Sheriffs' Retirement Fund of Georgia

Financial Statements
Fiscal Year Ended June 30, 2025
(With Independent Auditor's Report Thereon)

The cover photograph is of the location of the new headquarters of the Georgia Sheriffs' Youth Homes Foundation, the Georgia Sheriffs' Youth Homes, the Sheriffs' Retirement Fund of Georgia and the Georgia Sheriffs' Association located in Madison, GA.

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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 Sheriffs' Retirement Fund of Georgia
and
Mr. J. Terry Norris, Secretary-Treasurer

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Sheriffs' 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 July 10, 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

Greg S. Griffin
State Auditor

July 10, 2026

Basic Financial Statements

Sheriffs' 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			$ 2,306,619
Receivables:			
Due from brokers for securities sold			6,784
Investments at fair value:			
Obligations:			
U.S. treasury obligations	$ 8,720,298		
U.S. agency obligations	5,594,898		
Corporate			
Domestic	4,338,686		
International	869,221		
Asset-backed securities	5,884,838		
Mortgage investments	3,452,261	$ 28,860,202	
Equities:			
Mutual funds:			
Domestic	16,200,755		
International	12,536,627		
Stocks:			
Domestic	26,095,169		
International	9,675,719		
Exchange traded funds:			
Domestic	32,209,196		
International	3,962,546		
Real estate investment trusts	274,309	100,954,321	
Total investments at fair value			129,814,523
Total assets			132,127,926
Liabilities:			
Accounts payable and other accruals:			
Accounts payable			177,857
Due to brokers for securities purchased			230,188
Deferred dues payments			9,900
Total liabilities			417,945
Net position restricted for pensions			$ 131,709,981

See accompanying notes to the financial statements.

Sheriffs' 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		$ 4,651,172
Members		150,629
Investment income:		
Net increase in fair value of investments	$ 12,323,492	
Interest, dividends, and other	3,680,610	
Less investment expense	(713,488)	15,290,614
Total additions		20,092,415
Deductions:		
Benefit payments		7,106,987
Administrative expenses, net		498,069
Total deductions		7,605,056
Net change in net position		12,487,359
Net position restricted for pensions:		
Beginning of year		119,222,622
End of year		$ 131,709,981

See accompanying notes to the financial statements.

Note 1: Plan Description

The Sheriffs' Retirement Fund of Georgia (the Retirement Fund) was created in 1963 by the Georgia General Assembly to provide retirement benefits for the sheriffs 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*.

The Retirement Fund is governed by its Board of Commissioners. The Board is comprised of six members and consists of the state treasurer, one former sheriff who is a retired beneficiary of the Retirement Fund, and four persons holding office as sheriffs within the State of Georgia, each of whom are active members of the Retirement Fund and have held office as a sheriff for at least four years.

Eligibility and Membership

Any qualified and commissioned sheriff of the superior court of any county within the State of Georgia who makes payment of the required contributions is eligible for membership.

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

Member Type	Count
Inactive members and beneficiaries currently receiving benefits	216
Inactive members not yet receiving benefits, vested	4
Inactive members entitled to a refund of member dues	18
Active plan members	155
Total	393

Participating Employers and Other Contributing Entities

At June 30, 2025, the active members of the Retirement Fund were employed by 155 employers. The Retirement Fund also had one nonemployer contributing entity, which is the State of Georgia.

Retirement Benefits

The Retirement Fund provides retirement as well as death benefits. Benefit provisions and vesting requirements are established by statute and may be amended only by the General Assembly of Georgia. A description of plan benefits and vesting requirements is as follows:

Retirement Conditions: Normal retirement is at age 55 provided the member has at least four years of credited service as a sheriff after and including January 1, 1961. The credited service requirement is eight years for a sheriff who first or again becomes an active member on or after July 1, 1988. A member must have terminated his or her service as sheriff to receive benefits.

Retirement Benefits: The monthly benefit is a single life annuity payable in monthly payments for the life of the member. The maximum monthly payment at June 30, 2025 is equal to $177.69 per month (plus 1/12 of this amount for each month of any partial year) for each full year of creditable service up to a maximum of $5,330.70 per month. The Board of Commissioners is authorized to provide for increases effective as of January 1 and July 1 of each year up to 1½% of the maximum monthly retirement benefit then in effect.

Optional Benefits: Members may elect, as an alternate to the benefit described above, to receive a 100% joint life annuity payable during the life of the member or the member's spouse or a contingency life annuity with a 50% monthly payment to the surviving spouse. The amount of the benefit for these options is an actuarially reduced portion of the single life annuity benefit described above.

Death Benefits: Upon the death of a member, the Retirement Fund provides death benefit payments to the member's surviving spouse, named beneficiary, or the member's estate as described in O.C.G.A. 47-16-102.

Termination: At any time before a member begins drawing retirement benefits, the member may request a refund of the total sum he or she has paid into the Retirement Fund as membership dues. No interest shall be paid upon amounts so withdrawn.

Contributions

The Retirement 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: Members must contribute $65 per month, with a maximum payment period of 30 years.

Nonemployer Contributions: The State of Georgia provides nonemployer contributions to the Retirement Fund through the collection of court fines and forfeitures. For each criminal and quasi-criminal case involving the violation of State of Georgia laws, including traffic laws, a sum based upon the scale set forth below is collected by the presiding judge and remitted to the Retirement Fund:

For fines or bond forfeitures in excess of $5, in any court where a sheriff of a superior court acts as a sheriff	$2

In addition, the following amounts are required to be collected by the applicable courts and remitted to the Retirement Fund:

For civil actions, cases or proceedings filed in superior courts	$5
For civil actions, cases or proceedings filed in state courts and magistrate courts where a sheriff of the superior courts acts as a sheriff in those courts	$5

The fines and forfeitures are considered employer contributions for the purpose of determining whether the Retirement 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 June 30, 2024, calculated the minimum employer contribution for the fiscal year ended June 30, 2025, as $1,920,275 The fines and forfeitures revenue of $4,651,172 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 nonemployer 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 Retirement 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 Retirement Fund's financial statements. Retirement and refund payments are recognized as deductions when due and payable.

Reporting Entity

The Retirement 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 Retirement 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 Retirement Fund.

Cash and Cash Equivalents

Cash and cash equivalents, reported at cost, include cash on deposit at banks, cash on deposit with the investment custodians earning a credit to offset fees, and short-term highly liquid financial securities with maturities of three months or less from the date of acquisition. Cash and cash equivalents also include a money market fund, reported at fair value.

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 Retirement Fund. There are no investments, in, or loans to, parties related to the Retirement Fund.

The Retirement Fund utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, foreign currency, 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 change could materially affect the amounts reported in the financial statements.

The Retirement 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 consultant. There were no significant changes in the investment policy for the Retirement Fund during the fiscal year.

The Retirement Fund's policy in regard to 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 Retirement Fund's adopted asset allocation policy as of June 30, 2025:

Asset class	Target allocation
Fixed income	25% - 40%
Domestic equities	50% - 75%
International equities	10% - 20%
Real estate investment trusts	0% - 5%
Cash and cash equivalents	0% - 10%
Total	100%

Approximately 11.03% of the investments held in trust for pension benefits are invested in debt securities of the U.S. government and its instrumentalities, of which 6.72% are U.S. government debt securities and 4.31% are debt securities of the U.S. government instrumentalities. The Retirement 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 Retirement 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 plan investment expense, was 13.59% 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.

Related Party Transactions
The Retirement Fund has a joint Administrative Services contract with Georgia Sheriffs' Association and Georgia Sheriffs' Youth Homes to perform accounting and administrative duties for the Retirement Fund. Additionally, these organizations provide computer equipment, software and computer support for the Retirement Fund and lease office space in their building to the Retirement Fund. The Retirement Fund incurred expenses of approximately $451,180 under the arrangement during fiscal year 2025, with outstanding amount payable of $2,350 at year end.

New Accounting Pronouncements
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 Pension Fund related to this Statement for this fiscal year; however, annually the Pension Fund will evaluate risks due to concentrations or constraints and apply the requirements under Statement No. 102.

Note 3: Investment Program

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

Cash and Cash Equivalents

The carrying amount of the Retirement Fund's operating account totaled $228,956 at June 30, 2025, with an actual bank balance of $263,924. This balance includes $13,924 which is uncollateralized and $250,000 which is fully insured through the Federal Deposit Insurance Corporation.

The Retirement Fund's investment policy authorizes investment in short-term highly liquid financial securities. At June 30, 2025, the Retirement Fund held $2,048,367 in money market mutual funds and $29,296 in cash in the investments accounts.

Investments

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

Equity investments are maintained in mutual funds, exchange traded funds, domestic equities, international equities, and real estate investment trusts. Domestic equities are those securities considered by the O.C.G.A. to be domiciled in the United States. International equities are not considered by the O.C.G.A. to be domiciled in the United States.

The equity portfolio is managed by the Retirement Fund in conjunction with independent advisors. Buy/sell decisions are based on securities meeting rating criteria established by the investment policy of the Retirement Fund. Equity trades are approved and executed by the independent advisors. Common stocks eligible for investment must meet the Investment Objectives and Guidelines of the Retirement 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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Retirement Fund does not have a formal policy for managing interest rate risk.

The following table provides information about the Retirement Fund's interest rate risk:

		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:						
Money market mutual funds	$ 2,048,367	2,048,367	-	-	-	-
Debt securities subject to interest rate risk:						
U.S. Treasury obligations	$ 8,720,298	-	-	2,679,466	3,286,772	2,754,060
U.S. Agency obligations	5,594,898	-	2,053	-	-	5,592,845
Corporate debt						
Domestic	4,338,686	109,593	-	988,819	1,060,842	2,179,432
International	869,221	-	-	379,352	428,235	61,634
Asset-backed securities	5,884,838	-	-	2,633,546	2,256,166	995,126
Mortgage investments	3,452,261	-	-	130,703	-	3,321,558
Total debt securities	$ 28,860,202	109,593	2,053	6,811,886	7,032,015	14,904,655

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Retirement Fund. State law limits investments to investment grade securities. The Retirement Fund's investment policy requires that purchases of bonds be restricted to bonds rated as investment grade 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	B	Unrated
Cash and cash equivalents subject to credit risk:								
Money market mutual funds	$ 2,048,367	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,048,367
Debt securities subject to credit risk:								
U.S. Agency obligations	$ 3,789,604	-	-	-	-	-	-	3,789,604
Corporate debt								
Domestic	4,338,686	-	84,311	1,280,569	2,754,893	44,630	-	174,283
International	869,221	-	-	333,471	535,750	-	-	-
Asset-backed securities	5,884,838	-	278,884	416,022	2,806,957	-	66,277	2,316,698
Mortgage investments	3,452,261	245,565	260,394	347,995	242,564	-	-	2,355,743
Total debt securities subject to credit risk	18,334,610	$ 245,565	$ 623,589	$ 2,378,057	$ 6,340,164	$ 44,630	$ 66,277	$ 8,636,328
Debt securities not subject to credit risk:								
U.S. Treasury obligations	8,720,298							
U.S. Agency obligations explicitly guaranteed	1,805,294							
Total debt securities	$ 28,860,202							

Fair Value Measurement
The Retirement 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.

Level 1 – Valuations based on unadjusted quoted prices for identical instruments in active markets that the Retirement 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 the entirety are categorized based on the lowest level input that is significant to the valuation. The Retirement 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 Retirement 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 and cash equivalents:				
Money market mutual funds	$ 2,048,367	2,048,367	-	-
Debt securities:				
U.S. Treasury obligations	$ 8,720,298	-	8,720,298	-
U.S. Agency obligations	5,594,898	-	5,594,898	-
Corporate debt				
Domestic	4,338,686	-	4,338,686	-
International	869,221	-	869,221	-
Asset-backed securities	5,884,838	-	5,884,838	-
Mortgage-backed securities	3,452,261	-	3,452,261	-
Total debt securities	28,860,202	-	28,860,202	-
Equities:				
Mutual funds				
Domestic	16,200,755	16,200,755	-	-
International	12,536,627	12,536,627	-	-
Stocks				
Domestic	26,095,169	26,095,169	-	-
International	9,675,719	9,675,719	-	-
Exchange traded funds				
Domestic	32,209,196	32,209,196	-	-
International	3,962,546	3,962,546	-	-
Real estate investment trusts	274,309	274,309	-	-
Total equity securities	100,954,321	100,954,321	-	-
Total Investments by fair value level	$ 129,814,522	100,954,321	28,860,202	-

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

Foreign Currency Risk
Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Retirement Fund does not have a formal policy for managing foreign currency risk. The Retirement Fund's currency risk exposures, or exchange rate risks, primarily reside within the Retirement Fund's international equity investment holdings. As of June 30, 2025, the Retirement Fund's exposure to foreign currency risk derives from its investments traded on the London Stock Exchange and denominated in British Pounds. The market value of these holdings as of June 30, 2025, totaled $12,536,627 valued in U. S. dollars.

Concentration of Credit Risk
Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Retirement Fund's investment in a single issue. On June 30, 2025, the Retirement Fund did not have any 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.

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	$ 148,856,169
Plan fiduciary net position	131,709,981
Net pension liability	$ 17,146,188
Plan fiduciary net position as a percentage of total pension liability	88.48%

Actuarial assumptions
The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	N/A
Investment rate of return	6.00%, net of pension plan investment expenses including inflation
Post-retirement increases	1.50% semi-annually

Mortality rates were based on the PUB-2010 Public Safety Headcount Weighted Below Median Mortality Table projected generationally with the MP-2021 scale for both males and females while in active service. The PUB-2010 Healthy Retiree Below Median Mortality Table projected generationally with the MP-2021 scale was used for service retirements and the PUB-2010 Contingent Survivor Below Median Mortality Table projected generationally with the MP-2021 scale was used for beneficiaries.

The actuarial assumptions used in the June 30, 2025, valuation were based on the results of the experience investigation for the six-year period ending June 30, 2021.

The long-term expected rate of return on pension plan investments was calculated using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and 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 Rate of Return
Domestic Fixed Income	25%	3.97%
Domestic Large Cap Equities	40%	8.42%
Domestic Mid Cap Equities	3.50%	9.61%
Domestic Small Cap Equities	3.50%	9.61%
Global Equities	10%	8.41%
International Equities Core	15%	8.38%
Real Estate Investment Trusts	3%	10.80%
Total	100%	

Discount rate

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate ($65 per month) and that nonemployer contributions (from fines and fee revenues) will continue to be made at rates currently established by statute. Employer contributions for the fiscal year ending June 30, 2025, were approximately $4.8 million and we have assumed that contributions will be approximately $4.5 million for the next 25 years. Projected future benefit payments for all current plan members were projected through the year 2117.

Based on those assumptions, the Retirement Fund's Fiduciary Net Position was projected not to be depleted. Therefore, based on the GASB No. 67 provisions, the long-term expected rate of return on pension plan investments of 6.00 percent 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 Retirement Fund, calculated using the discount rate of 6.00%, 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 (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current discount rate (6.00%)	1% Increase (7.00%)
Employers' and nonemployers' net pension liability	$ 34,739,354	$ 17,146,188	$ 2,348,280

Note 5: Subsequent Events

During the fiscal year under review, the Board of Trustees approved a 1.5% cost-of-living adjustment to the benefit terms effective July 1, 2025. Subsequent to the fiscal year under review, the Board of Trustees approved a 1.5% cost-of-living adjustment to the benefit terms effective January 1, 2026.

Required Supplementary Information (Unaudited)

Sheriffs' 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, 2025

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability	$ 148,856,169	$ 145,451,807	$ 163,609,230	$ 169,173,012	$ 128,055,086	$ 173,435,805	$ 154,040,038	$ 147,959,066	$ 141,595,208	$ 147,769,336
Plan fiduciary net position	131,709,981	119,222,625	105,599,015	96,603,745	121,667,012	94,711,612	96,787,375	95,003,603	92,515,568	83,740,659
Employers' and nonemployers' net pension liability	$ 17,146,188	$ 26,229,182	$ 58,010,215	$ 72,569,267	$ 6,388,074	$ 78,724,193	$ 57,252,663	$ 52,955,463	$ 49,079,640	$ 64,028,677
Plan fiduciary net position as a percentage of the total pension liability	88.48%	81.97%	64.54%	57.10%	95.01%	54.61%	62.83%	64.21%	65.34%	56.67%
Covered 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 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.

Sheriffs’ 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, 2025

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	$ 2,438,734	$ 3,166,989	$ 3,568,709	$ 2,389,156	$ 3,864,136	$ 3,110,471	$ 2,927,620	$ 2,893,408	$ 2,598,880	$ 1,622,966
Interest	8,513,899	7,603,727	7,167,788	8,109,983	6,633,762	7,465,628	7,466,689	7,084,915	6,603,717	7,076,985
Change of benefit terms	-	1,353,454	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(441,284)	(2,408,396)	(1,489,236)	(4,259,508)	(6,394,551)	(4,038,586)	(1,335,494)	3,487,614	2,779,681	(3,080,707)
Changes of assumptions	-	(21,487,119)	(8,307,073)	41,450,528	(42,805,387)	19,296,781	3,533,755	(666,144)	(12,254,463)	36,034,613
Benefit payments	(7,106,987)	(6,386,078)	(6,503,970)	(6,572,233)	(6,674,719)	(6,426,062)	(6,511,598)	(6,433,550)	(5,888,323)	(5,522,438)
Refund of contributions	-	-	-	-	(3,960)	(12,465)	-	(2,385)	(13,620)	-
Net change in total pension liability	3,404,362	(18,157,423)	(5,563,782)	41,117,926	(45,380,719)	19,395,767	6,080,972	6,363,858	(6,174,128)	36,131,419
Total pension liability - beginning	145,451,807	163,609,230	169,173,012	128,055,086	173,435,805	154,040,038	147,959,066	141,595,208	147,769,336	111,637,917
Total pension liability - ending (a)	148,856,169	145,451,807	163,609,230	169,173,012	128,055,086	173,435,805	154,040,038	147,959,066	141,595,208	147,769,336
Plan fiduciary net position:										
Contributions - nonemployer	4,651,172	2,046,871	1,920,330	1,773,375	1,623,478	1,828,381	2,053,299	2,030,767	1,916,433	1,970,041
Contributions - member	150,629	69,510	77,535	97,920	126,775	80,145	89,895	107,460	109,823	81,445
Net investment income	15,290,611	18,316,645	13,824,059	(20,069,678)	32,165,008	2,712,401	6,419,277	7,043,868	12,907,301	(2,158,357)
Benefit payments	(7,106,987)	(6,386,078)	(6,503,970)	(6,572,233)	(6,674,719)	(6,426,062)	(6,511,598)	(6,433,550)	(5,888,323)	(5,522,438)
Refund of contributions	(498,069)	(423,338)	(322,684)	-	(3,960)	(12,465)	-	(2,385)	(13,620)	-
Administrative expense	-	-	-	(292,651)	(281,182)	(258,163)	(267,101)	(258,125)	(256,705)	(219,194)
Net change in plan fiduciary net position	12,487,356	13,623,610	8,995,270	(25,063,267)	26,955,400	(2,075,763)	1,783,772	2,488,035	8,774,909	(5,848,503)
Plan fiduciary net position - beginning	119,222,625	105,599,015	96,603,745	121,667,012	94,711,612	96,787,375	95,003,603	92,515,568	83,740,659	89,589,162
Plan fiduciary net position - ending (b)	131,709,981	119,222,625	105,599,015	96,603,745	121,667,012	94,711,612	96,787,375	95,003,603	92,515,568	83,740,659
Net pension liability - ending (a) - (b)	$ 17,146,188	$ 26,229,182	$ 58,010,215	$ 72,569,267	$ 6,388,074	$ 78,724,193	$ 57,252,663	$ 52,955,463	$ 49,079,640	$ 64,028,677

See accompanying notes to the required supplementary information.

Sheriffs' 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, 2025

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined employer and nonemployer contribution	$ 1,920,275	$ 1,941,359	$ 1,929,925	$ 1,750,718	$ 2,372,910	$ 2,248,557	$ 2,058,960	$ 1,713,467	$ 1,600,128	$ 1,369,695
Contributions in relation to the actuarially determined contribution	4,651,172	2,046,871	1,920,330	1,773,375	1,623,478	1,828,381	2,053,299	2,030,767	1,916,433	1,970,041
Contribution deficiency (excess)	$ (2,730,897)	$ (105,512)	$ 9,595	$ (22,657)	$ 749,432	$ 420,176	$ 5,661	$ (317,300)	$ (316,305)	$ (600,346)
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.

Sheriffs' 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, 2025
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	13.59%	18.29%	15.43%	-16.70%	34.88%	3.03%	7.37%	7.86%	15.87%	-1.81%

See accompanying notes to the required supplementary information.

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 plan 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 plan 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 percentage of required contributions 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

Changes of assumptions:

- In 2024, the SEIR was increased from 4.74 percent to 6.00 percent to reflect the change that the FNP is not projected to be depleted.
- In 2023, the SEIR was increased from 4.32 percent to 4.74 percent to reflect the changes to the FNP's projected year of depletion.
- In 2022, the SEIR was decreased from 6.50 percent to 4.32 percent to reflect the changes to the FNP's projected year of depletion. Also, the rates of withdrawal, retirement, and mortality were adjusted to reflect actual and anticipated experience more closely. In addition, the assumption for price inflation was decreased from 2.75 percent to 2.50 percent, the investment return assumption was lowered from 6.50 percent to 6.00 percent, the administrative expenses assumption was increased from $260,000 to $400,000 and the marriage percentage assumption was decreased from 100% to 90%. These assumptions were recommended as part of the experience investigation for the six-year period ending June 30, 2021.
- In 2021, the SEIR was increased from 3.90 percent to 6.50 percent to reflect the changes that the FNP is not projected to be depleted.
- In 2020, the SEIR was decreased from 4.95 percent to 3.90 percent to reflect the changes to the fiduciary net position's projected year of depletion.

- In 2019, the SEIR was increased from 5.16 percent to 4.95 percent to reflect the changes to the fiduciary net position's projected year of depletion.
- In 2018, the SEIR was increase from 5.12 percent to 5.16 percent to reflect changes to the fiduciary net position's projected year of depletion.
- In 2017, the SEIR was increased from 4.56 percent to 5.12 percent to reflect the changes to the FNP's projected year of depletion.
- In 2016, the SEIR was decreased from 6.50 percent to 4.56 percent to reflect the changes to the FNP's projected year of depletion. Also, the rates of withdrawal, retirement, and mortality were adjusted to reflect actual and anticipated experience more closely. In addition, the assumption for price inflation was decreased from 3.00 percent to 2.75 percent. These assumptions were recommended as part of the experience investigation for the seven-year period ending June 30, 2015.

Changes of benefit terms:

- Effective July 1, 2024, the death benefit paid to beneficiaries of members was increased from $15,000 to $25,000, and membership dues for each active sheriff were increased from $45 per month to $65 per month.
- Retirement benefit at Normal Retirement Date has increased based on the following table since July 1, 2017. These 1.50 percent increases, every 6 months in the monthly benefit per year of credited service, have regularly occurred since July 1, 2000 up until July 1, 2020. Although the SRF Board has only adopted one ad-hoc COLA in each of the last two fiscal years, the increases are assumed to continue every six months until a new precedent or pattern is established.

Date	Change	Total Benefit per Year of Service
January 1, 2017	$2.27	$153.20
July 1, 2017	$2.27	$155.47
January 1, 2018	$2.33	$157.80
July 1, 2018	$2.33	$160.13
January 1, 2019	$2.40	$162.53
July 1, 2019	$2.40	$164.93
January 1, 2020	$2.48	$167.41
July 1, 2022	$2.51	$169.92
January 1, 2023	$2.55	$172.47
July 1, 2024	$2.59	$175.06
January 1, 2025	$2.63	$177.69
July 1, 2025	$2.67	$180.36

Notes to the Required Supplementary Information
For the year ended June 30, 2025
(Unaudited)

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported (June 30, 2024 valuation for the June 30, 2025 fiscal year end).

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20.2 years
Asset valuation method	5-year smoothed market value
Inflation rate	2.50 percent
Salary increases	N/A
Investment rate of return	6.00 percent, 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 Sheriffs' Retirement Fund of Georgia
and
Mr. J. Terry Norris, Secretary-Treasurer

We have audited the financial statements of the Sheriffs' 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 July 10, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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

July 10, 2026