

Judicial Retirement Fund of Alabama

Schedule of Employer Allocations

&

Pension Amounts by Employer

As of and for the Fiscal Year Ended September 30, 2016

David G. Bronner, Ph.D., J.D., Chief Executive Officer

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Judicial Retirement Fund of Alabama
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INDEPENDENT AUDITORS' REPORT

Board of Control
Employees' Retirement System of Alabama

Report on the Combined Financial Statements

We have audited the fiduciary net position as of September 30, 2016 and the changes in fiduciary net position for the year then ended, included in the accompanying schedule of changes in fiduciary net position by employer (the "schedule") of the Employees' Retirement System of Alabama (ERS), and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the fiduciary net position and the changes in fiduciary net position included in the schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fiduciary net position and the changes in fiduciary net position included in the schedule are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the fiduciary net position and the changes in fiduciary net position included in the schedule, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the fiduciary net position and the changes in fiduciary net position included in the schedule 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the fiduciary net position and the changes in fiduciary net position included in the schedule.

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

Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects, the fiduciary net position of the Employees' Retirement System of Alabama as of September 30, 2016, 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.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Retirement Systems of Alabama as of and for the year ended September 30, 2016, and our report thereon, dated March 27, 2017, expressed an unmodified opinion on those financial statements.

Our audit of the financial statements of the Retirement Systems of Alabama was conducted for the purpose of forming an opinion on the financial statements as a whole. The individual employer information presented in each of the individual rows of the accompanying schedule is presented for purposes of additional analysis and is not a required part of the financial statements. The individual employer information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Each row of individual employer information has been subjected to the auditing procedures applied in the audit of the financial statements.

Restriction on Use

Our report is intended solely for the information and use of ERS management, members of the Board of Control, ERS plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Carri Riggs & Ingram, L.L.C.

September 18, 2017
Montgomery, Alabama

Judicial Retirement Fund of Alabama
Schedule of Employer Allocations
For the Fiscal Year Ended September 30, 2016

County	2016 Calculated Salary	2016 Employer Allocation Percentage
Autauga	\$ 124,148	0.28616%
Baldwin	126,383	0.29131%
Barbour	52,501	0.12101%
Bibb	76,365	0.17602%
Blount	76,907	0.17727%
Bullock	52,501	0.12101%
Butler	88,310	0.20355%
Calhoun	94,147	0.21701%
Chambers	87,258	0.20113%
Cherokee	108,995	0.25123%
Chilton	66,431	0.15312%
Choctaw	88,269	0.20346%
Clarke	81,645	0.18819%
Clay	76,963	0.17740%
Cleburne	102,339	0.23589%
Coffee	104,041	0.23981%
Colbert	73,124	0.16855%
Conecuh	110,883	0.25558%
Coosa	71,687	0.16524%
Covington	82,889	0.19106%
Crenshaw	91,718	0.21141%
Cullman	88,237	0.20338%
Dale	75,030	0.17294%
Dallas	96,021	0.22132%
DeKalb	99,193	0.22864%
Elmore	95,899	0.22104%
Escambia	74,584	0.17191%
Etowah	146,574	0.33785%
Fayette	141,692	0.32659%
Franklin	125,947	0.29030%
Geneva	77,877	0.17950%
Greene	74,597	0.17194%
Hale	100,888	0.23254%
Henry	108,072	0.24910%
Houston	105,000	0.24202%
Jackson	98,384	0.22677%
Jefferson	292,374	0.67391%
Lamar	140,344	0.32349%
Lauderdale	84,373	0.19448%
Lawrence	78,459	0.18084%
Lee	100,279	0.23114%
Limestone	103,982	0.23967%
Lowndes	74,174	0.17097%
Macon	133,817	0.30844%
Madison	104,269	0.24034%
Marengo	99,947	0.23037%
Marion	107,101	0.24686%

*The accompanying notes are an integral part of the Schedule of Employer Allocations and Pension Amounts by Employer.
See Independent Auditors' Report.*

Judicial Retirement Fund of Alabama
Schedule of Employer Allocations
For the Fiscal Year Ended September 30, 2016

County	2016 Calculated Salary	2016 Employer Allocation Percentage
Marshall	81,851	0.18866%
Mobile	155,831	0.35918%
Monroe	122,266	0.28182%
Montgomery	107,425	0.24761%
Morgan	87,922	0.20266%
Perry	74,294	0.17124%
Pickens	68,836	0.15866%
Pike	94,850	0.21863%
Randolph	61,945	0.14278%
Russell	82,552	0.19028%
Shelby	122,517	0.28240%
St. Clair	89,235	0.20568%
Sumter	72,041	0.16605%
Talladega	85,488	0.19705%
Tallapoosa	64,087	0.14772%
Tuscaloosa	154,656	0.35648%
Walker	72,552	0.16723%
Washington	105,462	0.24309%
Wilcox	77,342	0.17827%
Winston	107,537	0.24786%
Total for State Support Provided to the Counties	\$ 6,553,307	15.10511%
State Employer		84.89489%
Total State of Alabama		100.00000%

*The accompanying notes are an integral part of the Schedule of Employer Allocations and Pension Amounts by Employer.
See Independent Auditors' Report.*

Judicial Retirement Fund of Alabama
Schedule of Pension Amounts by Employer
As of and for the Fiscal Year Ended September 30, 2017 with Net Pension Liability as of September 30, 2016

County	Deferred Outflows of Resources										Deferred Inflows of Resources										Pension Expense	
	2016 Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions			Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience		Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense						
				Investment	Change of Assumptions	Contributions		Share of Contributions	Expected		Actual	Contributions					Share of Contributions					
Autauga	\$ 483,499	\$ -	\$ 8,155	\$ 38,185	\$ -	\$ 46,340	\$ 16,172	\$ -	\$ -	\$ 4,874	\$ 21,046	\$ 60,647	\$ (2,186)	\$ 58,461								
Baldwin	492,200	-	8,302	38,872	3,777	50,951	16,463	-	-	-	16,463	61,738	1,743	63,481								
Barbour	204,460	-	3,448	16,147	-	19,595	6,839	-	-	2,069	8,908	25,648	(926)	24,722								
Bibb	297,405	-	5,016	23,488	1,082	29,586	9,948	-	-	-	12,625	37,304	(675)	36,629								
Blount	299,517	-	5,052	23,655	22,216	50,923	10,018	-	-	11,099	12,117	37,568	3,271	40,839								
Bullock	204,460	-	3,448	16,147	-	19,595	6,839	-	-	2,069	8,908	25,648	(926)	24,722								
Butler	343,920	-	5,801	27,162	2,069	35,032	11,503	-	-	2,424	13,927	43,139	521	43,660								
Calhoun	366,662	-	6,184	28,958	6,467	41,609	12,264	-	-	-	12,264	45,990	3,601	49,591								
Chambers	339,831	-	5,732	26,839	10,338	42,909	11,367	-	48	-	11,415	42,627	4,647	47,274								
Cherokee	424,481	-	7,159	33,524	1,477	42,160	14,198	-	-	2,574	16,772	53,245	(161)	53,084								
Chilton	258,713	-	4,364	20,432	-	24,796	8,653	-	-	1,829	10,482	32,452	(650)	31,802								
Choctaw	343,768	-	5,798	27,149	-	41,695	11,498	-	-	-	11,498	43,120	3,916	47,036								
Clarke	317,968	-	5,363	25,112	9,688	40,163	10,635	-	-	-	10,635	39,884	3,896	43,780								
Clay	299,737	-	5,055	23,672	7,640	36,367	10,026	-	151	-	10,177	37,598	3,059	40,657								
Cleburne	398,562	-	6,722	31,477	1,566	39,765	13,331	-	2,427	-	15,758	49,993	231	50,224								
Coffee	405,185	-	6,834	32,000	7,671	46,505	13,553	-	-	-	13,553	50,825	3,747	54,572								
Colbert	284,784	-	4,803	22,491	4,784	32,078	9,525	-	-	2,010	11,535	35,721	2,476	38,197								
Conecuh	431,830	-	7,283	34,104	15,713	57,100	14,444	-	-	2,600	17,044	54,167	8,198	62,365								
Coosa	279,191	-	4,709	22,049	3,688	30,446	9,338	-	-	7,483	16,821	35,019	(1,019)	34,000								
Covington	322,817	-	5,445	25,495	5,916	36,856	10,797	-	-	-	10,797	40,490	27,732	33,754								
Crenshaw	357,200	-	6,025	28,210	14,872	49,107	11,948	-	-	-	11,948	44,805	7,175	51,980								
Cullman	343,633	-	5,796	27,139	16,355	49,290	11,494	-	-	-	11,494	43,104	7,203	50,307								
Dale	292,201	-	4,928	23,077	18,358	46,363	9,773	-	-	2,666	12,439	36,652	5,166	41,818								
Dallas	373,944	-	6,307	29,533	27,989	63,829	12,508	-	-	371	12,879	46,906	15,779	62,685								
DeKalb	386,312	-	6,516	30,509	18,485	55,510	12,921	-	-	-	12,921	48,456	9,020	57,476								
Elmore	373,471	-	6,299	29,495	9,628	45,422	12,492	-	379	-	12,871	46,847	5,368	52,215								
Escambia	290,461	-	4,899	22,939	998	28,836	9,715	-	-	3,100	12,815	36,435	(486)	35,949								
Etowah	570,835	-	9,628	45,082	-	54,710	19,093	-	-	5,754	24,847	71,603	(2,581)	69,022								
Fayette	551,810	-	9,307	43,580	4,612	57,499	18,457	-	-	3,145	21,602	69,217	1,010	70,227								
Franklin	490,494	-	8,273	38,737	2,157	49,167	16,406	-	-	4,280	20,686	61,527	(891)	60,636								
Geneva	303,285	-	5,115	23,952	926	29,993	10,144	-	-	2,141	12,285	38,043	(140)	37,903								
Greene	290,512	-	4,900	22,943	1,973	29,816	9,717	-	-	27,364	37,081	36,442	(7,855)	28,587								
Hale	392,902	-	6,627	31,030	4,124	41,781	13,142	-	-	2,771	15,913	49,284	1,768	51,052								
Henry	420,882	-	7,099	33,240	3,847	44,186	14,078	-	-	6,676	20,754	52,793	(2,835)	49,958								
Houston	408,919	-	6,897	32,295	55,604	94,796	13,677	-	-	-	13,677	51,292	19,518	70,810								
Jackson	383,153	-	6,462	30,260	3,394	40,116	12,816	-	-	10,747	23,563	48,062	(1,966)	46,096								
Jefferson	1,138,646	-	19,207	89,928	-	109,135	38,083	-	-	11,473	49,556	142,819	(5,149)	137,670								
Lamar	546,572	-	9,219	43,166	348	52,733	18,282	-	-	564	18,846	68,558	(154)	68,404								
Lauderdale	328,595	-	5,542	25,951	28,671	60,164	10,991	-	-	13,856	24,847	41,217	4,762	45,979								
Lawrence	305,549	-	5,153	24,131	6,001	35,285	10,220	-	-	3,952	14,172	38,328	(577)	37,751								
Lee	390,536	-	6,587	30,843	14,291	51,721	13,063	-	-	-	13,063	48,987	5,432	54,419								
Limestone	404,949	-	6,830	31,981	13,037	51,848	13,545	-	-	10,747	23,563	50,797	5,827	56,624								
Lowndes	288,873	-	4,872	22,814	-	27,686	9,662	-	-	2,914	12,576	36,234	(1,306)	34,928								
Macon	521,143	-	8,790	41,158	-	49,948	17,431	-	-	5,260	22,691	65,369	(2,358)	63,011								
Madison	406,081	-	6,849	32,071	12,120	51,040	13,582	-	-	12,960	26,542	50,935	2,256	53,191								
Marengo	389,235	-	6,565	30,740	15,226	52,531	13,019	-	-	10,596	23,615	48,824	(598)	48,226								
Marion	417,097	-	7,035	32,941	25,895	65,871	13,951	-	-	2,945	16,896	52,319	16,221	68,540								
Marshall	318,762	-	5,376	25,175	6,569	37,120	10,662	-	-	1,135	11,797	39,984	1,561	41,545								
Mobile	606,874	-	10,236	47,929	-	58,165	20,299	-	-	6,128	26,427	76,123	(2,748)	73,375								
Monroe	476,166	-	8,031	37,606	-	45,637	15,927	-	-	4,818	20,745	59,728	(2,164)	57,564								
Montgomery	418,364	-	7,056	33,041	13,196	53,293	13,993	-	-	7,742	21,735	52,477	2,372	54,849								
Morgan	342,416	-	5,775	27,043	2,043	35,393	11,453	-	-	2,689	14,142	42,950	(11)	42,939								
Perry	289,329	-	4,880	22,850	5,675	33,405	9,677	-	-	1,134	10,811	36,293	1,190	37,483								
Pickens	268,074	-	4,521	21,171	11,817	37,509	8,966	-	-	260	9,226	33,627	4,327	37,954								
Pike	369,399	-	6,230	29,174	17,920	53,324	12,356	-	-	22,653	35,009	46,335	(9,110)	37,225								
Randolph	241,242	-	4,069	19,052	-	23,121	8,069	-	-	2,435	10,504	30,260	(1,091)	29,169								
Russell	321,499	-	5,423	25,391	-	30,814	10,753	-	-	3,240	13,993	40,325	(1,452)	38,873								
Shelby	477,146	-	8,048	37,683	6,754	52,485	15,959	-	-	4,463	20,422	59,851	(214)	59,637								

The accompanying notes are an integral part of the Schedule of Employer Allocations and Pension Amounts by Employer. See Independent Auditors' Report.

Judicial Retirement Fund of Alabama
Schedule of Pension Amounts by Employer
As of and for the Fiscal Year Ended September 30, 2017 with Net Pension Liability as of September 30, 2016

County	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense		
	2016 Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions		Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions		Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
				Change of Assumptions	Proportionate Share of Contributions				Proportionate Share of Contributions	Proportionate Share of Contributions			
St. Clair	347,519	-	5,861	27,446	3,051	36,358	11,624	-	2,100	13,724	43,591	1,036	44,627
Sumter	280,560	-	4,732	22,158	-	26,890	9,384	-	2,642	12,026	35,191	(1,143)	34,048
Talladega	332,938	-	5,615	26,294	-	31,909	11,136	-	3,356	14,492	41,763	(1,505)	40,258
Tallapoosa	249,589	-	4,210	19,712	3,452	27,374	8,348	-	26,779	35,127	31,306	(7,563)	23,743
Tuscaloosa	602,312	-	10,159	47,568	12,085	69,812	20,146	-	482	20,628	75,550	3,881	79,431
Walker	282,553	-	4,766	22,315	-	27,081	9,451	-	2,850	12,301	35,441	(1,277)	34,164
Washington	410,727	-	6,927	32,438	10,302	49,667	13,738	-	-	13,738	51,519	4,236	55,755
Wilcox	301,207	-	5,080	23,788	11,525	40,393	10,075	-	-	10,075	37,782	5,595	43,377
Winston	418,787	-	7,063	33,074	3,910	44,047	14,007	-	4,139	18,146	52,533	(1,378)	51,155
Total for State Support Provided to the Counties	25,521,743	-	430,458	2,015,611	520,582	2,966,651	853,644	-	305,025	1,158,669	3,201,307	100,178	3,301,485
State Employer	143,439,243	-	2,419,294	11,328,288	-	13,747,582	4,797,715	-	215,557	5,013,272	17,992,230	(100,178)	17,892,052
Total State of Alabama	\$ 168,960,986	\$ -	\$ 2,849,752	\$ 13,343,899	\$ 520,582	\$ 16,714,233	\$ 5,651,359	\$ -	\$ 520,582	\$ 6,171,941	\$ 21,193,537	\$ -	\$ 21,193,537

The accompanying notes are an integral part of the Schedule of Employer Allocations and Pension Amounts by Employer. See Independent Auditors' Report.

Judicial Retirement Fund of Alabama
Notes to the Schedule of Employer Allocations and Pension Amounts by Employer
As of and for the Fiscal Year Ended September 30, 2016

1) Plan Description

The Judicial Retirement Fund of Alabama (JRF), a cost-sharing multiple-employer public employee retirement plan, was established as of September 18, 1973, under the provisions of Act 1163 of the Legislature of 1973 for the purpose of providing retirement allowances and other specified benefits for any Justice of the Supreme Court of Alabama, Judge of the Court of Civil Appeals, Judge of the Court of Criminal Appeals, Judge of the Circuit Court, or office holder of any newly created judicial office receiving compensation from the State Treasury. Act 1205 of the Legislature of 1975 supplemented the provisions of Act 1163 and enlarged the scope and coverage of the JRF to include District and Probate Judges. The responsibility for the general administration and operation of the JRF is vested in the Board of Control of the Employees' Retirement System of Alabama (ERS). The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

The JRF serves 68 units. These participating units include 67 counties and the State of Alabama.

Pension Benefits

The JRF benefits vest from five to eighteen years. Except for justices or judges who were either disabled, elected prior to July 30, 1979, or have at least 25 years of creditable service, no justice or judge is eligible to receive judicial service retirement pay prior to attaining age 60. Service retirement benefits for justices and judges are dependent upon the particular office held in the judicial branch of government. A retirement benefit is payable upon the request of any member who has: (1) 25 years of creditable service (regardless of age), (2) completed 12 years of creditable service and has attained age 65, (3) completed 15 years of creditable service and whose age plus service equals or exceeds 77, (4) completed 10 years of creditable service and has attained age 70 or (5) been elected prior to July 30, 1979, and has 18 years of service (regardless of age). A member eligible to retire who has not requested his or her retirement benefit to commence at the end of the term in which the member's 70th birthday occurs is entitled only to the refund of his or her contributions (except for members with at least 25 years of creditable service). The service retirement benefit for circuit, appellate, and probate judges is 75% of the member's salary at the time of separation from service. The service retirement benefit for a district judge is 75% of the position's salary immediately prior to retirement.

Member and Employer Contributions

JRF members contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, JRF members were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, JRF members are required by statute to contribute 8.50% of earnable compensation.

Judicial Retirement Fund of Alabama
Notes to the Schedule of Employer Allocations and Pension Amounts by Employer
As of and for the Fiscal Year Ended September 30, 2016

2) Measurement Focus and Basis of Accounting

The schedules are presented in accordance with the standards issued by the Governmental Accounting Standards Board (GASB). As prescribed by GASB, they are reported using the economic resources measurement focus and the accrual basis of accounting.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the JRF and additions to/deductions from the fiduciary net position of the JRF have been determined on the same basis as they are reported. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure in the financial statements. Actual results may differ from these estimates.

3) Net Pension Liability

The net pension liability of \$168,960,986 was measured as of September 30, 2016. The total pension liability is based on the actuarial valuation as of September 30, 2015. The expected total pension liability is determined as of September 30, 2016, using standard roll-forward techniques as follows:

	<u>Expected</u>	<u>Actual Before Experience Study</u>	<u>Actual After Experience Study</u>
Total Pension Liability as of 9/30/2015 (a)	\$ 424,203,675	\$ 421,900,585	\$ 439,363,803
Entry Age Normal Cost* for 10/1/2015 - 9/30/2016 (b)	\$ 9,806,737	\$ 9,806,737	\$ 9,797,977
Actual Benefit Payments for 10/1/2015 - 9/30/2016 (c)	\$ 31,007,893	\$ 31,007,893	\$ 31,007,893
Total Pension Liability as of 9/30/2016**	\$ 435,698,497	\$ 433,211,160	\$ 451,003,026
Difference between Expected & Actual Experience (Gain)/Loss		\$ (2,487,337)	
Difference due to Change in Assumptions (Gain)/Loss			\$ 17,791,866

*Also called the Service Cost.

**Expected and Actual Before Experience Study: $(a \times 1.08) + b - (c \times 1.04)$

**Actual After Experience Study: $(a \times 1.0775) + b - (c \times 1.03875)$

The components of the net pension liability determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, as of September 30, 2016, were as follows:

Total Pension Liability	\$ 451,003,026
Less: Plan Net Position	(282,042,040)
Net Pension Liability	<u><u>\$ 168,960,986</u></u>

Plan Net Position as a Percentage of the Total Pension Liability	62.54%
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Judicial Retirement Fund of Alabama
Notes to the Schedule of Employer Allocations and Pension Amounts by Employer
As of and for the Fiscal Year Ended September 30, 2016

4) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected Salary Increases	3.25% - 3.50%
Investment Rate of Return	7.75%

The actuarial assumptions used in the actuarial valuation as of September 30, 2015, were based on the results of an investigation of the economic and demographic experience for the JRF based upon participant data as of September 30, 2015. This investigation resulted in changes to the following actuarial assumptions:

	Fiscal Year Ending 9/30/2016
Price Inflation	3.00% to 2.75%
Real Rate of Investment Return	No change
Total Rate of Investment Return	8.00% to 7.75%
Real Rate of Wage Inflation	No change
Wage Inflation	3.25% to 3.00%
Payroll Growth	3.25% to 3.00%

The Boards of Control for each accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

Mortality rates for JRF were based on the White Collar Mortality Table projected to 2020 using Scale BB and adjusted 115% for males and 112% for females age 78 and older. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using Scale BB and adjusted 105% for males and 120% for females.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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 by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	22.00%	4.40%
U.S. Large Stocks	41.00%	8.00%
U.S. Mid Stocks	11.00%	10.00%
U.S. Small Stocks	3.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	1.00%	10.10%
Real Estate	2.00%	7.50%
Cash	5.00%	1.50%
Total	<u>100.00%</u>	

*Includes assumed rate of inflation of 2.50%.

Judicial Retirement Fund of Alabama
Notes to the Schedule of Employer Allocations and Pension Amounts by Employer
As of and for the Fiscal Year Ended September 30, 2016

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability of the JRF calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Current	
1% Decrease	Discount Rate	1% Increase
(6.75%)	(7.75%)	(8.75%)
<hr/>	<hr/>	<hr/>
\$ 209,099,437	\$ 168,960,986	\$ 134,210,132

5) Proportionate Share

Collective amounts have been allocated based on the proportionate share associated with each participating employer. The State makes contributions to JRF for its employees and also on behalf of employees of the participating county 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*, and the State is treated as a non-employer contributing entity in JRF. Since the counties do not contribute directly to the JRF, there is no NPL or deferred inflows or outflows to report in the financial statements of the counties. However, the notes to the financial statements must disclose the portion of the non-employer contributing entities' total proportionate share of the collective NPL that is associated with the employer. In addition, each county must recognize the total PE associated with the county as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective PE associated with the county.

The proportionate share percentages for the State as the employer and the State as a non-employer contributing entity have been calculated based on actual contributions to the Fund as shown in the following table:

Contribution Type	Amount	Proportionate Share
Employer Contributions related to Special Funding Employers	\$ 2,647,793	15.10511%
Employer Contributions related to State Employer	14,881,332	84.89489%
Total Employer Contributions	<u>\$ 17,529,125</u>	<u>100.00000%</u>

The proportionate share percentages for each employer in a special funding situation have been determined by allocating the total proportionate share for these employers based on the total salaries of the employees of each employer.

6) Additional Financial and Actuarial Information

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (including the disclosure of the net pension liability and the unqualified audit opinion on the financial statements) is located in RSA's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. The supporting actuarial information is included in the GASB Statement No. 67 Report for the JRF prepared as of September 30, 2016. The additional financial and actuarial information is available at www.rsa-al.gov.

Supplementary Schedules

Judicial Retirement Fund of Alabama
Reconciliation of Member Contributions to Calculation of Salary Amounts
For the Fiscal Year Ended September 30, 2016

County	Total Member Contributions	Adjustments	Annual Contributions to Calculate Salary	Calculated Salary*
Autauga	\$ 10,552.56	\$ -	\$ 10,552.56	\$ 124,147.76
Baldwin	11,648.26	(905.74)	10,742.52	126,382.59
Barbour	4,462.56	-	4,462.56	52,500.71
Bibb	6,491.04	-	6,491.04	76,365.18
Blount	6,537.12	-	6,537.12	76,907.29
Bullock	4,462.56	-	4,462.56	52,500.71
Butler	7,506.36	-	7,506.36	88,310.12
Calhoun	8,002.49	-	8,002.49	94,146.94
Chambers	7,416.90	-	7,416.90	87,257.65
Cherokee	9,264.60	-	9,264.60	108,995.29
Chilton	5,646.60	-	5,646.60	66,430.59
Choctaw	7,502.88	-	7,502.88	88,269.18
Clarke	6,939.81	-	6,939.81	81,644.82
Clay	6,541.83	-	6,541.83	76,962.71
Cleburne	8,698.80	-	8,698.80	102,338.82
Coffee	8,843.52	-	8,843.52	104,041.41
Colbert	6,215.52	-	6,215.52	73,123.76
Conecuh	8,639.62	785.42	9,425.04	110,882.82
Coosa	6,644.94	(551.54)	6,093.40	71,687.06
Covington	7,045.55	-	7,045.55	82,888.82
Crenshaw	7,796.07	-	7,796.07	91,718.47
Cullman	7,500.18	-	7,500.18	88,237.41
Dale	6,377.59	-	6,377.59	75,030.47
Dallas	8,161.75	-	8,161.75	96,020.59
DeKalb	8,431.44	-	8,431.44	99,193.41
Elmore	8,151.42	-	8,151.42	95,899.06
Escambia	6,339.60	-	6,339.60	74,583.53
Etowah	12,458.76	-	12,458.76	146,573.65
Fayette	12,043.80	-	12,043.80	141,691.76
Franklin	10,705.50	-	10,705.50	125,947.06
Geneva	6,619.56	-	6,619.56	77,877.18
Greene	6,340.72	-	6,340.72	74,596.71
Hale	8,575.44	-	8,575.44	100,887.53
Henry	9,186.15	-	9,186.15	108,072.35
Houston	8,997.56	(72.54)	8,925.02	105,000.24
Jackson	8,362.63	-	8,362.63	98,383.88
Jefferson	24,851.76	-	24,851.76	292,373.65
Lamar	11,929.20	-	11,929.20	140,343.53
Lauderdale	7,171.68	-	7,171.68	84,372.71
Lawrence	6,669.00	-	6,669.00	78,458.82
Lee	8,523.72	-	8,523.72	100,279.06
Limestone	8,838.48	-	8,838.48	103,982.12
Lowndes	6,304.80	-	6,304.80	74,174.12
Macon	11,374.44	-	11,374.44	133,816.94
Madison	8,862.88	-	8,862.88	104,269.18
Marengo	8,495.52	-	8,495.52	99,947.29
Marion	9,103.56	-	9,103.56	107,100.71
Marshall	6,957.36	-	6,957.36	81,851.29
Mobile	13,245.60	-	13,245.60	155,830.59

See Independent Auditors' Report.

Judicial Retirement Fund of Alabama
Reconciliation of Member Contributions to Calculation of Salary Amounts
For the Fiscal Year Ended September 30, 2016

County	Total Member Contributions	Adjustments	Annual Contributions to Calculate Salary	Calculated Salary*
Monroe	10,392.60	-	10,392.60	122,265.88
Montgomery	9,131.13	-	9,131.13	107,425.06
Morgan	7,473.36	-	7,473.36	87,921.88
Perry	6,315.03	-	6,315.03	74,294.47
Pickens	6,272.30	(421.24)	5,851.06	68,836.00
Pike	8,062.25	-	8,062.25	94,850.00
Randolph	5,265.36	-	5,265.36	61,945.41
Russell	7,016.88	-	7,016.88	82,551.53
Shelby	10,413.92	-	10,413.92	122,516.71
St. Clair	7,584.96	-	7,584.96	89,234.82
Sumter	6,123.48	-	6,123.48	72,040.94
Talladega	7,266.48	-	7,266.48	85,488.00
Tallapoosa	5,447.40	-	5,447.40	64,087.06
Tuscaloosa	13,145.76	-	13,145.76	154,656.00
Walker	6,166.92	-	6,166.92	72,552.00
Washington	8,964.27	-	8,964.27	105,462.00
Wilcox	6,574.08	-	6,574.08	77,342.12
Winston	9,140.68	-	9,140.68	107,537.41
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Total for State Support Provided to the Counties	558,196.55	(1,165.64)	557,030.91	6,553,304.82
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State of Alabama	3,087,171.01	-	3,087,171.01	36,319,658.94
	3,645,367.56	\$ (1,165.64)	\$ 3,644,201.92	\$ 42,872,963.76
<hr/>				
Member Purchased Service	-			
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Member Contributions per CAFR	\$ 3,645,367.56			
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*Differences between Calculated Salary above and Calculated Salary per the Schedule of Employer Allocations are attributable to rounding and are considered immaterial.

See Independent Auditors' Report.

Judicial Retirement Fund of Alabama
Schedule of Remaining Deferred Outflows/(Inflows)
As of and for the Fiscal Year Ending September 30, 2017

County	2018	2019	2020	2021	2022	Thereafter
Autauga	\$ 5,597	\$ 6,090	\$ 16,048	\$ (2,441)	\$ -	\$ -
Baldwin	9,667	9,504	20,348	(5,031)	-	-
Barbour	2,365	2,571	6,786	(1,035)	-	-
Bibb	4,113	4,411	9,877	(1,440)	-	-
Blount	8,093	6,941	30,514	(15,742)	-	-
Bullock	2,365	2,571	6,786	(1,035)	-	-
Butler	6,057	5,366	11,412	(1,730)	-	-
Calhoun	9,504	8,320	15,459	(3,938)	-	-
Chambers	10,118	8,895	19,998	(7,517)	-	-
Cherokee	6,672	6,680	14,091	(2,055)	-	-
Chilton	3,515	3,515	8,593	(1,309)	-	-
Choctaw	9,450	8,954	17,217	(5,424)	-	-
Clarke	9,015	8,709	18,714	(6,910)	-	-
Clay	7,884	7,300	17,648	(6,642)	-	-
Cleburne	6,647	6,127	13,227	(1,994)	-	-
Coffee	10,270	9,678	17,595	(4,591)	-	-
Colbert	7,060	5,468	9,453	(1,438)	-	-
Conecuh	15,150	12,382	14,336	(1,812)	-	-
Coosa	3,475	3,757	4,310	2,083	-	-
Covington	(1,539)	(1,230)	(14,139)	15,235	-	-
Crenshaw	12,925	11,515	18,996	(6,277)	-	-
Cullman	12,735	11,635	21,980	(8,554)	-	-
Dale	9,870	10,760	24,049	(10,755)	-	-
Dallas	21,799	15,171	22,779	(8,799)	-	-
DeKalb	15,239	13,293	21,407	(7,350)	-	-
Elmore	11,380	9,041	17,255	(5,125)	-	-
Escambia	4,190	4,063	8,290	(522)	-	-
Etowah	6,608	7,188	18,949	(2,882)	-	-
Fayette	9,893	10,032	18,911	(2,939)	-	-
Franklin	7,005	7,498	16,425	(2,447)	-	-
Geneva	4,742	4,432	10,059	(1,525)	-	-
Greene	(3,178)	(3,833)	(15,638)	15,384	-	-
Hale	8,093	6,719	13,039	(1,983)	-	-
Henry	3,940	6,168	18,014	(4,690)	-	-
Houston	26,101	25,811	65,922	(36,715)	-	-
Jackson	4,202	4,202	4,281	3,868	-	-
Jefferson	13,182	14,333	37,806	(5,742)	-	-
Lamar	8,645	8,649	21,782	(5,189)	-	-
Lauderdale	10,052	8,249	36,147	(19,131)	-	-
Lawrence	4,342	5,557	17,984	(6,770)	-	-
Lee	11,719	11,489	25,842	(10,392)	-	-
Limestone	12,346	11,579	21,615	(7,237)	-	-
Lowndes	3,344	3,638	9,586	(1,458)	-	-
Macon	6,031	6,559	17,294	(2,627)	-	-
Madison	8,793	4,755	13,490	(2,540)	-	-
Marengo	5,668	9,198	20,766	(6,716)	-	-
Marion	22,935	14,302	13,841	(2,103)	-	-
Marshall	6,692	6,847	19,068	(7,284)	-	-
Mobile	7,022	7,637	20,146	(3,067)	-	-
Monroe	5,501	5,990	15,807	(2,406)	-	-
Montgomery	9,107	7,447	24,625	(9,621)	-	-
Morgan	5,501	5,843	11,757	(1,850)	-	-
Perry	5,848	6,130	17,020	(6,404)	-	-
Pickens	8,642	8,130	20,795	(9,284)	-	-
Pike	(3,163)	4,354	32,407	(15,283)	-	-
Randolph	2,793	3,035	8,013	(1,224)	-	-
Russell	3,724	4,049	10,672	(1,624)	-	-
Shelby	7,467	8,063	25,464	(8,931)	-	-
St. Clair	6,630	6,134	11,528	(1,658)	-	-
Sumter	3,373	3,596	9,309	(1,414)	-	-
Talladega	3,855	4,193	11,050	(1,681)	-	-
Tallapoosa	(3,545)	(3,263)	(16,153)	15,208	-	-
Tuscaloosa	13,577	13,493	35,460	(13,346)	-	-
Walker	3,272	3,558	9,378	(1,428)	-	-

See Independent Auditors' Report.

Judicial Retirement Fund of Alabama
Schedule of Remaining Deferred Outflows/(Inflows)
As of and for the Fiscal Year Ending September 30, 2017

County	2018	2019	2020	2021	2022	Thereafter
Washington	10,848	10,260	23,141	(8,320)	-	-
Wilcox	10,444	9,550	14,634	(4,310)	-	-
Winston	5,364	6,607	20,331	(6,401)	-	-
Total for State Support Provided to the Counties	511,031	489,665	1,103,596	(296,310)	-	-
State Employer	2,208,927	2,230,294	5,522,339	(1,227,250)	-	-
Total State of Alabama	\$ 2,719,958	\$ 2,719,959	\$ 6,625,935	\$ (1,523,560)	\$ -	\$ -

See Independent Auditors' Report.