748,083	$ 711,752	$ 213,330
Contributions in relation to the actuarially determined contribution	1,440,206	1,370,208	1,368,914	1,491,218	1,483,960	1,261,704	1,453,119	1,454,921	1,466,740	1,419,750
Contribution deficiency (excess)	$ (1,022,662)	$ (987,028)	$ (1,137,272)	$ (1,376,235)	$ (805,367)	$ (543,633)	$ (736,108)	$ (706,838)	$ (754,988)	$ (1,206,420)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to the required supplementary information and accompanying independent auditor’s report.

Judges of the Probate Courts Retirement Fund of Georgia

(A Component Unit of the State of Georgia)

Required Supplementary Information

Schedule of Investment Returns

For the year ended June 30

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	14.39%	11.99%	8.64%	-13.91%	31.04%	8.20%	10.30%	8.20%	17.00%	2.63%

See accompanying notes to the required supplementary information and accompanying independent auditor's report.

Notes to the Required Supplementary Information

June 30, 2025

(Unaudited)

Note 1: Schedule of Employers' and Nonemployers' Net Pension Liability

The components of the net pension liability as of the fiscal year end and the fiduciary net position as a percentage of the total pension liability as of that date are presented in this schedule. This trend information will be accumulated to display a ten-year presentation.

Note 2: Schedule of Changes in Employers' and Nonemployers' Net Pension Liability

Net pension liability which is measured as the total pension liability less the amount of the fiduciary net position is presented in this schedule. This trend information will be accumulated to display a ten-year presentation.

Note 3: Schedule of Employer and Nonemployer Contributions

The schedule presents the required contributions and the amounts actually contributed.

Note 4: Schedule of Investment Returns

The schedule presents historical trend information about the annual money-weighted rate of return on plan investments, net of plan investment expense. This trend information will be accumulated to display a ten-year presentation.

Note 5: Actuarial Methods and Assumptions

Benefit changes: Effective July 1, 2024, the annual earnings limit was increased from $50,372.42 to $51,128.01. In addition, a 1.5% cost of living adjustment was granted to retirees and surviving spouses effective July 1, 2024.

Effective January 1, 2025, the annual earnings limit was increased from $51,128.01 to $51,894.93. In addition, a 1.5% cost of living adjustment was granted to retirees and surviving spouses effective January 1, 2025.

Effective July 1, 2025, the annual earnings limit was increased from $51,894.93 to $52,673.35. In addition, a 1.5% cost of living adjustment was granted to retirees and surviving spouses effective July 1, 2025.

Beginning in fiscal year 2016, the maximum number of years used to calculate benefits was increased from 20 years to 30 years. The maximum number of years for payment of member dues was also increased to 30 years.

Changes of assumptions: There were no changes of assumptions.

Notes to the Required Supplementary Information

June 30, 2025

(Unaudited)

Methods and assumptions used in calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the most recently calculated actuarially determined contribution reported in the Schedule of Employer and Nonemployer Contributions:

Valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Actuarial value of Assets
Inflation rate	2.5%
Salary increases	N/A
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

Compliance and Internal Control Report Section

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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*

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Commissioners of the Judges of the Probate Courts Retirement Fund of Georgia
and
Mr. Homer Bryson, Secretary-Treasurer

We have audited the financial statements of the Judges of the Probate Courts Retirement Fund of Georgia (Fund), a component unit of the State of Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated September 15, 2026. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying *Schedule of Findings* in finding FS-949-25-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund'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 financial statements. 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*.

Fund's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Fund's response to the finding identified in our audit and described in the accompanying *Schedule of Findings*. The Fund's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Greg S. Griffin
State Auditor

September 15, 2026

Findings Section

Schedule of Findings
Year Ended June 30, 2025

Financial Statement Findings

FS 949-25-01 Improve Controls over Census Data Used in Actuarial Valuations

Internal Control Impact: Significant Deficiency
Compliance Impact: N/A

Description:
Fund management should establish controls over the review of the Fund's census data to final actuarial valuation reports before relying upon them for financial reporting.

Background:
Management annually provides participant census data to the actuary and performs certain reviews before the final actuarial valuation is issued, including census validation, prior year analytical comparisons, assumption review, status count analysis, and investigation of discrepancies with the actuary. The actuary uses this information to prepare the actuarial valuation and GASB schedules that management relies on for financial reporting and related disclosures.

Criteria:
Management is responsible for establishing and maintaining internal control over financial reporting. When management relies on the work of a specialist, management remains responsible for reviewing the completeness, accuracy, and reasonableness of that work before relying upon it for financial reporting.

Condition:
Management has implemented informal controls over census data and preliminary actuarial valuation information. However, management did not have controls in place to reconcile the final actuarial valuation and GASB reports to the Fund's underlying census data before relying on those reports for financial reporting. Although no discrepancies or omitted members were identified during the audit, the absence of this control creates a risk that errors in participant data, employer allocations, or actuarial results could occur and remain undetected.

Cause:
Management had not formalized and documented the full actuarial review process to verify the completeness and accuracy of the actuarial reports received from its actuary before relying on those reports for financial reporting.

Effect:
Ineffective review controls increase the risk that material errors in actuarial reports, including participant omissions, employer allocation errors, pension liabilities (assets), pension expense (income), contribution requirements, and related disclosures, could occur and remain undetected. The control deficiency increases the risk of material misstatements in current and future reporting periods.

Recommendation:
Fund management should establish and formally document a comprehensive review process over final actuarial reports. At a minimum, the process should include:

- Reconciling participant census counts in the final actuarial report to the Fund's records;
- Reconciling final employer counts and allocations used in GASB schedules to the Fund's records;
- Establishing, in consultation with the actuary, a threshold for differences requiring follow up to ensure any unresolved discrepancies are immaterial, or adopt a practice of investigating all differences; and
- Formally documenting the existing review procedures over the actuarial report.

Views of Responsible Officials:
We do not concur with this finding. Management strongly disagrees with the classification of this matter as a significant deficiency. That classification is disproportionate to the facts identified during the audit and does not accurately reflect the Fund's established review controls.

Management maintains and performs a formal, multi-stage review process over the census data, actuarial valuation, and GASB reports. This process includes validating census data extracted from the retirement administration system; comparing participant counts, statuses, service information, and valuation results with prior-year information; reviewing actuarial assumptions and methods; investigating unexpected changes and discrepancies with the actuary; reviewing preliminary valuation results; and reviewing the final actuarial valuation and GASB reports before they are accepted and used for financial reporting. These procedures are substantive management controls—not merely "informal" activities.

The audit identified no omitted participants, census-data discrepancies, employer-allocation errors, actuarial errors, or financial-statement misstatements. The finding therefore identifies only a theoretical possibility that an error could occur, without demonstrating that the alleged documentation or reconciliation issue created a reasonable possibility that a material misstatement would not be prevented or detected timely. Every internal-control process carries some theoretical risk of error; that fact alone does not support classification as a significant deficiency.

The absence of an additional reconciliation in a preferred format should not be equated with the absence of effective management review controls. At most, the matter represents an opportunity to enhance the documentation of controls already being performed. It does not establish that management failed to review the completeness, accuracy, or reasonableness of the actuary's work, and it does not justify the conclusion that the Fund's financial reporting controls are significantly deficient.

The finding acknowledges that management performs census validation, prior-year analytical comparisons, assumption review, status-count analysis, and investigations of discrepancies with the actuary, yet subsequently characterizes these controls as merely "informal" and concludes that adequate controls were not in place. The substance and effectiveness of a control should not be disregarded simply because the auditor believes its documentation could be expanded.

Management's inclusion of a corrective action should not be interpreted as agreement that a significant deficiency existed. Based on the extensive controls already performed and the complete absence of identified errors or misstatements, management believes this matter should be classified, at most, as a management recommendation or documentation improvement—not a significant deficiency.

Auditor's Concluding Remarks:
The Georgia Department of Audits and Accounts (DOAA) acknowledges the controls management has implemented over census data and preliminary actuarial information, as well as the additional analytical and reconciliation procedures described in management’s response. These processes provide a degree of oversight, but they do not replace the need for a formal and documented final review and reconciliation control over the completed actuarial valuation and GASB schedules.

Although no discrepancies were identified during this audit, the absence of a final verification control still creates a risk that participant omissions, duplications, or allocation errors could occur and remain undetected. While the existing procedures may reduce the likelihood of significant errors, they are not sufficiently precise to detect smaller census data omissions, duplications, or allocation errors that can accumulate and result in misstatements. Without implementing and consistently performing a formal final reconciliation, there remains a persistent risk that issues could occur in future periods.

Therefore, although management’s mitigating controls reduce the overall risk, they do not fully address the control gap. We reaffirm our finding and will review the implementation of this final review control during the next audit cycle.

Management's Corrective Action for Findings Section

JUDGES *of the* PROBATE COURT
RETIREMENT FUND *of* GEORGIA
1210 Greenbelt Drive, Griffin, GA 30224
phone: 770-228-8461 | fax: 770-412-1236
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Corrective Action Plan - Financial Statement Finding

FS-949-25-01 Improve Controls over Census Data Used in Actuarial Valuations

Internal Control Impact: Internal Control
Compliance Impact: None

Description:
Fund management should establish controls over the review of the Fund's census data to final actuarial valuation reports before relying upon them for financial reporting.

Corrective Action Plans:

Management will further document the existing review process, including evidence of the reconciliation of final participant counts and applicable GASB allocation information, as an enhancement to the Fund's control documentation.

Estimated Completion Date: 9/30/2026

Contact Person: Brandt Barlow
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Signature: ____________________

Title: CFO