

Judicial Retirement Fund of Alabama

Schedule of Employer Allocations

&

Pension Amounts by Employer

As of and for the Fiscal Year Ended September 30, 2017

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Judicial Retirement Fund of Alabama
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INDEPENDENT AUDITORS' REPORT

To the Board of Control
Judicial Retirement Fund of Alabama

We have audited the accompanying schedule of employer allocations of the Judicial Retirement Fund of Alabama (JRF) as of and for the year ended September 30, 2017, and the related notes. We have also audited the total for all entities of the columns titled 2017 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 of the Judicial Retirement Fund of Alabama as of and for the year ended September 30, 2017 and the related notes

Management's Responsibility for the Financial Information

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 opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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 employer allocations as of and for the year ended September 30, 2017 and the 2017 net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Judicial Retirement Fund of Alabama as of and for the year ended September 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the schedule of employer allocations and specified column totals included in the accompanying schedule of pension amounts by employer of the Judicial Retirement Fund of Alabama. The reconciliation of member contributions to the calculation of salary amounts used in the schedule of employer allocations for the fiscal year ended September 30, 2017 and the schedule of remaining deferred outflows/(inflows) as of and for the fiscal year ended September 30, 2018, collectively referred to as "the supplemental schedules," are the responsibility of management and are presented for purposes of additional analysis and are not a required part of the schedule of employer allocations and specified column totals included in the accompanying schedule of pension amounts by employer. The supplemental schedules have not been subjected to the auditing procedures applied in the audit of the schedule of employer allocations and specified column totals included in the accompanying schedule of pension amounts by employer and, accordingly, we do not express an opinion or provide any assurance on these schedules.

Other Matter

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, 2017, and our report thereon, dated January 31, 2018, expressed an unmodified opinion on those financial statements.

Restriction on Use

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

Cam, Riggs & Ingram, L.L.C.

August 20, 2018
Montgomery, Alabama

Judicial Retirement Fund of Alabama
Schedule of Employer Allocations
For the Fiscal Year Ended September 30, 2017

County	2017 Calculated Salary	2017 Employer Allocation Percentage
Autauga	\$ 124,148	0.28523%
Baldwin	127,869	0.29378%
Barbour	52,501	0.12062%
Bibb	76,365	0.17545%
Blount	78,805	0.18105%
Bullock	52,501	0.12062%
Butler	90,076	0.20695%
Calhoun	97,289	0.22352%
Chambers	88,213	0.20267%
Cherokee	108,995	0.25041%
Chilton	66,431	0.15262%
Choctaw	90,476	0.20787%
Clarke	80,193	0.18424%
Clay	74,112	0.17027%
Cleburne	103,379	0.23751%
Coffee	106,122	0.24381%
Colbert	73,124	0.16800%
Conecuh	110,883	0.25475%
Coosa	73,525	0.16892%
Covington	88,688	0.20376%
Crenshaw	94,468	0.21704%
Cullman	91,029	0.20914%
Dale	76,594	0.17597%
Dallas	95,714	0.21990%
DeKalb	99,193	0.22789%
Elmore	96,896	0.22262%
Escambia	74,584	0.17135%
Etowah	146,574	0.33675%
Fayette	143,041	0.32863%
Franklin	125,947	0.28936%
Geneva	77,877	0.17892%
Greene	84,222	0.19350%
Hale	100,888	0.23179%
Henry	108,448	0.24916%
Houston	106,009	0.24355%
Jackson	102,130	0.23464%
Jefferson	292,370	0.67172%
Lamar	140,344	0.32244%
Lauderdale	86,372	0.19844%
Lawrence	75,553	0.17358%
Lee	101,959	0.23425%
Limestone	103,982	0.23890%
Lowndes	80,323	0.18454%
Macon	133,817	0.30744%
Madison	104,263	0.23954%
Marengo	111,943	0.25719%
Marion	107,101	0.24606%

*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, 2017

County	2017 Calculated Salary	2017 Employer Allocation Percentage
Marshall	81,851	0.18805%
Mobile	155,831	0.35802%
Monroe	132,380	0.30414%
Montgomery	103,446	0.23767%
Morgan	87,922	0.20200%
Perry	71,543	0.16437%
Pickens	66,358	0.15246%
Pike	92,600	0.21275%
Randolph	61,945	0.14232%
Russell	82,552	0.18966%
Shelby	121,327	0.27875%
St. Clair	89,235	0.20501%
Sumter	75,342	0.17310%
Talladega	85,488	0.19641%
Tallapoosa	48,828	0.11218%
Tuscaloosa	148,928	0.34216%
Walker	72,552	0.16669%
Washington	106,501	0.24468%
Wilcox	77,342	0.17769%
Winston	104,330	0.23968%
Total for State Support Provided to the Counties	<u>\$ 6,591,637</u>	<u>15.14415%</u>
State Employer		84.85585%
Total State of Alabama		<u>100.00000%</u>

*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, 2018 with Net Pension Liability as of September 30, 2017

County	2017 Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense			
		Changes in		Net Difference		Changes in		Deferred Amounts		Deferred Amounts		Deferred Amounts	
		Differences Between Employer Contributions and Proportionate Share of Contributions	Change of Assumptions	Differences Between Expected and Actual Experience	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Pension Plan Investments	Change of Assumptions	Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Autauga	\$ 440,251	\$ -	\$ 25,374	\$ 18,533	\$ 25,374	\$ 18,533	\$ 19,638	\$ -	\$ 3,784	\$ 41,955	\$ 50,744	\$ (2,564)	\$ 48,180
Baldwin	453,447	-	26,134	31,078	31,078	19,089	20,227	-	-	39,316	52,264	2,747	55,011
Barbour	186,176	-	10,730	7,837	10,730	8,305	8,305	-	1,603	17,745	21,458	(1,085)	20,373
Bibb	270,806	-	15,608	16,175	16,175	11,400	12,080	-	2,159	25,639	31,214	(907)	30,307
Blount	279,449	-	16,106	34,219	34,219	11,764	12,465	-	5,814	30,043	32,209	4,807	37,016
Bullock	186,176	-	10,730	7,837	10,730	8,305	8,305	-	1,603	17,745	21,458	(1,085)	20,373
Butler	319,426	-	18,410	4,695	23,105	13,447	14,248	-	1,565	29,260	36,817	1,902	38,719
Calhoun	345,002	-	19,884	10,535	30,419	14,523	15,389	-	-	29,912	39,764	6,246	46,010
Chambers	312,820	-	18,029	7,483	25,512	13,169	13,954	-	26	27,149	36,057	5,273	41,330
Cherokee	386,506	-	22,276	773	23,049	16,271	17,241	-	2,676	36,188	44,551	(494)	44,057
Chilton	235,568	-	13,577	9,917	13,577	9,917	10,508	-	1,768	22,193	27,153	(853)	26,300
Choctaw	320,846	-	18,492	28,518	28,518	13,507	14,312	-	-	27,819	36,982	5,707	42,689
Clay	284,373	-	16,390	5,792	22,182	11,971	12,685	-	4,653	29,309	32,777	2,292	35,069
Clarke	262,811	-	15,147	11,064	11,064	11,064	11,723	-	8,480	31,267	30,292	163	30,455
Cleburne	366,595	-	21,129	23,560	23,560	15,433	16,352	-	1,615	33,400	42,254	889	43,143
Coffee	376,319	-	21,689	30,325	30,325	15,842	16,786	-	-	32,628	43,375	5,372	48,747
Colbert	259,307	-	14,945	10,916	16,541	10,916	11,567	-	1,946	24,429	29,889	2,252	32,141
Concuch	393,205	-	22,662	6,648	29,310	16,553	17,539	-	2,711	36,803	45,321	7,861	53,182
Coosa	260,727	-	15,027	6,266	21,293	10,976	11,630	-	4,707	27,313	30,052	476	30,528
Covington	314,502	-	18,126	36,185	36,185	13,240	14,029	-	18,178	45,447	36,250	(1,577)	34,673
Crenshaw	335,000	-	19,308	33,657	33,657	14,102	14,943	-	-	29,045	38,611	9,462	48,073
Cullman	322,806	-	18,605	15,937	15,937	13,589	14,399	-	-	27,988	37,206	9,543	46,749
Dale	271,609	-	15,654	14,984	30,638	11,434	12,115	-	888	24,437	31,306	6,397	37,703
Dallas	339,414	-	19,562	31,595	31,595	14,288	15,140	-	1,867	31,295	39,121	15,202	54,323
DeKalb	351,747	-	20,273	29,738	29,738	14,807	15,690	-	883	31,380	40,543	8,715	49,258
Elmore	343,613	-	19,804	5,940	25,744	14,465	15,327	-	198	29,990	39,604	6,010	45,614
Escambia	264,478	-	15,243	15,694	15,694	11,134	11,797	-	2,727	25,658	30,484	(713)	29,771
Etowah	357,766	-	29,957	29,957	29,957	21,881	23,185	-	4,469	49,535	59,909	(3,028)	56,881
Fayette	507,238	-	22,235	34,053	34,053	21,353	22,626	-	1,958	45,937	58,465	1,838	60,303
Franklin	446,625	-	25,741	26,871	26,871	18,802	19,922	-	3,469	42,193	51,478	(1,273)	50,205
Geneva	276,162	-	15,917	16,225	16,225	11,626	12,319	-	2,067	26,012	31,832	(376)	31,456
Greene	298,666	-	17,214	43,270	43,270	12,573	13,322	-	18,195	44,090	34,423	902	35,325
Hale	357,766	-	20,620	21,995	21,995	15,061	15,959	-	2,673	33,693	41,236	1,463	42,699
Henry	384,577	-	22,165	24,466	24,466	16,189	17,155	-	2,224	35,568	44,326	(2,811)	41,515
Houston	375,918	-	21,666	59,554	59,554	15,825	16,768	-	-	32,593	43,330	20,140	63,470
Jackson	362,165	-	20,873	31,920	31,920	15,246	16,155	-	7,164	38,565	41,744	1,230	42,974
Jefferson	1,036,794	-	59,757	59,757	59,757	43,644	46,245	-	8,900	98,789	119,494	(6,035)	113,459
Lamar	497,684	-	28,684	28,916	28,916	20,951	22,200	-	1,531	44,682	57,363	(581)	56,782
Lauderdale	306,291	-	17,653	39,629	39,629	12,894	13,662	-	7,258	33,814	35,303	6,370	41,673
Lawrence	267,920	-	15,442	19,443	19,443	11,279	11,951	-	9,928	33,158	30,881	(3,526)	27,355
Lee	361,563	-	20,839	12,522	33,361	15,221	16,128	-	-	31,349	41,674	6,695	48,369
Linestone	368,741	-	21,252	28,462	28,462	15,523	16,448	-	908	32,879	42,502	5,514	48,016
Lowndes	284,836	-	16,417	32,402	32,402	11,991	12,705	-	1,608	26,304	32,829	4,206	37,035
Macon	474,532	-	27,350	27,350	27,350	19,976	21,167	-	4,079	45,222	54,694	(2,764)	51,930
Madison	369,728	-	21,309	25,350	25,350	15,564	16,492	-	8,079	40,135	42,615	1,931	44,546
Marengo	396,971	-	22,879	63,234	63,234	16,711	17,707	-	3,533	37,951	45,753	10,297	56,050
Marion	379,792	-	21,889	8,631	30,520	15,988	16,941	-	2,844	35,773	43,775	15,896	59,671
Marshall	290,254	-	16,729	21,108	21,108	12,219	12,947	-	1,225	26,391	33,455	1,313	34,768
Mobile	552,602	-	31,849	23,263	23,263	12,219	12,947	-	4,747	52,660	63,695	(3,219)	60,476
Monroe	469,438	-	26,293	53,349	53,349	19,762	20,940	-	2,654	43,356	54,108	6,902	61,010
Montgomery	366,842	-	21,143	28,281	28,281	15,443	16,363	-	15,764	47,570	42,280	(1,665)	46,615
Morgan	311,786	-	17,970	19,319	19,319	13,125	13,908	-	2,229	29,262	35,936	(279)	35,657
Perry	253,704	-	14,622	18,405	18,405	10,680	11,317	-	8,525	30,522	29,243	(1,601)	27,642
Pickens	235,321	-	13,563	20,929	20,929	9,906	10,497	-	7,440	27,843	27,122	1,808	28,930
Pike	328,378	-	18,926	30,873	30,873	13,824	14,648	-	14,497	42,969	37,850	(11,499)	26,351
Randolph	219,670	-	12,661	12,661	12,661	9,247	9,799	-	1,886	20,932	25,319	(1,278)	24,041
Russell	292,739	-	16,872	16,872	16,872	12,323	13,058	-	2,518	27,899	33,742	(1,704)	32,038
Shelby	430,249	-	24,797	29,299	29,299	18,112	19,192	-	6,296	43,600	49,591	(1,697)	47,894

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, 2018 with Net Pension Liability as of September 30, 2017

County	2017 Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense			
		Changes in				Proportion and				Deferred Amounts			
		Differences Between Expected and Actual Experience	Change of Assumptions	Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Change of Assumptions	Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
St. Clair	316,432	-	18,238	1,315	19,553	13,321	14,115	-	2,190	29,626	36,473	764	37,237
Sumter	267,179	-	15,399	8,305	23,704	11,247	11,918	-	1,499	24,664	30,794	1,721	32,515
Talladega	303,158	-	17,473	-	17,473	12,762	13,523	-	2,606	28,891	34,942	(1,765)	33,177
Tallapoosa	173,149	-	9,979	1,808	11,787	7,289	7,724	-	59,437	74,450	19,958	(21,999)	(2,041)
Tuscaloosa	528,122	-	30,438	7,974	38,412	22,232	23,558	-	17,120	62,910	60,872	(1,936)	58,936
Walker	257,285	-	14,829	-	14,829	10,831	11,477	-	2,209	24,517	29,655	(1,496)	28,159
Washington	377,662	-	21,767	7,939	29,706	15,898	16,846	-	-	32,744	43,529	4,882	48,411
Wilcox	274,263	-	15,807	5,930	21,737	11,546	12,234	-	683	24,463	31,612	5,359	36,971
Winston	369,944	-	21,322	2,606	23,928	15,574	16,502	-	11,093	43,169	42,643	(4,701)	37,942
Total for State Support Provided to the Counties	23,374,896	-	1,347,213	486,723	1,833,936	984,010	1,042,667	-	325,356	2,352,033	2,694,201	116,036	2,810,237
State Employer	130,974,444	-	7,548,719	-	7,548,719	5,513,613	5,842,284	-	161,367	11,517,264	15,096,168	(116,036)	14,980,132
Total State of Alabama	\$ 154,349,340	\$ -	\$ 8,895,932	\$ 486,723	\$ 9,382,655	\$ 6,497,623	\$ 6,884,951	\$ -	\$ 486,723	\$ 13,869,297	\$ 17,790,369	\$ -	\$ 17,790,369

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, 2017

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.

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, 2017

1) Plan Description, continued

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.

Act 498 of the Legislature of 2015 established a new group (Group 3) of members within JRF which consists of all justices, judges, circuit clerks, and district attorneys elected or appointed on or after November 8, 2016. Group 3 members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. A district attorney who has Tier 1 ERS transferred service as an assistant or deputy district attorney is eligible for service retirement with 25 years of service credit, regardless of age. Service and disability retirement benefits are calculated using a retirement formula. Group 3 members who are judges or justices are allowed 4% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 75% of their average final compensation. Group 3 members who are clerks or district attorneys are allowed 3% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation.

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. Group 3 members of the JRF contribute 8.50% of earnable compensation to the JRF as required by statute.

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, 2017

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 \$154,349,340 was measured as of September 30, 2017. The total pension liability is based on the actuarial valuation as of September 30, 2016. The expected total pension liability is determined as of September 30, 2017, using standard roll-forward techniques as follows:

	Expected	Actual
Total Pension Liability		
as of 9/30/2016 (a)	\$ 451,003	\$ 446,921
Entry Age Normal Cost* for		
10/1/2016 - 9/30/2017 (b)	\$ 9,815	\$ 9,815
Actual Benefit Payments for		
10/1/2016 - 9/30/2017 (c)	\$ 33,160	\$ 33,160
Total Pension Liability		
as of 9/30/2017	\$ 461,326	\$ 456,927
[(a) x (1.0775)] + (b) - [(c) x (1.03875)]		
Difference between Expected &		
Actual Experience (Gain)/Loss		\$ (4,399)

*Also called the Service Cost.

The components of the net pension liability determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, as of September 30, 2017, were as follows:

Total Pension Liability	\$ 456,927,472
Less: Plan Net Position	(302,578,132)
Net Pension Liability	<u>\$ 154,349,340</u>

**Plan Net Position as a Percentage
of the Total Pension Liability 66.22%**

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, 2017

4) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2016, 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, 2016, were based on the results of an investigation of the economic and demographic experience for the TRS, ERS, and JRF based upon participant data as of September 30, 2015, completed by the RSA and its actuaries. The purpose of the investigation was to assess the reasonableness of the actuarial assumptions and methods currently used by the RSA. This investigation resulted in changes to the actuarial assumptions. 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, 2017

4) Actuarial Assumptions, continued

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:

1% Decrease	Current	1% Increase
(6.75%)	Discount Rate	(8.75%)
(6.75%)	(7.75%)	(8.75%)
\$ 196,531,954	\$ 154,349,340	\$ 117,851,290

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	\$ 2,631,005	15.14415%
Employer Contributions related to State Employer	14,742,076	84.85585%
Total Employer Contributions	\$ 17,373,081	100.00000%

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, 2017

5) Proportionate Share, continued

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, 2017. The supporting actuarial information is included in the GASB Statement No. 67 Report for the JRF prepared as of September 30, 2017. 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, 2017

County	Total Member Contributions	Adjustments	Annual Contributions to Calculate Salary	Calculated Salary*
Autauga	\$ 10,552.56	\$ -	\$ 10,552.56	\$ 124,147.76
Baldwin	9,963.14	905.74	10,868.88	127,869.18
Barbour	4,462.56	-	4,462.56	52,500.71
Bibb	6,491.04	-	6,491.04	76,365.18
Blount	6,698.40	-	6,698.40	78,804.71
Bullock	4,462.56	-	4,462.56	52,500.71
Butler	8,023.00	(366.52)	7,656.48	90,076.24
Calhoun	8,269.55	-	8,269.55	97,288.82
Chambers	7,498.14	-	7,498.14	88,213.41
Cherokee	9,264.60	-	9,264.60	108,995.29
Chilton	5,646.60	-	5,646.60	66,430.59
Choctaw	7,690.44	-	7,690.44	90,475.76
Clarke	6,816.42	-	6,816.42	80,193.18
Clay	6,299.54	-	6,299.54	74,112.24
Cleburne	8,787.24	-	8,787.24	103,379.29
Coffee	9,020.40	-	9,020.40	106,122.35
Colbert	6,215.52	-	6,215.52	73,123.76
Conecuh	10,210.46	(785.42)	9,425.04	110,882.82
Coosa	6,249.60	-	6,249.60	73,524.71
Covington	7,538.44	-	7,538.44	88,687.53
Crenshaw	8,029.75	-	8,029.75	94,467.65
Cullman	7,737.50	-	7,737.50	91,029.41
Dale	6,510.48	-	6,510.48	76,593.88
Dallas	8,135.66	-	8,135.66	95,713.65
DeKalb	8,431.44	-	8,431.44	99,193.41
Elmore	8,236.18	-	8,236.18	96,896.24
Escambia	6,339.60	-	6,339.60	74,583.53
Etowah	12,458.76	-	12,458.76	146,573.65
Fayette	12,158.52	-	12,158.52	143,041.41
Franklin	10,705.50	-	10,705.50	125,947.06
Geneva	6,619.56	-	6,619.56	77,877.18
Greene	7,158.84	-	7,158.84	84,221.65
Hale	8,575.44	-	8,575.44	100,887.53
Henry	9,218.04	-	9,218.04	108,447.53
Houston	9,010.77	-	9,010.77	106,009.06
Jackson	8,681.02	-	8,681.02	102,129.65
Jefferson	24,851.76	-	24,851.76	292,373.65
Lamar	11,929.20	-	11,929.20	140,343.53
Lauderdale	7,341.60	-	7,341.60	86,371.76
Lawrence	6,421.99	-	6,421.99	75,552.82
Lee	8,666.52	-	8,666.52	101,959.06
Limestone	8,838.48	-	8,838.48	103,982.12
Lowndes	6,827.42	-	6,827.42	80,322.59
Macon	11,374.44	-	11,374.44	133,816.94

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, 2017

County	Total Member Contributions	Adjustments	Annual Contributions to Calculate Salary	Calculated Salary*
Madison	8,862.34	-	8,862.34	104,262.82
Marengo	9,515.16	-	9,515.16	111,943.06
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
Monroe	11,252.31	-	11,252.31	132,380.12
Montgomery	8,792.94	-	8,792.94	103,446.35
Morgan	7,473.36	-	7,473.36	87,921.88
Perry	6,081.14	-	6,081.14	71,542.82
Pickens	5,640.44	-	5,640.44	66,358.12
Pike	7,870.98	-	7,870.98	92,599.76
Randolph	5,265.36	-	5,265.36	61,945.41
Russell	7,016.89	-	7,016.89	82,551.65
Shelby	10,312.80	-	10,312.80	121,327.06
St. Clair	7,584.95	-	7,584.95	89,234.71
Sumter	6,404.09	-	6,404.09	75,342.24
Talladega	7,266.48	-	7,266.48	85,488.00
Tallapoosa	4,150.40	-	4,150.40	48,828.24
Tuscaloosa	12,658.88	-	12,658.88	148,928.00
Walker	6,166.92	-	6,166.92	72,552.00
Washington	9,052.56	-	9,052.56	106,500.71
Wilcox	6,574.08	-	6,574.08	77,342.12
Winston	8,868.05	-	8,868.05	104,330.00
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Total for State Support Provided to the Counties	560,535.33	(246.20)	560,289.13	6,591,636.82
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State of Alabama	3,151,018.77	-	3,151,018.77	37,070,809.06
	3,711,554.10	\$ (246.20)	\$ 3,711,307.90	\$ 43,662,445.88
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Member Purchased Service	-			
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Member Contributions per CAFR	\$ 3,711,554.10			

*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, 2018

County	2019	2020	2021	2022	2023	Thereafter
Autauga	\$ (3,497)	\$ 8,137	\$ (14,744)	\$ (6,477)	\$ -	\$ -
Baldwin	438	11,750	(11,288)	(9,138)	-	-
Barbour	(1,480)	3,437	(6,231)	(2,741)	-	-
Bibb	(1,482)	5,669	(9,066)	(4,585)	-	-
Blount	(2,657)	3,262	(4,389)	7,960	-	-
Bullock	(1,480)	3,437	(6,231)	(2,741)	-	-
Butler	1,214	8,606	(6,061)	(9,914)	-	-
Calhoun	4,394	11,941	(3,322)	(12,506)	-	-
Chambers	1,695	8,389	(7,974)	(3,747)	-	-
Cherokee	(1,314)	8,475	(12,950)	(7,350)	-	-
Chilton	(1,353)	4,609	(7,892)	(3,980)	-	-
Choctaw	3,074	10,697	(4,959)	(8,113)	-	-
Clarke	(1,019)	5,872	(13,334)	1,354	-	-
Clay	(2,939)	3,127	(16,282)	4,484	-	-
Cleburne	105	8,862	(9,554)	(9,253)	-	-
Coffee	3,176	12,107	(7,149)	(10,437)	-	-
Colbert	1,704	6,674	(8,685)	(7,581)	-	-
Conecuh	7,028	14,210	(13,168)	(15,563)	-	-
Coosa	1,562	8,442	(3,920)	(12,104)	-	-
Covington	5,996	14,264	4,668	(34,190)	-	-
Crenshaw	6,349	13,417	(4,011)	(11,163)	-	-
Cullman	5,311	12,380	(3,485)	(7,652)	-	-
Dale	1,024	8,788	(4,996)	1,385	-	-
Dallas	11,030	12,992	(12,166)	(11,556)	-	-
DeKalb	5,109	12,064	(11,786)	(7,029)	-	-
Elmore	3,653	10,010	(8,886)	(9,023)	-	-
Escambia	(824)	5,742	(8,861)	(6,021)	-	-
Etowah	(4,131)	9,603	(17,409)	(7,641)	-	-
Fayette	554	13,529	(13,446)	(12,521)	-	-
Franklin	(2,268)	9,527	(14,952)	(7,629)	-	-
Geneva	(959)	5,719	(9,245)	(5,302)	-	-
Greene	8,621	15,525	15,239	(40,205)	-	-
Hale	705	8,385	(11,973)	(8,815)	-	-
Henry	(4,977)	6,983	(11,885)	(1,223)	-	-
Houston	1,886	11,109	(9,948)	23,914	-	-
Jackson	3,247	12,412	(2,306)	(19,998)	-	-
Jefferson	(8,243)	19,141	(34,725)	(15,205)	-	-
Lamar	(2,849)	9,749	(16,664)	(6,002)	-	-
Lauderdale	(2,707)	3,241	(5,016)	10,297	-	-
Lawrence	(6,685)	1,310	(16,588)	8,248	-	-
Lee	1,622	10,542	(7,703)	(2,449)	-	-
Limestone	2,008	10,573	(12,340)	(4,658)	-	-
Lowndes	3,554	11,056	6,579	(15,091)	-	-
Macon	(3,767)	8,770	(15,888)	(6,987)	-	-
Madison	1,145	6,464	(12,403)	(9,991)	-	-
Marengo	6,746	20,322	18,163	(19,948)	-	-
Marion	15,094	16,072	(12,715)	(23,704)	-	-
Marshall	(2,132)	5,368	(9,717)	1,198	-	-
Mobile	(4,390)	10,210	(18,499)	(8,132)	-	-
Monroe	5,828	18,197	10,795	(24,827)	-	-
Montgomery	(5,990)	1,633	(22,709)	7,777	-	-
Morgan	(1,070)	7,162	(10,442)	(5,593)	-	-
Perry	(4,590)	2,112	(15,700)	6,061	-	-
Pickens	(2,638)	2,805	(14,366)	7,285	-	-
Pike	(18,892)	(3,065)	(16,895)	26,756	-	-
Randolph	(1,744)	4,057	(7,352)	(3,232)	-	-
Russell	(2,324)	5,409	(9,804)	(4,308)	-	-
Shelby	(5,810)	5,674	(17,524)	3,359	-	-
St. Clair	96	7,607	(10,601)	(7,175)	-	-
Sumter	1,131	8,115	(288)	(9,918)	-	-
Talladega	(2,406)	5,604	(10,154)	(4,462)	-	-
Tallapoosa	(14,101)	(9,437)	(45,805)	6,680	-	-
Tuscaloosa	(8,166)	5,115	(32,702)	11,255	-	-
Walker	(2,040)	4,757	(8,613)	(3,792)	-	-

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, 2018

County	2019	2020	2021	2022	2023	Thereafter
Washington	905	9,874	(9,932)	(3,885)	-	-
Wilcox	3,233	9,280	(9,184)	(6,055)	-	-
Winston	(7,605)	3,000	(20,803)	6,167	-	-
Total for State Support Provided to the Counties	(19,292)	550,869	(682,242)	(367,432)	-	-
State Employer	(648,164)	2,687,651	4,115,943	(1,892,089)	-	-
Total State of Alabama	\$ (667,456)	\$ 3,238,520	\$ 3,433,701	\$ (2,259,521)	\$ -	\$ -

See Independent Auditors' Report.