ANNUAL FINANCIAL AUDIT • JUNE 30, 2024

Judges of the Probate Courts 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

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Georgia Department of Audits & Accounts

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners of the Judges of the Probate
Courts Retirement Fund of Georgia
and
Mr. Homer Bryson, Secretary-Treasurer
Judges of the Probate Courts Retirement Fund of Georgia

Opinions

We have audited the schedule of employer and nonemployer allocations 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, 2024, 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, 2024, and the related notes (collectively, the Schedules).

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, 2024 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 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, 2024. Our report thereon, dated July 16, 2025, 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,

Greg S. Griffin
State Auditor

July 16, 2025

JUDGES OF THE PROBATE COURTS RETIREMENT FUND OF GEORGIA
(A Component Unit of the State of Georgia)

Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2024

Employer	Employer Allocation Percentage
Each County Participating in the Fund - Employer Share	0.000000 %
State's Proportionate Share	0.649351 %
Total for Each Participating County	0.649351 %
STATE OF GEORGIA (Nonemployer Contributing Entity)	100.000000 %
Total for All Entities	100.000000 %

JUDGES OF THE PROBATE COURTS RETIREMENT FUND OF GEORGIA
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Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2024

		Total Deferred Outflows of Resources		Deferred Inflows of Resources				
Employer	Net Pension Asset	Changes in Assumptions	Total Deferred Outflows of Resources	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Differences Between Expected and Actual Experience	Total Deferred Inflows of Resources	Total Employer Pension Expense
Each County Participating in the Fund - Employer Share								
State's Proportionate Share	$ (160,104)	-	-	-	-	-	-	12,314
Total for Each Participating County	(160,104)	-	-	-	-	-	-	12,314
STATE OF GEORGIA (Nonemployer Contributing Entity)	24,655,977	100,333	100,333	1,940	306,365	1,115,324	1,423,629	1,896,330
Total for All Entities	24,655,977	100,333	100,333	1,940	306,365	1,115,324	1,423,629	1,896,330

JUDGES OF THE PROBATE COURTS 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, 2024

Note 1: Plan Description

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

Each county in the state of Georgia has a judge of the probate court who is eligible to be a member of the Retirement Fund. The counties, as the employers of the members of the Retirement Fund, do not make contributions to the Retirement Fund. The State of Georgia provides nonemployer contributions to the Retirement Fund through the collection of court fines and forfeitures. These nonemployer contributions are recognized as revenue by the Retirement Fund when collected from the courts.

Note 2: Basis of Presentation

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

Note 3: Components of Collective Net Pension Liability

The components of the collective net pension liability of the participating employers and nonemployers at June 30, 2024 were as follows:

Total pension liability	$	93,119,052
Plan fiduciary net position		(117,775,029)
Net pension liability (asset)	$	(24,655,977)
Plan fiduciary net position as a percentage of total pension liability		126.48%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. 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	6.50%, net of pension plan investment expense, including inflation
Retirement Age	Active retirement rates are shown below

Age	Rate
60	30%
61-70	10%
71+	100%

Mortality rates were based on the PUB-2010 Mortality Table with generationally mortality projection using the MP-2021 mortality scale, with the following adjustments by status:

Active Members: Sex Distinct Amount 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 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
	100 %	

Discount Rate
The discount rate used to measure the collective 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 Collective Net Pension Liability (Asset) to Changes in the Discount Rate
The following table presents the collective net pension liability of the Retirement Fund, calculated using the discount rate of 6.50%, as well as what the Retirement Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current discount rate (6.50%)	1% Increase (7.50%)
Collective net pension asset	$ (15,934,905)	(24,655,977)	(32,163,737)

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. §47-11-50 and §47-11-51. 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 evenly to each employer participating in the Retirement Fund. Of the 159 counties in Georgia with a judge of the probate court, 153 are active members of the Retirement Fund as of June 30, 2023 (The 6 counties without an active member of the Retirement Fund are Brantley, Clinch, Crawford, Rockdale, Talbot, and Telfair). In addition to the 153 active member probate court judges, the Secretary-Treasurer of the Retirement Fund is a member of the Retirement Fund. Therefore, there are 154 employers in the Retirement Fund as of June 30, 2024. Because there are 154 employers, each employer's proportionate share allocation percentage is 0.649351%.

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, 2024:

				Current Year		
Deferred outflows of resources	Year of deferral	Amortization period	Beginning of year balance as previously reported	Additions	Deductions	End of year balance
Changes in assumptions	2020	4.5 years	$ 7,308	-	7,308	-
	2022	4.9 years	153,140	-	52,807	100,333
Total deferred outflows of resources			$ 160,448	-	60,115	100,333
Deferred inflows of resources						
Changes in assumptions						
	2021	4.5 years	5,819	-	3,879	1,940
Differences between expected and actual experience						
	2020	4.5 years	204,458	-	204,458	-
	2021	4.5 years	75,493	-	50,330	25,163
	2022	4.9 years	421,470	-	145,334	276,136
	2023	4.8 years	69,430	-	18,271	51,159
	2024	4 years	-	1,017,155	254,289	762,866
Differences between projected and actual investment earnings	2020	5 years	172,822	-	172,822	-
	2021	5 years	9,287,701	-	4,643,850	4,643,851
	2022	5 years	(15,159,327)	-	(5,053,109)	(10,106,218)
	2023	5 years	2,064,895	-	516,224	1,548,671
	2024	5 years	-	5,275,076	1,055,015	4,220,061
Net difference between projected and actual investment earnings (1)			(3,633,909)	5,275,076	1,334,802	306,365
Total deferred inflows of resources			$ (2,857,239)	6,292,231	2,011,363	1,423,629

(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.

JUDGES OF THE PROBATE COURTS RETIREMENT FUND OF GEORGIA
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Notes to Schedule of Employer and Nonemployer Allocations and
Schedule of Pension Amounts by Employer and Nonemployer

June 30, 2024

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

Year Ending June 30, 2025	$	(1,554,171)
2026		3,126,034
2027		(1,840,143)
2028		(1,055,016)
Total	$	(1,323,296)

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, 2024.

Note 7: Collective Pension Expense

The components of collective pension expense for the year ended June 30, 2024, are shown in the following table:

Service cost	$	2,197,478
Interest on the total pension liability and net cash flow		5,748,836
Projected earnings on plan investments		(7,005,365)
Current period effect of benefit changes		2,911,575
Current period difference between expected and actual experience		(254,289)
Current period effect of changes and assumptions		-
Current period difference between projected and actual investment earnings		(1,055,015)
Member contributions		(192,115)
Administrative expenses		187,169
Current period recognition of prior years' deferred outflows of resources		5,113,224
Current period recognition of prior years' deferred inflows of resources		(5,755,168)
Collective pension expense	$	1,896,330