

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

FINANCIAL STATEMENTS
(With Supplementary Information)

September 30, 2025 and 2024



WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

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INDEPENDENT AUDITOR’S REPORT

March 24, 2026

To the Wayne County Retirement Commission
Charter County of Wayne, Michigan

Opinion

We have audited the financial statements of the Wayne County Employees’ Retirement System Defined Benefit Plan (the “Plan”), which comprise the statements of fiduciary net position as of September 30, 2025 and 2024, and the related statements of changes in fiduciary net position for the years then ended, as well as the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2025 and 2024, and the changes in its fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“U.S. GAAS”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter — Adoption of New Accounting Pronouncements

As discussed in Note B, effective October 1, 2024, the Plan has adopted the provisions contained in Statement of Governmental Accounting Standards (“SGAS”) No. 101, *Compensated Absences*, and SGAS No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to that matter.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

The Plan's management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. *Reasonable assurance* is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS:

- We exercise professional judgment and maintain professional skepticism throughout the audit.
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and we design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and we evaluate the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP requires that the management's discussion and analysis on pages 4 through 9 and the pension information on pages 48 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

GJC CPAs & Advisors

Detroit, Michigan

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

September 30, 2025 and 2024

This section of the annual report of the Wayne County Employees' Retirement System Defined Benefit Plan (the "Plan") presents management's discussion and analysis of the Plan's financial performance during the plan years that ended on September 30, 2025 and 2024. Please read it in conjunction with the Plan's financial statements, which follow this section.

Data for the Charter County of Wayne, Michigan (the "County"), the Third Judicial Circuit of Michigan, and the Wayne County Airport Authority ("WCAA") are all combined, unless otherwise noted. All data for the Third Judicial Circuit of Michigan is included in the County's data.

FINANCIAL HIGHLIGHTS

- The Plan's total net position increased by \$59.2 million, or a 5.4 percent increase; the prior year increase was \$100.4 million, or a 10.1 percent increase. Assets are held in trust and are restricted to meet future benefit payments.
- The Plan's basic benefits are funded by contributions from the County, WCAA, and active members, as well as by the investment income earned on the Plan's assets. As of September 30, 2024 and 2023, the funded ratios for the Plan were 72 and 68 percent, respectively, for pension benefits, based on the most recent actuarial valuations (i.e., a valuation has not yet been completed for the year ended September 30, 2025, as explained in the accompanying required supplementary information).
- Total additions to net position, excluding net appreciation, increased by \$23.1 million from \$122.1 million for the year ended September 30, 2024 to \$145.2 million for the year ended September 30, 2025. The actuarially determined required employer contribution increased by \$11.4 million, while the amount of the additional employer contributions increased by \$3.7 million from the prior year. The County's actuarially determined contribution rate decreased from 55.40 percent for the year ended September 30, 2024 to 51.24 percent for the year ended September 30, 2025, while wages increased by \$31.3 million. The County contributed an additional \$10.1 million above the required contribution for the year ended September 30, 2025, compared to \$6.4 million above the required contribution for the year ended September 30, 2024. WCAA's actuarially determined contribution rate increased from 36.46 percent for the year ended September 30, 2024 to 39.18 percent for the year ended September 30, 2025, while wages decreased by \$0.4 million. WCAA made an additional \$0.2 million in employer contributions to the Plan to apply to its unfunded liability for the year ended September 30, 2025, consistent with the \$0.1 million contribution for the year ended September 30, 2024.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

September 30, 2025 and 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

- The change in the fair value of investments was favorable for the current year. The fair value of investments had net appreciation of \$47.6 million for the year ended September 30, 2025, compared to net appreciation of \$113.6 million and \$74.1 million for the years ended September 30, 2024 and 2023, respectively.
- Total deductions from net position were consistent for the last two years, from \$135.4 million for the year ended September 30, 2024 to \$133.6 million for the year ended September 30, 2025. Both years include a stipend benefit paid to pre-Medicare eligible retirees (see the notes for additional information).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains the Plan's financial statements, which consist of the statements of fiduciary net position and the statements of changes in fiduciary net position (presented on pages 10 and 11). These financial statements report information about the Plan as a whole using accounting methods similar to those used by private-sector pension plans. The statements of fiduciary net position include all of the Plan's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's increases and decreases in the Plan's net position are accounted for in the statements of changes in fiduciary net position, regardless of when cash is received or paid.

These financial statements report the Plan's net position and how it has changed. Net position represents the difference between the Plan's total of assets and deferred outflows of resources and its total of liabilities and deferred inflows of resources, and it represents one way to measure the Plan's financial health, or position. Over time, increases or decreases in the Plan's net position may be affected by several variables, such active member and employer contributions, investment performance, participant distributions during the current year due to retirements, terminations, and Plan administrative expenses.

The notes to the financial statements, which begin on page 12, explain some of the information in the financial statements and provide more detailed data.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

September 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE PLAN AS A WHOLE

Table 1
Condensed Statements of Fiduciary Net Position
September 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets:			
Investments	\$ 1,125,526,098	\$ 1,086,675,730	\$ 989,177,055
Other assets	26,234,899	5,869,684	3,078,102
	<u>1,151,760,997</u>	<u>1,092,545,414</u>	<u>992,255,157</u>
Total Assets			
	<u>1,151,760,997</u>	<u>1,092,545,414</u>	<u>992,255,157</u>
Liabilities	<u>2,926,317</u>	<u>2,937,309</u>	<u>3,063,960</u>
Net Position Restricted for Pensions	<u>\$ 1,148,834,680</u>	<u>\$ 1,089,608,105</u>	<u>\$ 989,191,197</u>

The Plan's total assets as of September 30, 2025 were \$1.2 billion and were mostly comprised of cash and investments. Total assets increased by \$59.2 million, or 5.4 percent, from the prior year. Total assets as of September 30, 2024 and 2023 were \$1.1 billion and \$1.0 billion, respectively. The last three years' overall rates of return on investments have been volatile. The year ended September 30, 2025 had a favorable rate of return of 7.54 percent, while the years ended September 30, 2024 and 2023 had favorable rates of return of 15.10 percent and 10.34 percent, respectively.

Other assets include \$10.3 million and \$0.3 million that were due from the Plan's broker for securities sold as of September 30, 2025 and 2024, respectively, and liabilities include \$0.8 million and \$0.6 million that were due to the Plan's broker for securities purchased as of September 30, 2025 and 2024, respectively. The amounts due to and from the broker are a result of security purchase and sale transactions initiated before September 30 of each year, but not completed until after October 1 of each year. Other assets as of September 30, 2025 also include \$12.7 million of equity in the County's pooled cash. The Plan's equity in the County's pooled cash as of September 30, 2024 and 2023 was \$2.7 million and \$0.9 million, respectively. Included in other assets is the right-of-use asset related to leased office space of \$1.2 million and \$1.4 million as of September 30, 2025 and 2024, respectively. There is also a liability of \$1.2 million and \$1.4 million as of September 30, 2025 and 2024, respectively, associated with this lease.

Total net position restricted for pensions as of September 30, 2025 increased by \$59.2 million from September 30, 2024. The increase is primarily attributable to net appreciation of investments and increased contributions. For the year ended September 30, 2024, total net position increased by \$100.4 million from September 30, 2023.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

September 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE PLAN AS A WHOLE (CONTINUED)

Table 2
Condensed Statements of Changes in Fiduciary Net Position
For the Years Ended September 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions:			
Contributions	\$ 113,449,065	\$ 93,098,904	\$ 84,326,095
Net investment income	31,780,925	29,042,033	21,001,381
Total Additions	<u>145,229,990</u>	<u>122,140,937</u>	<u>105,327,476</u>
Deductions:			
Participant benefit payments and distributions	129,412,369	132,107,214	133,608,155
Administrative expenses	4,141,286	3,253,669	3,318,619
Total Deductions	<u>133,553,655</u>	<u>135,360,883</u>	<u>136,926,774</u>
Gains and Losses:			
Net appreciation in fair value of investments	47,550,240	113,636,854	74,127,027
Change in Net Position Restricted for Pensions	<u>59,226,575</u>	<u>100,416,908</u>	<u>42,527,729</u>
Net Position Restricted for Pensions, Beginning of Year	<u>1,089,608,105</u>	<u>989,191,197</u>	<u>946,663,468</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,148,834,680</u>	<u>\$ 1,089,608,105</u>	<u>\$ 989,191,197</u>

Additions to Fiduciary Net Position

The reserves needed to finance pension benefits are accumulated through the collection of member and employer contributions, as well as through earnings on investments. Contributions and net investment income, excluding net appreciation, for the years ended September 30, 2025, 2024, and 2023 totaled \$145.2 million, \$122.1 million, and \$105.3 million, respectively.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

September 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE PLAN AS A WHOLE (CONTINUED)

Additions to Fiduciary Net Position (continued)

Total contributions for the year ended September 30, 2025 increased by \$20.4 million compared to the prior year. Employer contributions increased for the year ended September 30, 2025. Employer contributions were made at the actual rate of 55.77 percent, 57.21 percent, and 56.18 percent of covered payroll during the years ended September 30, 2025, 2024, and 2023, respectively. Employer contributions were \$95.7 million, \$80.5 million, and \$70.0 million for the years ended September 30, 2025, 2024, and 2023, respectively. Member contributions totaled \$16.3 million, \$11.0 million, and \$12.7 million for the years ended September 30, 2025, 2024, and 2023, respectively. The County also made contributions totaling \$1.5 million, \$1.6 million, and \$1.6 million for the years ended September 30, 2025, 2024, and 2023, respectively, to fund a stipend benefit paid to pre-Medicare retirees.

Other investment income is composed of interest, dividends, securities lending, other income, and investment expenses. Interest and dividends totaled \$34.1 million, \$31.5 million, and \$24.2 million for the years ended September 30, 2025, 2024, and 2023, respectively. Other income (including securities lending income) totaled \$0.1 million per year for the years ended September 30, 2025, 2024, and 2023. Investment expenses were \$2.4 million, \$2.6 million, and \$3.3 million for the years ended September 30, 2025, 2024, and 2023, respectively.

Net Appreciation and Depreciation

The change in the fair value of investments was favorable for the year. The fair value of investments had net appreciation of \$47.6 million for the year ended September 30, 2025, compared to net appreciation of \$113.6 million and \$74.1 million for the years ended September 30, 2024 and 2023, respectively. 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.

Deductions from Fiduciary Net Position

The Plan's deductions include the payment of pension benefits to members and beneficiaries and the costs of administering the Plan. Total deductions of \$133.6 million for the year ended September 30, 2025 were consistent with the prior year's deductions of \$135.4 million. Included in total deductions is a stipend benefit paid to pre-Medicare eligible retirees of \$1.5 million and \$1.6 million for the years ended September 30, 2025 and 2024, respectively. Total deductions were \$136.9 million for the year ended September 30, 2023.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

September 30, 2025 and 2024

ECONOMIC FACTORS

The financial markets have been volatile over the last several years. The current year saw favorable financial markets and resulting investment performance for the year. Management believes that the Plan is in a financial position to meet its pension benefit obligations. Management does have concerns about the funding level of the Plan. It is anticipated that the financial position can improve with a prudent investment strategy and return to more stable market conditions.

FINANCIAL CONTACT

This financial report is designed to present its users with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the funds it holds. If you have any questions about this report or need additional financial information, contact the Wayne County Employees' Retirement System, 28 West Adams, Suite 1900, Detroit, Michigan 48226.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

STATEMENTS OF FIDUCIARY NET POSITION

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Investments, at fair value or net asset value (Note C):		
Equity investments	\$ 425,615,848	\$ 431,230,125
Fixed income investments	286,547,307	292,752,874
Short-term investments	28,120,066	34,910,289
Other investments	385,242,877	327,782,442
	<u>1,125,526,098</u>	<u>1,086,675,730</u>
Total Investments		
Other assets:		
Equity in Wayne County pooled cash (Note C)	12,666,469	2,692,203
Accounts receivable	47,834	49,533
Due from broker for securities sold	10,262,622	275,925
Accrued interest and dividends	2,052,639	1,414,366
Right-of-use assets, net (Note E)	1,183,357	1,384,729
Prepaid expenses	21,978	52,928
	<u>26,234,899</u>	<u>5,869,684</u>
	<u>1,151,760,997</u>	<u>1,092,545,414</u>
Total Assets		
Liabilities:		
Accounts and contracts payable	573,729	652,465
Due to broker for securities purchased	828,357	609,133
Accrued wages and benefits	315,846	290,242
Lease liabilities (Note E)	1,208,385	1,385,469
	<u>2,926,317</u>	<u>2,937,309</u>
Total Liabilities		
Net Position Restricted for Pensions (Note B)		
	<u>\$ 1,148,834,680</u>	<u>\$ 1,089,608,105</u>

See notes to financial statements.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions:		
Contributions:		
Employer (Note A)	\$ 97,161,219	\$ 82,111,352
Members	16,287,846	10,987,552
Total Contributions	<u>113,449,065</u>	<u>93,098,904</u>
Investment income:		
Interest	28,118,713	26,670,142
Dividends	5,992,177	4,823,943
Securities lending income	22,104	87,374
Other investment income	61,291	38,755
Total Investment Income	<u>34,194,285</u>	<u>31,620,214</u>
Less: Investment expenses	<u>(2,413,360)</u>	<u>(2,578,181)</u>
Net Investment Income	<u>31,780,925</u>	<u>29,042,033</u>
Total Additions	<u>145,229,990</u>	<u>122,140,937</u>
Deductions:		
Participant benefit payments and distributions	129,412,369	132,107,214
Administrative expenses	4,141,286	3,253,669
Total Deductions	<u>133,553,655</u>	<u>135,360,883</u>
Gains and Losses:		
Net appreciation in fair value of investments	<u>47,550,240</u>	<u>113,636,854</u>
Change in Net Position Restricted for Pensions	59,226,575	100,416,908
Net Position Restricted for Pensions, Beginning of Year	<u>1,089,608,105</u>	<u>989,191,197</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,148,834,680</u>	<u>\$ 1,089,608,105</u>

See notes to financial statements.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN

General

The Wayne County Employees' Retirement System Defined Benefit Plan (the "Plan") is a contributory agent multiple-employer defined benefit public employee retirement plan that is established, administered, and governed in accordance with the authority of: (a) Public Act 156 of 1851, section 12a, added by Public Act 249 of 1943, as amended, (b) Michigan Compiled Laws ("MCL") section 46.12a, (c) the Wayne County Charter (the "Charter"), and (d) the Wayne County Employees' Retirement System Ordinance, as amended (the "Retirement Ordinance"). The Plan has three participating employers: the Charter County of Wayne, Michigan (the "County" or "Wayne County"), the Third Judicial Circuit of Michigan (whose data is included in the County's data), and the Wayne County Airport Authority ("WCAA"). The Wayne County Employees' Retirement System ("WCERS") provides retirement, survivor, and disability benefits to the employees of the County and WCAA, pursuant to section 6.112 of the Charter and section 141-35 of the Retirement Ordinance.

Pursuant to the Michigan Public Employee Retirement System Investment Act, Michigan Public Pension Investment Act 314 of 1965, as amended [MCL 38.1132, *et seq.*] ("Act 314"), and the Retirement Ordinance, the administration, management, and responsibility for the proper operation of the Plan, and for interpreting and making effective the provisions of the Plan, is vested in the trustees of the Wayne County Retirement Commission (the "Retirement Commission"). As a governmental plan, the Plan is exempt from the requirements of Title 1 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and, as such, is not subject to the reporting and disclosure requirements of ERISA.

Pursuant to both section 6.112 of the Charter and section 141-35 of the Retirement Ordinance, the Retirement Commission consists of eight elected members: four elected employee representatives, two elected retiree representatives, and two ex-officio members, including the Wayne County Executive (or his or her designee) and the Chairperson of the Wayne County Commission (the "Commission"). All elected terms are for four years.

Effective October 1, 2001, the County established the Wayne County Hybrid Retirement Plan #5 ("Plan Option 5"), which contains both defined benefit and defined contribution components. Participants in the plan options previously in existence (Plan Options 1, 2, 3, and 4) could elect to transfer their account balances to Plan Option 5, if authorized, during specific time periods noted within collective bargaining agreements or benefit plans.

Effective October 1, 2008, the County established another hybrid defined benefit plan option ("Plan Option 6"), which contains both defined benefit and defined contribution components. Participants in Plan Option 5 could elect to transfer their account balances to Plan Option 6, if authorized, during specific time periods noted within collective bargaining agreements or benefit plans.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

General (continued)

Effective October 1, 2001, only Plan Option 5 is available to new County employees, except for new executive and legislative benefit plan members, who may continue to elect participation in Plan Option 4; Plan Options 1, 2, 3, and 6 are closed to new hires. Effective September 2012, only Plan Option 4A is available to new WCAA employees. Because there is no legal requirement to further segregate the assets relating to Plan Options 1, 2, 3, 5, or 6 in paying benefits, the accompanying financial statements include the net position and changes in net position relating to Plan Options 1, 2, and 3, as well as the defined benefit component of Plan Options 5 and 6. The defined contribution portion of Plan Options 5 and 6 is included in the financial statements of the WCERS Defined Contribution Plan.

On December 18, 2014, the Commission adopted Resolution No. 2014-736, authorizing WCERS to operate an agent multiple-employer retirement system and to be able to enter into an agency agreement with WCAA to administer the retirement plans of WCAA. The intergovernmental agreement between WCERS and WCAA was approved by the WCAA's Board on July 15, 2015.

On November 19, 2015, the Commission adopted Enrolled Ordinance No. 2015-610, establishing the payment of a monthly stipend benefit to pre-Medicare eligible retirees that previously received health insurance. The County contributes to WCERS the funds required for the stipend benefit payments in advance each month, as required in the ordinance. The contributions are currently the amount of the actual benefit payment; thus, there is no balance in a reserve account for the prefunding of the future benefit payments.

Effective October 1, 2015, the County changed its retirement benefits going forward for nearly all of its defined benefit active members, except the legislative plan members and WCAA employees, which continue to use the prior benefits. The accrued benefits earned before that time were frozen using the prior benefits. Benefits earned after this date are noted as "Wayne County After October 1, 2015" in the descriptions below.

Contributions

The Plan's basic benefits, as described in the Retirement Ordinance and as amended by the provisions of applicable collective bargaining agreements or benefit plans (i.e., coverage groups), are funded by contributions from the County, WCAA, and active members, as specified by the plan option selected, and by the investment income earned on the Plan's assets.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Contributions (continued)

Member contribution percentages under the various plan options are as follows:

Wayne County After October 1, 2015

Under Plan Options 1, 3, 5, and 6, members contribute six percent of gross wages or base wages up to \$52,155, then seven percent of gross wages or base wages over \$52,155, based on the coverage group. Plan Option 2 for Wayne County requires no member contributions.

Wayne County Prior to October 1, 2015

Plan Option 1

Contributions are based on credited service, depending on the coverage group in which the member participates, as follows:

<u>Credited Service</u>	<u>Contribution Rates</u>
0 to 8 years	6.00 or 6.58 percent of eligible compensation
9 to 12 years	4.00 or 4.58 percent of eligible compensation
13 to 16 years	3.00 or 3.58 percent of eligible compensation
17 or more years	2.00 or 2.58 percent of eligible compensation

Plan Option 2

No member contributions

Plan Option 3

Three percent of eligible compensation

Plan Option 5

Prior to October 1, 2015, employees make contributions ranging from one to five percent of eligible compensation or no contributions at all, depending on each employee's coverage group.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Contributions (continued)

Wayne County Prior to October 1, 2015 (continued)

Plan Option 6

Four percent of eligible compensation

Wayne County Airport Authority

Plan Option 1

- Airport Police and Command: Five percent of eligible compensation
- All others: Contributions are based on credited service, depending on the coverage group in which the member participates, as follows:

<u>Credited Service</u>	<u>Contribution Rates</u>
0 to 8 years	6.00 or 6.58 percent of eligible compensation
9 to 12 years	4.00 or 4.58 percent of eligible compensation
13 to 16 years	3.00 or 3.58 percent of eligible compensation
17 or more years	2.00 or 2.58 percent of eligible compensation

Plan Option 2

No member contributions

Plan Option 3

Three percent of eligible compensation

Plan Option 5

This option is available to new employees hired after October 1, 2001; however, a defined contribution plan is obligatory for new employees. Members may transfer into Plan Options 5 or 5A when allowed by the applicable collective bargaining agreement.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Contributions (continued)

Wayne County Airport Authority (continued)

Plan Option 5 (continued)

Under Plan Option 5A, contributions are three percent of covered compensation until the WCAA funding ratio is 100 percent. If funding is 100 percent, contributions are reduced to two percent of covered compensation until the WCAA funding ratio is less than 100 percent, at which point, contributions increase to three percent of covered compensation. Depending on the applicable collective bargaining agreement, effective July 29, 2019, some employees contribute six percent of pension eligible compensation.

Wayne County Pension Benefits

Wayne County employees with a frozen benefit before October 1, 2015, current legislative plan members, and Third Circuit Court employees who have eight or more years of credited service and have attained the age specified by the specific plan option chosen are entitled to an annual pension. The County pension benefit changes on or after October 1, 2015 (Third Circuit Court benefits changed October 1, 2016) changed the credited service vesting requirement to 10 years, and pension begins at age 62, unless the early retirement option is selected, which reduces the pension by 0.8 percent for each month retirement precedes age 62. Members are eligible to retire and collect pension (frozen) benefits as outlined in collective bargaining agreements prior to October 1, 2015, and collect pension benefits as outlined after October 1, 2015, upon retirement eligibility without reduction.

The service requirements for receiving a pension under the various plan options are based on the Retirement Ordinance and collective bargaining agreements or benefit plans and are as follows:

Wayne County After October 1, 2015

For Wayne County Plan Options 1, 2, 3, 5, and 6, retirement eligibility is age 62 with 10 years of credited service, and early retirement is age 55 with 30 years of credited service, with a reduction of 0.8 percent for each month retirement precedes age 62 for non-sheriffs. Sheriffs may retire at age 55 with 30 years of credited services without a reduction.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Wayne County Pension Benefits (continued)

Wayne County Prior to October 1, 2015

Plan Option 1

- Any age with 30 years of service, age 50 with 25 years of service, or age 60 with five years of service for employees other than Sheriff Command Officers and Sheriff Deputies
- Any age with 25 years of service for Sheriff Command Officers and Sheriff Deputies

Plan Option 2

Age 55 with 25 years of service, or age 60 with 20 years of service, or age 65 with eight years of service

Plan Option 3

- Age 55 with 25 years of service, or age 60 with 20 years of service, or age 65 with five years of service for employees other than Sheriff Command Officers
- Any age with 25 years of service for Sheriff Command Officers

Plan Options 5 and 6

Any age with 30 or more years of service, or age 55 with 25 years of service, or age 60 with 20 years of service, or age 65 with eight years of service

Amount of Pension Benefits

Benefits are paid monthly over the member's or survivor's lifetime based on the following percentages of average final compensation for each year of credited service:

Wayne County After October 1, 2015

Under Plan Options 1, 3, 5, and 6, the retirement benefit is based on 1.25 percent for each year after October 1, 2015; the maximum pension is 75 percent of average final compensation.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Wayne County Pension Benefits (continued)

Amount of Pension Benefits (continued)

Wayne County After October 1, 2015 (continued)

Average final compensation is based on the average of base wages for the last 10 years of credited service. Plan Option 2 remains the same as the prior rate.

Wayne County Prior to October 1, 2015

Plan Option 1

Depending on the applicable collective bargaining agreement or benefit plan, the retirement benefit is either: (a) 2.65 percent for each year, (b) 2.5 percent for each year, or (c) 2.0 percent for each year up to 20 years, and 2.5 percent for each year over 20 years. The maximum employer-financed portion is 75 percent of average final compensation. The minimum pension is \$5 per month, multiplied by the number of years of service.

Plan Option 2

The retirement benefit is 1.0 percent for each year up to 20 years, and 1.25 percent for each year over 20 years. The maximum employer-financed portion is 75 percent of average final compensation.

Plan Option 3

Depending on the applicable collective bargaining agreement or benefit plan, the retirement benefit is either: (a) 2.0 percent for each year up to 20 years, 2.5 percent for each year between 20 and 25 years, and 3.0 percent for each year over 25 years, (b) 1.5 percent for each year up to 20 years, 2.0 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years, or (c) 2.5 percent for all years of service, contingent upon payment of \$500 per year for each year of credited service up to 20 years. The maximum employer-financed portion is 75 percent of average final compensation.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Wayne County Pension Benefits (continued)

Amount of Pension Benefits (continued)

Wayne County Prior to October 1, 2015 (continued)

Plan Option 5

Depending on the applicable collective bargaining agreement or benefit plan, the retirement benefit is either: (a) 2.0 percent for each year of credited service, (b) 1.25 percent for each year up to 20 years, and 1.5 percent for each year over 20 years, or (c) 1.5 percent for each year up to 20 years, and 1.75 percent for each year over 20 years. The maximum employer-financed portion is 75 percent of average final compensation, less workers' compensation payments.

Plan Option 6

The retirement benefit is 2.5 percent for each year of service. The maximum employer-financed portion is 75 percent of average final compensation.

Death and Disability Benefits

The Plan also provides non-duty death and disability benefits to members after 10 years of credited service for Plan Options 1, 2, 5, and 6, along with non-duty death benefits for Plan Option 3. The 10-year service provision is waived for duty disability and death benefits.

Eligibility

Effective August 15, 1983, the County closed Plan Option 1 to new hires. Plan Option 2 was available to all persons hired after August 15, 1983 and before October 1, 2001, and was also available to Plan Options 1 and 3 members who wished to transfer to this plan before October 1, 2001. Plan Option 3 was available to all persons last hired prior to June 30, 1984. Plan Option 5 is available to all new persons hired after September 30, 2001.

Wayne County Airport Authority Pension Benefits

WCAA employees who have eight or more years of credited service and have attained the age specified by the specific plan option chosen are entitled to an annual pension.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Wayne County Airport Authority Pension Benefits (continued)

The service requirements for receiving a pension under the various plan options are based on the Retirement Ordinance and collective bargaining agreements or benefit plans and are as follows:

Plan Option 1

- Any age with 30 years of service, age 50 with 25 years of service, or age 60 with five years of service for employees other than Sheriff Command Officers and Sheriff Deputies
- Any age with 25 years of service for Sheriff Command Officers and Sheriff Deputies

Plan Option 2

Age 55 with 25 years of service, or age 60 with 20 years of service, or age 65 with eight years of service.

Plan Option 3

- Age 55 with 25 years of service, or age 60 with 20 years of service, or age 65 with five years of service for employees other than Sheriff Command Officers
- Any age with 25 years of service for Sheriff Command Officers

Plan Option 5

Any age with 30 or more years of service, or age 55 with 25 years of service, or age 60 with 20 years of service, or age 65 with eight years of service

Amount of Pension Benefits

Benefits are paid monthly over the member's or survivor's lifetime based on the following percentages of average final compensation for each year of credited service:

Plan Option 1

Depending on the applicable collective bargaining agreement or benefit plan, the retirement benefit is either: (a) 2.65 percent for each year, (b) 2.5 percent for each year, or (c) 2.0 percent for each year up to 20 years, and 2.5 percent for each year over 20 years.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Wayne County Airport Authority Pension Benefits (continued)

Amount of Pension Benefits (continued)

Plan Option 1 (continued)

The maximum employer-financed portion is 75 percent of average final compensation. The minimum pension is \$5 per month, multiplied by the number of years of service.

Plan Option 2

The retirement benefit is 1.0 percent for each year up to 20 years, and 1.25 percent for each year over 20 years. The maximum employer-financed portion is 75 percent of average final compensation.

Plan Option 3

The retirement benefit is 1.5 percent for each year up to 20 years, 2.0 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years.

Plan Option 5

The retirement benefit is 1.25 percent for each year up to 20 years, and 1.5 percent for each year over 20 years. The maximum employer-financed portion is 75 percent of average final compensation, less workers' compensation payments. Depending on the applicable collective bargaining agreement or benefit plan, effective July 29, 2019, the retirement benefit is equal to 2.0 percent for all years of credited service after July 29, 2019.

Plan Option 5A

The retirement benefit is 1.5 percent for each year up to 20 years, and 1.75 percent for each year over 20 years. The maximum employer-financed portion is 75 percent of average final compensation, less workers' compensation payments. Depending on the applicable collective bargaining agreement or benefit plan, effective July 29, 2019, the retirement benefit is equal to 2.0 percent for all years of credited service after July 29, 2019.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE A — DESCRIPTION OF THE PLAN (CONTINUED)

Wayne County Airport Authority Pension Benefits (continued)

Death and Disability Benefits

The Plan also provides non-duty death and disability benefits to members after 10 years of credited service for Plan Options 1, 2, 5, and 5A, along with non-duty death benefits for Plan Option 3. The 10-year service provision is waived for duty disability and death benefits.

Eligibility

Effective September 2012, only Plan Option 4A is available to new WCAA employees.

Plan Participants

The number of Plan participants as of September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Active participants:		
Vested	894	925
Nonvested	<u>1,276</u>	<u>1,079</u>
Total Active Participants	2,170	2,004
Terminated vested	224	231
Retired and receiving benefits	<u>4,359</u>	<u>4,464</u>
	<u><u>6,753</u></u>	<u><u>6,699</u></u>

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Member contributions are recognized in the period in which the contributions are due. Employer 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 Retirement Ordinance. Administrative expenses are financed through investment earnings.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Pronouncements

The Governmental Accounting Standards Board (“GASB”) issued Statement of Governmental Accounting Standards (“SGAS”) No. 101, *Compensated Absences*, in June 2022. SGAS No. 101 updates the recognition and measurement guidance for compensated absences under a unified model by requiring that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and by establishing guidance for measuring a liability for leave that has not been used. SGAS No. 101 also updates disclosure requirements for compensated absences. The Plan adopted the provisions of SGAS No. 101 as of October 1, 2024. The implementation of SGAS No. 101 did not impact the Plan’s net position restricted for pensions or changes in net position restricted for pensions.

The GASB issued SGAS No. 102, *Certain Risk Disclosures*, in December 2023. SGAS No. 102 requires governmental entities to assess whether a concentration or constraint makes the entity vulnerable to the risk of a substantial impact, and also requires governmental entities to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The Plan adopted the provisions of SGAS No. 102 as of October 1, 2024. The implementation SGAS No. 102 did not impact the Plan’s net position restricted for pensions or changes in net position restricted for pensions.

Net Position Restricted for Pensions

Net position restricted for pensions consists of the following reserves:

Reserve for Member Contributions

Members contribute at rates as stated in the Retirement Ordinance or collective bargaining agreements for the applicable option. Interest is credited at least annually to the reserve for member contributions. The balance represents active members’ contributions and interest, less amounts transferred to funds for retirement, amounts refunded to terminated members, and transferred inactive accounts.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Restricted for Pensions (continued)

Reserve for Employer Contributions

All employer contributions are credited to the reserve for employer contributions. Interest is credited at least annually, and transfers are made to the reserve for pension payments to fund the employers' share of retirement allowances, as recommended by the Plan's actuaries and approved by the Plan's trustees.

Reserve for Pension Payments

This reserve represents the reserves for payment of future retirement benefits to persons already on the retirement rolls. At retirement, a member's accumulated contributions (with interest) are transferred to the reserve for pension payments from the reserve for employer contributions and from the reserve for member contributions. Interest is credited at least annually to the reserve for pension payments.

The reserve balances as of September 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Reserve for member contributions	\$ 111,685,366	\$ 107,199,826
Reserve (deficit) for employer contributions	(148,828,529)	(233,400,035)
Reserve for pension payments	<u>1,185,977,843</u>	<u>1,215,808,314</u>
	<u>\$ 1,148,834,680</u>	<u>\$ 1,089,608,105</u>

Investments

The Plan's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fixed debt quotations are provided by a national brokerage pricing service. Real estate values are determined on the basis of comparable yields available in the marketplace.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

Investments for which market quotations are not readily available, including investments in commingled funds, are valued at their net asset value per share (or its equivalent) of the funds, which is valued based on the fair values of the underlying assets as determined by the custodian under the direction of the Retirement Commission, with the assistance of a valuation service.

Many of the Plan's investments in real estate private trusts, private equity funds, private credit funds, opportunistic credit funds, and hedge funds are invested in assets which do not have exchange quotations that are readily available. Such assets are valued initially at cost, with subsequent adjustments to values that reflect meaningful third-party transactions, or to net asset value as determined by the general partners or management of the investments. Factors considered in valuing these individual securities may include, but are not limited to, the purchase price, changes in the financial condition and prospects of the issuer, calculations of the total enterprise value using discounted cash flow projections, trading of securities of comparable companies engaged in similar businesses, estimates of liquidation value, the existence of restrictions on transferability, prices received in significant recent placements of securities of the same issuer, and other analytical data relating to the investment. There are inherent limitations in any estimation technique. Because of the inherent uncertainty of valuations, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Dividend income is recognized based on the ex-dividend date, and interest income is recognized on the accrual basis as earned. All realized gains and losses on investments are recognized at the point of sale and are included in investment income. Purchases and sales of investments are recorded as of the trade date, which is the date when the transaction is initiated. Net appreciation and depreciation include gains and losses on investments bought and sold, as well as held, during the year.

Fair Value Measurements

The Plan uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Plan utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Plan applies assumptions that market participants would use in pricing an asset or liability, including an assumption about market risk.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

The measurement of fair value includes a hierarchy based on the quality of inputs used to measure fair value. Financial assets and liabilities are categorized into this three-level fair value hierarchy based on the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the fair value hierarchy are described as follows:

- Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Plan has the ability to access
- Level 2 — Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability
- Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

The use of observable market data, when available, is required in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost. Depreciation is computed using the straight-line basis method over the estimated useful lives of the assets, which is five years. Expenditures for maintenance and repairs are charged to expense. Renewals or betterments which extend the life or increase the value of the properties are capitalized.

Leases

The Plan recognizes right-of-use assets and lease liabilities for virtually all leases. At contract inception, the Plan determines whether a contract is or contains a lease, based on whether the Plan has the right to control the asset during the contract period.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Plan's leasing arrangements do not contain any non-lease components. The Plan does not enter into any leases with a defined borrowing rate, so the Plan uses the incremental borrowing rate to measure its right-of-use assets and lease liabilities. The incremental borrowing rate is the rate that the Plan would have to pay to borrow, on a collateralized basis over a similar term, amounts equal to the lease payments in a comparable economic environment.

The Plan has elected not to recognize right-of-use assets or lease liabilities for leases that have an initial term of 12 months or less; the Plan recognizes lease expense for these leases on a straight-line basis over the lease term.

NOTE C — DEPOSITS AND INVESTMENTS

The Retirement Commission is vested with a fiduciary responsibility for administration, management, and proper operation of WCERS. The Plan's assets are held and invested in accordance with Act 314. Based on the advice of its investment consultant, the Retirement Commission has established an investment policy statement ("IPS") for the Plan. The IPS outlines the goals and investment objectives of WCERS and is intended to provide guidelines for the investment and management of the Plan's assets. Act 314 incorporates the prudent person rule and requires investment fiduciaries to act solely in the interest of the Plan's participants and beneficiaries. Accordingly, the Retirement Commission has the authority to invest the Plan's assets in common and preferred stock, obligations of the United States, its agencies or United States government-sponsored enterprises, obligations of any state or political subdivision of a state having the power to levy taxes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, reverse repurchase agreements, real and personal property, mortgages, and certain other investments.

Investment Allocation Policy

The IPS regarding the allocation of invested assets is established and may be amended by the Retirement Commission. The IPS pursues an investment strategy that protects the financial health of the Plan and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short term, but may allow the values to fluctuate within these ranges. Over the long term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Allocation Policy (continued)

The adopted asset allocation policy as of September 30, 2025 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Allocation Range</u>	
		<u>Minimum</u>	<u>Maximum</u>
Equity	37 %	35 %	70 %
Domestic fixed income	32	5	50
International fixed income	2	-0-	20
Real estate	12	5	20
Alternative investments	17	10	20
Michigan-based private equity	-0-	-0-	2
Short-term or cash	-0-	-0-	10
	<u>100 %</u>		

Fair Value

The Plan's fair value hierarchy for those assets measured on a recurring basis as of September 30, 2025 and 2024 is summarized as follows:

	<u>Fair Value Measurements</u>			<u>Total</u>
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Measured at Net Asset Value</u>	
2025				
Assets:				
Investments:				
Equity investments:				
Common stocks	\$ 278,477,891	\$ -0-	\$ -0-	\$ 278,477,891
Commingled equity funds			140,894,826	140,894,826
International equities	6,243,131			6,243,131
Total Equity Investments	<u>\$ 284,721,022</u>	<u>\$ -0-</u>	<u>\$ 140,894,826</u>	<u>\$ 425,615,848</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value (continued)

	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Measured at Net Asset Value	Total
2025 (continued)				
Assets (continued):				
Investments (continued):				
Fixed income investments:				
Asset-backed securities	\$ -0-	\$ 9,351,406	\$ -0-	\$ 9,351,406
International fixed income funds		3,194,062		3,194,062
Commingled fixed income funds	7,459,125		92,752,545	100,211,670
Commingled liquid private credit funds			79,407,603	79,407,603
Government bonds		43,836,514		43,836,514
Mortgage-backed securities		31,461,252	199,930	31,661,182
Corporate bonds		18,884,870		18,884,870
Total Fixed Income Investments	7,459,125	106,728,104	172,360,078	286,547,307
Short-term investments:				
Money market funds	28,120,066			28,120,066
Other investments:				
Real estate private trusts (net of valuation allowance of \$1,000,000)			159,172,644	159,172,644
Private equity funds			77,506,787	77,506,787
Private credit funds			16,332,926	16,332,926
Opportunistic credit and distressed debt funds			50,309,575	50,309,575
Collateralized loan obligations			34,071,054	34,071,054
Hedge funds			47,849,891	47,849,891
Total Other Investments	-0-	-0-	385,242,877	385,242,877
	\$ 320,300,213	\$ 106,728,104	\$ 698,497,781	\$ 1,125,526,098
2024				
Assets:				
Investments:				
Equity investments:				
Common stocks	\$ 275,600,536	\$ -0-	\$ -0-	\$ 275,600,536
Commingled equity funds			148,398,040	148,398,040
International equities	7,231,549			7,231,549
Total Equity Investments	\$ 282,832,085	\$ -0-	\$ 148,398,040	\$ 431,230,125

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value (continued)

	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Measured at Net Asset Value	Total
2024 (continued)				
Assets (continued):				
Investments (continued):				
Fixed income investments:				
Asset-backed securities	\$ -0-	\$ 10,948,430	\$ -0-	\$ 10,948,430
International fixed income funds		3,809,100		3,809,100
Commingled fixed income funds			172,088,264	172,088,264
Government bonds		44,395,356		44,395,356
Mortgage-backed securities		40,218,411		40,218,411
Corporate bonds		21,293,313		21,293,313
Total Fixed Income Investments	-0-	120,664,610	172,088,264	292,752,874
Short-term investments:				
Money market funds	34,910,289			34,910,289
Other investments:				
Real estate private trusts (net of valuation allowance of \$1,000,000)			170,370,729	170,370,729
Private equity funds			50,336,653	50,336,653
Private credit funds			45,044,209	45,044,209
Opportunistic credit and distressed debt funds			16,230,733	16,230,733
Hedge funds			45,800,118	45,800,118
Total Other Investments	-0-	-0-	327,782,442	327,782,442
	\$ 317,742,374	\$ 120,664,610	\$ 648,268,746	\$ 1,086,675,730

The Plan did not have any assets classified in Level 3 of the fair value hierarchy as of September 30, 2025 or 2024.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Measured at Net Asset Value

The primary investments that have been estimated using net asset value per share as a practical expedient are described below.

Commingled Equity and Fixed Income Funds

This type includes seven commingled funds that invest in publicly traded global stocks and global fixed income securities. The fair values of the investments in this type have been determined using the net asset value per share (or its equivalent) of the investments. Of the total commingled funds, \$133,335,707 of the assets can be liquidated on a daily basis and \$107,770,789 can be liquidated on a monthly basis with 30 to 60 days' notice. All of the underlying securities within the commingled funds carrying a recurring fair value measurement of Level 1 or Level 2.

Commingled Liquid Private Credit Funds

This type includes four commingled liquid private credit funds that lend money to private companies. The fair values of the investments in this type have been determined using the net asset value per share (or its equivalent) of the investments. These four funds have the ability to request redemptions quarterly.

Real Estate Private Trusts

This type includes 17 real estate funds (including a mortgage trust) that invest in various different types of primarily U.S. commercial real estate. The fair values of the investments in this type have been determined using the net asset value per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments cannot be redeemed with the funds. Distributions from each fund will be received as the underlying investments in the funds are partially or fully liquidated. It is expected that the underlying assets of the funds can or will be liquidated over the next one to eight years. 100 percent of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the net asset value per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. Approximately 50 percent of the assets are able to be partially liquidated via a quarterly or annual redemption queue. The balance of the assets will be liquidated as underlying properties are sold, or the investee fund's management approves of the buyer before the sale of the investments can be completed.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Measured at Net Asset Value (continued)

Private Equity Funds

This type includes 11 private equity funds (nine that invest primarily in equities, and two in debt securities). The investments in this category do not offer a stated redemption window. Instead, the nature of the investments in this type is that the distributions are received through the liquidation of the underlying assets of the funds. If these investments were made, it is expected that the underlying assets of the fund would be liquidated over one to ten years. However, as of September 30, 2025, it is probable that all the investments in this type will be sold at an amount different from the net asset value per share (or its equivalent) of the Plan's ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments. As of September 30, 2025, a buyer (or buyers) for these investments has not yet been identified. Once a buyer has been identified, the investee fund's management is required to approve the buyer before a sale of the investments can be completed.

Private Credit Funds

This type includes three private credit funds that invest primarily in loans to private companies aiming to generate income through these investments.

Opportunistic Credit and Distressed Debt Funds

This type includes four opportunistic credit funds, providing investors with access to opportunities with strong return potential. These funds capitalize on inefficiencies in both syndicated and non-syndicated investments across securities and lending, while tapping into specialized lending strategies that offer robust returns, especially during downturns. One of the funds is an open-ended fund totaling \$3,036,963 that can be requested semi-annually.

Collateralized Loan Obligations

This type includes four collateralized loan obligation ("CLO") equity funds that invest in syndicated bank loans, as a structured financial vehicle. There are two types of tranches available: debt and equity. These are used to purchase a highly diversified pool of corporate loans. The primary focus of these funds is CLO equity, although debt securities can be purchased also. These are closed-end funds that do not provide liquidity, although there is a robust secondary market for CLO debt and equity.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Measured at Net Asset Value (continued)

Hedge Funds

This type invests in two hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this type includes investments in global stocks and global fixed income securities. The fair values of the investments in this type have been determined using the net asset value per share (or its equivalent) of the investments. Investments representing \$42,403,535 in this type are able to be liquidated via a monthly redemption queue. The balance of the assets will be liquidated as underlying investments are sold, or the investee fund's management approves the buyer before the sale of the investments can be completed.

The Plan's unfunded commitments to acquire additional units of these funds as of September 30, 2025 and 2024, and the portion of those commitments that the Plan's management believes is unlikely to be called, are as follows:

	2025		2024	
	Total Unfunded Commitments	Unfunded Commitments Unlikely to Be Called	Total Unfunded Commitments	Unfunded Commitments Unlikely to Be Called
Real estate private trusts	\$ 12,905,512	\$ 3,324,592	\$ 16,309,457	\$ 3,324,592
Private equity funds	32,972,734	12,007,733	24,713,428	4,500,831
Private credit funds	11,438,525	1,829,331	22,198,588	1,829,331
Opportunistic credit and distressed debt funds	23,748,561	3,300,000	17,300,000	-0-
Collateralized loan obligations	26,167,591	-0-	-0-	-0-
	\$ 107,232,923	\$ 20,461,656	\$ 80,521,473	\$ 9,654,754

There are no unfunded commitments to acquire additional units of commingled equity funds, commingled fixed income funds, commingled liquid private credit funds, or hedge funds as of September 30, 2025 or 2024.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit and Investment Risks

The Plan's deposits and investments are subject to certain types of risk, as discussed below:

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Plan's deposits may not be returned to the Plan. State of Michigan (the "State") statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business and having a place of business in the State that are also members of a federal or national insurance corporation.

The Plan's carrying amount of deposits of \$12,666,469 and \$2,692,203 as of September 30, 2025 and 2024, respectively, are maintained in the County's pooled cash account maintained by the County Treasurer. In accordance with the County's investment policy and Act 314, all deposits are uncollateralized and are held in the County's name. The County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an accepted estimated risk level are used as depositories. In addition, the County's investment policy places concentration limits on the total amount deposited with a single financial institution. Due to the dollar amounts of cash deposits in the County's pooled cash account and the limits of Federal Depository Insurance Corporation ("FDIC") insurance, the Plan's management believes it is impractical to obtain FDIC insurance for all bank deposits.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the entity, and are held by either the counterparty, or the counterparty's trust department or agent, but not in the entity's name.

The Plan's investment policy and Act 314 require that (a) investments are held by a third-party safe-keeper in the Plan's name, (b) investments are held by a trustee in the Plan's name, or (c) investments are part of a mutual fund.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit and Investment Risks (continued)

Custodial Credit Risk (continued)

Investments (continued)

The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SOC 1 report"). As of September 30, 2025 and 2024, none of the Plan's investments were subject to custodial credit risk, as they were held in accordance with the Plan's investment policy.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy places no restrictions greater than what is allowed under Act 314 that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit and Investment Risks (continued)

Credit Risk (continued)

The Plan's investments in debt securities as of September 30, 2025 and 2024 were rated as follows:

	<u>Asset- Backed Securities</u>	<u>International Fixed Income Funds</u>	<u>Commingled Fixed Income Funds</u>	<u>Commingled Liquid Private Credit Funds</u>	<u>Government Bonds</u>	<u>Mortgage- Backed Securities</u>	<u>Corporate Bonds</u>	<u>Total</u>
2025								
Standard & Poor's rating:								
AAA	\$ 1,384,718	\$ 269,332	\$ 7,459,125	\$ -0-	\$ 42,175,080	\$ 26,008,575	\$ 1,505,297	\$ 78,802,127
AA+	304,422				795,107	345,749		1,445,278
AA	283,596				231,424	6,960		521,980
AA-	187,990	379,503			155,752		220,829	944,074
A+	256,566	213,534			90,497	146,017	1,816,185	2,522,799
A	487,687	685,644			288,197	199,930	1,866,082	3,527,540
A-	428,612	1,200,018					5,340,576	6,969,206
BBB+		234,497					3,882,641	4,117,138
BBB	577,890		92,752,545				2,974,640	96,305,075
BBB-		211,534					713,017	924,551
Moody's rating:								
Aaa	1,820,105					2,589,433		4,409,538
Aa1					65,921	87,017		152,938
Aa2	236,089				34,536			270,625
Aa3						426,452		426,452
A1							233,571	233,571
A2	271,645							271,645
A3						353,615		353,615
Baa2							90,047	90,047
Baa3							180,768	180,768
Unrated	3,112,086			79,407,603		1,497,434	61,217	84,078,340
	<u>\$ 9,351,406</u>	<u>\$ 3,194,062</u>	<u>\$ 100,211,670</u>	<u>\$ 79,407,603</u>	<u>\$ 43,836,514</u>	<u>\$ 31,661,182</u>	<u>\$ 18,884,870</u>	<u>\$ 286,547,307</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit and Investment Risks (continued)

Credit Risk (continued)

	<u>Asset- Backed Securities</u>	<u>International Fixed Income Funds</u>	<u>Commingled Fixed Income Funds</u>	<u>Commingled Liquid Private Credit Funds</u>	<u>Government Funds</u>	<u>Mortgage- Backed Securities</u>	<u>Corporate Bonds</u>	<u>Total</u>
2024								
Standard & Poor's rating:								
AAA	\$ 3,841,375	\$ -0-	\$ 75,543,978	\$ -0-	\$ 42,899,317	\$ 34,459,029	\$ 943,492	\$ 157,687,191
AA+	602,645				431,394	130,086		1,164,125
AA	387,248				519,124	199,325		1,105,697
AA-	326,447	218,620			132,101		549,533	1,226,701
A+	357,125	345,259				190,599	2,038,416	2,931,399
A	504,816	638,761				67,979	1,911,297	3,122,853
A-	219,870	1,632,541				42,091	4,893,320	6,787,822
BBB+	139,903	789,741					5,359,898	6,289,542
BBB	621,878		96,544,286				3,659,886	100,826,050
BBB-		184,178					1,237,308	1,421,486
Moody's rating:								
Aaa	3,145,458				331,088	2,875,991		6,352,537
Aa1					82,332	106,336		188,668
Aa2	167,943							167,943
Aa3						346,124		346,124
A1							248,531	248,531
A2	305,027							305,027
A3						234,937		234,937
Baa3							451,630	451,630
Unrated	328,695					1,565,914	2	1,894,611
	<u>\$ 10,948,430</u>	<u>\$ 3,809,100</u>	<u>\$ 172,088,264</u>	<u>\$ -0-</u>	<u>\$ 44,395,356</u>	<u>\$ 40,218,411</u>	<u>\$ 21,293,313</u>	<u>\$ 292,752,874</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit and Investment Risks (continued)

Credit Risk (continued)

As of September 30, 2025 and 2024, the Plan's money market fund was rated A1+ by Standard & Poor's, with a weighted average maturity of 47 and 32 days, respectively.

Interest Rate Risk

Interest rate risk is the risk that the value of fixed income or debt security investments will vary unfavorably as a result of a change in interest rates. The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short-term and long-term investments.

Maturities of the Plan's debt securities as of September 30, 2025 and 2024 are as follows:

	<u>Maturity Dates</u>				<u>Total</u>
	<u>One Year or Less</u>	<u>One to Five Years</u>	<u>Five to Ten Years</u>	<u>More than Ten Years</u>	
2025					
Asset-backed securities	\$ -0-	\$ 4,303,090	\$ 1,848,890	\$ 3,199,426	\$ 9,351,406
International fixed income funds	402,689	2,112,224	483,583	195,566	3,194,062
Commingled fixed income funds		48,787,674	51,423,996		100,211,670
Commingled liquid private credit funds			79,407,603		79,407,603
Government bonds		12,921,436	29,988,619	926,459	43,836,514
Mortgage-backed securities		549,463	512,559	30,599,160	31,661,182
Corporate bonds	252,539	8,563,876	8,591,951	1,476,504	18,884,870
	<u>\$ 655,228</u>	<u>\$ 77,237,763</u>	<u>\$ 172,257,201</u>	<u>\$ 36,397,115</u>	<u>\$ 286,547,307</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (continued)

	<u>Maturity Dates</u>				<u>Total</u>
	<u>One Year or Less</u>	<u>One to Five Years</u>	<u>Five to Ten Years</u>	<u>More than Ten Years</u>	
2024					
Asset-backed securities	\$ -0-	\$ 6,673,423	\$ 965,139	\$ 3,309,868	\$ 10,948,430
International fixed income funds		2,350,658	1,341,940	116,502	3,809,100
Commingled fixed income funds		118,899,093	53,189,171		172,088,264
Government bonds		9,256,296	34,074,771	1,064,289	44,395,356
Mortgage-backed securities		608,895	771,036	38,838,480	40,218,411
Corporate bonds	272,539	8,124,733	11,317,199	1,578,842	21,293,313
	<u>\$ 272,539</u>	<u>\$ 145,913,098</u>	<u>\$ 101,659,256</u>	<u>\$ 44,907,981</u>	<u>\$ 292,752,874</u>

Foreign Currency Risk

Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment.

The Plan's exposure to foreign currency risk as of September 30, 2025 and 2024 is summarized as follows:

<u>Country</u>	<u>Currency</u>	<u>International Equities</u>	<u>International Fixed Income Funds</u>	<u>Total</u>
2025				
Canada	Canadian dollar	\$ 4,166,634	\$ 2,209,740	\$ 6,376,374
Australia	Australian dollar		321,267	321,267
Cayman Islands	Cayman Islands dollar		269,332	269,332
Israel	Israeli new shekel	2,915		2,915
Netherlands	Euro	514,250		514,250
Sweden	Swedish krona	1,559,332		1,559,332
Switzerland	Swiss franc		213,534	213,534
United Kingdom	British pound		180,189	180,189
		<u>\$ 6,243,131</u>	<u>\$ 3,194,062</u>	<u>\$ 9,437,193</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit and Investment Risks (continued)

Foreign Currency Risk (continued)

<u>Country</u>	<u>Currency</u>	<u>International Equities</u>	<u>International Fixed Income Funds</u>	<u>Total</u>
2024				
Canada	Canadian dollar	\$ 5,634,462	\$ 2,285,622	\$ 7,920,084
Australia	Australian dollar		298,658	298,658
France	Euro		130,653	130,653
Ireland	Euro		211,265	211,265
Israel	Israeli new shekel	2,356		2,356
Netherlands	Euro	1,008,768		1,008,768
Sweden	Swedish krona	585,963		585,963
Switzerland	Swiss franc		214,606	214,606
United Kingdom	British pound		668,296	668,296
		<u>\$ 7,231,549</u>	<u>\$ 3,809,100</u>	<u>\$ 11,040,649</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of an entity's investments with a single issuer. Other than obligations issued, assumed, or guaranteed by the United States, its agencies, or United States government-sponsored enterprises, the Plan is prohibited by Act 314 from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of the Plan's assets in the obligations of any one issuer. The Plan places no limit on the amount it may invest in any one issuer. As of September 30, 2025 and 2024, there were no investments that exceeded five percent or more of the Plan's total investments, other than investments in registered investment companies, similar pooled investments, or investments issued, assumed, or guaranteed by the United States, its agencies, or United States government-sponsored enterprises.

Rate of Return

For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return on Plan investments, net of expenses, was 7.1 percent and 14.6 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE C — DEPOSITS AND INVESTMENTS (CONTINUED)

Securities Lending

A contract approved by the Plan's Board permits the Plan to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The Plan's custodial bank manages the securities lending program and receives predominantly cash and equities as collateral. The collateral securities cannot be pledged or sold by the Plan unless the borrower defaults. For that reason, these collateral securities are not included in the Plan's financial statements. Collateral cash is initially pledged at 102 percent of the fair value of the securities lent for domestic securities and 105 percent for international securities, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

The fair value of collateral securities on loan as of September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Common stocks	\$ 22,268,637	\$ 6,631,977
Corporate bonds	817,843	559,574
Government fixed income investments	716,238	-0-
Cash	<u>2,027,653</u>	<u>4,159,515</u>
	<u><u>\$ 25,830,371</u></u>	<u><u>\$ 11,351,066</u></u>

As of September 30, 2025 and 2024, the Plan has no credit risk exposure to borrowers as the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The contract with the Plan's custodian requires it to indemnify the Plan if the borrowers fail to return the securities (and if the collateral is inadequate to repay the securities lent) or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE D — CAPITAL ASSETS

Capital assets consist of equipment, furniture, and fixtures. Depreciable capital asset activity for the years ended September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Cost:		
Balance, beginning of year	\$ 346,177	\$ 346,177
Balance, End of Year	<u>346,177</u>	<u>346,177</u>
Accumulated Depreciation:		
Balance, beginning of year	<u>346,177</u>	<u>346,177</u>
Balance, End of Year	<u>346,177</u>	<u>346,177</u>
Net Depreciable Capital Assets	<u>\$ -0-</u>	<u>\$ -0-</u>

NOTE E — LEASES

WCERS has entered into an agreement to lease office space. The lease commenced on September 1, 2024 and expires on August 31, 2031. Amortization of the lease is computed using the straight-line method over the lease term.

The total amounts of the right-of-use assets and related accumulated amortization, as well as the related lease liabilities, associated with this lease are as follows as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Right-of-use assets	\$ 1,400,028	\$ 1,400,028
Less: Accumulated amortization	<u>(216,671)</u>	<u>(15,299)</u>
	<u>\$ 1,183,357</u>	<u>\$ 1,384,729</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE E — LEASES (CONTINUED)

	<u>2025</u>	<u>2024</u>
Lease liabilities:		
Due or expected to be paid within one year	\$ 181,908	\$ 177,084
Due or expected to be paid in more than one year	<u>1,026,477</u>	<u>1,208,385</u>
	<u>\$ 1,208,385</u>	<u>\$ 1,385,469</u>

The principal and interest requirements under these lease liabilities are as follows as of September 30, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the Years Ending September 30:			
2026	\$ 181,908	\$ 28,139	\$ 210,047
2027	190,705	23,491	214,196
2028	199,724	18,620	218,344
2029	208,971	13,521	222,492
2030	218,453	8,189	226,642
2031	<u>208,624</u>	<u>2,617</u>	<u>211,241</u>
	<u>\$ 1,208,385</u>	<u>\$ 94,577</u>	<u>\$ 1,302,962</u>

For the years ended September 30, 2025 and 2024, amortization expense under this lease was \$201,412 and \$15,259, respectively, and interest expense on this lease was \$32,617 and \$2,917, respectively.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE F — NET PENSION LIABILITY

The components of the net pension liability of the employers as of September 30, 2025 are as follows:

Total pension liability	\$ 1,498,156,016
Plan fiduciary net position	<u>1,148,834,680</u>
Employers' Net Pension Liability	<u>\$ 349,321,336</u>
 Plan fiduciary net position as a percentage of total pension liability	 76.68%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2024 and rolled forward to September 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation:	3.0 percent
Salary increases:	County — 3.00 percent to 11.35 percent, including inflation WCAA — 3.00 percent to 13.15 percent, including inflation
Investment rate of return:	6.75 percent, net of pension plan investment expense, including inflation
Mortality rates:	105 percent of the PubG-2010 Retiree tables and 100 percent of the PubG-2010 Disabled and Employee Mortality tables, all projected using the MP-2020 improvement scale

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial experience study for the period October 1, 2015 through September 30, 2020.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE F — NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage and by adding expected inflation.

The best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2025 (see the discussion of the Plan's investment allocation policy) are summarized as follows:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equities	2.5 %
International equities	4.3
Domestic bonds	1.5
Domestic high-yield	3.0
International bonds	2.2
Real estate	3.6
Alternative investments	10.3

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2025 and 2024

NOTE F — NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employers, calculated using the discount rate of 6.75 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	One Percent Decrease <u>(5.75 Percent)</u>	Current Discount <u>(6.75 Percent)</u>	One Percent Increase <u>(7.75 Percent)</u>
Net pension liability	\$ 488,712,621	\$ 349,321,336	\$ 230,462,342

NOTE G — NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued SGAS No. 103, *Financial Reporting Model Improvements*, in April 2024. SGAS No. 103 establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following:

- Management's discussion and analysis
- Unusual or infrequent items
- Presentation of a proprietary fund statement of revenue, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

SGAS No. 103 applies to the Plan's financial statements for the year ending September 30, 2026, with earlier implementation permitted.

The GASB issued SGAS No. 104, *Disclosure of Certain Capital Assets*, in September 2024. SGAS No. 104 requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note, and also requires additional disclosures for capital assets held for sale. SGAS No. 104 applies to the Plan's financial statements for the year ending September 30, 2026, with earlier implementation permitted.

The Plan's management has not determined the impact on its financial statements as a result of implementing these standards.

REQUIRED SUPPLEMENTARY INFORMATION

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

SCHEDULE OF INVESTMENT RETURNS (UNAUDITED)

For the Ten Years Ended September 30, 2025

<u>Fiscal Year Ended September 30</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
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
2025	7.08

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN

**SCHEDULES OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY
AND RELATED RATIOS (UNAUDITED)**

For the Ten Years Ended September 30, 2025

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Changes in Total Pension Liability:					
Service cost	\$ 10,431,838	\$ 10,891,944	\$ 10,524,448	\$ 10,746,337	\$ 10,649,616
Interest	111,275,067	110,167,298	112,568,204	111,556,453	110,132,335
Changes in benefit terms	(141,296,225)	-0-	-0-	1,805,747	(1,948,585)
Differences between expected and actual experience	(532,795)	50,758,944	(4,104,803)	(9,788,235)	(9,474,507)
Changes in actuarial assumptions and other changes	-0-	101,352,130	2,131,112	2,736,461	2,711,309
Benefit payments, including refunds of member contributions	(139,863,597)	(139,888,098)	(136,432,380)	(135,314,829)	(135,363,556)
	<u>(159,985,712)</u>	<u>133,282,218</u>	<u>(15,313,419)</u>	<u>(18,258,066)</u>	<u>(23,293,388)</u>
Change in Total Pension Liability	(159,985,712)	133,282,218	(15,313,419)	(18,258,066)	(23,293,388)
Total Pension Liability, Beginning of Year	1,640,342,985	1,480,357,273	1,613,639,491	1,598,326,072	1,580,068,006
	<u>1,480,357,273</u>	<u>1,613,639,491</u>	<u>1,598,326,072</u>	<u>1,580,068,006</u>	<u>1,556,774,618</u>
Total Pension Liability, End of Year	1,480,357,273	1,613,639,491	1,598,326,072	1,580,068,006	1,556,774,618
Changes in Plan Fiduciary Net Position:					
Contributions:					
Employer	103,337,465	71,052,048	153,719,388	79,800,443	66,914,695
Member	10,734,600	9,199,085	10,286,435	11,122,528	10,961,257
Net investment income	17,078,624	18,263,095	18,311,178	21,789,400	21,663,500
Participant benefit payments and distributions, including refunds of member contributions	(139,863,597)	(139,888,098)	(136,432,380)	(135,314,829)	(135,363,556)
Administrative expenses	(2,321,879)	(2,676,532)	(2,525,172)	(2,518,758)	(2,678,259)
Net appreciation in fair value of investments	62,571,168	83,763,276	43,983,255	12,641,634	5,676,478
	<u>51,536,381</u>	<u>39,712,874</u>	<u>87,342,704</u>	<u>(12,479,582)</u>	<u>(32,825,885)</u>
Change in Plan Fiduciary Net Position Before Asset Transfer	51,536,381	39,712,874	87,342,704	(12,479,582)	(32,825,885)
Other Changes:					
Transfer of assets from Wayne County Circuit Court Commissioners Bailiffs' Retirement System	5,670,643	-0-	-0-	-0-	-0-
	<u>57,207,024</u>	<u>39,712,874</u>	<u>87,342,704</u>	<u>(12,479,582)</u>	<u>(32,825,885)</u>
Change in Plan Fiduciary Net Position	57,207,024	39,712,874	87,342,704	(12,479,582)	(32,825,885)
Plan Fiduciary Net Position, Beginning of Year	824,308,544	881,515,568	921,228,442	1,008,571,146	996,091,564
	<u>881,515,568</u>	<u>921,228,442</u>	<u>1,008,571,146</u>	<u>996,091,564</u>	<u>963,265,679</u>
Plan Fiduciary Net Position, End of Year	881,515,568	921,228,442	1,008,571,146	996,091,564	963,265,679
Employers' Net Pension Liability, End of Year	\$ 598,841,705	\$ 692,411,049	\$ 589,754,926	\$ 583,976,442	\$ 593,508,939
Ratio Information:					
Plan fiduciary net position as a percentage of total pension liability	59.55%	57.09%	63.10%	63.04%	61.88%
Covered employee payroll	\$ 140,222,696	\$ 129,283,884	\$ 132,030,801	\$ 132,578,605	\$ 127,561,562
Employers' net pension liability as a percentage of covered payroll	427.06%	535.57%	446.68%	440.48%	465.27%

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN

**SCHEDULES OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY
AND RELATED RATIOS (UNAUDITED) (CONTINUED)**

For the Ten Years Ended September 30, 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Changes in Total Pension Liability:					
Service cost	\$ 9,635,303	\$ 9,388,695	\$ 9,795,191	\$ 10,607,860	\$ 11,806,594
Interest	108,417,531	103,511,495	101,346,284	99,799,638	98,401,246
Changes in benefit terms	1,067,339	356,201	-0-	1,077,008	-0-
Differences between expected and actual experience	(11,455,759)	(16,103,850)	(5,116,330)	(6,340,460)	(2,299,979)
Changes in actuarial assumptions and other changes	64,010,422	5,090,985	4,549,774	2,476,101	6,122,801
Benefit payments, including refunds of member contributions	(134,736,360)	(134,898,594)	(133,608,155)	(132,107,214)	(129,412,369)
	<u>36,938,476</u>	<u>(32,655,068)</u>	<u>(23,033,236)</u>	<u>(24,487,067)</u>	<u>(15,381,707)</u>
Change in Total Pension Liability					
Total Pension Liability, Beginning of Year	1,556,774,618	1,593,713,094	1,561,058,026	1,538,024,790	1,513,537,723
	<u>1,593,713,094</u>	<u>1,561,058,026</u>	<u>1,538,024,790</u>	<u>1,513,537,723</u>	<u>1,498,156,016</u>
Total Pension Liability, End of Year					
Changes in Plan Fiduciary Net Position:					
Contributions:					
Employer	65,035,776	66,461,671	71,638,940	82,111,352	97,161,219
Member	9,800,842	12,489,895	12,687,155	10,987,552	16,287,846
Net investment income	26,108,033	29,327,626	21,001,381	29,042,033	31,780,925
Participant benefit payments and distributions, including refunds of member contributions	(134,736,360)	(134,898,594)	(133,608,155)	(132,107,214)	(129,412,369)
Administrative expenses	(2,882,305)	(3,040,787)	(3,318,619)	(3,253,669)	(4,141,286)
Net appreciation (depreciation) in fair value of investments	221,806,257	(172,074,265)	74,127,027	113,636,854	47,550,240
	<u>185,132,243</u>	<u>(201,734,454)</u>	<u>42,527,729</u>	<u>100,416,908</u>	<u>59,226,575</u>
Change in Plan Fiduciary Net Position					
Plan Fiduciary Net Position, Beginning of Year	963,265,679	1,148,397,922	946,663,468	989,191,197	1,089,608,105
	<u>1,148,397,922</u>	<u>946,663,468</u>	<u>989,191,197</u>	<u>1,089,608,105</u>	<u>1,148,834,680</u>
Plan Fiduciary Net Position, End of Year					
Employers' Net Pension Liability, End of Year	<u>\$ 445,315,172</u>	<u>\$ 614,394,558</u>	<u>\$ 548,833,593</u>	<u>\$ 423,929,618</u>	<u>\$ 349,321,336</u>
Ratio Information:					
Plan fiduciary net position as a percentage of total pension liability	72.06%	60.64%	64.32%	71.99%	76.68%
Covered employee payroll	\$ 114,839,984	\$ 117,786,409	\$ 124,567,024	\$ 140,625,870	\$ 171,481,333
Employers' net pension liability as a percentage of covered payroll	387.77%	521.62%	440.59%	301.46%	203.71%

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

For the Ten Years Ended September 30, 2025

<u>Fiscal Year Ended September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2016	\$ 70,708,723	\$ 101,264,065	\$(30,555,342)	\$ 140,222,696	72.22 %
2017	53,549,811	68,176,195	(14,626,384)	129,283,884	52.73
2018	62,347,690	151,905,122	(89,557,432)	132,030,801	115.05
2019	64,211,390	77,975,445	(13,764,055)	132,578,605	58.81
2020	59,598,643	65,193,269	(5,594,626)	127,561,562	51.11
2021	58,130,071	63,464,841	(5,334,770)	114,839,984	55.26
2022	58,787,153	64,814,053	(6,026,900)	117,786,409	55.03
2023	64,392,765	69,976,399	(5,583,634)	124,567,024	56.18
2024	73,978,737	80,458,198	(6,479,461)	140,625,870	57.21
2025	85,413,516	95,630,940	(10,217,424)	171,481,333	55.77

The following valuation dates, methods, and assumptions were used to determine contribution rates:

Valuation date:	Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported
Actuarial cost method:	Entry age normal
Amortization method:	Charter County of Wayne, Michigan — Layered level percentage of payroll, closed Wayne County Airport Authority — Layered level dollar, closed
Remaining amortization period:	12 years used in the September 30, 2023 valuation (see actuarial funding policy in actuarial valuation report for more details)
Asset valuation method:	Four-year smoothed market; 20 percent corridor
Wage inflation:	3.0 percent

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED) (CONTINUED)

For the Ten Years Ended September 30, 2025

Salary increases:	3.0 percent to 13.15 percent, including inflation
Investment rate of return:	6.75 percent, net of pension plan investment expense, including inflation
Mortality rates:	105 percent of the PubG-2010 Retiree tables, all projected using the MP-2020 improvement scale

OTHER SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITOR’S REPORT ON SCHEDULE OF CHANGES
IN FIDUCIARY NET POSITION BY EMPLOYER**

March 24, 2026

To the Wayne County Retirement Commission
Charter County of Wayne, Michigan

Opinion on the Schedule

We have audited the fiduciary net position as of September 30, 2025, and the changes in fiduciary net position for the year then ended, included in the accompanying schedule of changes in fiduciary net position by employer (the “Schedule”) of the Wayne County Employees’ Retirement System Defined Benefit Plan (the “Plan”), as well as the related notes to the Schedule. We have also audited the fiduciary net position of each individual employer as of September 30, 2025, and the changes in fiduciary net position of each employer for the year then ended, included in the accompanying Schedule.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the fiduciary net position of the Plan as of September 30, 2025, and the changes in its fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Also, in our opinion, the accompanying Schedule presents fairly, in all material respects, the fiduciary net position of each individual employer as of September 30, 2025, and the changes in fiduciary net position of each individual employer for the year then ended, in accordance with U.S. GAAP.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“U.S. GAAS”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Schedule” section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF CHANGES
IN FIDUCIARY NET POSITION BY EMPLOYER (CONTINUED)**

Responsibilities of Management for the Schedule

The Plan's management is responsible for the preparation and fair presentation of the Schedule in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for 12 months beyond the Schedule date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. *Reasonable assurance* is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with U.S. GAAS:

- We exercise professional judgment and maintain professional skepticism throughout the audit.
- We identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and we design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF CHANGES
IN FIDUCIARY NET POSITION BY EMPLOYER (CONTINUED)**

Auditor's Responsibilities for the Audit of the Schedule (continued)

- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and we evaluate the overall presentation of the Schedule.
- We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter — Restrictions on Use

This report is intended solely for the information and use of the Plan, its participating employers, and the independent auditors of the participating employers and is not intended to be, and should not be, used by anyone other than these specified parties.

GJC CPAs & Advisors

Detroit, Michigan

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY EMPLOYER

For the Year Ended September 30, 2025

	Charter County of Wayne, Michigan	Wayne County Airport Authority	Totals
Additions:			
Contributions:			
Employer (see Note B on page 58)	\$ 89,023,509	\$ 8,137,710	\$ 97,161,219
Members	15,921,556	366,290	16,287,846
Total Contributions	104,945,065	8,504,000	113,449,065
Net investment income	26,991,821	4,789,104	31,780,925
Total Additions	131,936,886	13,293,104	145,229,990
Deductions:			
Participant benefit payments and distributions	116,911,606	12,500,763	129,412,369
Administrative expenses	3,517,230	624,056	4,141,286
Total Deductions	120,428,836	13,124,819	133,553,655
Gains and Losses:			
Net appreciation in fair value of investments	40,384,840	7,165,400	47,550,240
Change in Net Position Restricted for Pensions	51,892,890	7,333,685	59,226,575
Net Position Restricted for Pensions, Beginning of Year	924,618,197	164,989,908	1,089,608,105
Net Position Restricted for Pensions, End of Year	\$ 976,511,087	\$ 172,323,593	\$ 1,148,834,680

See notes to schedule of changes in fiduciary net position by employer.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN

**NOTES TO SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION BY EMPLOYER**

For the Year Ended September 30, 2025

NOTE A — BASIS OF ACCOUNTING

The accompanying schedule of changes in fiduciary net position by employer (the "Schedule") of the Wayne County Employees' Retirement System Defined Benefit Plan (the "Plan") 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, as well as the Plan document and the policies and procedures of the Wayne County Employees' Retirement System. Administrative expenses are financed through investment earnings.

NOTE B — EMPLOYER CONTRIBUTIONS

Employer contributions from the Charter County of Wayne, Michigan (the "County") and the Wayne County Airport Authority ("WCAA") on the Schedule include an additional \$10.1 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, 2025.