Gabriel Roeder Smith & Company
Consultants & Actuaries

CIRCUIT COURT COMMISSIONERS BAILIFFS DIVISION
WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM

FORTY-FOURTH ANNUAL ACTUARIAL VALUATION AND
PROJECTION OF FUND ACTIVITY
SEPTEMBER 30, 2007

April 24, 2008

The Retirement Commission
Wayne County Employees' Retirement System
Detroit, Michigan

The results of the **Forty-Fourth Annual Actuarial Valuation** of the actuarial liabilities associated with benefits provided by the Wayne County Employees' Retirement System for the Bailiffs of Wayne County Circuit Court Commissioners are presented in this report. Also included in the report are projections of fund activity to determine cash flow patterns and the potential effect of variations between actual and assumed experience.

The valuation and projections were based upon data, furnished by your Executive Director and his Staff, concerning individual bailiffs, retirees and financial data.

The date of the valuation and beginning of the projection period was September 30, 2007.

The report is divided into five sections:

Section A: Projection of fund activity
Section B: Results of the annual valuation
Section C: Data submitted by the Retirement System
Section D: Actuarial assumptions and methods
Section E: Financial reporting

To the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice prescribed by the Actuarial Standards Board and in compliance with the Retirement System Ordinance. The actuarial assumptions used for the valuation produce results which, in the aggregate, are reasonable. The actuaries submitting this report are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Norman L. Jones, FSA, EA, MAAA

Judith A. Kermans, EA, MAAA

JAK:mrb

SECTION A

PROJECTION OF FUND ACTIVITY

PURPOSE OF ACTUARIAL PROJECTIONS

Population and cash flow projections provide annual estimates of:

i) Number of retirements.

ii) Pension benefit payroll.

iii) Number of active members and covered payroll.

iv) Revenues and expenditures, including fee income, member contributions, contribution refunds, investment income, and benefit payout.

v) System assets.

A particularly useful feature of actuarial projections (compared with actuarial valuations) is the ability to vary the group size (the Bailiffs Division is a closed group which will gradually diminish) and quantify, year by year, the effect of changes in variables such as investment income rates, volume of retirements, incidence of retirement, contribution levels, etc. The traditional actuarial valuation is a snapshot of the current condition. Year by year effects of variable changes are not produced.

Fee income is now more than sufficient to meet the recommended contribution level, but will dwindle as the present active members retire. Although unlikely, future shortfalls are possible, particularly if the actual investment return is substantially lower than the assumed return.

PROJECTIONS INCLUDED IN THIS REPORT

PROJECTION A

Projection A is based on the same assumptions as used in the actuarial valuation (Section B). These assumptions are described in Section D. In particular:

1) Investment return is assumed to be 7% per year.
2) Member terminations for events other than death or retirement were set equal to zero.
3) Average final compensation of members will increase 3% annually.
4) Fee income will continue in proportion with the number of remaining active members.

Several years ago an inflation equity fund was established for the Bailiff Divisions. Each year, at the discretion of the Board, the product of (i) recognized investment return over 8.0% (or other threshold decided upon by the Retirement Board), and (ii) the actuarial present value of pensions is added to a reserve for inflation equity that may later be disbursed to retirees in the form of 13th check payments.

A 13th check was not paid to the Bailiffs in the last few years. This year and the previous year, investment gains provide for an addition to the Inflation Equity fund. If investment return averages 7% per year, but fluctuates between 4% and 10% (the 7% mean ± 3%), recognized gains will occur in about half of the years. However, the portion of investment return available to finance base benefits would then fluctuate between 4% and 7% and therefore average less than 7%, since some of the gain would be shared with retirees.

PROJECTION B

Projection B is based on the same assumptions as Projection A except that investment return is assumed to average 4.0% per year to illustrate the potential long-term effect of:

- Investment return below 7% per year.
- Basing the inflation equity fund transfer on the assumed investment return for the Plan.

COMMENTS

The recognized rate of return, net of administrative expenses, for the year ended September 30, 2007 was 13.9%. The corresponding market value rate of return was 26.1%.

CASH FLOW PROJECTION A
7.0% NET INVESTMENT RETURN

Year	No. Active	Payroll	Beginning Assets	Contributions Employer	Contributions Employee	Regular Benefits Pd.	Investment Return	Ending Assets
2007*	5.0	$700,300	$ 5,056,487	$ 38,117	$33,682	$122,588	$ 620,543	$ 5,626,241
2008	0.0	0	5,626,241	0	0	336,543	382,058	5,671,756
2009	0.0	0	5,671,756	0	0	515,031	378,997	5,535,722
2010	0.0	0	5,535,722	0	0	487,949	370,422	5,418,195
2011	0.0	0	5,418,195	0	0	459,544	363,190	5,321,841
2012	0.0	0	5,321,841	0	0	430,028	357,478	5,249,291
2013	0.0	0	5,249,291	0	0	399,666	353,462	5,203,087
2014	0.0	0	5,203,087	0	0	368,769	351,309	5,185,627
2015	0.0	0	5,185,627	0	0	337,688	351,175	5,199,114
2016	0.0	0	5,199,114	0	0	306,792	353,200	5,245,522
2021	0.0	0	5,791,798	0	0	166,899	399,584	6,024,483
2026	0.0	0	7,364,510	0	0	71,926	512,998	7,805,582
2031	0.0	0	10,025,404	0	0	24,356	700,926	10,701,974
2036	0.0	0	13,963,916	0	0	6,915	977,232	14,934,233
2041	0.0	0	19,558,452	0	0	1,743	1,369,031	20,925,740
2046	0.0	0	27,425,189	0	0	399	1,919,749	29,344,539
2051	0.0	0	38,463,822	0	0	70	2,692,465	41,156,217
2056	0.0	0	53,947,276	0	0	7	3,776,309	57,723,578
2057	0.0	0	57,723,578	0	0	4	4,040,650	61,764,224

* *Actual*

CASH FLOW PROJECTION B
4.0% NET INVESTMENT RETURN

Year	No. Active	Payroll	Beginning Assets	Contributions Employer	Contributions Employee	Regular Benefits Pd.	Investment Return	Ending Assets
2007*	5.0	$700,300	$5,056,487	$38,117	$33,682	$122,588	$620,543	$ 5,626,241
2008	0.0	0	5,626,241	0	0	336,543	218,319	5,508,017
2009	0.0	0	5,508,017	0	0	515,031	210,020	5,203,006
2010	0.0	0	5,203,006	0	0	487,949	198,361	4,913,418
2011	0.0	0	4,913,418	0	0	459,544	187,346	4,641,220
2012	0.0	0	4,641,220	0	0	430,028	177,048	4,388,240
2013	0.0	0	4,388,240	0	0	399,666	167,536	4,156,110
2014	0.0	0	4,156,110	0	0	368,769	158,869	3,946,210
2015	0.0	0	3,946,210	0	0	337,688	151,095	3,759,617
2016	0.0	0	3,759,617	0	0	306,792	144,249	3,597,074
2021	0.0	0	3,190,651	0	0	166,899	124,288	3,148,040
2026	0.0	0	3,183,904	0	0	71,926	125,918	3,237,896
2031	0.0	0	3,595,048	0	0	24,356	143,315	3,714,007
2036	0.0	0	4,284,882	0	0	6,915	171,257	4,449,224
2041	0.0	0	5,188,828	0	0	1,743	207,518	5,394,603
2046	0.0	0	6,307,015	0	0	399	252,273	6,558,889
2051	0.0	0	7,672,150	0	0	70	306,885	7,978,965
2056	0.0	0	9,334,141	0	0	7	373,365	9,707,499
2057	0.0	0	9,707,499	0	0	4	388,300	10,095,795

** Actual*

COMMENTS

COMMENT A: Based on regular valuation assumptions (Projection A), the Circuit Court Bailiffs Division will remain solvent for 50 years. In fact, a considerable surplus develops by the end of the 50-year forecast. Under Projection B, the fund will also remain solvent for 50 years, but with a much smaller ending balance.

COMMENT B: The financial picture appears very stable. However, the future ability of the division to pay benefits without additional revenues is sensitive to actual experience over the next several decades. A relatively small change in the assumed rate of investment return makes a large difference in projected balances.

COMMENT C: Overall Plan experience for the year ended September 30, 2007 was favorable. This was mainly due to favorable recognized investment experience. The market rate of return was 26.1%. The recognition of gains and losses from this and prior years were phased-in, resulting in a 13.9% rate of return on a Funding Value basis, which is much higher than the assumed 7.0% (see page C-5).

COMMENT D: The public-financed contribution requirement for the Circuit Court Commissioners Bailiffs Division of the Wayne County Employees' Retirement System has been computed to be $0 for the year beginning October 1, 2007. This requirement is lower than the actual contributions during the 2007/2008 fiscal year of $38,117. The current contribution sufficiency could be disrupted if one or more of the following occurred:

1) Active Bailiff annual pays began to increase at a greater rate than assumed.
2) Investment return is substantially below the assumed rate of return.
3) Substantially all investment gains are paid out in 13th check payments.

SECTION B

RESULTS OF THE ANNUAL VALUATION

COMPUTED PUBLIC-FINANCED CONTRIBUTIONS EXCLUSIVE OF BAILIFFS CONTRIBUTIONS

Public-Financed Contributions for	Computed Annual Contributions for Fiscal Year Beginning 10/1/2007
Normal Cost:	
Age and service pensions	$45,168
Casualty pensions	3,677
Total normal cost	48,845
Unfunded Actuarial Accrued Liabilities (Fully funded)	(48,845)
Total Computed Contributions	$NONE

CIRCUIT COURT COMMISSIONERS BAILIFFS DIVISION COMPARATIVE STATEMENT

Valuation Date September 30+	Fiscal Year	Active Bailiffs No.	Active Bailiffs Annual Pays@	Retirees and Beneficiaries No.	Retirees and Beneficiaries Annual Pensions	Active Per Retired	Public-Financed Contributions Computed	Public-Financed Contributions Actual
1985	'85-'86	11	$ 696,216	6	$ 43,635	1.8	$ 60,115 #	$ 61,271
1990	'90-'91	10	682,529	5	54,008	2.0	0	62,002
1995	'95-'96	9	808,644	6	87,321	1.5	0 #	64,425
1996	'96-'97	9	888,683	5	82,417	1.8	0	72,675
1997	'97-'98	8	827,050	6	112,501	1.3	0	42,051
1998	'98-'99	7	767,882	7	134,507	1.0	0	71,046
1999	'99-'00	7	838,131	7	134,507	1.0	0	66,718
2000	'00-'01	6	714,125	8	179,050	0.8	0	61,159
2001	'01-'02	6	714,125	7	174,678	0.9	0	68,063
2002	'02-'03	6	714,125	6	144,740	1.0	0	63,133
2003	'03-'04	6	714,125	6	144,742	1.0	0	44,023
2004	'04-'05	6	714,125	6	144,742	1.0	0	28,850
2005	'05-'06	5	600,321	6	144,742	0.8	0 #	50,441
2006	'06-'07	5	600,321	6	144,742	0.8	0	38,117
2007	'07-'08	5	700,300	6	144,742	0.8	0	N/A

\+ *November valuation date prior to 1998.*

\# *Revised actuarial assumptions and/or methods.*

@ *In 1985 through 2006, estimated average final compensation is shown instead of reported annual pay.*

ACTUARIAL ACCRUED LIABILITIES AND RESERVE BALANCES COMPARATIVE STATEMENT

Valuation Date September 30@	Actuarial Accrued Liabilities (AAL)	Applied Reserve Balances	Unfunded AAL	Ratio of Reserve Balances to AAL
1986#	$1,293,239	$1,394,933	$(101,694)	107.9 %
1987	1,383,748	1,587,177	(203,429)	114.7 %
1988+	1,580,781	1,790,605	(209,824)	113.3 %
1989	1,634,473	1,992,759	(358,286)	121.9 %
1990	1,772,509	2,183,563	(411,054)	123.2 %
1991#	1,786,273	2,293,329	(507,056)	128.4 %
1992	1,946,587	2,474,379	(527,792)	127.1 %
1993	2,163,646	2,707,184	(543,538)	125.1 %
1994	2,341,006	2,894,773	(553,767)	123.7 %
1995#	2,922,911	3,113,506	(190,595)	106.5 %
1996	3,216,948	3,359,397	(142,449)	104.4 %
1997	3,408,809	3,616,737	(207,928)	106.1 %
1998	3,454,538	3,852,227	(397,689)	111.5 %
1999	3,730,418	4,096,555	(366,137)	109.8 %
2000	3,788,833	4,323,921	(535,088)	114.1 %
2001	3,788,652	4,390,571	(601,919)	115.9 %
2002	3,527,492	4,366,518	(839,026)	123.8 %
2003	3,556,522	4,403,045	(846,523)	123.8 %
2004	3,583,641	4,437,440	(853,799)	123.8 %
2005#	3,313,863	4,660,906	(1,347,043)	140.6 %
2006	3,278,490	5,056,487	(1,777,997)	154.2 %
2007	3,613,961	5,626,241	(2,012,280)	155.7 %

@ *November valuation date prior to 1998.*
# *Revised actuarial assumptions and/or methods.*
+ *Reflects 2% benefit formula.*

ACTUARIAL LIABILITIES SEPTEMBER 30, 2007

Present Value, September 30, 2007, of	Actuarial Liabilities Bailiff-Financed	Public-Financed	Totals
Accrued portions of pensions likely to be paid present Bailiffs, based upon service rendered prior to October 1, 2007	$1,566,416	$1,124,276	$2,690,692
Expected future refunds of members' contributions made prior to October 1, 2007	0		0
Total member accrued liabilities	1,566,416	1,124,276	2,690,692
Pensions being paid retirees and beneficiaries			923,269
Total Actuarial Accrued Liabilities			$3,613,961

Prospective portions of age and service pensions likely to be paid present Bailiffs, based upon service to be rendered after September 30, 2007	$ 17,317	$ 30,687	$ 48,004

RECOMMENDATIONS

RECOMMENDATION A: A transfer between the Reserve for Defined Benefit Employer Contributions and the Reserve for Undistributed Investment Income and Administrative Expense is required in order for the latter reserve to equal 5% of the sum of the balances in the Reserve for Accumulated Member Contributions, Reserve for Defined Benefit Employer Contributions, and the Reserve for Pension Payments. The actuarial valuation was based on the assumption that such a transfer was completed.

RECOMMENDATION B: We recommend a transfer of $85,581 from the Reserve for Defined Benefit Employer Contributions to the Reserve for Pension Payments in order to make the latter reserve exactly 100% funded on the valuation date. The actuarial valuation was based on the assumption that such a transfer would be made.

RECOMMENDATION C: As shown on page B-2, the ratio of System assets to actuarial accrued liabilities now exceeds 155%. In the absence of extraordinarily poor experience, this ratio is likely to increase as the System continues to wind down. We recommend that a study be undertaken to (i) determine ways to maintain a closer balance between assets and liabilities without materially increasing the risk of a funding shortfall, and (ii) work with the Retirement System to determine the final disposition of assets after there are no remaining participants.

SECTION C

DATA SUBMITTED BY THE RETIREMENT SYSTEM

BRIEF SUMMARY OF BENEFIT PROVISIONS (SEPTEMBER 30, 2007)

Regular Retirement (no reduction factor for age):

Eligibility **-** Age 50 with 25 years of service or age 60 with 5 years of service.

Mandatory Retirement Age **-** None.

Annual Amount **-** Total service times 2.0% of average final compensation (AFC). Maximum County-financed portion is 75% of AFC.

Type of Average Final Compensation **-** Highest 5 years of service.

Deferred Retirement (vested benefit):

Eligibility **-** 8 years of service. Benefit begins at age 60.

Annual Amount **-** Computed as regular retirement but based upon service and AFC at time of termination.

Duty Disability Retirement:

Eligibility - No age or service requirements.

Annual Amount **-** Computed as regular retirement with additional service credit granted from date of retirement to age 60. Minimum benefit is the smaller of $4,800 or 3/4 of AFC. Worker's compensation payments are offset.

Non-Duty Disability Retirement:

Eligibility - 10 years of service.

Annual Amount **-** Computed as regular retirement.

Duty Death Before Retirement:

Eligibility **-** No age or service requirements.

Annual Amount **-** Benefit to the spouse is computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election. Additional service credit is granted from date of death to date the deceased member would have attained 60 years of age. If there is no eligible spouse, unmarried children under 18 receive equal shares of 50% of regular retirement benefit. Spouse's benefit shall not be less than the lesser of $4,800, or 3/4 of AFC. Worker's compensation payments are offset.

Non-Duty Death Before Retirement:

Eligibility **-** 10 years of service.

Annual Amount **-** Benefit to the spouse is computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election. If there is no eligible spouse, unmarried children under 18 receive equal shares of 50% of regular retirement benefit.

Member Contributions:

3.0% of the first $4,200 of annual compensation plus 5.0% of annual compensation in excess of $4,200.

Post-Retirement Cost-of-Living Adjustments:

Eligible for distributions from Reserve for Inflation Equity.

DERIVATION OF RESERVE FOR INFLATION EQUITY

	September 30	
	2007	**2006**
Rate of investment return		
(1) Actual return on funding value of assets	13.90 %	10.00 %
(2) Threshold return	8.00 %	8.00 %
(3) Excess, if any, of (1) over (2)	5.90 %	2.00 %
Actuarial present value of pensions		
(4) Total	$923,269	$960,276
Addition to reserve - current year		
(5) line (3) times line (4)	54,473	19,206
Reserve balance - start of year	23,884	4,678
Disbursements during year	0	0
Current year addition	54,473	19,206
Reserve balance - end of year	**$ 78,357**	**$ 23,884**

The reserve balances of the Circuit Court Commissioners Bailiffs Division, as of September 30, 2007, were reported to total $7,009,582 distributed as follows, after year-end interest credits, transfers to exactly fully fund the Reserve for Pension Payments and setting the Reserve for Undistributed Investment Income and Expense equal to 5% of the other reserves (see recommendations on page B-4):

Reserves for	Reserve Balances September 30, 2007	Reserve Balances September 30, 2006
Accumulated Member Contributions	$1,566,416	$1,486,522
Defined Benefit Employer Contributions	4,111,482	2,869,708
Pension Payments	923,269	960,276
Undist. Investment Income & Expense	330,058	265,825
Inflation Equity	78,357	23,884
Totals	$7,009,582	$5,606,215

In financing the actuarial accrued liabilities, the reserve balances of $7,009,582 were distributed as follows:

Reserves for	Reserve Balances Applied to * Active Member Liabilities	Retiree and Beneficiary Liabilities	Contingency Reserves	Totals
Accumulated Member Contributions	$1,566,416	$	$	$1,566,416
Defined Benefit Employer Contributions	4,111,482		78,357	4,189,839
Pension Payments		923,269		923,269
Undist. Investment Income & Expenses			330,058	330,058
Totals	$5,677,898	$923,269	$408,415	$7,009,582

* *Based on Market Value.*

DEVELOPMENT OF FUNDING VALUE OF ASSETS

Year Ended September 30	2005	2006	2007	2008	2009	2010
A. Funding Value Beginning of Year	$4,662,652	$4,907,150	$5,346,196			
B. Market Value End of Year	5,077,569	5,606,215	7,009,582			
C. Market Value Beginning of Year	4,635,888	5,077,569	5,606,215			
D. Non-Investment Net Cash Flow	(69,103)	(47,092)	(50,789)			
E. Investment Income						
E1. Market Total: B-C-D	510,784	575,738	1,454,156			
E2. Amount for Immediate Recognition (7.0%)	323,967	341,852	372,456			
E3. Amount for Phased-In Recognition: E1-E2	186,817	233,886	1,081,700			
F. Phased-In Recog. of Investment Return						
F1. Current Year: 0.25 x E3	46,704	58,472	270,425			
F2. First Prior Year	(8,808)	46,704	58,472	$ 270,425		
F3. Second Prior Year	47,918	(8,808)	46,704	58,472	$ 270,425	
F4. Third Prior Year	(96,180)	47,918	(8,808)	46,709	58,470	$ 270,425
F5. Total Recognized Investment Gain	(10,366)	144,286	366,793	375,606	328,895	270,425
G. Funding Value End of Year A+D+E2+F5	4,907,150	5,346,196	6,034,656			
H. Difference between Market & Funding Value	170,419	260,019	974,926	599,320	270,425	0
I. Recognized Rate of Return	**6.8%**	**10.0%**	**13.9%**			
J. Market Value Rate of Return	11.1%	11.4%	26.1%			

The Funding Value of Assets recognizes assumed investment return (line E2) fully each year. Differences between actual and assumed investment return (line E3) are phased-in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. The Funding Value of Assets is ***unbiased*** with respect to Market Value. At any time it may be either greater or less than Market Value. If assumed rates are exactly realized for three consecutive years, it will become equal to Market Value.

RETIREES ADDED TO AND REMOVED FROM ROLLS
COMPARATIVE STATEMENT

Year Ended Sep. 30+	Added to Rolls		Removed from Rolls		Net Increase		Rolls End of Year	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
1976							2	$ 6,298.92
1977							2	6,298.92
1978							2	6,298.92
1979	1	$ 13,007.40			1	$13,007.40	3	19,306.32
1980	2	13,704.72			2	13,704.72	5	33,011.04
1981	2	11,810.28	1	$ 1,395.96	1	10,414.32	6	43,425.36
1982			1	11,021.04	(1)	(11,021.04)	5	32,404.32
1983							5	32,404.32
1984							5	32,404.32
1985	1	11,230.56			1	11,230.56	6	43,634.88
1986							6	43,634.88
1987			1	698.04	(1)	(698.04)	5	42,936.84
1988							5	42,936.84
1989	2	33,720.84	2	22,649.76		11,071.08	5	54,007.92
1990							5	54,007.92
1991	2	52,443.48	1	20,622.24	1	31,821.24	6	85,829.16
1992							6	85,829.16
1993		1,440.12 #				1,440.12	6	87,269.28
1994		51.60 #				51.60	6	87,320.88
1995							6	87,320.88
1996			1	4,902.96	(1)	(4,902.96)	5	82,417.92
1997	1	30,118.00		34.68 #	1	30,083.32	6	112,501.24
1998	1	22,006.68			1	22,006.68	7	134,507.92
1999		0.44 #				0.44	7	134,508.36
2000	1	44,541.96			1	44,541.96	8	179,050.32
2001			1	4,372.20	(1)	(4,372.20)	7	174,678.12
2002		180.00 #	1	30,118.44	(1)	(29,938.44)	6	144,739.68
2003		2.76 #				2.76	6	144,742.44
2004							6	144,742.44
2005							6	144,742.44
2006							6	144,742.44
2007							6	144,742.44

Adjustments.
\+ *November valuation date prior to 1998.*

RETIREES - SEPTEMBER 30, 2007
TABULATED BY TYPE OF PENSIONS BEING PAID

Type of Allowances	Number	Annual Allowances
Age and Service Pensions		
Regular - life of member	2	$ 55,789
Option 2 - 100% joint & survivor	1	32,353
Survivor beneficiary	3	56,600
Casualty Pensions	0	0
Totals	**6**	**$144,742**

RETIREES AND BENEFICIARIES - SEPTEMBER 30, 2007
TABULATED BY ATTAINED AGE

Attained Ages	No.	Annual Pensions
64	1	$ 20,657
76	1	22,155
80	1	44,542
83	1	13,788
88	1	32,353
92	1	11,247
Totals	**6**	**$144,742**

Average Age at Retirement: 71.6 years
Average Age Now: 81.1 years

ACTIVE MEMBERS - SEPTEMBER 30, 2007
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
71						1		1	$142,056
72						1		1	134,783
76						1		1	151,059
77						1		1	127,639
79 & Up						1		1	144,763
Totals						**5**		**5**	**$700,300**

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:	75.1	years
Service:	27.7	years
Annual Pay:	$140,060	

SECTION D

ACTUARIAL ASSUMPTIONS AND METHODS

INVESTMENT INCOME & MORTALITY ASSUMPTIONS

The actuarial assumptions regarding the INFLATION rate and the REAL INVESTMENT RETURN rate are used in combination with the other assumptions to (i) project year by year investment income and (ii) determine the present value of amounts expected to be paid in the future.

Assumed Rate of Investment Return. 7% per year, net after administrative and investment expenses.

The mortality table used to measure post-retirement mortality was the RP-2000 Mortality Table.

The assumption is used to measure the probabilities of members dying before retirement and the probabilities of each retirement allowance payment being made after retirement.

Sample Attained Ages	Single Life Retirement Values			
	Present Value of $1 Monthly for Life		Future Life Expectancy (years)	
	Men	Women	Men	Women
45	$155.95	$159.14	35.51	38.35
50	148.88	153.00	30.80	33.59
55	139.65	144.94	26.18	28.91
60	128.17	134.76	21.74	24.38
65	114.66	122.67	17.61	20.12
70	99.62	108.97	13.88	16.23
75	83.30	93.94	10.57	12.74
80	66.63	77.98	7.75	9.68
Ref:	506 x 1.00	507 x 1.00		

EXPERIENCE ASSUMPTIONS (OTHER THAN INVESTMENT & MORTALITY)

Rates of Separation from Active Employment Before Retirement: None.

SAMPLE PAY ADJUSTMENT FACTORS
USED TO PROJECT CURRENT PAYS

Sample Ages	Percent Increase in Pay During Next Year
20	3.0%
25	3.0%
30	3.0%
35	3.0%
40	3.0%
45	3.0%
50	3.0%
55	3.0%
60	3.0%
Ref	1 + 3%

Probabilities of retirement for members eligible to retire were:

Retirement Ages	Percent of Active Members Retiring Within Next Year
50	5%
51	5%
52	5%
53	5%
54	5%
55	5%
56	5%
57	5%
58	5%
59	5%
60	5%
61	5%
62	30%
63	10%
64	10%
65	60%
66	30%
67	40%
68	50%
69	90%
70	100%
Ref	568

A member was assumed to be eligible for retirement after attaining age 50 with 25 years of service or after attaining age 60 with 5 or more years of service.

The actuarial valuation method used was the entry age normal cost method.

SECTION E

FINANCIAL REPORTING

STATEMENT OF MARKET VALUE OF PLAN NET ASSETS

	September 30, 2007	September 30, 2006
Assets		
Cash and short-term investments	$ 296,450	$ 343,890
Other: Demand Obligations	115,929	95,753
Other: Due from other Wayne County Funds	0	0
Receivables		
Accrued interest & contributions rec.	2,058	4,479
Other receivables	0	0
Investments		
U.S. Government Bonds	61,806	69,492
Stock Mutual Funds	6,498,473	0
Common Stocks	0	5,059,960
Foreign Government Bonds	34,866	35,104
Mortgages	0	0
	$6,595,145	$5,164,556
Total Assets	7,009,582	5,608,678
Liabilities		
Payables	0	2,463
Net Assets held in trust for pension benefits (A schedule of funding progress for the plan is presented on page E-5).	$7,009,582	$5,606,215

STATEMENT OF CHANGES IN MARKET VALUE OF PLAN NET ASSETS

	Reconciliation	
	September 30, 2007	**September 30, 2006**
Additions		
Contributions		
Employer	$ 38,117	$ 50,441
Plan members	33,682	25,055
Total contributions	$ 71,799	$ 75,496
Investment Income	1,466,706	587,488
Total additions	1,538,505	662,984
Deductions		
Benefits	122,588	122,588
Refunds of contributions	0	0
Expenses	12,550	11,750
Total deductions	135,138	134,338
Net Increase	1,403,367	528,646
Net assets held in trust for pension benefits		
Beginning of year	$5,606,215	$5,077,569
End of year	$7,009,582	$5,606,215

Plan Description. The Wayne County – Circuit Court Commissioners Bailiffs Division is a single-employer defined benefit pension plan that covers Circuit Court Bailiffs of Wayne County.

The plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Contributions. Plan members' contributions are in accordance with the information on page C-2.

The employer's funding policy provides for periodic employer contributions based upon a ***fundamental financial objective of having rates of contribution which remain relatively level from generation to generation of Wayne County citizens.*** To determine the employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, the System has actuarial valuations prepared annually. In preparing those valuations, the entry age actuarial cost method is used to determine normal cost and actuarial accrued liabilities.

Unfunded actuarial accrued liabilities (full funding credit) are amortized by level percent-of-payroll contributions over a period of 30 years.

On the basis of the September 30, 2007 actuarial valuation, the employer rates were determined to be as follows:

Contributions for	**Dollar Amount**
Normal Cost	$48,845
Accrued Liabilities	(48,845)
Total Employer Rate	$ 0

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(DOLLAR AMOUNTS IN THOUSANDS)

Valuation Date September 30@	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
1990	$2,184	$1,773	$ (411)	123.2%	$683	-
1991#	2,293	1,786	(507)	128.4%	644	-
1992	2,474	1,947	(527)	127.1%	672	-
1993	2,707	2,164	(543)	125.1%	706	-
1994	2,895	2,341	(554)	123.7%	744	-
1995#	3,114	2,923	(191)	106.5%	808	-
1996	3,359	3,217	(142)	104.4%	889	-
1997	3,617	3,409	(208)	106.1%	827	-
1998	3,854	3,455	(399)	111.5%	768	-
1999	4,097	3,730	(367)	109.8%	838	-
2000	4,324	3,789	(535)	114.1%	714	-
2001	4,391	3,789	(602)	115.9%	714	-
2002	4,367	3,527	(840)	123.8%	714	-
2003	4,403	3,557	(846)	123.8%	714	-
2004	4,437	3,584	(853)	123.8%	714	-
2005#	4,661	3,314	(1,347)	140.6%	600	-
2006	5,056	3,278	(1,778)	154.2%	600	-
2007	5,626	3,614	(2,012)	155.7%	700	-

\# *After changes in actuarial assumptions.*
@ *Valuation date of November 30, prior to 1998.*

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending September 30@	Annual@ Required Contribution	Actual Contributions	Percent Contributed
1990	$0	$45,129	-
1991#	0	62,002	-
1992	0	66,721	-
1993	0	62,881	-
1994	0	71,222	-
1995#	0	71,809	-
1996	0	64,425	-
1997	0	72,675	-
1998	0	42,051	-
1999	0	71,046	-
2000	0	66,718	-
2001	0	61,159	-
2002	0	68,063	-
2003	0	63,133	-
2004	0	44,023	-
2005#	0	28,850	-
2006	0	50,441	-
2007	0	38,117	-

 # After changes in actuarial assumptions.
@ Valuation date of November 30, prior to 1998.

This information is presented in draft form for review by the Plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the Plan's financial statements.

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

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

Valuation date	September 30, 2007
Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of pay
Remaining amortization period	Fully funded
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.0%
Projected salary increases*	3.0%
Cost-of-living adjustments	Inflation Equity Reserve distributions
* Includes inflation at	3.0%

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Marriage Assumption:	100% of members are assumed to be married for purposes of valuing death-in-service benefits. Male spouses are assumed to be three years older than female spouses.
Pay Increase Timing:	Beginning of (fiscal) year.
Decrement Timing:	All decrements are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and exact fractional service on the date the decrement is assumed to occur.
Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Adjustments:	The calculated Normal Cost and Accrued Liability for age and service benefits were increased by 5% to account for potential lump sums included in AFC.
Other:	Disability and withdrawal decrements do not operate after member reaches retirement eligibility.

April 24, 2008

Mr. Ronald Yee
Executive Director
Wayne County Employees'
Retirement System
28 W. Adams, Suite 1900
Detroit, Michigan 48226

Dear Ron:

Enclosed please find 35 copies of the report of the Forty-Fourth Annual Actuarial Valuation and Projection of Fund Activity, as of September 30, 2007, of the Circuit Court Commissioners Bailiffs Division of the Wayne County Employees' Retirement System.

Sincerely,

Judith A. Kermans

Judith A. Kermans

JAK:mrb
Enclosures