



Employees' Retirement System
Robert J. Grden, Executive Director



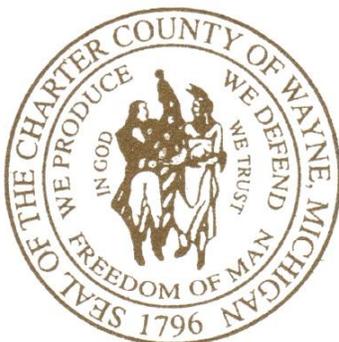
Summary Annual Report

FISCAL YEAR ENDING SEPTEMBER 30, 2024

RETIREMENT COMMISSION
EMPLOYEE MEMBERS
Henry Wilson, Chair
Frank Simone, Vice-Chair
Tom Yee
Denis Martin

RETIREE MEMBERS
Elizabeth Misuraca
Ronald Yee

EX-OFFICIO MEMBERS
Warren C. Evans
Wayne County Executive
Assad Turfe
Designated Representative
Alisha Bell, Chairperson
Wayne County Commission



ROBERT J. GRDEN
Executive Director

GERARD J. GRYSKO
Deputy Director

GABRIEL ROEDER SMITH & CO.
Actuary

CHAD STENNETT, MD.
Medical Director

July 24, 2025

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, 2024. Although this report covers only the 2024 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, 2024, that may be viewed on www.wcers.org under the 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 thus keeping the monthly pension promises made by their employers. It is our honor to administer the Wayne County and Wayne County Airport Authority Defined Benefit Plans (DB Plan), Defined Contribution Plans, 457 Deferred Compensation Plans, and 457 FICA Alternative Plan.

Strategic Investment Reallocation and Portfolio Performance

In response to a shifting economic landscape characterized by higher interest rates and tempered growth expectations, WCERS strategically adjusted its investment portfolio to reduce equity exposure across most styles. The portfolio shifted toward a more diversified mix of fixed income and credit-related assets.

Throughout 2024, WCERS:

- Rebalanced into multi-sector fixed income and several liquid private credit funds;
- Added a distressed debt fund and a commercial mortgage-backed securities (CMBS) strategy;

- Reinvested in a short-duration, income-generating real estate option with a three-year hold; and
- Enhanced short-term liquidity and returns by allocating to AAA-rated collateralized loan obligation (CLO) funds.

This active reallocation strategy paid off. For the fiscal year, the WCERS portfolio generated a return of nearly **15%**, significantly exceeding the assumed actuarial rate of return of **6.75%**.

Strengthening Long-Term Funding and Fiscal Stability

Through disciplined funding strategies and effective governance, WCERS has significantly improved its long-term fiscal health:

- In 2013, Wayne County’s portion of WCERS was only **44% funded**.
- As of 2024, Wayne County is now **70% funded**, and the Wayne County Airport Authority stands at **82% funded**.

This 26% improvement over the past decade reflects sustained commitment by the Retirement Commission and staff to responsible financial management.

Support for Retirees and Asset Growth

WCERS continues to honor its promise to retirees:

- As of September 30, 2024, total system assets reached **\$1.1 billion**.
- WCERS provides over \$11 million in monthly pension payments to nearly 5,000 retirees and beneficiaries, totaling over \$130 million annually.

These payments were made without interruption, reinforcing WCERS’s reliability and financial strength.

Defined Contribution Fee Reductions: Major Cost Savings for Participants

In 2024, WCERS took decisive action to reduce fees for participants in the 401(a) Defined Contribution (DC) Plan, 457(b) Deferred Compensation Plan, and FICA Alternative Plan.

WCERS had an expiring contract with Empower Retirement (formerly Prudential), the recordkeeper for these plans. Leveraging the timing of the contract renewal, I was able to work with the Retirement Commission to successfully negotiate a new agreement that **significantly lowered recordkeeping fees for participants**.

Effective January 1, 2025:

- 401(a) DC Plan participants will pay **no recordkeeping fees** (net impact: \$0).
- 457(b) and FICA Alternative Plan participants will pay just \$5 per quarter—a minimal cost in comparison to industry standards.

Additionally, WCERS arranged for **the majority of fees paid by participants in 2024 to be returned**, providing immediate and tangible value to plan participants.

Seamless Recordkeeper Transition to Empower

Empower Retirement officially acquired Prudential's full-service retirement business on April 1, 2022. The transition was smooth and required no action by participants. WCERS continued to monitor the acquisition closely, working with Empower and the System's investment consultant to ensure participant interests were protected.

As of **February 2024**, the full migration to Empower's recordkeeping system was completed. Participants now benefit from:

- A modernized, user-friendly website;
- Enhanced in-person and phone services;
- Upgraded financial planning tools and educational resources;
- Robust cybersecurity protections; and
- Continued access to Titan Wealth Advisors and Retirement Counselor, Kandie Anglin, for personalized advice.

WCERS remains a model of fiscal responsibility and resilience. Through strategic investment adjustments, innovative cost-saving initiatives, and a relentless focus on governance, the Retirement Commission has positioned the System for a secure future. These ongoing efforts ensure that WCERS continues to fulfill its mission: providing dependable, long-term retirement security for all its members.

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, 2024.

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. This report contains information on both the Defined Benefit and the Defined Contribution Plans.

Trust is the cornerstone upon which successful partnerships are built. The Retirement Commission and staff continue to work diligently to carry out essential functions ensuring that each member and participant of the Retirement System receive their pension payments. Promises made. Promises kept.

Sincerely,

Robert J. Grden

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

Table of Contents

FIDUCIARIES OF THE RETIREMENT COMMISSION	6
RETIREMENT SYSTEM SERVICE PROVIDERS	7
FINANCIAL SECTION - PREFACE	9
DEFINED BENEFIT PLAN.....	10
STATEMENTS OF FIDUCIARY NET POSITION	11
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	12
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER	13
GASB STATEMENT 67 REQUIRED SUPPLEMENTARY INFORMATION	14
FUNDING NOTES COMBINED PLANS	17
SUMMARY OF ACTUARIAL ASSUMPTIONS	18
CONTRIBUTION RATES	19
ADMINISTRATIVE EXPENSES.....	20
INVESTMENT EXPENSES	21
BUDGETS.....	22
MARKET VALUE BY INVESTMENT TYPE	23
ASSET ALLOCATION BY INVESTMENT TYPE	23
INVESTMENT PERFORMANCE.....	24
REPORT ON INVESTMENT ACTIVITY	25
MARKET PERFORMANCE	27
DEFINED CONTRIBUTION PLAN	28
STATEMENTS OF FIDUCIARY NET POSITION	31
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	32
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER	33
ADMINISTRATIVE EXPENSES.....	34
INVESTMENT EXPENSES	35
MARKET VALUE BY INVESTMENT TYPE	36
ASSET ALLOCATION BY INVESTMENT TYPE	36
ADDITIONAL STATE OF MICHIGAN REQUIRED INFORMATION	37

FIDUCIARIES OF THE RETIREMENT COMMISSION

Elected Employee Members

Cassandra McDonald	Retired September 18, 2024
Tom Yee	Term Expires December 31, 2025
Frank Simone, Vice-Chair	Term Expires December 31, 2026
Henry Wilson, Chair	Term Expires December 31, 2027
Denis Martin	Term Began January 1, 2025 Term Expires December 31, 2028

Elected Retiree Members

Elizabeth Misuraca	Term Expires December 31, 2024
Ronald Yee	Term Expires December 31, 2026

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.....	Terrilla Gee
Compliance Officer.....	Annie Hussein, Esq.

RETIREMENT SYSTEM SERVICE PROVIDERS

Actuary.....Gabriel Roeder Smith & Company

Attorneys.....

Bleichmar Fonti & Auld, L.L.P.	Pomerantz, L.L.P.
Kaplan Fox & Kilsheimer L.L.P.	Robbins Geller Rudman and Dowd, L.L.P.
Labaton Sucharow L.L.P.	VanOverbeke, Michaud & Timmony, P.C.
Miller Law P.C.	Wayne County Corporation Counsel
Motley Rice L.L.C.	

Auditor.....George Johnson & Company

Investment Consultants..... Titan Wealth Advisors, L.L.C.

Custodian of Assets.....Northern Trust

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

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

Medical Director.....Chad Stennett, M.D.

Investment Managers.....

Abbott Capital Management, L.L.C.	Lightstone REIT
ABS Investment Management, L.L.C.	Marathon Asset Management, L.P.
AEW Capital Management, L.P.	Mesirow Financial Services, Inc
American Funds	Morgan Stanley Real Estate Advisor, Inc.
Artemis Real Estate Partners	Mt. Lucas Management Corp.
Blackrock Investments	National Investment Services of America, L.L.C.
Boyd Watterson Asset Management, L.L.C.	Northern Trust Investments
Capital Dynamics, Inc.	PennantPark Investment Advisers, L.L.C.
Cooke & Bieler, L.P.	Providence/Benefit Street Partners, L.L.C.
Crescent Capital Group, L.P.	Raven Capital Management, L.L.C.
Dune Real Estate Manager, L.L.C.	Reinhart Partners
Earnest Partners, L.L.C.	Rizvi Traverse Management, L.L.C.
Edgewood Management L.L.C	Seizert Capital Partners, L.L.C.
Entrust Capital	Seminole Advisory Services, L.L.C.
First Eagle Investment Management, L.L.C.	SIT Investment Associates, Inc.
First Trust Capital Management, L.P.	Stepstone Group, L.P.
Garcia Hamilton & Associates, L.P.	Steward Capital Management
Hardman Johnston Global Advisors, L.L.C.	Taurus Private Markets, L.L.C.
HGK Asset Management Inc.	TerraCap Management, L.L.C.
Janus Henderson Investors	Valstone Partners, L.L.C.
Landmark Realty Advisors, 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 under 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, 2024 for each set of financial statements. The financial information was obtained from the audited financial statements dated March 20, 2025, 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' Retirement System Defined Benefit Plan's (DB Plan) total net position increased by \$100.4 million, or 10.1%, over the course of the plan year. The DB Plan total assets as of September 30, 2024 were \$1.1 billion and mostly comprised of cash and investments. The increase of total net position was primarily attributable to net appreciation of investments. The year ended September 30, 2024 had a favorable rate of return gross of fees of 15.10%, while the year ended September 30, 2023 had a favorable rate of return on investments of 10.34%. 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 \$16.8 million from \$105.3 million for the year ended September 30, 2023 to \$122.1 million for the year ended September 30, 2024.
- Total contributions for 2024 increased by \$8.8 million from those of the prior year. The combined employer contributions were made at the actual rate of 57.21% (\$80.5 million), 56.18% (\$70.0 million), and 55.03% (\$64.8 million) of covered payroll during the years ended September 30, 2024, 2023, and 2022, respectively. Member contributions totaled \$11.0 million, \$12.7 million, and \$12.5 million for the years ended September 30, 2024, 2023, and 2022, respectively. The County also made contributions totaling \$1.6 million per year to fund a stipend benefit paid to pre-Medicare retirees for the years ended September 30, 2024, 2023, and 2022.
- The County's employer contribution rate decreased from 55.69% in 2023 to 55.40% in 2024. The County contributed an additional \$6.4 million and \$5.3 million above the required contribution for the years ended September 30, 2024 and 2023, respectively. The WCAA's actuarially determined contribution rate increased from 32.01% for 2023 to 36.46% for 2024. The WCAA made an additional \$0.1 million in employer contributions above the required contribution for the year ended September 30, 2024, consistent with the \$0.3 million contribution for the year ended September 30, 2023.
- Other investment income is composed of interest, dividends, securities lending, other income, and investment expenses. Interest and dividends totaled \$31.5 million, \$24.2 million, and \$32.8 million for the years ended September 30, 2024, 2023, and 2022, respectively. Other income (including securities lending income) totaled \$0.1 million, \$0.1 million, and \$0.2 million for the years ended September 30, 2024, 2023, and 2022, respectively. Investment expense totaled \$2.6 million, \$3.3 million, and \$3.7 million for the years ended September 30, 2024, 2023, and 2022, respectively.
- The change in the fair value of investments was favorable for the current year. The fair value of investments had a net appreciation of \$113.6 million for September 30, 2024, compared to net appreciation of \$74.1 million, and net depreciation of \$172.1 million for the years ending September 30, 2023 and 2022, respectively. The net appreciation 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 \$135.4 million for the year ended September 30, 2024 were consistent with the prior year's deductions of \$136.9 million.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
September 30, 2024 and 2023**

	2024	2023
Assets		
Investments, at fair value or net asset value:		
Equity investments	\$431,230,125	\$550,021,936
Fixed income investments	292,752,874	115,935,291
Short-term investments	34,910,289	37,043,887
Other investments	327,782,442	286,175,941
Total Investments	1,086,675,730	989,177,055
 Other Assets		
Equity in Wayne County pooled cash	2,692,203	910,720
Accounts receivable	49,533	35,335
Due from broker for securities sold	275,925	860,239
Accrued interest and dividends	1,414,366	1,245,693
Right-of-use assets	1,384,729	-
Prepaid expenses	52,928	26,115
Total Other Assets	5,869,684	3,078,102
 Total Assets	1,092,545,414	992,255,157
 Liabilities		
Accounts and contracts payable	652,465	970,572
Due to broker for securities purchased	609,133	1,818,747
Accrued wages and benefits	290,242	274,641
Lease liabilities (Note E)	1,385,469	-
Total Liabilities	2,937,309	3,063,960
 Net Position Restricted for Pensions	\$1,089,608,105	\$989,191,197

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended September 30, 2024 and 2023**

	2024	2023
Additions		
Contributions:		
Employer	\$ 82,111,352	\$ 71,638,940
Members	10,987,552	12,687,155
Total Contributions	93,098,904	84,326,095
Investment income:		
Interest	26,670,142	17,061,122
Dividends	4,823,943	7,165,965
Securities lending income	87,374	85,157
Other investment income	38,755	32,909
Total Investment income	31,620,214	24,345,153
Less: Investment expenses	(2,578,181)	(3,343,772)
Net Investment income	29,042,033	21,001,381
Total Additions	122,140,937	105,327,476
Deductions		
Participant benefit payments and distributions	132,107,214	133,608,155
Administrative expenses	3,253,669	3,318,619
Total Deductions	135,360,883	136,926,774
Gains and Losses		
Net appreciation in fair value of investments	113,636,854	74,127,027
Change in Net Position Restricted for Pensions	100,416,908	42,527,729
Net Position Restricted for Pensions		
Beginning of Year	989,191,197	946,663,468
End of Year	\$ 1,089,608,105	\$ 989,191,197

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER
For the Year Ended September 30, 2024**

	Charter County of Wayne, Michigan	Wayne County Airport Authority	Total
Additions:			
Contributions:			
Employer (see Notes B)	\$74,437,866	\$7,673,486	\$82,111,352
Members	10,615,530	372,022	10,987,552
Total Contributions	85,053,396	8,045,508	93,098,904
Net investment income	24,665,548	4,376,485	29,042,033
Total Additions	109,718,944	12,421,993	122,140,937
Deductions:			
Participant benefit payments and distributions	119,766,500	12,340,714	132,107,214
Administrative expenses	2,763,358	490,311	3,253,669
Total Deductions	122,529,858	12,831,025	135,360,883
Gains and Losses			
Net appreciation in fair value of investments	96,512,365	17,124,489	113,636,854
Changes in Net Position Restricted for Pensions	83,701,451	16,715,457	100,416,908
Net Position Restricted for Pensions			
Beginning of year	840,916,746	148,274,451	989,191,197
End of the year	\$924,618,197	\$164,989,908	\$1,089,608,105

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 \$6.4 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 liabilities for the year ended September 30, 2024.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
GASB STATEMENT 67 REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Change in Total Pension Liability					
Service cost	\$15,000,163	\$10,431,838	\$10,891,944	\$10,524,448	\$10,746,337
Interest	122,200,908	111,275,067	110,167,298	112,568,204	111,556,453
Changes of benefit terms	-	(141,296,225)	-	-	1,805,747
Differences between expected and actual experience	(21,264,821)	(532,795)	50,758,944	(4,104,803)	(9,788,235)
Changes of assumptions and other changes	-	-	101,352,130	2,131,112	2,736,461
Benefit payments, including refunds of member contributions	(136,008,966)	(139,863,597)	(139,888,098)	(136,432,380)	(135,314,829)
Change in Total Pension Liability	(20,072,716)	(159,985,712)	133,282,218	(15,313,419)	(18,258,066)
Total Pension Liability, Beginning	1,660,415,701	1,640,342,985	1,480,357,273	1,613,639,491	1,598,326,072
Total Pension Liability, Ending (a)	1,640,342,985	1,480,357,273	1,613,639,491	1,598,326,072	1,580,068,006
Change in Plan Fiduciary Net Position					
Contributions – employer	111,718,544	103,337,465	71,052,048	153,719,388	79,800,443
Contributions – member	11,370,680	10,734,600	9,199,085	10,286,435	11,122,528
Net investment income	37,919,468	17,078,624	18,263,095	18,311,178	21,789,400
Benefit payments, including refunds of member contributions	(136,008,966)	(139,863,597)	(139,888,098)	(136,432,380)	(135,314,829)
Administrative expense	(3,014,195)	(2,321,879)	(2,676,532)	(2,525,172)	(2,518,758)
Net appreciation (depreciation) in fair value of investments	(12,754,830)	62,571,168	83,763,276	43,983,255	12,641,634
Change in Plan Fiduciary Net Position Before Asset Transfer	9,230,701	51,536,381	39,712,874	87,342,704	(12,479,582)
Transfer of Bailiffs' Plan Assets	-	5,670,643	-	-	-
Change in Plan Fiduciary Net Position	9,230,701	57,207,024	39,712,874	87,342,704	(12,479,582)
Plan Fiduciary Net Position, Beginning	815,077,843	824,308,544	881,515,568	921,228,442	1,008,571,146
Plan Fiduciary Net Position, Ending (b)	824,308,544	881,515,568	921,228,442	1,008,571,146	996,091,564
Employers' Net Pension Liability, Ending (a)-(b)	\$816,034,441	\$598,841,705	\$692,411,049	\$589,754,926	\$583,976,442
Ratio Information:					
Plan fiduciary net position as a percentage of the total pension liability	50.25%	59.55%	57.09%	63.10%	63.04%
Covered-employee payroll	147,363,016	140,222,696	129,283,884	\$132,030,801	\$132,578,605
Employers' net pension liability as a percentage of the Covered payroll	553.76%	427.06%	535.57%	446.68%	440.48%

*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
Last Ten Years**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Change in Total Pension Liability					
Service cost	\$10,649,616	\$9,635,303	\$9,388,695	\$9,795,191	\$10,607,860
Interest	110,132,335	108,417,531	103,511,495	101,346,284	99,799,638
Changes of benefit terms	(1,948,585)	1,067,339	356,201	0	1,077,008
Differences between expected and actual experience	(9,474,507)	(11,455,759)	(16,103,850)	(5,116,330)	(6,340,460)
Changes of assumptions and other changes	2,711,309	64,010,422	5,090,985	4,549,774	2,476,101
Benefit payments, including refunds of member contributions	<u>(135,363,556)</u>	<u>(134,736,360)</u>	<u>(134,898,594)</u>	<u>(133,608,155)</u>	<u>(132,107,214)</u>
Change in Total Pension Liability	(23,293,388)	36,938,476	(32,655,068)	(23,033,236)	(24,487,067)
Total Pension Liability, Beginning	<u>1,580,068,006</u>	<u>1,556,774,618</u>	<u>1,593,713,094</u>	<u>1,561,058,026</u>	<u>1,538,024,790</u>
Total Pension Liability, Ending (a)	<u>1,556,774,618</u>	<u>1,593,713,094</u>	<u>1,561,058,026</u>	<u>1,538,024,790</u>	<u>1,513,537,723</u>
Change in Plan Fiduciary Net Position					
Contributions – employer	66,914,695	65,035,776	66,461,671	71,638,940	82,111,352
Contributions – member	10,961,257	9,800,842	12,489,895	12,687,155	10,987,552
Net investment income	21,663,500	26,108,033	29,327,626	21,001,381	29,042,033
Benefit payments, including refunds of member contributions	(135,363,556)	(134,736,360)	(134,898,594)	(133,608,155)	(132,107,214)
Administrative expense	(2,678,259)	(2,882,305)	(3,040,787)	(3,318,619)	(3,253,669)
Net appreciation (depreciation) in fair value of investments	5,676,478	221,806,257	(172,074,265)	74,127,027	113,636,854
Change in Plan Fiduciary Net Position Before Asset Transfer	(32,825,885)	185,132,243	(201,734,454)	42,527,729	100,416,908
Transfer of Bailiffs' Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Plan Fiduciary Net Position	(32,825,885)	185,132,243	(201,734,454)	42,527,729	100,416,908
Plan Fiduciary Net Position, Beginning	<u>996,091,564</u>	<u>963,265,679</u>	<u>1,148,397,922</u>	<u>946,663,468</u>	<u>989,191,197</u>
Plan Fiduciary Net Position, Ending (b)	<u>963,265,679</u>	<u>1,148,397,922</u>	<u>946,663,468</u>	<u>989,191,197</u>	<u>1,089,608,105</u>
Employers' Net Pension Liability, Ending (a)-(b)	<u>\$593,508,939</u>	<u>\$445,315,172</u>	<u>\$614,394,558</u>	<u>\$548,833,593</u>	<u>\$423,929,618</u>
Ratio Information:					
Plan fiduciary net position as a percentage of the total pension liability	61.88%	72.06%	60.64%	64.32%	71.99%
Covered-employee payroll	\$127,561,562	114,839,984	\$117,786,409	\$124,567,024	\$140,625,870
Employers' net pension liability as a percentage of the Covered payroll	465.27%	387.77%	521.62%	440.59%	301.46%

*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*
2015	0.70%
2016	9.82%
2017	11.95%
2018	6.12%
2019	2.98%
2020	2.86%
2021	26.47%
2022	(12.85)%
2023	10.14%
2024	14.64%

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

**Schedule of Employer Contributions
Last Ten Fiscal 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
9/30/2015	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%
9/30/2023	64,392,765	69,976,399	(5,583,634)	124,567,024	56.18%
9/30/2024	73,978,737	80,458,198	(6,479,461)	140,625,870	57.21%

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

The Retirement System funding rate increased from 66% in 2023 to 70% in 2024 for Wayne County and increased from 79% in 2023 to 82% in 2024 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 at www.wcers.org under the 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 8.4% for 2024, above the 6.75% Assumed Rate of Return
- Detailed investment activity for 2024 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 included an additional \$6.4 million in employer contributions to the DB Plan for 2024
- WCAA included an additional \$0.1 million in employer contributions to the DB Plan for 2024

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

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
SUMMARY OF ACTUARIAL ASSUMPTIONS
September 30, 2024**

The information presented in the accompanying required supplementary schedules was calculated using the actuarial valuations, as of the indicated dates. Additional information as of the latest actuarial valuation is as follows:

Valuation date.....	September 30, 2024
Actuarial cost method.....	Entry Age Normal
Amortization method	
County	Level percent of payroll
WCAA	Level dollar
Base UAAL remaining amortization period.....	10 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 9/30/2022		Valuation Measurement Date 9/30/2023		Valuation Measurement Date 9/30/2024	
	Rate Used During FYE 9/30/24		Rate Used During FYE 9/30/25		Rate Used During FYE 9/30/26	
	County	WCAA	County	WCAA	County	WCAA
Normal Cost	9.26%	9.49%	9.09%	9.45%	9.10%	9.70%
Less Portion Paid by Members *	6.76%	1.56%	6.13%	1.53%	6.20%	1.79%
Employer Defined Benefit Normal Cost	2.50%	7.93%	2.96%	7.92%	2.90%	7.91%
Unfunded Actuarial Accrued Liability	52.90%	28.53%	48.28%	31.26%	38.35%	31.71%
Total Computed Employer Rate	55.40%	36.46%	51.24%	39.18%	41.25%	39.62%

Contribution Type	Contribution Rates			Valuation Projected Payroll		
	County	WCAA	Combined	County	WCAA	Combined
Employer's Normal Cost	2.90%	7.91%	3.47%	144,100,676	18,502,759	162,603,435
Employer's Total Rate	41.25%	39.62%	41.06%	144,100,676	18,502,759	162,603,435
Weighted Average of Member Contribution*	6.20%	1.79%	5.64%	144,100,676	18,502,759	162,603,435

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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Personnel Services:		
Staff Salaries	\$1,064,971	\$1,050,008
Other Fringe Benefits	358,230	185,377
Retirement Benefits	319,485	383,732
Total	<u>1,742,686</u>	<u>1,619,117</u>
Building and Equipment:		
Building Rent	230,517	240,433
GASB Amortization	15,299	-
GASB Interest	2,917	-
Equipment, Equipment Rent and Maintenance	31,197	15,210
Utilities	8,219	5,701
Total	<u>288,149</u>	<u>261,344</u>
Professional Service		
Actuary Fees	207,089	203,709
Audit Fees	22,398	23,727
Attorney Fees	151,147	207,546
Consultant Fees	290,425	281,543
Fiduciary Insurance	222,710	215,890
Medical Director	10,387	8,975
Miscellaneous Fees	12,764	6,470
Total	<u>916,920</u>	<u>947,860</u>
Miscellaneous		
Office Supplies	15,489	13,602
Postage, Dues, Membership, and Other	42,967	33,565
Printing	5,593	8,124
Training, Travel and Board Meeting – Trustees	37,575	33,411
Training, Travel and Board Meeting – Staff	22,628	17,216
Wayne County Chargebacks	345,033	506,190
Operating Expenses Allocated to other Plans	(163,371)	(121,810)
Total	<u>305,914</u>	<u>490,298</u>
Total Administrative Expenses	<u><u>\$3,253,669</u></u>	<u><u>\$3,318,619</u></u>

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, 2024 and 2023**

	2024	2023
Professional Service		
Attorney Fees	\$ 197,347	\$ 236,925
Consultant Fees	225,000	266,667
Custodian Fees	179,265	185,873
Management Fees	1,976,569	2,654,307
Total Investment Expenses	\$ 2,578,181	\$ 3,343,772

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**

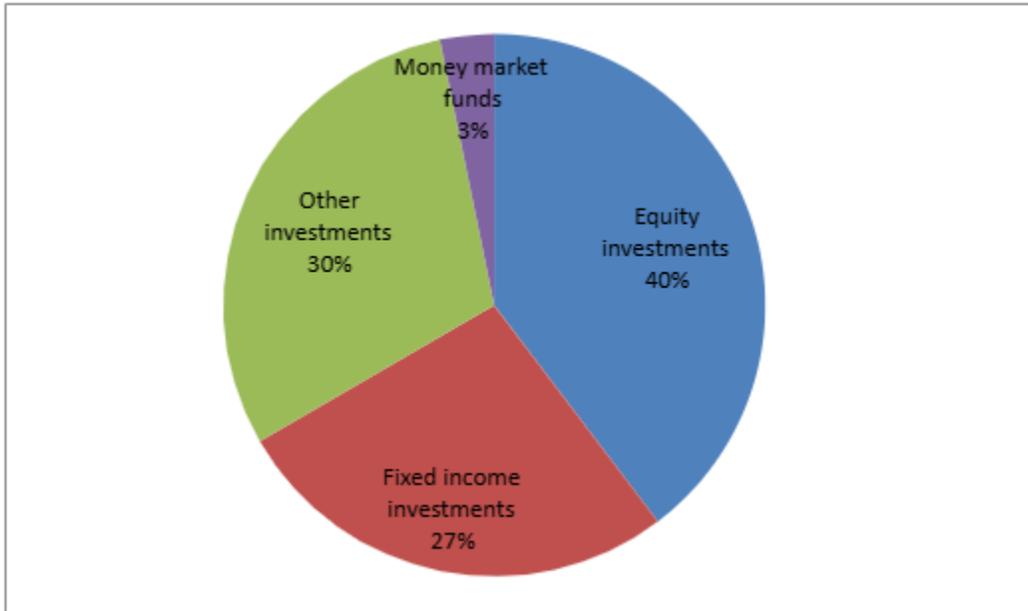
	FY 2024 Budget	FY 2024 Actual	Variance Favorable (Unfavorable)	FY 2025 Budget
Revenue				
Interest & Dividends	\$7,626,900	\$31,494,084	\$23,867,184	\$7,626,900
Total Budgeted Revenue	\$7,626,900	\$31,494,084	\$23,867,184	\$7,626,900
Expense				
Personnel Services:				
Staff Salaries	\$1,829,745	\$1,246,329	\$583,146	\$1,854,316
Other Fringe Benefits	517,684	416,572	101,112	486,192
Retirement Benefits	419,617	388,891	30,726	311,406
Reimbursed Expenses *	-	(309,106)	309,106	-
Total	2,766,776	1,742,686	1,024,090	2,651,914
Building and Equipment:				
Building Rent	250,000	230,517	19,483	255,000
GASB Amortization	-	15,299	(15,299)	-
GASB INTEREST	-	2,917	(2,917)	-
Equipment, Equipment Rent and Maintenance	61,000	31,197	29,803	46,000
Utilities	8,000	8,219	(219)	20,000
Total	319,000	288,149	30,851	321,000
Professional Service				
Investment & Miscellaneous Expenses	3,763,456	3,363,343	400,113	3,697,029
Actuary	220,000	207,089	12,911	220,000
Medical Director	15,000	10,387	4,613	15,000
Reimbursed Expenses *	-	(85,718)	85,718	-
Total	3,998,456	3,495,101	503,355	3,932,029
Miscellaneous				
Office Supplies	20,000	15,489	4,511	20,000
Postage, Dues, Membership, and Other	62,000	42,967	19,033	62,000
Printing	20,000	5,593	14,407	20,000
Training, Education & Travel - Trustees	70,500	37,575	32,925	70,500
Training, Education & Travel - Other	25,700	22,628	3,072	25,700
Wayne County Chargebacks	344,468	345,033	(565)	523,757
Reimbursed Expenses *	-	(163,371)	163,371	-
Total	542,668	305,914	236,754	721,957
Total Budgeted Expenses	\$7,626,900	\$5,831,850	\$1,795,050	\$7,626,900
Change in Budgeted Net Assets	\$ -	\$25,662,234	\$25,662,234	\$ -

*Administrative expenses reimbursed by the Defined Contribution Plan.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2024**

<u>Investment Type</u>	<u>Market Value at 9/30/2024</u>
Equity investments	\$431,230,125
Fixed income investments	292,752,874
Other investments	327,782,442
Short-term investments	34,910,289
Total Investments	<u><u>\$1,086,675,730</u></u>

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ASSET ALLOCATION BY INVESTMENT TYPE
As of September 30, 2024**



**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	6.48%	14.62%
3 Year	1.63%	3.07%
5 Year	6.17%	7.38%
7 Year	5.90%	6.59%
10 Year	6.50%	6.80%

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, 2024.

WAYNE COUNTY EMPLOYEES' RETIREMENT 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's 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's 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's 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's 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, 2024, produced a second consecutive year of strong performance in most stock market indices. The bond markets also outperformed recent years, due to a change in Fed policy and signaling of lower rates to follow in the future. The Fed Funds overnight rates, which peaked in the previous year at 5.50%, dropped on the Fed rate cut to 5.0% by the end of the fiscal year. Investors continued to deal with headwinds due to geopolitical events in Ukraine and a new Israel/Gaza conflict. Recession concerns worldwide began to subside, but volatility in the broad markets continued despite some renewed optimism of a declining interest rate cycle. Returns over the trailing 1-year were positive across all broad US equity markets. Large Cap US Stocks led the way based on continued investment in artificial intelligence stocks, with a trailing 1-year return of 42.19%. US large cap performance benefited from the same, earning 36.35% over the trailing 1-year period. Small cap stocks gains were up again this year, with a more modest 26.76% return for the 1-year period.

International markets also performed extremely well, but still significantly trailed its US counterparts. Over the trailing 1-year period, the MSCI EAFE Index returned 25.45% while the MSCI Emerging Markets Index returned a 26.41%. The combination of declining inflation and lower interest rates were the primary drivers of optimism during the period for international and emerging market stocks.

Bond market returns over the trailing 1-year period remained volatile throughout the year, with the Bloomberg US Aggregate Index returning a very strong 11.57%. Fixed income markets were directly impacted by lower short-term Fed Funds rate along with an improving economic outlook.

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

On the alternative investment front, Private Real Estate, as measured by the NCREIF Property Index, struggled with higher interest rates and commercial office real estate valuations continued their slide. Overall, the Real Estate market had pockets of success but was generally down due to drop in commercial real estate valuations. The trailing 1-year return for the Index was down again this year, positing a -3.47%. Private Equity, as measured by the Cambridge Private Equity Index, posted nominal returns, also due to facing higher interest rate headwinds and lower than expected activity. The trailing 1-year return was 6.45% for the year.

The Wayne County Employees' Retirement System leveraged the changing landscape in the world of higher interest rates and sluggish growth projections for the US economy. The long-term outlook led to a strategic change in the portfolio by reducing equity fund exposure across most equity styles, while increasing fixed income and credit related investments. Throughout the year, the portfolio was rebalanced to add multi-sector fixed income, multiple liquid private credit funds, a distressed debt fund, a CMBS option which invests in publicly traded commercial mortgage back securities, along with re-investing in a successful income generating real-estate option that has only a 3-year hold period. The fund also shifted significant focus on short-term cash to invest in AAA-rated collateralized loan obligations (CLO) funds to enhance the rate of return while maintaining daily liquidity. For the year, the overall WCERS Fund produced nearly a 15% return with this new allocation

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM MARKET PERFORMANCE

Equities	Index Returns (%) - Annualized				
	<u>3 M</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Yr</u>	<u>5 Yr</u>
S&P 500 Total Return	5.89	22.08	36.35	11.91	15.98
Russell Midcap Index	9.21	14.63	29.33	5.75	11.30
Russell 2000 Index	9.27	11.17	26.76	1.84	9.39
Russell 1000 Growth Index	3.19	24.55	42.19	12.02	19.74
Russell 1000 Value Index	9.43	16.68	27.76	9.03	10.69
MSCI EAFE GD	7.33	13.50	25.38	6.02	8.72
MSCI EM GD	8.88	17.24	26.54	0.82	6.15

Real Estate	Index Returns (%)				
	<u>3M</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
NCREIF Index	0.78	-0.47	-3.47	0.87	3.27

Fixed Income	Index Returns (%)				
	<u>3 M</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
US Aggregate	5.20	4.45	11.57	-1.39	0.33
US Corporate Investment Grade	5.84	5.32	14.28	-1.18	1.16
US Corporate High Yield	5.28	8.00	15.74	3.10	4.72
Global Aggregate – Corporate	5.67	5.52	14.04	-0.98	N/A

Key Rates	Levels (%)				
	<u>9/30/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
3 Month	4.63	5.35	4.25	0.03	0.06
US 2 Year	3.65	4.33	4.34	0.73	0.12
US 10 Year	3.80	3.86	3.88	1.51	0.91
US 30 Year	4.13	4.02	3.97	1.90	1.64
Bankrate 30Y Mortgage Rates	6.08	6.77	6.42	3.27	2.87
Prime	8.00	8.50	7.50	3.25	3.25

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 Empower 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 final step to this purchase was a full system migration to the Empower recordkeeping platform which was completed in the first quarter of 2024. Prior to allowing this migration, the Retirement Commission conducted a full day site visit at Empower's home office operations. Staff members and Commissioners attended with the Investment Consultants to conduct operational, cybersecurity and platform due diligence. The Commissioners were committed to reviewing and approving any system changes that will have an impact on the participants of the DC Plan(s). The site visit was instrumental in getting comfortable with the migration from the Prudential systems to Empower systems, along with new enhancements available to participants. The migration was successfully executed, and participants are benefiting from many of the new tools and systems available via the enhanced Empower platform.

During the past twelve months, nearly 1,500 education touch points were made with both active and retired participants. The personal touch points were supplemented with a robust marketing campaign utilizing direct mail, email and the website and quarterly statement messaging. Weekly New Employee Orientation presentations by WCERS and service vendors educated many future participants in these Defined Contribution Plans along with available monthly webinars, and one-on-one education meetings with WCERS' dedicated education specialist from Empower, and WCERS's third-party participant advice provider.

During the education meetings, the following list of targeted initiatives by WCERS and its vendors servicing the DC Plan and 457(b) plans are noted below:

Specific emphasis was placed on communicating and educating the need to consider proper asset allocation, especially during uncertain 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 significant gains in the number of GoalMaker users during this year, especially concentrating on the new enrollees of both programs. These efforts have led to over 2,500 participants utilizing this asset allocation tool.

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 another significant increase in utilization with over 575 participants now participating in the ROTH provisions of the 457 Plan.

A major initiative of WCERS is to encourage participants to update their beneficiary data. This has continued from last year and has been an area of focus during the past year. As a result, over 53% of account holders have provided updated beneficiary data. This robust initiative continues by supplementing with “call outs” by WCERS’s dedicated Empower representative to participants that do not actually have an updated beneficiary information on file for one or both plans.

A new initiative was launched to proactively contact participants that have not registered access to their account via the participant website. This initiative is recommended by Empower as both an awareness campaign, as well as a deterrent to cyber security threats. Since migration to the Empower recordkeeping system was completed this past year, this initiative will continue in the months to follow until all participants have been contacted.

WCERS has developed and maintained 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 was one investment manager change during the year. The change was as follows:

Removal of Western Asset Core Plus Bond IS option, to be replaced by Invesco Core Plus Bond CIT – B1. Date of change was scheduled for 1st quarter 2025.

The recordkeeping firm for the Defined Contribution and Deferred Compensation Plans, 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 GoalMaker. 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 increased by approximately \$77.4 million, or 17.6 percent, over the course of the plan year. The DC Plan's total assets as of September 30, 2024, were \$516.2 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 \$23.6 million and \$22.5 million as of September 30, 2024 and 2023, respectively.
- The fair value of investments was favorable at the end of the year. Net appreciation in the fair value of investments was \$94.5 million for the year ended September 30, 2024, compared to net appreciation in the fair value of investments of \$47.4 million for the year ended September 30, 2023, compared to net depreciation of \$72.5 million for the year ended September 30, 2022. The net appreciation 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 \$6.3 million, from \$34.4 million for the year ended September 30, 2023 to \$40.7 million for the year ended September 30, 2024, 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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets:		
Participant-directed investments, at fair value:		
Equity funds	\$ 368,350,695	\$ 293,508,746
Bond funds	37,656,202	40,436,839
Guaranteed income funds	98,986,987	94,574,149
Total investments	<u>504,993,884</u>	<u>428,519,734</u>
Other assets:		
Notes receivable from participants	11,183,827	10,264,387
Equity in Wayne County pooled cash	8,129	-
Accounts receivable	49,533	26,500
Total Other Assets	<u>11,241,489</u>	<u>10,290,887</u>
Total Assets	516,235,373	438,810,621
Liabilities:		
Accounts payable	113,914	86,486
Net position restricted for pensions	<u><u>\$ 516,121,459</u></u>	<u><u>\$ 438,724,135</u></u>

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Additions		
Contributions:		
Employer, net of certain forfeitures	\$13,346,448	\$11,602,275
Participants	7,350,439	6,842,515
Total contributions	<u>20,696,887</u>	<u>18,444,790</u>
Investment income:		
Interest and dividends	2,467,600	3,566,572
Other investment income	558,132	585,548
Total investment income	<u>3,025,732</u>	<u>4,152,120</u>
Less: Investment expenses	<u>(117,200)</u>	<u>(103,500)</u>
Net investment income	<u>2,908,532</u>	<u>4,048,620</u>
Total additions	<u>23,605,419</u>	<u>22,493,410</u>
Deductions		
Participant distributions and withdrawals	39,917,547	33,526,933
Administrative expenses	818,324	824,615
Total deductions	<u>40,735,871</u>	<u>34,351,548</u>
Net appreciation in fair value of investments	<u>94,527,776</u>	<u>47,424,611</u>
Change in net position restricted for pensions	77,397,324	35,566,473
Net position restricted for pensions		
Beginning of year	<u>438,724,135</u>	<u>403,157,662</u>
End of year	<u>\$516,121,459</u>	<u>\$438,724,135</u>

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER
For the Year Ended September 30, 2024**

	Charter County of Wayne, Michigan	Wayne County Airport Authority	Totals
Additions			
Contributions:			
Employer, net of certain forfeitures	\$8,118,565	\$5,227,883	\$13,346,448
Participants	4,554,846	2,795,593	7,350,439
Total Contributions	12,673,411	8,023,476	20,696,887
Net investment income	2,184,328	724,204	2,908,532
Total Additions	14,857,739	8,747,680	23,605,419
Deductions			
Participant distributions and withdrawals	31,542,894	8,374,653	39,917,547
Administrative expenses	604,382	213,942	818,324
Total deductions	32,147,276	8,588,595	40,735,871
Net appreciation in fair value of investments	69,483,298	25,044,478	94,527,776
Changes in net position restricted for pensions	52,193,761	25,203,563	77,397,324
Transfer of participant account	-	-	-
Change in net position restricted for pensions	52,193,761	25,203,563	77,397,324
Net position restricted for pensions			
Beginning of year	326,571,480	112,152,655	438,724,135
End of year	\$378,765,241	\$ 137,356,218	\$516,121,459

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, 2024 and 2023**

	2024	2023
Personnel Services:		
Staff Salaries	\$181,358	\$222,996
Other Fringe Benefits	58,342	73,989
Retirement Benefits	69,406	83,178
Total	309,106	380,163
 Professional Service		
Administrative Consultant Fee	64,418	63,136
Education Consultant Fee	112,435	100,179
Audit Fees	21,300	20,771
Total	198,153	184,086
 Miscellaneous		
Miscellaneous Fees	147,694	138,556
Allocated Operating Expenses	163,371	121,810
Total	311,065	260,366
Total Administrative Expenses	\$818,324	\$824,615

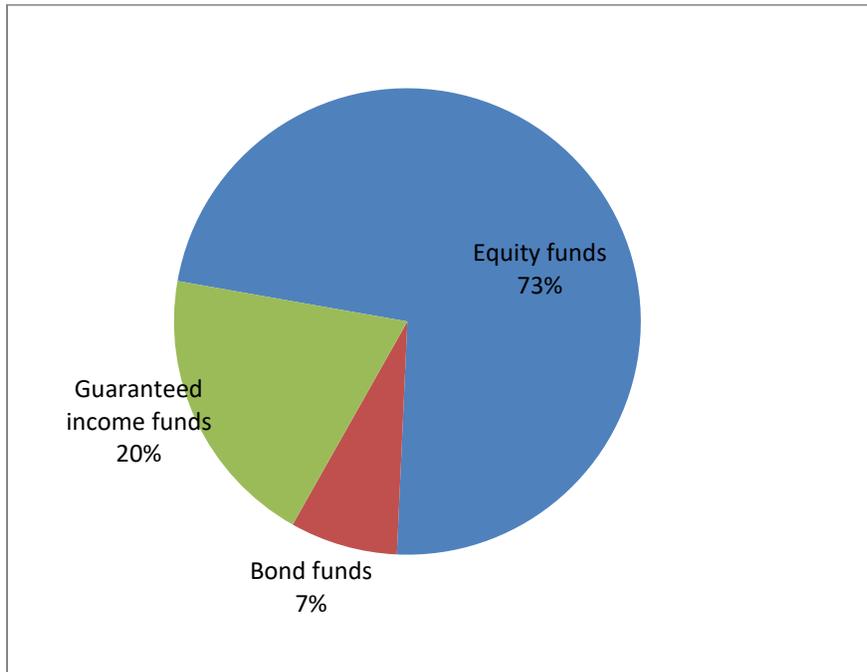
**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
 DEFINED CONTRIBUTION PLAN
 INVESTMENT EXPENSES
 For the Years Ended September 30, 2024 and 2023**

	2024	2023
Professional Service Consultant Fees	\$117,200	\$103,500
Total Investment Expenses	\$117,200	\$103,500

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2024**

Investment Type	Market Value at 9/30/2024
Equity funds	\$368,350,695
Bond funds	37,656,202
Guaranteed income funds	98,986,987
Total Investments	\$504,993,884

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
ASSET ALLOCATION BY INVESTMENT TYPE
As of September 30, 2024**



**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	1,987	183	2,170	\$135,828,708	\$20,455,295	\$156,284,003
Defined Contribution	Open	905	474	1,379	\$86,383,531	\$45,440,005	\$131,823,536
Totals		2,892	657	3,549	\$222,212,239	\$65,895,300	\$288,107,539

Number of Retirees and Beneficiaries

County.....	4,030
WCAA*.....	<u>329</u>
Combined.....	<u>4,359</u>

Average Annual Retirement Allowance

County.....	\$28,635
WCAA*.....	\$37,664
Combined.....	\$29,317

Annual Retirement Allowances Being Paid

County.....	\$115,400,567
WCAA*.....	<u>\$12,391,605</u>
Combined.....	<u>\$127,792,172</u>

Funding Level			
	County	WCAA	Combined
Actuarial Accrued Liabilities	\$1,297,591,684	\$198,655,165	\$1,496,246,849
Actuarial Value of Assets	\$910,333,625	\$162,440,953	\$1,072,774,578
Unfunded Actuarial Accrued Liabilities	\$387,258,059	\$36,214,212	\$423,472,271
Funded Ratio	70%	82%	72%

*Includes only members that retired from WCAA after September 2002

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