

Wayne County

Employees' Retirement System

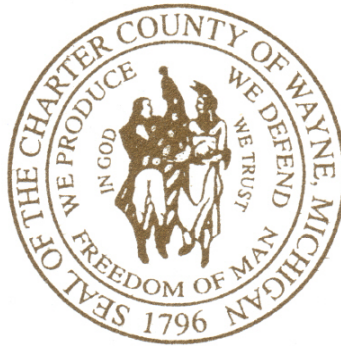
Robert J. Grden, Executive Director

Summary Annual Report
For the Plan Year Ending September 30, 2015

RETIREMENT COMMISSION
EMPLOYEE MEMBERS
Tina Turner, Chair
Henry Wilson
Francesco Simone

RETIREE MEMBERS
Hugh S. Macdonald
Elizabeth Misuraca

EX-OFFICIO MEMBERS
Warren C. Evans
Wayne County Executive
Tony Saunders
Designated Representative
Gary Woronchak, Chairperson
Wayne County Commission



ROBERT J. GRDEN
Executive Director

GERARD J. GRYSKO
Deputy Director

GABRIEL ROEDER SMITH & CO.
Actuary

ANDREW VOSBURGH, M.D.
Medical Director

June 30, 2016

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

Ladies and Gentlemen:

On behalf of the Retirement Commission we are pleased to present the Wayne County Employees' Retirement System Summary Annual Report for the fiscal year ending September 30, 2015. For ease of reading, where applicable the Wayne County Airport Authority (WCAA) data has been combined with Wayne County data within this report unless otherwise noted. This is also the first year we have completed a separate Actuarial Valuation for the WCAA. The 2015 WCAA Valuation includes only the post 2002 retiree liability. Both the County and the WCAA valuations now include a schedule detailing the shared responsibility for the pre-2002 retiree liability. The report contains information on the Defined Benefit, Defined Contribution and Circuit Court Bailiff's Retirement Plan.

The Wayne County Defined Benefit Plan (DB Plan) experienced a recognized rate of return of 9.2% as of September 30, 2015, compared to 8.4% as of September 30, 2014. The recognized rate of return for the Circuit Court Commissioners Bailiffs' Plan ("Bailiffs' Plan") was 9.9% as of September 30, 2015, compared to 8.0% in 2014. The Bailiffs' Plan had a strategic asset allocation change in December of 2014. The Bailiffs' Plan's funding ratio for September 30, 2015 is 268%, an increase from September 30, 2014 when the plan was 238% funded.

The funded ratio of the County DB Plan as of September 30, 2015 is 54%; this is an increase from 2014 when the ratio was 45%. The increase of 9% is a positive step towards insuring the payment of pensions for the future. The County DB Plan's unfunded liabilities decreased from \$818.0 million in 2014 to \$636.5 million in 2015. This is the second year in a row the funding level increased.

The funded ratio of the WCAA Plan as of September 30, 2015 is 69%. This is the fourth year of increases for the WCAA Plan. In 2014 the WCAA Plan was 62% funded. The WCAA Plan's unfunded liability decreased from \$52.4 million in 2014 to \$44.8 million in 2015.

The increase in funding for both the County and the WCAA DB Plans was accomplished despite having a combined retiree payroll of over \$135 million a year. The beginning funding value of DB Plan assets in 2014 was less than \$768.3 million, while the ending funding value of assets were over \$839.5 million, which is an increase of over \$71.2 Million. The combined Wayne County and WCAA projected employer contribution for fiscal year 2017 is \$53.2 million with a projected retiree payroll of over \$137 million.

The Retirement System is in the process of implementing the new terms and conditions of employment found in recently approved collective bargaining agreements. To implement those changes, the Retirement System's staff has been working diligently to calculate the benefits of Members and Participants that were frozen as of September 30, 2015. The Retirement System continues to look for ways to be a better and more efficient system. This includes continuous reviews of investments, revision of policies and procedures and internal audits. We have also implemented a newsletter for active employees, "Your Ticket to Retirement", made significant enhancements to our website, wcers.org, and added Pre-Retirement seminars to educate those within five years of retirement about Social Security and Medicare benefits. The Retirement System consistently operates on less than the approved budget.

Sincerely,

Robert Grden

Robert J. Grden
Executive Director

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FIDUCIARIES OF THE RETIREMENT COMMISSION

Elected Employee Members

Henry Wilson Replaced Andrea Hutting on April 27, 2015	Term Expires December 31, 2015
Tina Turner	Term Expires December 31, 2016
Denis Martin	Term Expires December 31, 2017
Charles Bonza III Retired 9/30/2015	Term Expires December 31, 2018

Elected Retiree Members

Elizabeth Misuraca	Term Expires December 31, 2016
Hugh S. Macdonald	Term Expires December 31, 2018

Ex-Officio Members

Tony Saunders Replaced Mark Abbo on January 26, 2015	Wayne County Executive Designee
Gary Woronchak	Chairperson, Wayne County Commission

RETIREMENT STAFF (NON-FIDUCIARIES)

Executive Director.....	Robert J. Grden
Deputy Director.....	Gerard J. Grysko
Division Director.....	Kelly Tapper
Compliance Officer.....	Annie Hussein, Esq.



RETIREMENT SYSTEM SERVICE PROVIDERS

Actuary.....	Gabriel, Roeder, Smith & Company
Attorneys.....	Allen Brothers, P.L.L.C. Kilpatrick and Associates, P.C. Kirby McInerney L.L.P. Labaton Sucharow L.L.P. Miller, Canfield, Paddock and Stone P.L.C. Plunkett Cooney, P.C. Racine and Associates, P.C. Robbins Geller Rudman and Dowd, L.L.P. VanOverbeke, Michaud & Timmony, P.C. Wayne County Corporation Counsel Wilson & Young, P.L.C. Zwerling, Schachter & Zwerling, L.L.P.
Auditor.....	Rehmann Robson
Investment Consultants (Fiduciaries).....	The Bogdahn Group UBS Financial Services, Inc
Custodian of Assets.....	Northern Trust
Defined Contribution Recordkeeper.....	Prudential Financial
Financial Institutions.....	Bank of America JP Morgan Chase Northern Trust
Medical Directors.....	Dr. Andrew Vosburgh, M.D
Investment Managers (Defined Benefit Fiduciaries).....	AEW Partners VI, L.P. Black Diamond Management AKA Greenwich Black Diamond CDO Capital Dynamics Global Secondaries IV Churchill Financial Crescent Capital Group, L.P. Deroy & Deveraux Dune Real EstateFund III, L.P. Earnest Partners EnTrust Special Opportunities Fund III First Sense Medical (FKA Angott Medical) Fisher Investments Institutional Group Frankenmuth Real Estate HGK Asset Management Key Air Landmark Reality Advisors, L.L.C. Lazard Asset Management

RETIREMENT SYSTEM SERVICE PROVIDERS (cont.)

Investment Managers (Defined Benefit Fiduciaries)..... Lee Munder Capital Group
Lightstone Value Plus REIT
Loomis Sayles
Mesirow Financial
Morgan Stanley (Prime Property Fund)
Mt. Lucas Management
MuniMae
Northern Trust Investments
Northpointe Capital
Providence/Benefits Partners, L.L.C
Reinhart Partners
Rizvi Opportunistic Fund
Seminole Advisors Equity REIT
Seminole Advisors Mortgage Trust
Seminole Balanced Fund (FKA Walker Dunlop Balance Fund)
Seizert Capital
SIT Investments
Stepstone Capital Partners II (FKA Citigroup Capital Partners)
Steward Capital Management
Steward Real Estate Partners
Tier Reit
UBS
Valstone
World Asset Management

FINANCIAL
SECTION
&
REQUIRED
SUPPLEMENTARY
INFORMATION

FINANCIAL SECTION - PREFACE

The independent auditing firm of Rehmann Robson has audited the financial statements of the following plans:

- Wayne County Employees' Retirement System Defined Benefit Plan
- Wayne County Circuit Court Commissioners Bailiffs' Plan
- Wayne County Employees' Retirement System Defined Contribution Plan

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

The financial section of this annual report will include Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for each of the retirement plans noted above. Additionally, this section will highlight financial activity for the fiscal year ended September 30, 2015 for each set of financial statements. The financial information was obtained from the audited financial statements dated February 23, 2016, but these summaries were not audited by the independent auditors. Required supplementary information follows the financial statements as necessary.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN

Statements of Fiduciary Net Position

The Wayne County Employees' Defined Benefit Plan's (DB Plan) total net position increased by \$9.5 million over the course of the plan year. The increase was primarily attributable to the judgment of the Inflation Equity Fund lawsuit that awarded the Plan the return of the \$32.2 million offset used by the County in 2011 and 2012, plus lost earnings totaling \$18.5 million. The overall rate of return on investments for the year ended September 30, 2015 was a gain of 1.1% gross of fees, compared to a gain of 9.01% for the year ended September 30, 2014. Assets are held in trust and restricted to meet future benefit payments.

Statements of Changes in Fiduciary Net Position

The DB Plan's benefits are funded by contributions from Wayne County (County), Wayne County Airport Authority (WCAA), the Detroit Wayne Mental Health Authority (DWMHA), and the DB Plan's members/participants, as well as by the investment income earned on the DB Plan's assets.

- Total additions to net position, excluding appreciation or depreciation in the fair value of investments, increased by \$50.5 million from \$110.5 million for the year ended September 30, 2014 to \$161.0 million for the year ended September 30, 2015. The increase was primarily attributable to the judgment of the Inflation Equity Fund lawsuit that awarded the DB Plan the return of the \$32.2 million offset used by the County in 2011 and 2012, plus lost earnings totaling \$18.5 million.
- Total contributions for 2015 increased by \$34.4 million from those of the prior year. Employer contributions were made at a rate of 53.95% and 52.91% of covered payroll during the years ended September 30, 2015 and 2014. The increase was primarily attributable to the \$32.2 judgment of the Inflation Equity Fund lawsuit. The DWMHA made an additional employer contribution of approximately \$8.1 million as required for its withdrawal liability and its unfunded liability for the year, \$0.6 million less than the prior year. The WCAA made an additional employer contribution of approximately \$6.1 million to fund a retirement incentive and enhancements they offered to employees, \$3.4 million more than the prior year. Employee contributions increased as a higher contribution rate was used for new employees and a concession for a bargaining unit and more WCAA employees purchased annuities in the DB Plan during the current year.
- Other investment income (net of investment expenses, excluding the IEF lost earnings of \$18.5) decreased by \$2.4 million from those of the prior year. Combined interest and dividends increased by \$0.6 million for 2015, while investment expenses decreased \$0.6 million for the year ending September 30, 2015, related to lower management fees on investment and lower attorney fees for the year. Other income decreased related to a correction made in the prior year by the Wayne County Treasurers Office to the retiree payroll account.
- The change in the fair value of investments was unfavorable for the current year. The fair value of investments had a net depreciation of \$12.8 million for the year ending September 30, 2015 and net appreciation of \$58.4 for the year ending September 30, 2014. The net depreciation is attributable to the declining financial markets and the resultant investment performance at the end of the year.
- The deductions of the DB Plan include the payment of pension benefits to members and beneficiaries and the costs of administering the DB Plan. Total deductions for the year ended September 30, 2015 were \$138.7 million and prior year's deductions were \$136.4 million, an increase of 1.7% over the prior year.
- The implementation of GASB 68 caused the beginning net position restricted for pensions to be reduced by \$5.0 million, deferred outflows of resources of \$0.6 million and deferred inflows of resources of \$0.1 million for the current year.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
(COUNTY AND WCAA COMBINED)
STATEMENTS OF FIDUCIARY NET POSITION**

September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Investments, at fair value:		
Equity securities and mutual funds	\$ 417,072,307	\$ 502,964,286
Debt securities and mutual funds	115,329,369	89,917,145
Money market funds	17,154,946	36,066,148
Other investments	229,160,974	179,360,332
	<u>778,717,596</u>	<u>808,307,911</u>
Equity in Wayne County pooled cash	14,156,777	6,857,324
IEF judgment receivable	32,512,101	-
Accounts receivable	23,295	123,872
Due from broker for securities sold	3,192,194	1,163,796
Accrued interest and dividends	980,743	921,449
Prepaid expense	16,052	26,133
Depreciated capital assets, net	1,356	3,164
	<u>829,600,114</u>	<u>817,403,649</u>
Deferred outflows of resources		
Deferred pension amounts	616,454	-
	<u>616,454</u>	<u>-</u>
Liabilities		
Accounts and contracts payable	548,421	816,936
Due to broker for securities purchased	4,539,328	1,285,395
Accrued wages and benefits	203,821	223,475
Net pension liability	5,267,407	-
Obligation for unfunded other postemployment benefits	484,000	458,245
	<u>11,042,977</u>	<u>2,784,051</u>
Total liabilities	<u>11,042,977</u>	<u>2,784,051</u>
Deferred inflows of resources		
Deferred pension amounts	101,052	-
	<u>101,052</u>	<u>-</u>
Net position restricted for pensions	<u>\$ 819,072,539</u>	<u>\$ 814,619,598</u>

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
(COUNTY AND WCAA COMBINED)
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions		
Contributions:		
Employer- County	\$ 66,400,399	\$ 71,704,902
Employer – IEF judgment	32,212,545	-
Employer - WCAA	13,105,600	8,475,718
Members – County	9,201,948	7,161,792
Participants – WCAA	2,168,732	1,359,927
Total contributions	<u>123,089,224</u>	<u>88,702,339</u>
IEF judgment investment earnings	<u>18,497,745</u>	<u>-</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	(12,754,830)	58,380,124
Interest	15,493,667	13,896,850
Dividends	6,370,062	8,620,626
Securities lending income	256,675	477,205
Other investment income	447,731	2,531,427
Total investment income	<u>9,813,305</u>	<u>83,906,232</u>
Less: Investment expenses	<u>(3,146,412)</u>	<u>(3,706,696)</u>
Net investment income	<u>6,666,893</u>	<u>80,199,536</u>
Total additions	<u>148,253,862</u>	<u>168,901,875</u>
Deductions		
Participant benefit payments and distributions	136,008,966	133,394,978
Administrative expenses	2,749,016	3,011,304
Total deductions	<u>138,757,982</u>	<u>136,406,282</u>
Change in net position	<u>9,495,880</u>	<u>32,495,593</u>
Net position restricted for pensions		
Beginning of year	814,619,598	782,124,005
Reinstatement for implementation of GASB 68	<u>(5,042,939)</u>	<u>-</u>
End of year	<u>\$ 819,072,539</u>	<u>\$ 814,619,598</u>

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY COMPONENT
For the Year Ended September 30, 2015

	<u>County of Wayne</u>	<u>WCAA</u>	<u>Reserve for Inflation Equity</u>	<u>WCERS Total</u>
Additions				
Contributions:				
Employer	\$66,400,399	\$13,105,600	\$ -	\$79,505,999
Employer – IEF judgment	-	-	32,212,545	32,212,545
Members	9,201,948	2,168,732	-	11,370,680
IEF judgment investment earnings	-	-	18,497,745	18,497,745
Net investment income	5,879,936	786,957	-	6,666,893
Total additions	<u>81,482,283</u>	<u>16,061,289</u>	<u>50,710,290</u>	<u>148,253,862</u>
Deductions				
Pension benefits, including refunds	127,219,157	7,790,299	999,510	136,008,966
Administrative expenses	2,424,524	324,492	-	2,749,016
Total deductions	<u>129,643,681</u>	<u>8,114,791</u>	<u>999,510</u>	<u>138,757,982</u>
Changes in net position	(48,161,398)	7,946,498	49,710,780	9,495,880
Transfer from IEF reserve	51,968,387	-	(51,968,387)	-
Net position restricted for pensions				
Beginning of year	722,817,873	89,544,118	2,257,607	814,619,598
Reinstatement for implementation of GASB 68	(4,447,673)	(595,266)	-	(5,042,939)
End of year	<u>\$ 722,177,189</u>	<u>\$96,895,350</u>	<u>\$ -</u>	<u>\$819,072,539</u>

Note 1: The above employer contributions for Wayne County include an additional \$8.1 million in employer contributions contributed by the Detroit Wayne Mental Health Authority to fund its unfunded liability for the year ended September 30, 2015.

Note 2: The above employer contributions for the Wayne County Airport Authority include an additional \$6.1 million in employer contributions to the Plan to fund retirement incentives and enhancements offered to employees.

Note 3: This schedule is 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 Wayne County Pension Ordinance. Administrative expenses are financed through investment earnings.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN**

**GASB STATEMENT 67 REQUIRED SUPPLEMENTARY INFORMATION
Last Fiscal Year (ultimately building to ten years)
Schedule of Changes in the County's Net Pension Liability and Related Ratios**

	2014
Change in total pension liability	
Service cost	\$ 16,358,829
Interest	122,810,391
Changes of benefit terms	9,798,361
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(133,394,978)
Net change in total pension liability	15,572,603
Total pension liability, beginning	1,644,843,098
Total pension liability, ending (a)	1,660,415,701
Change in plan fiduciary net position	
Contributions - employer	80,180,620
Contributions - member	8,521,719
Net investment income	80,199,536
Benefit payments, including refunds of member contributions	(133,394,978)
Administrative expense	(3,011,304)
Other	-
Net change in plan fiduciary net position	32,495,593
Plan fiduciary net position, beginning	782,124,005
Plan fiduciary net position, ending (b)	814,619,598
County's net pension liability, ending (a)-(b)	\$ 845,796,103
Plan fiduciary net position as a percentage of the total pension liability	49.06%
Covered-employee payroll	151,536,413
County's net pension liability as a percentage of covered payroll	558.15%

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

**Schedule of Investment Returns
Last Three Fiscal Years (ultimately building to ten years)**

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
9/30/2013	14.09%
9/30/2014	8.33%
9/30/2015	0.70%

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

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2014	\$68,772,171	\$80,180,620	\$ (11,408,449)	\$ 151,536,413	52.91%
9/30/2015	\$65,289,481	\$79,505,999	\$ (14,216,518)	\$ 147,363,016	53.95%

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

The Retirement System funding rate has increased from 45% in 2014 to 54% funded in 2015. Many factors have impacted the DB Plan:

- The County Administration and its affected Labor Unions negotiated new contract terms effective October 1, 2015. The contract terms reduced the multiplier from as high as 2.65% to 1.25% for all future years post October 1, 2015.
- The Retirement System recognized rate of return was 9.2% and exceeded the 7.75% assumed rate of return.
- For all years of County service earned post October 1, 2015, the Average Final Compensation (AFC) shall be computed using the last 10 years of base wage pay history, instead of utilizing the highest years of service with overtime, sick, and vacation accruals included.
- The County eligibility for 25 years of service or 30 years of service without an age requirement was changed to a minimum age requirement of age 62, although an early pickup at age 55 is available at an actuarial reduced rate.
- The County police unions can retire at age 55 with the service eligibility without a reduced actuarially rate.
- A change in the County maximum duty disability pension benefit from a flat rate of 75% of the best 4 years of average final compensation to an accelerated rate at 1.25% of AFC to age 60 with a maximum benefit of 60 % with a pre October 1, 2015 benefit and a post October 1, 2015 benefit. Non-duty disabilities were also capped at 60% of AFC.
- These County contractual benefit changes, along with positive portfolio performance had a positive impact on the September 30, 2015 valuation causing the funded ratio to increase 9%, from 45% to 54%.
- The Wayne County Airport Authority had its first separate Annual Actuarial Valuation done as of September 30, 2015, with previous years having been a combined County/Airport report.
- The Wayne County Airport Authority included an additional \$6.1 million in employer contributions to the DB Plan to fund retirement incentives and enhancements offered to employees.
- The Wayne County Airport Authority's additional employer contributions and positive portfolio performance had a positive impact on the September 30, 2015 valuation causing the funded ration to increase 7%, from 62% to 69%
- Historically low interest rates continue to impact the rates of return in the fixed income portfolio.
- The increasing rate of longevity of members in our DB Plan continues to impact the current and future funding levels.
- A historical DB Plan review with further details can be found at www.wcers.org on the reporting tab.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN**

**NOTES TO SCHEDULES OF FUNDING PROGRESS AND
EMPLOYER CONTRIBUTIONS (UNAUDITED)**

September 30, 2015

SUMMARY OF ACTUARIAL ASSUMPTIONS

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

Valuation date.....	September 30, 2015
Actuarial cost method.....	Entry Age Normal
Amortization method	
County	Level percent of payroll
WCAA	Level dollar
Remaining amortization period.....	22 years (closed)
Asset valuation method.....	4-year smoothed market, 20% corridor
Actuarial assumptions:	
Investment rate of return	
County and WCAA.....	7.75%*
Projected salary increases	
County and WCAA.....	3.50%–8.80%*
Cost-of-living adjustments.....	N/A
Actuarial assumed rate of long term wage inflation.....	3.5%

* Includes wage inflation at 3.5%

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
CONTRIBUTION RATES**

	Valuation Measurement Date 9/30/13		Valuation Measurement Date 9/30/14		Valuation Measurement Date 9/30/15	
	County Rate used during FYE 9/30/15	WCAA Rate used during FYE 9/30/15	County Rate used during FYE 9/30/16	WCAA Rate used during FYE 9/30/16	County Rate used during FYE 9/30/17	WCAA Rate used during FYE 9/30/17
Normal Cost						
Service allowances	8.66%	5.23%	8.52%	5.25%	3.74%	5.26%
Disability allowances	1.54%	0.71%	1.53%	0.73%	0.85%	0.73%
Survivor allowances	0.17%	0.12%	0.17%	0.12%	0.10%	0.12%
Termination benefits						
Deferred service allowances	0.88%	0.49%	0.90%	0.51%	0.75%	0.51%
Refunds of member contributions	0.37%	0.12%	0.52%	0.14%	1.09%	0.14%
Total Normal Cost	11.62%	6.67%	11.64%	6.75%	6.53%	6.76%
Less Portion Paid by Members *	-2.77%	-0.69%	-4.54%	-1.11%	-6.50%	-1.14%
County Defined Benefit Normal Cost	8.85%	5.98%	7.10%	5.64%	0.03%	5.62%
Unfunded Actuarial Accrued Liability	41.63%	18.76%	43.58%	17.36%	46.69%	14.91%
Total Computed Employer Rate	50.48%	24.74%	50.68%	23.00%	46.72%	20.53%
POAM Member Rate Adjustment	(1.53%)					
Total Computed Employer Rate	48.95%	24.74%	50.68%	23.00%	46.72%	20.53%

WCAA – Wayne County Airport Authority

* Weighted average of the various contribution rates

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ADMINISTRATIVE EXPENSES**

	<u>2015</u>	<u>2014</u>
Personnel Services:		
Staff Salaries	\$ 1,033,258	\$ 1,014,266
Other Fringe Benefits	510,403	631,285
Retirement Benefits	<u>467,028</u>	<u>442,630</u>
Total	2,010,689	2,088,181
Building and Equipment:		
Building Rent	189,514	190,713
Equipment, Equipment Rent and Maintenance	26,390	15,765
Utilities	6,364	7,151
Depreciation	<u>1,808</u>	<u>1,808</u>
Total	224,076	215,437
Professional Service		
Actuary	129,582	117,502
Medical Directors	<u>12,175</u>	<u>16,945</u>
Total	141,757	134,447
Miscellaneous		
Office Supplies	15,220	14,421
Postage, Dues, Membership, and Other	49,936	43,362
Printing	10,755	14,779
Training, Travel and Board Meeting – Retirement Commissioners	48,266	30,778
Training, Travel and Board Meeting - Staff	18,764	17,890
Wayne County Chargebacks	334,731	479,143
Operating Expenses Allocated to other Plans	<u>(105,178)</u>	<u>(27,134)</u>
Total	<u>372,494</u>	<u>573,239</u>
Total Administrative Expenses	<u><u>\$ 2,749,016</u></u>	<u><u>\$ 3,011,304</u></u>

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

**WAYNE COUNTY EMPLOYEES' RETIRMENT SYSTEM
DEFINED BENEFIT PLAN
INVESTMENT EXPENSES**

Professional Service	<u>2015</u>	<u>2014</u>
Attorney Fees	\$ 389,491	\$ 545,487
Audit Fees	26,536	19,615
Consultant Fees	250,000	250,000
Custodian Fees	159,181	177,469
Fiduciary Insurance	214,037	202,768
Management Fees	2,103,867	2,508,057
Miscellaneous Fees	<u>3,300</u>	<u>3,300</u>
 Total	 <u>\$ 3,146,412</u>	 <u>\$ 3,706,696</u>

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

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN**

	BUDGETS			
	FY 2015	FY 2015	Variance	FY 2016
	Budget	Actual	Favorable	Budget
			(Unfavorable)	
Revenue				
Interest & Dividends	\$ 8,002,000	\$21,863,729	\$ 13,861,729	\$ 8,002,000
Total Budgeted Revenue	8,002,000	21,863,729	13,861,729	8,002,000
Expense				
Personnel Services:				
Staff Salaries	1,276,438	1,244,253	32,185	1,384,762
Other Fringe Benefits	706,628	615,498	91,130	598,569
Retirement Benefits	910,287	617,700	292,587	401,784
Reimbursed Expenses*		(466,762)	466,762	
Total	2,893,353	2,010,689	882,664	2,385,115
Building and Equipment:				
Building Rent	205,000	189,514	15,486	200,000
Equipment, Equipment Rent & Maintenance	156,000	26,390	129,610	156,000
Utilities	8,000	6,364	1,636	8,000
Depreciation	2,000	1,808	192	2,000
Total	371,000	224,076	146,924	366,000
Professional Service				
Investment Expenses	4,016,721	3,146,412	870,309	4,428,780
Actuary	129,000	129,582	(582)	100,000
Medical Director	15,000	12,175	2,825	15,000
Total	4,160,721	3,288,169	872,552	4,543,780
Miscellaneous				
Office Supplies	30,000	15,220	14,780	30,000
Postage, Dues, Membership, & Other	80,800	49,936	30,864	82,340
Printing	30,000	10,755	19,245	30,000
Training, Education & Travel – Retirement Commissioners	96,000	48,266	47,734	70,500
Training, Education & Travel - Staff		18,764	(18,764)	25,500
Wayne County Chargebacks	340,126	334,731	5,395	468,765
Reimbursed Expenses*		(105,178)	105,178	
Total	576,926	372,494	204,432	707,105
Total Budgeted Expenses	8,002,000	5,895,428	2,106,572	8,002,000
Change in Budgeted Net Position	\$ -	\$15,968,301	\$ 15,968,301	\$ -

Administrative expense reimbursed by DC and Circuit Court Commissioners Bailiff Plans recorded in Other Fringe Benefits

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

INTRODUCTION

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

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

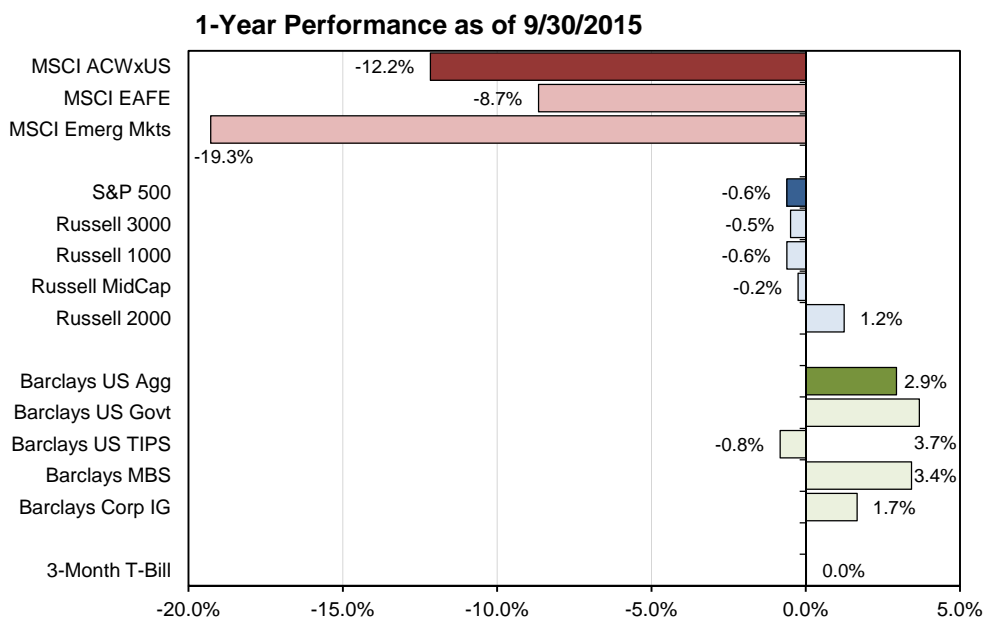
INVESTMENT OBJECTIVES

The WCERS' primary investment objective is to provide a real rate of return, net of inflation, sufficient to support the system's ability to meet its obligations to DB Plan participants and beneficiaries without undue exposure to risk. In absolute terms, this return objective should approximate the WCERS' actuarial assumed rate of return, which is currently 7.75%. The WCERS seeks to attain investment results over a full market cycle. It does not expect that all investment objectives will be attained in each year and recognizes that over various periods of time the WCERS' investment results may produce significant "over" or "under" performance relative to broad markets. For this reason, the Retirement Commission takes a LONG-TERM perspective and will measure quantitative investment returns over a 5-year moving period. Investment managers are also expected to meet qualitative performance objectives (adherence to its investment philosophy and the WCERS' policies, continuity of firm personnel and practices, etc.) as established by the Retirement Commission.

The fiscal year ended September 30, 2015 started off with a bang and ended with a whimper, as market gains of the first three quarters of the fiscal year were erased during a difficult third quarter of 2015. Macroeconomic and geopolitical news drove the volatility of global equity markets throughout the year. Domestic markets fared modestly better than international indices but still posted negative returns for the year. Improving domestic economic data was overshadowed by the Federal Open Market Committee's (Fed) decision to leave short-term interest rates unchanged, citing low inflation expectations and a weakening global economy as reasons to maintain an accommodative monetary policy. The uncertainty surrounding the Fed's rate decision caused investors to accelerate sales out of risk assets. As a result, the S&P 500 experienced its first correction since 2011, falling 12.0% from its intra-quarter high during the final quarter of our fiscal year. The total return for the S&P 500 for the fiscal year was a meager -0.6%. The only positive returns from the global equity markets came from US Small cap stocks as measured by the Russell 2000 with a +1.2% return.

Non-U.S. equity indices posted the weakest returns during the year with all three benchmarks posting losses in U.S. dollars (USD) during the year. Export heavy emerging markets were the hardest hit during the year with a USD return of -19.3%. Developed international markets fared better, yet still returned -8.7% for the year. Similar to domestic equity markets, the negative results of international equity markets were driven by macroeconomic events. As the world's second largest economy and largest exporter of goods, China's slowing economic growth prospects dominated headlines. While the potential impact of a Chinese slowdown resonated throughout the financial markets, emerging market and commodity driven economies experienced the greatest negative impact. In addition to China's events, Greece secured its third bailout of the year from the European Union (EU) and Japan, and EU policymakers signaled further quantitative easing may be necessary to combat deflationary concerns.

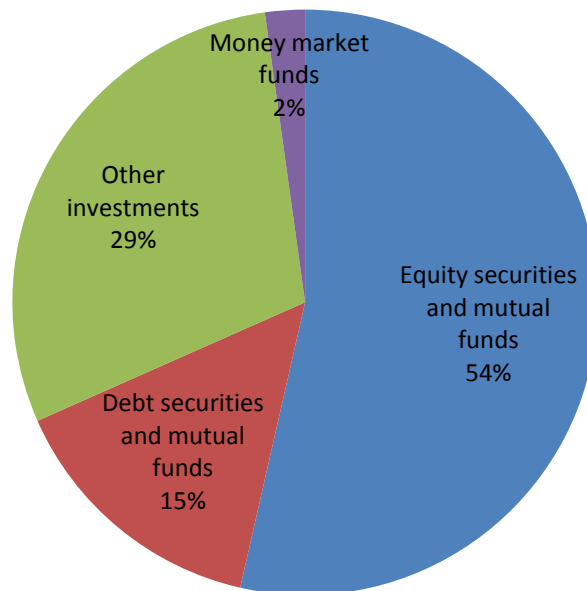
Given the uncertainty in the equity markets, it was no surprise to see U.S. fixed income indices were modestly positive for the year, with TIPs being the exception. The U.S. Treasury yield curve flattened during the year with short-term interest rates remaining relatively unchanged and longer term rates declining. As a result of this flattening, longer dated maturities outperformed short-term issues. For the fiscal year, the broad US Fixed Income market returned +2.9%, leaving little room in traditional asset classes (stocks and bonds) to achieve the 7.75% expected return for the year.



**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2015**

<u>Investment Type</u>	<u>Market Value at 9/30/2015</u>
Equity securities and mutual funds	\$ 417,072,307
Debt securities and mutual funds	115,329,369
Other investments	229,160,974
Money market funds	17,154,946
Total Investments	\$ 778,717,596

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ASSET ALLOCATION BY TYPE
As of September 30, 2015**



**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
 DEFINED BENEFIT PLAN
 INVESTMENT PERFORMANCE
 MARKET RATE – NET OF FEES**

	Rolling Calendar-Year Basis	Fiscal Year Basis
1 Year	1.37%	0.59%
3 Year	7.80%	7.44%
5 Year	5.92%	6.98%
7 Year	8.04%	5.08%
10 Year	4.22%	4.29%

The Retirement System is required by the State of Michigan to show market rate rolling calendar year returns. Because we are based on a fiscal year end of September 30 we have included those numbers for continuity as of September 30, 2015.

WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM DEFINED BENEFIT PLAN

Statements of Fiduciary Net Position

- The Wayne County Circuit Court Commissioners Bailiffs' DB Plan's (Bailiffs' Plan) total net position decreased by \$140,209, or 2.4 %, over the course of the Bailiffs' Plan year. The decrease was primarily due to the declining financial markets and resultant investment performance. The overall rate of return on investments for the year ended September 30, 2015 was a gain of 0.04% gross of fees, compared to a gain of 9.38% for the year ended September 30, 2014. Assets are held in trust and restricted to meet future benefit payments.

Statements of Changes in Fiduciary Net Position

The Bailiffs' Plan's benefits are funded by contributions from the State of Michigan, process service fees, and active members, as well as by the investment income earned on the Bailiffs' Plan's assets.

- Total additions to net position, excluding appreciation (depreciation) in the fair value of investments, increased by \$84,118 from \$27,117 for the year ended September 30, 2014 to \$111,235 for the year ended September 30, 2015. Total contributions were consistent and increased by \$282, or 0.6%, from those of the prior year. As of September 30, 2015, there were three active participants in the Bailiffs' Plan lan. Interest and dividends and other investment income for the year ended September 30, 2015 totaled \$130,305 compared to \$41,578 for the year ended September 30, 2014. The investment mix in the portfolio was evenly split between equity and fixed income for the current year. The increase in investment income is due to the earnings on fixed income investments for the current year. Investment expenses increased by \$4,891 compared to the prior year because of higher management fees due to higher investment values during most of the current year and extra actuary fee related to new GASB requirements.
- The change in the fair value of investments was unfavorable for the year. Net depreciation in the fair value of investments was \$121,593 for the year ended September 30, 2015, compared to net appreciation of \$463,463 in the fair value of investments for the year ended September 30, 2014. The Bailiffs' Plan's net depreciation in the fair value of investments for the current year was attributable to the declining financial markets and resultant investment performance.
- The deductions of the Bailiffs' Plan include the payment of pension benefits to members and beneficiaries and the cost of administering the Bailiffs' Plan. Total deductions for the year ended September 30, 2015 were \$129,851, compared to \$144,113 for the year ended September 30, 2014. Benefit payments and distributions were higher in the prior year due to a reduction in the number of retirees for the current year and the prior year paid a supplemental pension benefit to retirees.

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
STATEMENTS OF FIDUCIARY NET POSITION**

September 30, 2015 and 2014

	2015	2014
Assets		
Investments, at fair value:		
Equity mutual funds	\$ 2,566,442	\$ 5,707,976
Debt mutual funds	2,959,707	7,224
Money market funds	10,528	4,448
Total investments	5,536,677	5,719,648
Equity in Wayne County pooled cash	16,936	3,937
Accounts receivable	40,836	29,766
Accrued interest and dividends	8,906	-
Total assets	5,603,355	5,753,351
Liabilities		
Accounts and contracts payable	-	18,689
Due to broker for securities purchased	8,902	-
Total liabilities	8,902	18,689
Net position restricted for pension benefits	\$ 5,594,453	\$ 5,734,662

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

For the Years Ended September 30, 2015 and 2014

	2015	2014
Additions		
Contributions:		
State of Michigan	\$ 42,626	\$ 36,698
Members	2,824	8,470
Total contributions	45,450	45,168
Investment income:		
Net appreciation (depreciation) in fair value of investments	(121,593)	463,463
Interest and dividends	130,305	41,578
Total investment income	8,712	505,041
Less: investment expenses	(64,520)	(59,629)
Net investment income (loss)	(55,808)	445,412
Total additions (investment loss in excess of contributions)	(10,358)	490,580
Deductions		
Participant benefit payments and distributions	107,927	125,424
Administrative expenses	21,924	18,689
Total deductions	129,851	144,113
Change in net position	(140,209)	346,467
Net position restricted for pension benefits		
Beginning of year	5,734,662	5,388,195
End of year	\$5,594,453	\$5,734,662

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
Last Two Years (ultimately building to ten years)
Schedule of Changes in Net Pension Liability and Related Ratios**

	2015	2014
Change in total pension liability		
Service cost	\$ 14,839	\$ 14,839
Interest	148,236	160,774
Changes of benefit terms	-	-
Differences between expected and actual experience	(158,797)	(114,610)
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(107,927)	(125,424)
Net change in total pension liability	<u>(103,649)</u>	<u>(64,421)</u>
Total pension liability, beginning	<u>2,163,407</u>	<u>2,227,828</u>
Total pension liability, ending (a)	<u>2,059,758</u>	<u>2,163,407</u>
Change in plan fiduciary net position		
Contributions - employer	42,626	36,698
Contributions - member	2,824	8,470
Net investment income	(55,808)	445,412
Benefit payments, including refunds of member contributions	(107,927)	(125,424)
Administrative expense	(21,924)	(18,689)
Other	-	-
Net change in plan fiduciary net position	<u>(140,209)</u>	<u>346,467</u>
Plan fiduciary net position, beginning	<u>5,734,662</u>	<u>5,388,195</u>
Plan fiduciary net position, ending (b)	<u>5,594,453</u>	<u>5,734,662</u>
Net pension liability, ending (a)-(b)	<u><u>\$ (3,534,695)</u></u>	<u><u>\$ (3,571,255)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	271.61%	265.08%
Covered-employee payroll	\$ 60,000	\$ 163,999
Net pension liability as a percentage of covered payroll	-5,891.16%	-2,177.61%

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Investment Returns
Last Three Fiscal Years (ultimately building to ten years)**

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
9/30/2013	15.7%
9/30/2014	8.7%
9/30/2015	-2.7%

**Schedule of Contributions
Last Two Years (ultimately building to ten years)**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2014	\$ -	\$ 36,698	\$ (36,698)	\$ 163,999	22.38%
9/30/2015	\$ -	\$ 42,626	\$ (42,626)	\$ 60,000	71.04%

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
NOTES TO SCHEDULES OF FUNDING PROGRESS AND CONTRIBUTIONS FROM
THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES (UNAUDITED)**

September 30, 2015

SUMMARY OF ACTUARIAL ASSUMPTIONS

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

Valuation date	September 30, 2015
Actuarial cost method.....	Entry age actuarial cost method
Amortization method.....	Level percent of payroll
Remaining amortization period.....	Fully funded
Asset valuation method.....	4-year smoothed market
Actuarial assumptions:	
Investment rate of return.....	7.0%
Projected salary increases.....	0.0%
Cost-of-living adjustments.....	N/A
Actuarial assumed rate of price inflation.....	3.0%

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFF'S RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ADMINISTRATIVE EXPENSES**

	<u>2015</u>	<u>2014</u>
Personnel Services:		
Staff Salaries	\$ 8,377	\$ 7,942
Other Fringe Benefits	4,172	3,696
Retirement Benefits	<u>5,982</u>	<u>3,587</u>
Total	18,531	15,225
 Miscellaneous		
Allocated Operating Expenses	<u>3,393</u>	<u>3,464</u>
 Total Administrative Expenses	<u>\$ 21,924</u>	<u>\$ 18,689</u>

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

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFF'S RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
INVESTMENT EXPENSES**

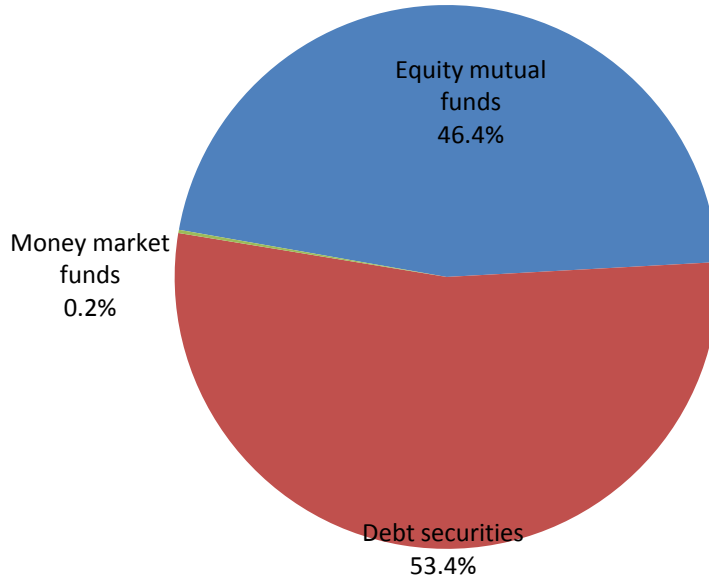
	<u>2015</u>	<u>2014</u>
Professional Service		
Audit Fees	\$ 8,000	\$ 8,000
Actuary	7,000	5,000
Custodian Fees	6,059	4,334
Management Fees	<u>43,461</u>	<u>42,295</u>
 Total	<u>\$ 64,520</u>	<u>\$ 59,629</u>

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

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2015**

<u>Investment Type</u>	<u>Market Value at 9/30/2015</u>
Equity mutual funds	\$ 2,566,442
Debt mutual funds	2,959,707
Money market funds	10,528
Total Investments	\$ 5,536,677

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
ASSET ALLOCATION BY INVESTMENT TYPE
As of September 30, 2015**



**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BALIFFS' RETIREMENT SYSTEM
 DEFINED BENEFIT PLAN
 INVESTMENT PERFORMANCE
 MARKET RETURN- NET OF FEES**

	Rolling Calendar-Year Basis	Fiscal Year Basis
1 Year	-1.45%	-2.78%
3 Year	6.71%	6.91%
5 Year	4.31%	6.22%
7 Year	8.67%	4.12%
10 Year	2.78%	3.15%

The Retirement System is required by the State of Michigan to show market rate rolling calendar year returns. Because we are based on a fiscal year end of September 30 we have included those numbers for continuity as of September 30, 2015.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN OVERVIEW

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

WCERS has developed a rigorous process and procedure protocol as it applies to the selection, monitoring, removal and replacement of funds within the DC Plan. The intent has always been to work with an open architecture platform that allows WCERS to choose a variety of asset classes from any mutual fund company, thereby ensuring the ability to offer best-in-class investments to their participating employees.

WCERS employs the services of an experienced investment advisor, the Sterling Institutional Consulting Group of UBS Financial Services, Inc., that serves as co-fiduciary on plan assets, and offers one-on-one investment consulting and retirement planning to all members. A consultant with the group attends all new employee orientations for the County, as well as the WCAA.

Additionally, the DC Plan record keeper, Prudential Financial, offers an asset allocation program to participants called GoalMaker. This program is age-based as well as risk based. The three different risk categories, Conservative, Moderate and Aggressive, allow participants more choice when selecting their allocation program.

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN

Statements of Fiduciary Net Position

The DC Plan's total net position decreased by approximately \$27.0 million, or 6.9%, over the course of the plan year. The DC Plan's total assets of \$365.1 million as of September 30, 2015 were mostly comprised of investments in registered investment companies or mutual funds, and decreased during the fiscal year due to more participant distributions and withdrawals during the current year due to retirements, terminations and transfer of Detroit Wayne Mental Health Authority (DWMHA) assets out of the plan to a new provider in addition to the declining financial markets and the resultant investment performance. Assets are restricted to provide future benefit payments to plan participants.

Statements of Changes in Fiduciary Net Position

- The DC Plan's benefits are funded by contributions from Wayne County (County), the Wayne County Airport Authority (WCAA), the DWMHA, and the DC Plan's members/participants contributions; gains and losses on each individuals account will vary based on individual selection.
- Additions to net position, excluding appreciation (depreciation) in the fair value of investments, include contributions made to the DC Plan by the County and the Plan's participants, as well as investment income, both of which amounted \$24.9 million at September 30, 2015, compared to \$26.2 for the year ended September 30, 2014. Employer contributions have decreased as more members transferred or are hired into the hybrid plans that have a lower employer contribution rate.
- The change in the fair value of investments was unfavorable for the current year. Net depreciation in the fair value of investments was \$7.0 million for the year ended September 30, 2015, compared to net appreciation of \$22.1 million in the fair value of investments for the year ended September 30, 2014, which is attributable to the declining financial markets and the resultant investment performance for the current year.
- Total deductions from net position increased by approximately \$17.2 million, increasing from \$27.7 million for the year ended September 30, 2014 to \$44.9 million for the year ended September 30, 2015, which is primarily attributable to more participant distributions and withdrawals during the current year due to retirements, terminations and transfer of DWMHA assets out of the DC Plan to a new provider.

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
(COUNTY AND WCAA COMBINED)
STATEMENTS OF FIDUCIARY NET POSITION**

September 30, 2015 and 2014

	2015	2014
Assets		
Investments, at fair value		
Equity mutual funds	\$ 234,654,752	\$ 256,185,995
Debt mutual funds	106,661,492	110,011,904
Participant loans receivable	23,397,796	25,498,223
Total investments	364,714,040	391,696,122
Equity in Wayne County pooled cash	405,906	420,115
Due from other Wayne County component units and funds	25,140	13,414
Accounts receivable	4,495	-
Net position restricted for pension benefits	\$ 365,149,581	\$ 392,129,651

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION PLAN
(COUNTY AND WCAA COMBINED)
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions		
Contributions:		
Employer, net of forfeitures	\$ 13,325,890	\$ 15,218,147
Employees	5,574,247	5,617,491
Total contributions	<u>18,900,137</u>	<u>20,835,638</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	(6,956,421)	22,079,178
Interest and dividends	5,224,674	4,886,189
Other investment income	750,527	505,166
Total investment income (loss)	<u>(981,220)</u>	<u>27,470,533</u>
Total additions	<u>17,918,917</u>	<u>48,306,171</u>
Deductions		
Participant distributions and withdrawals	44,307,503	27,189,287
Administrative expenses	591,484	515,342
Total deductions	<u>44,898,987</u>	<u>27,704,629</u>
Change in net position	(26,980,070)	20,601,542
Net position restricted for pension benefits		
Beginning of year	<u>392,129,651</u>	<u>371,528,109</u>
End of Year	<u>\$ 365,149,581</u>	<u>\$ 392,129,651</u>

**WAYNE COUNTY EMPLOYEES' RETIRMENT SYSTEM
DEFINED CONTRIBUTION PLAN
ADMINISTRATIVE EXPENSES**

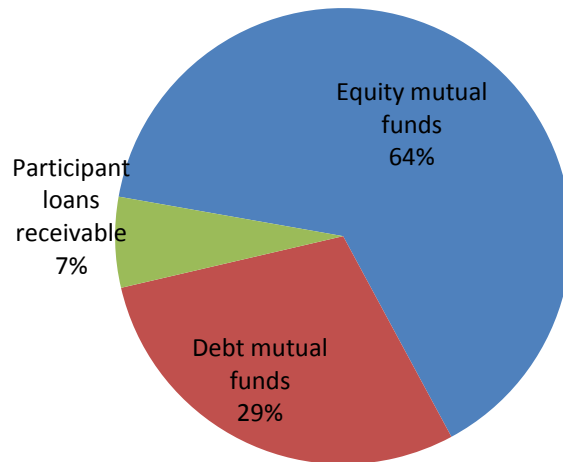
September 30, 2015 and 2014

	2015	2014
Personnel Services:		
Staff Salaries	\$202,618	\$197,586
Other Fringe Benefits	100,923	91,957
Retirement Benefits	144,690	89,230
Total	448,231	378,773
Professional Service		
Attorney Fees	-	72,440
Audit Fees	16,215	15,730
	16,215	88,170
Miscellaneous		
Miscellaneous Fees	25,253	24,729
Allocated Operating Expenses	101,785	23,670
Total	127,038	48,399
Total Administrative Expenses	\$591,484	\$ 515,342

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION
MARKET VALUE BY INVESTMENT TYPE
As of September 30, 2015**

<u>Investment Type</u>	<u>Market Value at 9/30/2015</u>
Equity mutual funds	\$ 234,654,752
Debt mutual funds	106,661,492
Participant loans receivable	<u>23,397,796</u>
Total Investments	<u><u>\$ 364,714,040</u></u>

**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
DEFINED CONTRIBUTION
ASSET ALLOCATION BY INVESTMENT TYPE
As of September 30, 2015**



**WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
 ADDITIONAL STATE OF MICHIGAN REQUIRED INFORMATION
 (COUNTY AND WCAA COMBINED)**

	Type of Plan	Open/Closed	Number of Active Members		Valuation Payroll	
			County	WCAA	County	WCAA
PLAN OPTION 1	Defined Benefit	Closed	28	2	\$1,606,456	\$202,960
PLAN OPTION 2	Defined Benefit	Closed	48	4	\$2,587,785	\$258,806
PLAN OPTION 3	Defined Benefit	Closed	6	2	\$295,195	\$194,226
PLAN OPTION 4	Defined Contribution	Open	1,349	239	\$86,145,220	\$18,854,300
PLAN OPTION 5	Hybrid Plan	Open	1,222	343	\$54,721,273	\$27,644,064
PLAN OPTION 6	Hybrid Plan	Closed	574	0	\$35,639,083	\$0
Totals			3,227	590	\$180,995,012	\$47,154,356

Number of Retirees and Beneficiaries

County.....5,118
 WCAA*.....196

Average Annual Retirement Allowance

County.....\$24,961
 WCAA*.....\$40,485

Total Annual Retirement Allowances Being Paid.....\$135,684,036

*Includes only members that retired from WCAA after September 2002

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

**WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
DEFINED BENEFIT PLAN
ADDITIONAL STATE OF MICHIGAN REQUIRED INFORMATION**

	Type of Plan	Open/Closed	Number of Active Members	Valuation Payroll
Bailiffs	Defined Benefit	Closed	3	\$390,452

Number of Retirees and Beneficiaries.....4
 Average Annual Retirement Allowance.....\$26,982
 Total Annual Retirement Allowances Being Paid.....\$107,927

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