Wayne County
Employees' Retirement System
Robert J. Grden, Executive Director

Summary Annual Report

FISCAL YEAR ENDING SEPTEMBER 30, 2022

(313) 224-5890 | 28 Adams Ave W, Detroit, MI 48226 | www.wcers.org

July 20, 2023

The Honorable Wayne County Executive, Honorable Wayne County Commission, Wayne County Airport Authority Chief Executive Officer, Honorable Third Circuit Court Chief Judge, Members, Participants, Beneficiaries, and Retirement Commission.

Ladies and Gentlemen:

On behalf of the Retirement Commission, I am pleased to present the Wayne County Employees' Retirement System (WCERS) Summary Annual Report for the fiscal year ending September 30, 2022. Although this report covers only the 2022 fiscal year, it is important to view the growth and progress of the Retirement System in historical context. To help understand how far the system has come over the last decade, I have completed a ten-year historical review of the Retirement System with the period ending September 30, 2022, that may be viewed on www.wcers.org reporting tab.

As the Executive Director of the Retirement System, I have the esteemed privilege of working with the Retirement Commissioners to oversee the management and operations of the Retirement System. Together, we work tirelessly to find new and innovative ways to help our members, participants, retirees, and beneficiaries while improving the overall fiscal health of the Retirement System, increasing transparency and reducing costs. It is our honor to administer the Defined Benefit Plan, Defined Contribution Plan, 457 Deferred Compensation Plan, and 457 FICA Alternative Plan for Wayne County, the Third Circuit Judicial Court, and the Wayne County Airport Authority.

The strategic investment strategy implemented by the Retirement Commission allowed the Retirement System to navigate one of the most challenging financial markets since the Great Recession. As of the fiscal year end, September 30, 2022, the S&P 500 Index was down 23.87% and the Russell 3000 Index was down 24.64%. The international markets were also down with the MSCI EAFE down 27.09% and the MSCI EM down 27.16%. Typically, when the equity markets perform so poorly, the bond market can deliver positive returns for a diversified investor. However, both the domestic and global bond markets also declined significantly during the last fiscal year when the U.S. Aggregate Bond Index was down 14.61% and the Global Aggregate Bond Index was down 19.89%. WCERS' portfolio was down

10%. Our asset allocation and manager selection protected the system and our competitive performance to other similar public pension funds shows we outperformed 80% of our peers.

In spite of the bear market with significant declines across asset classes, the combined funding level of the DB plan held steady at 67%. Due to the strategic planning and implementation of its investment policy strategies, the Retirement Commission was able to maintain the DB Plan's funding level while it continued to pay over $130.8 million annually in pension payments to roughly 5,000 retirees and beneficiaries without interruption.

The long-term success of the DB Plan's performance is indicative of the dedication and collaboration of the team the Retirement Commission had assembled: the Executive Director, Legal Counsel, Investment Consultants, Retirement Education Counselor, and the Retirement System's staff who perform the day-to-day operations within the retirement office. Everyone utilizes a unique set of skills and talents that work harmoniously to execute and achieve the goals and tasks as directed by the Retirement Commission. Although it is never easy to increase the total assets of the plan while paying out nearly $11 million every month in pension benefits, we are dedicated to making sure that we continue to make prudent decisions and diligently work to secure the funding level of the DB Plan.

Additionally, consistent with the Retirement Commission's Retiree Signature and Information Verification Policy, on May 1, 2023 the Retirement System staff began contacting pension benefit recipients to verify that the retiree or beneficiary remains eligible to continue receiving pension payments and to verify that their current personal information on record with the Retirement System is correct. Retirement System staff contacts all 4,543 pension benefit recipients to ensure there is no fraud being perpetrated against the individual or Retirement System.

The Retirement System takes fraud seriously and has implemented revised procedures to help protect its members and participants from cyber-attacks and organizations trying to defraud our members. For example, many local retirement systems were recently targeted by cyberattacks in which criminals would submit a change of direct deposit form for a retiree and try to steal their pension checks by having the money deposited into fake bank accounts. By promoting effective cybersecurity practices in connection with both the Retirement System's internal operations and its external communications with members and participants, we hope to promote effective cybersecurity protections to minimize the frequency and impact of the cyberattacks in the future.

Finally, as most participants in the Retirement System's defined contribution plans are aware, Prudential Financial, Inc., the recordkeeper for the DC, 457 and FICA Alternative plan participants, announced that it had entered into an agreement for Empower Retirement to acquire Prudential's full-service retirement business subject to regulatory approval. The Retirement Commissioners discussed the news with their Investment Consultant and met with representatives from Prudential and Empower, monitoring the situation as it evolved over the next several months. On April 1, 2022, Empower officially acquired Prudential and mailed notifications regarding the acquisition to those impacted. The Retirement System can now report that Empower Retirement has assumed the recordkeeper role for the DC, 457, and FICA Alternative Plans. There were no changes to members/participants accounts, website access, investment options, or fees associated with participation in any plan. Titan Wealth Advisors will continue to provide financial advice and Kandie Myers remains the Retirement Counselor available to help participants with fiscal planning and financial wellness. We are pleased to report a seamless transition that does not require participants to take any action, although all participants are encouraged to login to each of their respective accounts to review and update contact and beneficiary information.

The full impact of this Empower acquisition will be experienced by participants after the recordkeeping system migration is completed. This is on target for February 2024. Significant enhancements to the participants' experience will become available, including a new website, enhanced services via phone and expanded capabilities during in-person meetings with Kandie and Titan. Empower's technology investments in recent years have placed them as an industry leader in providing user-friendly retirement and financial planning features and services. This full suite of tools will be available to all Wayne County and WCAA participants, members, and retirees when this system migration is competed in early 2024.

This report is being submitted by the Retirement Commission in accordance with the Wayne County Code of Ordinances and Michigan Public Act 314 of 1965, as amended, setting forth the various activities of the Retirement System as on September 30, 2022.

For ease of reading, where applicable the WCAA data has been combined within this report unless otherwise noted. The Third Circuit Court data is always included with Wayne County in this report. The WCAA Valuation includes only the post-2002 retiree liability. Both the County and the WCAA valuations now include a schedule detailing the shared responsibility for the pre-2002 retiree liability. This report contains information on both the Defined Benefit and the Defined Contribution Plans.

Trust is the foundation of any meaningful partnership, and Wayne County, Third Circuit Court and the WCAA depend on the hardworking men and women who carry out essential functions. We will continue to work diligently to ensure that each Member and Participant of the Retirement System can retire based on the benefits that they earned.

Sincerely,

Robert J. Grden

Robert J. Grden, Executive Director
Wayne County Employees' Retirement System

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FIDUCIARIES OF THE RETIREMENT COMMISSION

Elected Employee Members

Frank Simone, Vice-Chair	Term Expires December 31, 2022
Henry Wilson, Chair	Term Expires December 31, 2023
Cassandra MacDonald	Term Expires December 31, 2024
Tom Yee	Term Expires December 31, 2025

Elected Retiree Members

Hugh S. Macdonald	Term Expires December 31, 2022
Elizabeth Misuraca	Term Expires December 31, 2024

Ex-Officio Members

Assad Turfe	Wayne County Executive Designee
Alisha Bell	Chairperson, Wayne County Commission

RETIREMENT STAFF (NON-FIDUCIARIES)

Executive Director……………………………………………………………..…Robert J. Grden

Deputy Director………………………………………………………………….....Gerard J. Grysko

Department Executive…………………………………………………………...Todd J. Pickett

Division Director…………………………………………………………………...Tina Turner

Compliance Officer…………………………...……………...…………………Annie Hussein, Esq.

RETIREMENT SYSTEM SERVICE PROVIDERS

Actuary……………………………………………………………………...….Gabriel, Roeder, Smith & Company

Attorneys……………………………………………………………………...

Allen Brothers, P.L.L.C.
Bleichmar Fonti & Auld, L.L.P.
Kirby McInerney L.L.P.
Labaton Sucharow L.L.P.
Levi & Korsinsky, L.L.P.
Miller Law P.C.
Robbins Geller Rudman and Dowd, L.L.P.
VanOverbeke, Michaud & Timmony, P.C.
Wayne County Corporation Counsel

Auditor………………………………………………………………………....…George Johnson & Company

Investment Consultants……………….………...……………...AndCo Consulting
Secure Asset Management, LLC

Custodian of Assets……………………………………….…………….…………………...……Northern Trust

Defined Contribution Record keeper……………………………….….....…....…………Empower Retirement, LLC

Financial Institutions….……………………………………………………………………..………Bank of America
JP Morgan Chase
Northern Trust

Medical Director………....…………………………………………….......................Dr. Andrew Vosburgh, M.D.

Investment Managers ......……………………………..………………………………………………………

Abbott Capital Management, L.L.C.
ABS Investment Management, L.L.C.
AEW Capital Management, L.P.
Artemis Real Estate Partners
Capital Dynamics, Inc.
Cooke & Bieler, L.P.
Crescent Capital Group, L.P.
Dune Real Estate Manager, L.L.C.
Earnest Partners, L.L.C.
Edgewood Management L.L.C
Entrust Capital
First Eagle Investment Management, L.L.C.
Garcia Hamilton & Associates, L.P.
Hardman Johnston Global Advisors, L.L.C.
HGK Asset Management Inc.
Landmark Realty Advisors, L.L.C.
Lightstone REIT
Marathon Asset Management, L.P.
Mesirow Financial Services, Inc
Morgan Stanley Real Estate Advisor, Inc.
Mt. Lucas Management Corp.
National Investment Services of America, L.L.C.
Northern Trust Investments
Providence/Benefit Street Partners, L.L.C.
Raven Capital Management, L.L.C.
Reinhart Partners
Rizvi Traverse Management, L.L.C.
Seizert Capital Partners, L.L.C.
Seminole Advisory Services, L.L.C.
SIT Investment Associates, Inc.
Stepstone Group, L.P.
Steward Capital Management
Taurus Private Markets, L.L.C.
TerraCap Management, L.L.C.
Tortoise Capital Advisors, L.L.C.
Valstone Partners, L.L.C.
Winslow Capital Management, L.L.C.

FINANCIAL SECTION & REQUIRED SUPPLEMENTARY INFORMATION

FINANCIAL SECTION - PREFACE

The independent auditing firm of George Johnson & Company has audited the financial statements of the following plans:

- Wayne County Employees' Retirement System Defined Benefit Plan
- Wayne County Employees' Retirement System Defined Contribution Plan

An electronic version of the complete financial statements can be found at www.wcers.org on the reporting tab.

The financial section of this annual report will include Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for each of the retirement plans noted above. Additionally, this section will highlight financial activity for the fiscal year ended September 30, 2022 for each set of financial statements. The financial information was obtained from the audited financial statements dated January 26, 2023, but these summaries were not audited by the independent auditors. Governmental Accounting Standards Board required supplementary information follows the financial statements as necessary.

The Wayne County, Third Circuit Court, and Wayne County Airport Authority data are all combined unless otherwise noted. The Third Circuit Court data is always included with Wayne County in this report.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

Statements of Fiduciary Net Position

The Wayne County Employees' Defined Benefit Plan's (DB Plan) total net position decreased by $201.7 million, or 17.6% over the course of the plan year. The DB Plan total assets as of September 30, 2022 were $948.8 million and mostly comprised of cash and investments. The decrease of total net position was primarily attributable to net depreciation of investments. The year ended September 30, 2022 had an unfavorable rate of return gross of fees of (12.67)%, while the year ended September 30 2021 had a favorable rate of return on investments of 26.74%. Assets are held in trust and restricted to meet future benefit payments.

Statements of Changes in Fiduciary Net Position

- The DB Plan's benefits are funded by contributions from Wayne County (County), Wayne County Airport Authority (WCAA) and the DB Plan's members/participants, as well as by the investment income earned on the DB Plan's assets.
- Total additions to net position, excluding appreciation in the fair value of investments, increased by $7.4 million from $100.9 million for the year ended September 30, 2021 to $108.3 million for the year ended September 30, 2022.
- Total contributions for 2022 increased by $4.1 million from those of the prior year. The combined employer contributions were made at the actual rate of 55.03% ($64.8 million), 55.26% ($63.4 million), and 51.11% ($65.2 million) of covered payroll during the years ended September 30, 2022, 2021, and 2020, respectively. Member contributions totaled $12.5 million, $9.8 million, and $11.0 for the years ended September 30, 2022, 2021, and 2020, respectively. The County also made contributions totaling $1.6 million, $1.6 million, and $1.7 million to fund a stipend benefit paid to pre-Medicare retirees for the years ended September 30, 2022, 2021, and 2020, respectively.
- The County's employer contribution rate increased from 45.75% in 2021 to 51.23% in 2022. The County contributed an additional $5.9 million and $5.1 million above the required contribution for the years ended September 30, 2022 and 2021, respectively. The WCAA's actuarially determined contribution rate increased from 24.41% for 2021 to 26.58% for 2022. The WCAA made an additional $0.1 million in employer contributions above the required contribution for the year ended September 30, 2022, consistent with the $0.2 million contribution for the year ended September 30, 2021.
- Other investment income is composed of interest, dividends, securities lending, other income, and investment expenses. Interest and dividends totaled $32.8 million, $29.7 million, and $24.4 million for the years ended September 30, 2022, 2021, and 2020, respectively. Other income (including securities lending income) totaled $0.2 million, $0.2 million, and $0.1 million for the years ended September 30, 2022, 2021, and 2020, respectively. Investment expense totaled $3.7 million, $3.7 million, and $2.8 million for the years ended September 30, 2022, 2021, and 2020, respectively.
- The change in the fair value of investments was unfavorable for the current year. The fair value of investments had a net depreciation of $172.1 million for September 30, 2022, compared to net appreciation of $221.8 million, and $5.7 million for the years ending September 30, 2021 and 2020, respectively. The net depreciation in the fair value of investments for the current period is attributable to the volatile financial markets and the resultant investment performance at the end of the year.
- The deductions of the DB Plan include the payment of pension benefits to members and beneficiaries and the costs of administering the DB Plan. Total deductions of $137.9 million for the year ended September 30, 2022 were consistent with the prior year's deductions of $137.6 million.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
September 30, 2022 and 2021

	2022	2021
Assets		
Investments, at fair value or net asset value:		
Equity investments	$535,977,384	$728,170,091
Fixed income investments	108,534,999	120,063,873
Short-term investments	36,985,241	37,330,957
Other investments	260,255,547	265,617,721
Total Investments	941,753,171	1,151,182,642
Other Assets		
Equity in Wayne County pooled cash	498,651	946,513
Accounts receivable	22,797	14,480
Due from broker for securities sold	5,565,504	116,188
Accrued interest and dividends	932,518	2,444,184
Prepaid expenses	25,791	19,284
Total Other Assets	7,045,261	3,540,649
Total Assets	**948,798,432**	**1,154,723,291**
Liabilities		
Accounts and contracts payable	744,622	867,748
Due to broker for securities purchased	1,100,659	5,194,284
Accrued wages and benefits	289,683	263,337
Total Liabilities	**2,134,964**	**6,325,369**
Net Position Restricted for Pensions	**$946,663,468**	**$1,148,397,922**

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended September 30, 2022 and 2021

	2022	2021
Additions		
Contributions:		
Employer	$66,461,671	$65,035,776
Members	12,489,895	9,800,842
Total Contributions	78,951,566	74,836,618
Investment income:		
Interest	24,127,669	22,001,051
Dividends	8,671,471	7,688,218
Securities lending income	75,317	110,320
Other investment income	165,015	42,047
Total Investment income	33,039,472	29,841,636
Less: Investment expenses	(3,711,846)	(3,733,603)
Net Investment income	29,327,626	26,108,033
Total Additions	**108,279,192**	**100,944,651**
Deductions		
Participant benefit payments and distributions	134,898,594	134,736,360
Administrative expenses	3,040,787	2,882,305
Total Deductions	**137,939,381**	**137,618,665**
Gains and Losses		
Net appreciation (depreciation) in fair value of investments	(172,074,265)	221,806,257
Change in Net Position Restricted for Pensions	**(201,734,454)**	**185,132,243**
Net Position Restricted for Pensions		
Beginning of Year	$ 1,148,397,922	$ 963,265,679
End of Year	**$ 946,663,468**	**$ 1,148,397,922**

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER
For the Year Ended September 30, 2022

	Charter County of Wayne, Michigan	Wayne County Airport Authority	Total
Additions:			
Contributions:			
Employer (see Notes B)	$ 59,966,804	$ 6,494,867	$ 66,461,671
Members	12,055,366	434,529	12,489,895
Total Contributions	72,022,170	6,929,396	78,951,566
Net investment income	25,065,926	4,261,700	29,327,626
Total Additions	**97,088,096**	**11,191,096**	**108,279,192**
Deductions:			
Participant benefit payments and distributions	123,367,356	11,531,238	134,898,594
Administrative expenses	2,598,920	441,867	3,040,787
Total Deductions	**125,966,276**	**11,973,105**	**137,939,381**
Gains and Losses			
Net depreciation in fair value of investments	(147,069,552)	(25,004,713)	(172,074,265)
Changes in Net Position Restricted for Pensions	**(175,947,732)**	**(25,786,722)**	**(201,734,454)**
Net Position Restricted for Pensions			
Beginning of year	983,284,212	165,113,710	1,148,397,922
End of the year	**$ 807,336,480**	**$ 139,326,988**	**$ 946,663,468**

Note A: The accompanying schedule of changes in fiduciary net position by employer (the "Schedule) is prepared on the accrual basis of accounting using the economic resources measurement focus. Member contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Wayne County Retirement Ordinance. Administrative expenses are financed through investment earnings.

Note B: Employer contributions from the Charter County of Wayne, Michigan (the "County") and the Wayne County Airport Authority ("WCAA") on the Schedule include an additional $5.9 million in employer contributions made by the County and an additional $0.1 million in employer contributions made by WCAA to apply to their respective unfunded liability for the year ended September 30, 2022.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
GASB STATEMENT 67 REQUIRED SUPPLIMENTARY INFORMATION
Last Nine Years (ultimately building to ten years)

	2014	2015	2016	2017	2018
Change in Total Pension Liability					
Service cost	$16,358,829	$15,000,163	$10,431,838	$10,891,944	$10,524,448
Interest	122,810,391	122,200,908	111,275,067	110,167,298	112,568,204
Changes of benefit terms	9,798,361	-	(141,296,225)	-	-
Differences between expected and actual experience	-	(21,264,821)	(532,795)	50,758,944	(4,104,803)
Changes of assumptions and other changes	-	-	-	101,352,130	2,131,112
Benefit payments, including refunds of member contributions	(133,394,978)	(136,008,966)	(139,863,597)	(139,888,098)	(136,432,380)
Change in Total Pension Liability	**15,572,603**	**(20,072,716)**	**(159,985,712)**	**133,282,218**	**(15,313,419)**
Total Pension Liability, Beginning	1,644,843,098	1,660,415,701	1,640,342,985	1,480,357,273	1,613,639,491
Total Pension Liability, Ending (a)	**1,660,415,701**	**1,640,342,985**	**1,480,357,273**	**1,613,639,491**	**1,598,326,072**
Change in Plan Fiduciary Net Position					
Contributions – employer	80,180,620	111,718,544	103,337,465	71,052,048	153,719,388
Contributions – member	8,521,719	11,370,680	10,734,600	9,199,085	10,286,435
Net investment income	21,819,412	37,919,468	17,078,624	18,263,095	18,311,178
Benefit payments, including refunds of member contributions	(133,394,978)	(136,008,966)	(139,863,597)	(139,888,098)	(136,432,380)
Administrative expense	(2,811,484)	(3,014,195)	(2,321,879)	(2,676,532)	(2,525,172)
Net appreciation (depreciation) in fair value of investments	58,380,124	(12,754,830)	62,571,168	83,763,276	43,983,255
Change in Plan Fiduciary Net Position Before Asset Transfer	**32,695,413**	**9,230,701**	**51,536,381**	**39,712,874**	**87,342,704**
Transfer of Bailiffs' Plan Assets	-	-	5,670,643	-	-
Change in Plan Fiduciary Net Position	**32,695,413**	**9,230,701**	**57,207,024**	**39,712,874**	**87,342,704**
Plan Fiduciary Net Position, Beginning	782,382,430	815,077,843	824,308,544	881,515,568	921,228,442
Plan Fiduciary Net Position, Ending (b)	**815,077,843**	**824,308,544**	**881,515,568**	**921,228,442**	**1,008,571,146**
Employers' Net Pension Liability, Ending (a)-(b)	**$845,337,858**	**$816,034,441**	**$598,841,705**	**$692,411,049**	**$589,754,926**
Ratio Information:					
Plan fiduciary net position as a percentage of the total pension liability	49.09%	50.25%	59.55%	57.09%	63.10%
Covered-employee payroll	151,536,413	147,363,016	140,222,696	129,283,884	$132,030,801
Employers' net pension liability as a percentage of the Covered payroll	557.84%	553.76%	427.06%	535.57%	446.68%

***GASB 67 was effective for the financial statements for fiscal years beginning after June 15, 2013**

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
GASB STATEMENT 67 REQUIRED SUPPLIMENTARY INFORMATION
Last Nine Years (ultimately building to ten years)

	2019	2020	2021	2022
Change in Total Pension Liability				
Service cost	$10,746,337	$10,649,616	$9,635,303	$9,388,695
Interest	111,556,453	110,132,335	108,417,531	103,511,495
Changes of benefit terms	1,805,747	(1,948,585)	1,067,339	356,201
Differences between expected and actual experience	(9,788,235)	(9,474,507)	(11,455,759)	(16,103,850)
Changes of assumptions and other changes	2,736,461	2,711,309	64,010,422	5,090,985
Benefit payments, including refunds of member contributions	(135,314,829)	(135,363,556)	(134,736,360)	(134,898,594)
Change in Total Pension Liability	**(18,258,066)**	**(23,293,388)**	**36,938,476**	**(32,655,068)**
Total Pension Liability, Beginning	1,598,326,072	1,580,068,006	1,556,774,618	1,593,713,094
Total Pension Liability, Ending (a)	**1,580,068,006**	**1,556,774,618**	**1,593,713,094**	**1,561,058,026**
Change in Plan Fiduciary Net Position				
Contributions – employer	79,800,443	66,914,695	65,035,776	66,461,671
Contributions – member	11,122,528	10,961,257	9,800,842	12,489,895
Net investment income	21,789,400	21,663,500	26,108,033	29,327,626
Benefit payments, including refunds of member contributions	(135,314,829)	(135,363,556)	(134,736,360)	(134,898,594)
Administrative expense	(2,518,758)	(2,678,259)	(2,882,305)	(3,040,787)
Net appreciation (depreciation) in fair value of investments	12,641,634	5,676,478	221,806,257	(172,074,265)
Change in Plan Fiduciary Net Position Before Asset Transfer	**(12,479,582)**	**(32,825,885)**	**185,132,243**	**(201,734,454)**
Transfer of Bailiffs' Plan Assets	-	-	-	-
Change in Plan Fiduciary Net Position	**(12,479,582)**	**(32,825,885)**	**185,132,243**	**(201,734,454)**
Plan Fiduciary Net Position, Beginning	1,008,571,146	996,091,564	963,265,679	1,148,397,922
Plan Fiduciary Net Position, Ending (b)	**996,091,564**	**963,265,679**	**1,148,397,922**	**946,663,468**
Employers' Net Pension Liability, Ending (a)-(b)	**$583,976,442**	**$593,508,939**	**$445,315,172**	**$614,394,558**
Ratio Information:				
Plan fiduciary net position as a percentage of the total pension liability	63.04%	61.88%	72.06%	60.64%
Covered-employee payroll	$132,578,605	$127,561,562	114,839,984	$117,786,409
Employers' net pension liability as a percentage of the Covered payroll	440.48%	465.27%	387.77%	521.62%

***GASB 67 was effective for the financial statements for fiscal years beginning after June 15, 2013**

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
GASB STATEMENT 67 REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Investment Returns
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense*
2013	14.09%
2014	8.33%
2015	0.70%
2016	9.82%
2017	11.95%
2018	6.12%
2019	2.98%
2020	2.86%
2021	26.47%
2022	(12.85)%

*As calculated by our Custodian, Northern Trust. (Internal Rate of Return)

Schedule of Employer Contributions
Last Nine Fiscal Years (ultimately building to ten years)

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2014	$68,772,171	$80,180,620	$(11,408,449)	$151,536,413	52.91%
9/30/2015	65,289,481	79,505,999	(14,216,518)	147,363,016	53.95%
9/30/2016	70,708,723	101,264,065	(30,555,342)	140,222,696	72.22%
9/30/2017	53,549,811	68,176,195	(14,626,384)	129,283,884	52.73%
9/30/2018	62,347,690	151,905,122	(89,557,432)	132,030,801	115.05%
9/30/2019	64,211,390	77,975,445	(13,764,055)	132,578,605	58.81%
9/30/2020	59,598,643	65,193,269	(5,594,626)	127,561,562	51.11%
9/30/2021	58,130,071	63,464,841	(5,334,770)	114,839,984	55.26%
9/30/2022	58,787,153	64,814,053	(6,026,900)	117,786,409	55.03%

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
FUNDING NOTES COMBINED PLANS

The Retirement System funding rate remained consistent at 65% for 2022 and 2021 for Wayne County and decreased from 81% in 2021 to 79% in 2022 for the Wayne County Airport Authority. The following factors that have impacted the DB Plans are:

- The Retirement System's Actuary completed an Experience Study for the DB Plans encompassing the time period from October 1, 2015 to September 30, 2020. The Study is a review of past experience of economic assumptions and demographics. The Study can be found on www.wcers.org reporting tab. Based on the results of the experience Study, the Actuary recommended changes to several assumptions, including;
    - Withdrawal Rate
    - Merit & Longevity Pay
    - Mortality Rates for Active and Retired Members and Participants
    - Assumed Investment Return
- The adoption of 105% of the new PubG-2010 Retiree Mortality table for males and females, as determined by applying the MP-2020 Mortality Improvement scale, which was recommended by the Actuary, caused an increase to plan liabilities resulting in a decrease of funded rate.
- The Assumed Rate of Return was also decreased from 7.25% to 6.75%, which increased the plan liabilities and decreased the funding rate.
- The Retirement System's Actuary calculated Recognized Rate of Return was 3.9% and below the 7.25% Assumed Rate of Return.
- Detail investment activity for 2022 can be found starting on page 25.
- The increasing rate of longevity of members in our DB Plan continues to impact the current and future funding levels.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
FUNDING NOTES BY EMPLOYER

Wayne County / Third Circuit

- The County Administration, using its authority under the Consent Agreement entered into by and between Wayne County and Michigan State Treasurer N.A. Khouri on August 21, 2015 negotiated and imposed new contractual terms and conditions of employment on represented employees effective October 1, 2015. The contract terms reduced the multiplier from as high as 2.65% to 1.25% for all future years post October 1, 2015.
- For all years of County service earned post October 1, 2015, the Average Final Compensation (AFC) shall be computed using the last 10 years of base wage pay history, instead of utilizing the highest years of service with overtime, sick, and vacation accruals included.
- The County eligibility for 25 years of service or 30 years of service without an age requirement was changed to a minimum age requirement of age 62, although an early pickup at age 55 is available at an actuarial reduced rate.
- The County police unions can retire at age 55 with the service eligibility without a reduced actuarially rate.
- A change in the County maximum duty disability pension benefit from a flat rate of 75% of the best 4 years of average final compensation to an accelerated rate at 1.25% of AFC to age 60 with a maximum benefit of 60% with a pre October 1, 2015 benefit and a post October 1, 2015 benefit. Non-duty disabilities were also capped at 60% of AFC.
- The County received $22 million into its plan between 2016 and 2019 from the WCAA for the theoretical portion of the unfunded liability of the combined pre-2002 retiree liability.
- The County reduced the required employee contribution rate by 1% for 3317 and POAM members during FY 2021.
- Wayne County Third Circuit Court employees in JAA and GAA unions were frozen as of October 1, 2016.
- Wayne County included an additional $5.9 million in employer contributions to the DB Plan for 2022.
- Wayne County included an additional $5.1 million in employer contributions to the DB Plan for 2021.
- Wayne County included an additional $5.3 million in employer contributions to the DB Plan for 2020.
- Wayne County included an additional $5.2 million in employer contributions to the DB Plan for 2019.
- Wayne County included an additional $83.0 million in employer contributions to the DB Plan for 2018.
- Wayne County included an additional $10.0 million in employer contributions to the DB Plan for 2017.
- Wayne County included an additional $22.2 million in employer contributions to the DB Plan for 2016.

Wayne County Airport Authority

- The Wayne County Airport Authority (WCAA) had its 8th separate Annual Actuarial Valuation done as of September 30, 2022; prior to the September 30, 2015 report all reports were a combined County/Airport report.
- WCAA made additional employer contributions totaling $22 million into the County's Plan from 2016 to 2019 to apply to the theoretical portion of the unfunded liability of the combined pre-2002 retirees liability related to WCAA retirees as calculated by the Plan's actuary. The combined pre-2002 retiree liability is recorded by the County and included in the County's contribution rates.
- WCAA increased the pension multiplier and the employee required contribution for Local 741 during FY 2019.
- WCAA offered an early retirement incentive during FY 2020.
- WCAA included an additional $0.1 million in employer contributions to the DB Plan for 2022.
- WCAA included an additional $0.2 million in employer contributions to the DB Plan for 2021.
- WCAA included an additional $0.2 million in employer contributions to the DB Plan for 2020.
- WCAA included an additional $2.0 million in employer contributions to the DB Plan for 2019.
- WCAA included an additional $0.0 million in employer contributions to the DB Plan for 2018.
- WCAA included an additional $0.3 million in employer contributions to the DB Plan for 2017.
- WCAA included an additional $4.0 million in employer contributions to the DB Plan for 2016.

A historical DB Plan review with further details can be found at www.wcers.org on the reporting tab.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
SUMMARY OF ACTUARIAL ASSUMPTIONS
September 30, 2022

The information presented in the accompanying required supplementary schedules was determined as part of the actuarial valuations as of the dates indicated additional information as of the latest actuarial valuation is as follows:

Valuation date……………………………..……………………………………………September 30, 2022

Actuarial cost method…………………………………………………..……………..Entry Age Normal

Amortization method
County ………………………………………………………..…....Level percent of payroll
WCAA ………………………………………………….................................Level dollar

Base UAAL remaining amortization period……………………………………...……….12 years (closed)

Asset valuation method……………………………………..………4-year smoothed market, 20% corridor

Actuarial assumptions:

Investment rate of return
County and WCAA...………………………………………...……………..…….6.75%*

Projected salary increases
County……………..……………………………………..……………...3.00%–11.35%*
WCAA……………..……………………………………..…………..…3.00%–13.15%*

Cost-of-living adjustments……………………………..N/A

Actuarial assumed rate of long-term wage inflation………………..………………..…………...……..3.00%

*Includes wage inflation at 3.00%

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
CONTRIBUTION RATES

	Valuation Measurement Date 9/30/2020 Rate Used During FYE 9/30/22		Valuation Measurement Date 9/30/2021 Rate Used During FYE 9/30/23		Valuation Measurement Date 9/30/2022 Rate Used During FYE 9/30/24	
	County	**WCAA**	**County**	**WCAA**	**County**	**WCAA**
Normal Cost	9.50%	8.82%	9.31%	9.56%	9.26%	9.49%
Less Portion Paid by Members *	-7.60%	-1.94%	-6.87%	-1.61%	-6.76%	-1.56%
Employer Defined Benefit Normal Cost	1.90%	6.88%	2.44%	7.95%	2.50%	7.93%
Unfunded Actuarial Accrued Liability	49.33%	19.70%	53.25%	24.06%	52.90%	28.53%
Total Computed Employer Rate	51.23%	26.58%	55.69%	32.01%	55.40%	36.46%

Contribution Type	Contribution Rates			Valuation Projected Payroll		
	County	WCAA	Combined	County	WCAA	Combined
Employer's Normal Cost	2.50%	7.93%	3.37%	$105,524,101	$20,040,969	$125,565,070
Employer's Total Rate	55.40%	36.46%	52.38%	$105,524,101	$20,040,969	$125,565,070
Weighted Average of Member Contribution*	6.76%	1.56%	5.93%	$105,524,101	$20,040,969	$125,565,070

WCAA - Wayne County Airport Authority
* Weighted average of the various contribution rates.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ADMINISTRATIVE EXPENSES
For the Years Ended September 30, 2022 and 2021

	2022	**2021**
Personnel Services:		
Staff Salaries	$964,619	$884,939
Other Fringe Benefits	368,650	372,557
Retirement Benefits	366,896	258,741
Total	1,700,165	1,516,237
Building and Equipment:		
Building Rent	233,689	227,928
Equipment, Equipment Rent and Maintenance	13,838	12,780
Utilities	5,005	5,153
Total	252,532	245,861
Professional Service		
Actuary Fees	214,700	302,267
Audit Fees	25,877	20,660
Consultant Fees	276,993	270,555
Fiduciary Insurance	200,730	181,035
Medical Director	15,525	10,200
Miscellaneous Fees	3,770	2,897
Total	737,595	787,614
Miscellaneous		
Office Supplies	14,233	11,044
Postage, Dues, Membership, and Other	25,357	33,845
Printing	10,714	13,140
Training, Travel and Board Meeting – Trustees	45,500	18,030
Training, Travel and Board Meeting – Staff	21,002	6,827
Wayne County Chargebacks	334,179	340,137
Operating Expenses Allocated to other Plans	(100,490)	(90,430)
Total	350,495	332,593
Total Administrative Expenses	**$3,040,787**	**$2,882,305**

The Retirement System is not aware of paying for any fees with the use of soft dollars.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
INVESTMENT EXPENSES
For the Years Ended September 30, 2022 and 2021

	2022	2021
Professional Service		
Attorney Fees	$ 263,561	$248,280
Consultant Fees	250,000	250,000
Custodian Fees	175,343	137,619
Management Fees	3,022,942	3,097,704
Total Investment Expenses	**$ 3,711,846**	**$3,733,603**

The Retirement System is not aware of paying for any fees with the use of soft dollars.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
BUDGETS

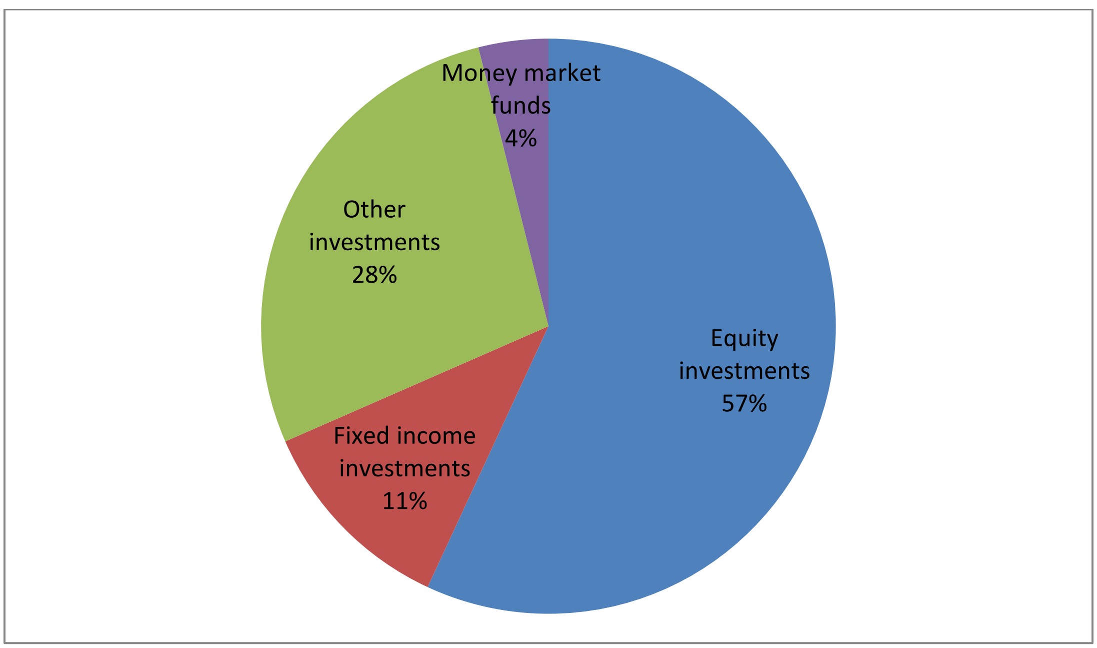
	FY 2022 Budget	FY 2022 Actual	Variance Favorable (Unfavorable)	FY 2023 Budget
Revenue				
Interest & Dividends	$7,626,900	$32,799,140	$25,172,240	$7,626,900
Total Budgeted Revenue	**$7,626,900**	**$32,799,140**	**$25,172,240**	**$7,626,900**
Expense				
Personnel Services:				
Staff Salaries	$1,176,137	$1,158,423	$17,714	$1,761,187
Other Fringe Benefits	553,757	439,717	114,040	589,025
Retirement Benefits	445,344	442,887	2,457	396,030
Reimbursed Expenses *	-	(340,862)	340,862	-
Total	2,175,238	1,700,165	475,073	2,746,242
Building and Equipment:				
Building Rent	240,000	233,689	6,311	245,000
Equipment, Equipment Rent and Maintenance	36,000	13,838	22,162	66,000
Utilities	8,000	5,005	2,995	8,000
Total	284,000	252,532	31,468	319,000
Professional Service				
Investment & Miscellaneous Expenses	4,246,771	4,301,166	(54,395)	3,567,114
Actuary	220,000	214,700	5,300	200,000
Medical Director	16,000	15,525	475	15,000
Reimbursed Expenses *	-	(81,950)	81,950	-
Total	4,482,771	4,449,441	33,330	3,782,114
Miscellaneous				
Office Supplies	20,000	14,233	5,767	30,000
Postage, Dues, Membership, and Other	35,800	25,357	10,443	77,000
Printing	15,000	10,714	4,286	30,000
Training, Education & Travel - Trustees	70,500	45,500	25,000	70,500
Training, Education & Travel - Other	27,500	21,002	6,498	27,500
Wayne County Chargebacks	516,091	334,179	181,912	544,544
Reimbursed Expenses *	-	(100,490)	100,490	-
Total	684,891	350,495	334,396	779,544
Total Budgeted Expenses	**$7,626,900**	**$6,752,633**	**$874,267**	**$7,626,900**
Change in Budgeted Net Assets	**$ -**	**$26,046,507**	**$26,046,507**	**$ -**

*Administrative expenses reimbursed by the Defined Contribution Plan.

WAYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2022

Investment Type	Market Value at 9/30/2022
Equity investments	$535,977,384
Fixed income investments	108,534,999
Other investments	260,255,547
Short-term investments	36,985,241
Total Investments	**$941,753,171**

WAYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ASSET ALLOCATION BY INVESTMENT TYPE
As of September 30, 2022



WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
INVESTMENT PERFORMANCE
RATE OF RETURN-NET OF FEES

	Rolling Calendar - Year Basis	Fiscal Year Basis
1 Year	(9.97)%	(13.07)%
3 Year	4.97%	4.26%
5 Year	5.08%	4.41%
7 Year	6.83%	6.21%
10 Year	7.12%	6.57%

Returns calculated by our Custodian, Northern Trust

The Retirement System is required by the State of Michigan under Michigan Public Act 314 to show market rate rolling calendar year returns. Because we are based on a fiscal year end of September 30, we have included those numbers for continuity as of September 30, 2022.

WAYNE COUNTY EMPLOYEES' RETRIREMENT SYSTEM
DEFINED BENEFIT PLAN
REPORT ON INVESTMENT ACTIVITY

The Retirement Commission (Board) for the Wayne County Employees' Retirement System (WCERS) is a fiduciary of the WCERS in accordance with state law. Investment decisions, including investment policies and procedures, are subject to statutory regulations imposed by the Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended.

As the fiduciary of the WCERS, the Board's responsibilities include, but are not limited to: (1) establishing an investment policy and asset allocation for the pension fund; (2) prudently selecting investment managers and consultants, and (3) conducting periodic reviews to ensure that its policies are followed and that its investment professionals perform satisfactorily in accordance with established standards and goals.

The WCERS' primary investment objective is to provide a real rate of return, net of inflation, sufficient to support its ability to meet its obligations to DB Plan participants and beneficiaries without undue exposure to risk. In absolute terms, this return objective should approximate the WCERS' actuarial assumed rate of return, which is 6.75%. The WCERS seeks to attain investment results over a full market cycle. It does not expect that all investment objectives will be attained in each year and recognizes that over various periods of time the WCERS' investment results may produce "over" or "under" performance relative to broad markets. For this reason, the Retirement Commission takes a LONG-TERM perspective and will measure quantitative investment returns over a 5-year moving period. Investment managers are also expected to meet qualitative performance objectives (adherence to its investment philosophy and the WCERS' policies, continuity of firm personnel and practices, etc.) as established by the Retirement Commission in consultation with its investment consultants and advisors.

The fiscal year ending September 30, 2022, was a year of declines across the stock and bond markets as investors navigated a growing conflict in the Ukraine, continued COVID restrictions across the globe and a significance increase in interest rates following multiple Federal Reserve rate increases. Returns over the trailing 1-year were negative across all broad US equity markets. Domestic small cap stocks posted the weakest return for the trailing 1-year period, returning -23.50%. US large cap performance was also weak with a return of -15.47% over the trailing 1-year period.

International markets also performed poorly and lagged relative to their domestic counterparts. Over the trailing 1-year period, the MSCI EAFE Index returned -25.13% while the MSCI Emerging Markets Index returned a lower -28.11%. The combination of rising inflation and developed market interest rates were the primary headwinds during the period.

Bond market returns over the trailing 1-year period were sharply negative with the Bloomberg US Aggregate Index returning –14.60%. Fixed income markets were directly impacted by multiple increases in the short-term Fed Funds rate.

On the alternative investment front, Private Real Estate, as measured by the NCREIF Property Index, gained +16.08%. Hedge Funds, given their conservative nature and focus on global markets, returned -4.08% for the year.

WAYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
MARKET PERFORMANCE

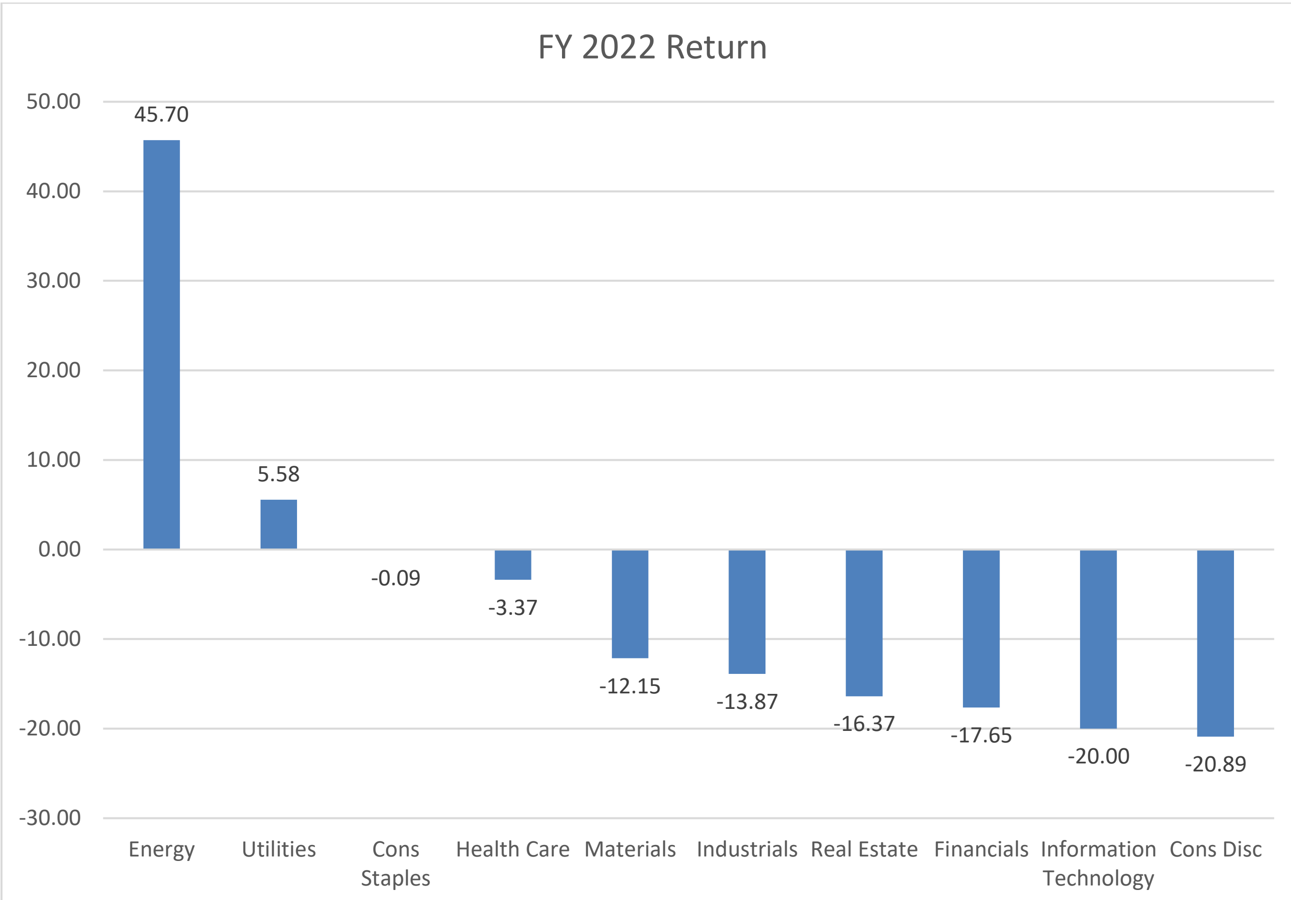
Equities	Index Returns (%) Month	3 M	YTD	1 Year	3 Yr. Ann	5 Yr. Ann
S&P 500 Total Return	-9.21	-4.88	-23.87	-15.47	8.16	9.24
Russell Midcap Index	-9.27	-3.44	-24.27	-19.39	5.19	6.48
Russell 2000 Index	-9.58	-2.19	-25.10	-23.50	4.29	3.55
Russell 1000 Growth Index	-9.72	-3.6	-30.66	-22.59	10.67	12.16
Russell 1000 Value Index	-8.77	-5.62	-17.75	-11.36	4.36	5.29
Russell 3000 Index	-9.27	-4.46	-24.62	-17.63	7.70	8.62
MSCI EAFE NR	-9.35	-9.36	-27.09	-25.13	-1.83	-0.84
MSCI EM NR	-11.72	-11.57	-27.16	-28.11	-2.07	-1.81

Real Estate	Index Returns (%) 3 M	1 Year	3 Year	5 Year	7 Year	10 Year
NCREIF Index	0.57	16.08	9.91	8.62	8.45	9.48

Fixed Income	Index Returns (%) Month	3 M	YTD	1 Year	Mod. Adj. Duration	Yield to Worst
U.S. Aggregate	-4.32	-4.75	-14.61	-14.60	6.20	4.75
U.S. Corporate Investment Grade	-5.26	-5.06	-18.72	-18.53	7.09	5.69
U.S. Corporate High Yield	-3.97	-0.65	-14.74	-14.14	4.11	9.68
Global Aggregate	-5.14	-6.94	-19.89	-20.43	6.74	3.70

Key Rates	Levels (%) 9/30/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
3 Month	3.25	0.03	0.06	1.54	2.35
US 2 Year	4.28	0.73	0.12	1.57	2.49
US 10 Year	3.83	1.51	0.91	1.92	2.68
US 30 Year	3.78	1.90	1.64	2.39	3.01
ICE LIBOR USD 3M	3.75	0.21	0.24	1.91	2.81
Euribor 3 Month ACT/360	1.17	-0.87	-0.55	-0.38	-0.31
Bankrate 30Y Mortgage Rates Na	7.06	3.27	2.87	3.86	4.51
Prime	6.25	3.25	3.25	4.75	5.50

WAYYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
MARKET PERFORMANCE



WAYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
MARKET PERFORMANCE

Currencies	Levels 09/30/2022	12/31/2021	12/31/2020
Euro Spot	0.98	1.14	1.22
British Pound Spot	1.12	1.35	1.37
Japanese Yen Spot	144.74	115.08	103.25
Swiss Franc Spot	0.99	0.91	0.89

Commodities	Levels 09/30/2022	12/31/2021	12/31/2020
Oil	79.79	70.38	46.29
Gasoline	3.80	3.29	2.25
Natural Gas	6.77	3.79	2.54
Gold	1,672.00	1,840.90	1,187.30
Silver	19.04	23.54	16.50
Copper	341.25	440.95	351.85
Corn	677.50	546.00	403.25
BBG Commodity TR Idx	240.55	211.80	166.63

Russell Indices Style Returns

	V	**B**	**G**
L	**-11.4**	**-17.2**	**-22.6**
M	**-13.6**	**-19.4**	**-29.5**
S	**-17.7**	**-23.5**	**-29.3**

Fiscal Year (10/1/2021 – 9/30/2022)

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
OVERVIEW

The Wayne County Employees' Retirement System (WCERS) administers a participant directed Defined Contribution Plan (DC Plan) to provide savings and retirement benefits for County and Wayne County Airport Authority (WCAA) employees participating in the DC Plan. The DC Plan provides a vehicle for employees to save for retirement through payroll deductions, employer contributions, and investment earnings. The DC Plan is structured to take advantage of tax regulations that allow for the tax-deferred accumulation of earnings and asset growth.

The Retirement Commission continued to retain the services of Prudential as the DC Plan recordkeeper and the services of Titan Wealth Advisors, LLC as an investment consultant. Titan Wealth Advisors served as a fiduciary and gave the Retirement Commission advice while consulting on vendor management, plan design enhancements, investment menu design and continuous fee negotiations, along with executing an investment education and retirement planning structure for the participants in the DC Plan and the 457(b) and FICA alternative plans as well.

In April 2022, Prudential finalized the sale of its Retirement Plan recordkeeping business to Empower Retirement. The participants impacted received notifications of the change and were informed that there would be no changes to services, personnel, fees, investment options or systems at that time. In short, there were no changes initially other than a name change. The WCERS administration team and Commissioners were informed by Empower that a full system migration to the Empower recordkeeping platform would be targeted for completion in the first quarter of 2024. The Retirement Commission began planning several new steps in its enhanced due diligence of Empower, including site visits, executive management presentation and a possible competitive evaluation of Empower by its Investment Consultant. The Commissions are committed to reviewing and approving any system changes that may have an impact on the participants of the DC plan(s).

As part of its ongoing due diligence and review of its service structure and service providers, WCERS, with the assistance of their consultant, continued to focus on enhanced strategies to reach participants with important subject matter and in creative ways. County and WCAA employees and participants remained limited by the presence and prevention of the COVID virus in the workplace. WCERS remained in a hybrid model of periodic on-site personnel, and remotely located service personnel for participants that were also working remotely either full or part-time.

Specifically, the following list of targeted initiatives by WCERS and its vendors servicing the DC Plan and 457(b) plans included:

- WCERS continued to request its main vendors (Prudential/Empower and Titan Wealth Advisors) conduct virtual education meetings in lieu of normal face to face education opportunities. Gradually, the vendors began returning to on-site meetings as department heads could safely accommodate these meetings. These included newly eligible meetings as well, as part of the on-boarding process. WCERS team and vendors met with multiple hundreds of participants virtually and in-person during this time.

- WCERS continued to enhance its on-line and traditional mailing campaigns and initiatives to help reach more participants of the Plans. WCERS also expanded its monthly webinar program by creating new subject matter meetings and expanded the availability of these meetings. These webinars reach multiple hundreds of participants and continued to average around 30 attendees per session.

- Specific emphasis was placed on communicating and educating the need to consider proper asset allocation, especially during difficult economic times. The focus of the education team was to further promote the GoalMaker portfolio options available in the Plan to better diversify (and re-balance) during unstable market conditions. WCERS noticed modest gains in the number of GoalMaker users during this year.

- WCERS continued to educate participants regarding the availability of the ROTH provision in the 457 Deferred Compensation Plan. WCERS created and offered multiple webinars comparing the ROTH contribution tax treatment to traditional Voluntary after-tax contributions tax treatment. This effort along with other mailing campaigns has contributed to nearly 200 participants now participating in the ROTH provisions of the 457 Plan, which is about a 100% increase over the previous year.

- A major initiative to encourage participants to update their beneficiary data continued and ramped up during the past year. As a result, over 1000 account holders provided updated beneficiary data during the year.

WCERS has developed and implemented a rigorous process and procedure protocol to use in the selection, monitoring, removal and replacement of funds offered in the DC Plan. The intent has always been to work with an open architecture platform that allows WCERS to choose a variety of asset classes from any mutual fund company or collective investment trust, thereby ensuring the ability to offer best-in-class, lowest-cost investment options to members and participants. This process was reviewed each quarter during the past year by the Retirement Commission in consultation with its investment consultant. At the recommendation of the consultant, there were no investment manager changes during the year. However, there were two new additions to the Plan(s) line-up:

- A 2nd large cap growth option was added to supplement the active manager. The fund implemented was Invesco NASDAQ 100 Index Fund.
- An ESG Balanced Fund option was added to the Plan to enhance the investment line-up. The fund implemented was the Sustainable Fund Class R1, managed by Amundi Pioneer.

The record keeping firm for the Defined Contribution and Deferred Compensation Plans, Prudential/Empower Financial, continues to offer this well diversified set of 28 investment options ranging in scope from low risk to higher risk, including a robust Guaranteed Fund and an option that guarantees a lifetime income. They also offer an asset allocation program to all participants known as Goal Maker. This program is an age-based and risk-based asset allocation model with three different risk categories; conservative, moderate and aggressive. Participants make their own election in this program.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN

Statements of Fiduciary Net Position

The Defined Contribution Plan's (DC Plan) total net position decreased by approximately $94.9 million, or 19.1 percent, over the course of the plan year. The DC Plan's total assets as of September 30, 2022 were $403.2 million and mostly comprised of investments in mutual funds. Assets are restricted to provide future benefit payments to plan participants.

Statements of Changes in Fiduciary Net Position

- The DC Plan's benefits are funded by contributions from Wayne County (County), the Wayne County Airport Authority (WCAA) and the DC Plan's participants, as specified by the plan option selected, as well as by the investment income earned on the DC Plan's assets.

- Additions to net position, excluding appreciation (depreciation) in the fair value of investments, include contributions made to the DC Plan by the County, WCAA and the Plan's participants, as well as investment income, both of which amounted to $22.1 million and $21.1 million as of September 30, 2022 and 2021, respectively.

- The fair value of investments was unfavorable at the end of the year. Net depreciation in the fair value of investments was $72.5 million for the year ended September 30, 2022, compared to net appreciation of $80.5 million for the year ended September 30, 2021. The net depreciation in the fair value of investments for the current year is attributable to the volatile financial markets and resulting investment performance for the year.

- Total deductions from net position increased by approximately $3.4 million, from $41.1 million for the year ended September 30, 2021 to $44.5 million for the year ended September 30, 2022, which is attributable to higher participant distributions and withdrawals during the current year due to retirements, terminations and distributions.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
STATEMENTS OF FIDUCIARY NET POSITION
September 30, 2022 and 2021

	2022	2021
Assets:		
Participant-directed investments,		
at fair value:		
Equity mutual funds	$ 256,509,488	$ 337,651,047
Bond mutual funds	38,879,085	47,623,447
Guaranteed income funds	96,790,782	100,694,949
Total investments	392,179,355	485,969,443
Other assets:		
Notes receivable from participants	11,023,639	12,170,972
Accounts receivable	22,798	14,481
Total Other Assets	11,046,437	12,185,453
Total Assets	**403,225,792**	**498,154,896**
Liabilities:		
Accounts payable	68,130	62,643
Net position restricted for pensions	**$ 403,157,662**	**$ 498,092,253**

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended September 30, 2022 and 2021

	2022	2021
Additions		
Contributions:		
Employer, net of certain forfeitures	$10,775,268	$10,534,958
Participants	6,144,210	6,364,776
Total contributions	16,919,478	16,899,734
Investment income:		
Interest and dividends	4,731,521	3,768,145
Other investment income	523,984	532,692
Total investment income	5,255,505	4,300,837
Less: Investment expenses	(68,400)	(66,975)
Net investment income	5,187,105	4,233,862
Total additions	**22,106,583**	**21,133,596**
Deductions		
Participant distributions and withdrawals	43,743,642	40,336,195
Administrative expenses	788,353	729,264
Total deductions	**44,531,995**	**41,065,459**
Net appreciation (depreciation) in fair value of investments	(72,509,179)	80,483,003
Change in net position restricted for pensions	**(94,934,591)**	**60,551,140**
Net position restricted for pensions		
Beginning of year	498,092,253	437,541,113
End of year	**$403,157,662**	**$498,092,253**

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER
For the Year Ended September 30, 2022

	Charter County of Wayne, Michigan	Wayne County Airport Authority	Totals
Additions			
Contributions:			
Employer, net of certain forfeitures	$6,900,148	$3,875,120	$10,775,268
Participants	3,959,703	2,184,507	6,144,210
Total Contributions	10,859,851	6,059,627	16,919,478
Net Investment Income	3,935,979	1,251,126	5,187,105
Total Additions	**14,795,830**	**7,310,753**	**22,106,583**
Deductions			
Participant distributions and withdrawals	35,869,816	7,873,826	43,743,642
Administrative expenses	609,685	178,668	788,353
Total deductions	**36,479,501**	**8,052,494**	**44,531,995**
Net depreciation in fair value of investments	(53,636,560)	(18,872,619)	(72,509,179)
Changes in net position restricted for pensions	(75,320,231)	(19,614,360)	(94,934,591)
Transfer of participant account	(175,781)	175,781	-
Net position restricted for pensions			
Beginning of year	376,880,859	121,211,394	498,092,253
End of year	**$301,384,847**	**$101,772,815**	**$403,157,662**

Note A: The accompanying schedule of changes in fiduciary net position by employer is prepared on the accrual basis of accounting using the economic resources measurement focus. Participant contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Distributions and refunds are recognized when due and payable in accordance with the terms of the Wayne County Retirement Ordinance. Administrative expenses are paid from Plan assets, unless paid by the employer.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
ADMINISTRATIVE EXPENSES
For the Years Ended September 30, 2022 and 2021

	2022	**2021**
Personnel Services:		
Staff Salaries	$193,804	$195,830
Other Fringe Benefits	71,067	67,875
Retirement Benefits	75,991	74,317
Total	340,862	338,022
Professional Service		
Administrative Consultant Fee	61,677	60,492
Education Consultant Fee	104,050	111,305
Audit Fees	20,273	19,390
Total	186,000	191,187
Miscellaneous		
Miscellaneous Fees	161,001	109,625
Allocated Operating Expenses	100,490	90,430
Total	261,491	200,055
Total Administrative Expenses	**$788,353**	**$729,264**

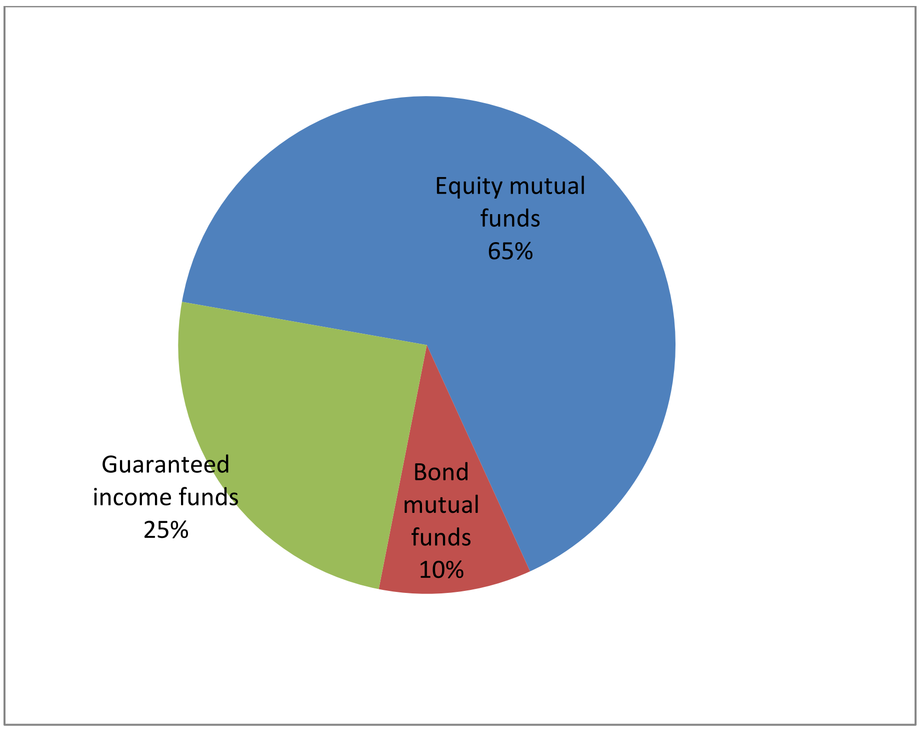
WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
INVESTMENT EXPENSES
For the Years Ended September 30, 2022 and 2021

	2022	**2021**
Professional Service Consultant Fees	$68,400	$66,975
Total Investment Expenses	**$68,400**	**$66,975**

WAYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2022

Investment Type	Market Value at 9/30/2022
Equity mutual funds	$ 256,509,488
Bond mutual funds	38,879,085
Guaranteed income funds	96,790,782
Total Investments	**$ 392,179,355**

WAYNE COUNTY EMPLOYEE'S RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
ASSET ALLOCATION BY INVESTMENT TYPE
As of September 30, 2022



WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
ADDITIONAL STATE OF MICHIGAN REQUIRED INFORMATION

Type of Plan	Open/Closed	Number of Active Members			Valuation Payroll		
		County	WCAA	Combined	County	WCAA	Combined
Defined Benefit	Open - County Closed - WCAA	1,677	212	1,889	$99,466,586	$21,363,557	$120,830,143
Defined Contribution	Open	911	382	1,293	$67,978,023	$34,026,326	$102,004,349
Totals		2,588	594	3,182	$167,444,609	$55,389,883	$222,834,492

Number of Retirees and Beneficiaries
- County……………………………………4,285
- WCAA*…………………………………311
- Combined………………………………4,596

Average Annual Retirement Allowance
- County……………………………………$27,753
- WCAA*…………………………………$38,269
- Combined………………………………$28,464

Annual Retirement Allowances Being Paid
- County……………………………………$118,920,038
- WCAA*…………………………………$11,901,584
- Combined………………………………$130,821,622

Funding Level			
	County	WCAA	Combined
Actuarial Accrued Liabilities	$1,345,409,396	$191,640,249	$1,537,049,645
Actuarial Value of Assets	$876,652,014	$151,289,193	$1,027,941,207
Unfunded Actuarial Accrued Liabilities	$468,757,382	$40,351,056	$509,108,438
Funded Ratio	65%	79%	67%

*Includes only members that retired from WCAA after September 2002

Further information about the Retirement System can be found at www.wcers.org on the reporting tab, including Audited Financials, Annual Actuarial Valuation, Historical Plan Review and previous years' reports.