



**Delaware Public Employees’
Retirement System
State Employees’ Pension Plan**

Schedule of Employer Allocations and
Schedule of Pension Amounts by Employer
June 30, 2022

Delaware Public Employees' Retirement System State Employees' Pension Plan

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Independent Auditor's Report

The Members of the Board of Pension Trustees
Delaware Public Employees' Retirement System
Dover, DE

Report on the Schedules

Opinions

We have audited the accompanying schedule of employer allocations of the Delaware Public Employees' Retirement System (the System) State Employees' Pension Plan (the Plan) as of and for the year ended June 30, 2022, and the related notes. We have also audited the total for all the columns titled net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of the Plan as of and for the year ended June 30, 2022, and the related notes (along with the schedule of employer allocations, hereafter collectively referred to as the Schedules).

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the total of all participating entities for the State Employees' Pension Plan as of and for the year ended June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules 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 opinions.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules 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 GAAS and *Government Auditing Standards* 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 Schedules.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and 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 Schedules.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.

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

We have audited, in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Delaware Public Employees' Retirement System, which include the State Employees' Pension Plan, as of and for the year ended June 30, 2022, and our report thereon, dated November 18, 2022, expressed an unmodified opinion on those financial statements.

Supplementary Information

The schedule of allocation of PRI and supplement pay contributions has not been subject to the auditing procedures applied in the audit of the Schedules and accordingly we do not express an opinion or provide any assurance on it.



Restriction on Use

Our report is intended solely for the information and use of the System management, the Board of Pension Trustees, the Plan employers, and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2023 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

BDO USA, LLP

June 2, 2023

**Delaware Public Employees' Retirement System
State Employees' Pension Plan**

**Schedule of Employer Allocations
As of and for the Year Ended June 30, 2022**

Reporting Unit	Employer Contributions	Employer's Proportionate Share
State of Delaware Entities:		
Academia Antonia Alonso Charter	\$ 535,781	0.1866%
Academy of Dover Charter	280,886	0.0978
Campus Community Charter	282,942	0.0985
Charter School of New Castle	539,308	0.1878
DE Military Academy Charter	423,842	0.1476
Delaware Agricultural Lands Preservation Foundation	8,200	0.0029
Delaware Department of Transportation	9,869,851	3.4375
Delaware State Housing Authority	31,402	0.0109
Delaware State University	7,212,747	2.5121
Early College High School Charter	244,534	0.0852
East Side Charter	514,756	0.1793
First State Military Academy	384,466	0.1339
First State Montessori Academy Charter	520,855	0.1814
Freire Charter School	401,687	0.1400
Gateway Lab Charter	246,126	0.0857
General Government (State of Delaware)	247,434,242	86.1765
Great Oaks Charter School	338,355	0.1178
Kuumba Academy Charter	691,579	0.2409
Las America Aspira Charter	1,088,098	0.3790
Lottery	311,926	0.1086
MOT Charter	988,238	0.3442
Newark Charter	2,250,735	0.7839
Odyssey Charter	1,594,238	0.5552
Positive Outcomes Charter	222,361	0.0774
Providence Creek Charter	390,101	0.1359
Sussex Academy Charter	867,339	0.3021
Sussex Montessori Charter	171,870	0.0599
The Charter School of Wilmington	692,294	0.2411
Thomas Edison Charter	550,002	0.1916
State of Delaware Entities Sub-Total	279,088,761	97.2013
Affiliated Entities:		
Delaware Solid Waste Authority	825,662	0.2876
Delaware State Education Association	9,103	0.0032
University of Delaware	7,200,905	2.5079
Total	\$ 287,124,431	100%
<i>See accompanying notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.</i>		
Supplementary Information:		
Supplement Contribution	\$ 14,601,500	
PRI Transfer	\$ 12,051,900	

Delaware Public Employees' Retirement System State Employees' Pension Plan

Schedule of Pension Amounts by Employer As of and for the Year Ended June 30, 2022

Reporting Unit	Net Pension Liability	Deferred outflows of resources				Deferred inflows of resources				Pension expense excluding that attributable to employer-paid member contributions			
		Differences between expected and actual experience	Changes of assumptions	Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in proportion	Total deferred outflows of resources	Differences between expected and actual experience	Changes of assumptions	Changes in proportion	Total deferred inflows of resources	Proportionate share of allocated plan pension expense	Net amortization of deferred amounts from changes in proportion	Total pension expense excluding that attributable to employer paid member contributions
State of Delaware entities:													
Academia Antonia Alonso Charter	\$ 2,552,578	\$ 263,590	\$ 276,003	\$ 489,847	\$ 525,388	\$ 1,554,828	\$ -	\$ -	\$ -	\$ -	\$ 570,408	\$ 228,918	\$ 799,326
Academy of Dover Charter	1,338,202	138,188	144,696	256,805	316,402	856,091	-	-	8,278	8,278	299,039	59,151	358,190
Campus Community Charter	1,347,998	139,200	145,755	258,685	84,769	628,409	-	-	62,541	62,541	301,228	(11,035)	290,193
Charter School of New Castle	2,569,381	265,325	277,820	493,072	29,295	1,065,512	-	-	161,882	161,882	574,163	(26,435)	547,728
DE Military Academy Charter	2,019,276	208,519	218,339	387,505	81,604	895,967	-	-	91,470	91,470	451,234	9,865	461,099
DE Agricultural Lands Preservation Foundation	39,067	4,034	4,224	7,497	1,116	16,871	-	-	18,690	18,690	8,730	(4,582)	4,148
Delaware Department of Transportation	47,022,131	4,855,705	5,084,373	9,023,689	450,634	19,414,401	-	-	1,082,333	1,082,333	10,507,724	(148,558)	10,359,166
Delaware State Housing Authority	149,606	15,449	16,176	28,710	-	60,335	-	-	70,731	70,731	33,431	(46,079)	(12,648)
Delaware State University	34,363,106	3,548,479	3,715,588	6,594,385	842,549	14,701,001	-	-	280,533	280,533	7,678,896	(79,513)	7,599,383
Early College High School Charter	1,165,014	120,304	125,970	223,570	156,309	626,153	-	-	70,767	70,767	260,338	55,055	315,393
East Side Charter	2,452,410	253,246	265,172	470,625	155,164	1,144,207	-	-	85,248	85,248	548,024	24,033	572,057
First State Military Academy	1,831,680	189,147	198,055	351,505	297,370	1,036,077	-	-	-	-	409,313	162,636	571,949
First State Montessori Academy Charter	2,481,467	256,247	268,314	476,201	253,210	1,253,972	-	-	-	-	554,517	176,315	730,832
Freire Charter School	1,913,725	197,619	206,926	367,250	338,164	1,109,959	-	-	-	-	427,647	174,496	602,143
Gateway Lab Charter	1,172,598	121,087	126,790	225,025	76,288	549,190	-	-	143,575	143,575	262,033	(18,853)	243,180
General Government (State of Delaware)	1,178,830,911	121,731,055	127,463,724	226,221,223	2,069,518	477,485,520	-	-	1,922,699	1,922,699	263,425,529	(825,380)	262,600,149
Great Oaks Charter School	1,611,997	166,462	174,301	309,347	205,950	856,060	-	-	42,474	42,474	360,222	136,645	496,867
Kuumba Academy Charter	3,294,834	340,238	356,261	632,289	319,172	1,647,960	-	-	-	-	736,275	138,999	875,274
Las America Aspira Charter	5,183,937	535,315	560,525	994,813	943,860	3,034,513	-	-	-	-	1,158,420	345,147	1,503,567
Lottery	1,486,084	153,459	160,686	285,184	4,783	604,112	-	-	117,736	117,736	332,085	(41,540)	290,545
MOT Charter	4,708,182	486,187	509,083	903,514	475,989	2,374,773	-	-	183,347	183,347	1,052,106	207,950	1,260,056
Newark Charter	10,722,994	1,107,302	1,159,448	2,057,775	412,100	4,736,625	-	-	32,623	32,623	2,396,196	252,101	2,648,297
Odyssey Charter	7,595,299	784,323	821,259	1,457,561	804,436	3,867,579	-	-	-	-	1,697,271	493,221	2,190,492
Positive Outcomes Charter	1,059,376	109,396	114,547	203,298	19,476	446,717	-	-	19,527	19,527	236,732	8,043	244,775
Providence Creek Charter	1,858,527	191,919	200,957	356,657	13,311	762,844	-	-	71,115	71,115	415,313	(20,995)	394,318
Sussex Academy Charter	4,132,193	426,708	446,803	792,980	929,830	2,596,321	-	-	-	-	923,394	295,960	1,219,354
Sussex Montessori Charter	818,826	84,555	88,537	157,135	493,917	824,144	-	-	-	-	182,978	117,056	300,034
The Charter School of Wilmington	3,298,240	340,590	356,630	632,942	-	1,330,162	-	-	184,663	184,663	737,036	(64,991)	672,045
Thomas Edison Charter	2,620,330	270,586	283,329	502,849	32,072	1,088,836	-	-	36,831	36,831	585,548	(1,791)	583,757
Previously Closed Entities*	-	-	-	-	122,269	122,269	-	-	1,039,005	1,039,005	-	(522,610)	(522,610)
State of Delaware Entities Sub-Total	1,329,639,969	137,304,234	143,770,291	255,161,938	10,454,945	546,691,408	-	-	5,726,068	5,726,068	297,125,830	1,073,229	298,199,059
<i>Affiliated Entities</i>													
University of Delaware	34,306,688	3,542,654	3,709,487	6,583,557	154,619	13,990,317	-	-	4,851,866	4,851,866	7,666,288	(1,088,104)	6,578,184
Delaware Solid Waste Authority	3,933,635	406,204	425,333	754,876	132,809	1,719,222	-	-	163,345	163,345	879,023	18,605	897,628
Delaware State Education Association	43,369	4,478	4,689	8,323	2,151	19,641	-	-	3,245	3,245	9,691	(3,730)	5,961
Total	\$ 1,367,923,661	\$ 141,257,570	\$ 147,909,800	\$ 262,508,694	\$ 10,744,524	\$ 562,420,588	\$ -	\$ -	\$ 10,744,524	\$ 10,744,524	\$ 305,680,832	\$ -	\$ 305,680,832

* Previously Closed Entities include Delaware Academy of Public Safety Charter, Delaware College Prep Academy, The Delaware MET, Delaware Stem Academy, Design Thinking Academy, Prestige Academy, and charter schools that were closed from 2016-2019. These entities will remain on the schedule until the amortization of Change in Proportion is complete.

See accompanying notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

1. Plan Description

The State Employees' Pension Plan (the Plan) is a cost sharing multiple-employer defined-benefit pension plan established in the Delaware Code. The Plan is administered by the Delaware Public Employees' Retirement System (DPERS).

The General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the Board).

The management of the Plan is the responsibility of the Board. The Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. The daily operation is the responsibility of the Office of Pensions. Although Plan assets are comingled with assets of other Plans and Funds for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

The following are brief descriptions of the Plan in effect as of June 30, 2022. For a more complete description, please refer to the DPERS Annual Comprehensive Financial Report.

Separately issued financial statements for DPERS are available from the Office of Pensions at:

McArdle Building, Suite 1
860 Silver Lake Blvd.
Dover, DE 19904

(a) Plan Description and Eligibility

The State Employees' Pension Plan is a cost-sharing multiple employer defined benefit plan that covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

There are two tiers within this plan: 1) Employees hired prior to January 1, 2012 (Pre-2012) 2) Employees hired on or after January 1, 2012 (Post-2011).

(b) Service Benefits

Final average monthly compensation (employee hired post-2011 may not include overtime pay in pension compensation) multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations.

For employees classified as Correctional Officers or Specified Peace Officers, final average compensation multiplied by 2.45% for years of service above 25 years and final average compensation multiplied by 2.5% for years up to 20 years, plus 3.5% for years of service above 20 years. For this plan, final average monthly compensation is the monthly average of the highest three periods of 12 consecutive months of compensation.

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

(c) Vesting

Pre-2012 date of hire: 5 years of credited service. Post-2011 date of hire: 10 years of credited service (5 of which must be consecutive).

(d) Retirement

Pre-2012 date of hire: Age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire: age 65 with at least 10 years of credited service; Age 60 with 20 years of credited service; and 30 years of credited service at any age.

(e) Disability Benefit

Pre-2012 date of hire: Same as Service Benefits. Employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire; in the Disability Insurance Program.

(f) Survivor Benefits

If employee is receiving a pension, the eligible survivor receives 50% of pension (or 67.7% with 2% reduction of benefit, 75% with 3% reduction of benefit, or 100% with 6% reduction of benefit); if employee is active with at least 5 years of credited service, eligible survivor receives 75% of pension the employee would have received at age 62.

Amount payable to a surviving spouse under age 50 at the time the survivor's pension begins, shall be reduced for each month under age 50 in accordance with actuarial tables approved by the Board. Any actuarial reduction for such a spouse shall however not apply for the period during which the spouse has in his or her care, an unmarried child or children.

(g) Burial Benefit

\$7,000 per member.

2. Basis of Presentation

The Schedules of Employer Allocations and Pension Amounts by Employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of DPERS or of its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of DPERS or the participating employers. The accompanying schedules have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

3. Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net pension (asset)/liability, collective deferred inflows of resources, collective deferred outflows of resources and collective pension expense. The allocation percentages presented in the Schedule of Employer Allocations are applied to the amounts presented in the Schedule of Pension Amounts by Employer and are based on the ratio of each employer's contribution to the Plan's total employer contributions during the measurement period July 1, 2021 through June 30, 2022, adjusted to remove contributions to separately finance specific liabilities of an individual employer. Employer contributions to the plan are recognized when due pursuant to legal requirements. The Board of Pension Trustees determines employer contributions. Employer contributions were 12.45% of earnings for the Fiscal Year 2022.

4. Post Retirement Increases (PRI) and Supplement Contributions

The Plan's reporting units make contributions to a PRI fund which accumulates resources to fund ad hoc post-retirement increases granted by the General Assembly. The increases are funded over a 5-year period from the PRI fund. The allocation of the contributions from the PRI Fund to the Pension Trust is a reduction to the Net Pension Liability of each participating employer.

During the year ended June 30, 2022, a one-time supplement benefit was paid to retirees in accordance with HB 251. The amount was funded with a contribution from the State of Delaware general funds, separate from the Plan's actuarially determined contributions.

5. Collective Net Pension (Asset) / Liability and Actuarial Information

The components of the collective net pension (asset) / liability of the participating employers at June 30, 2022 were as follows (in thousands):

Employers' total pension liability	\$ 12,171,119
Plan net position	(10,803,195)
<hr/>	
Employers' net pension (asset) / liability	\$ 1,367,924

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Actuarial Assumptions

Investment rate of return/discount rate ⁽¹⁾	7.0 %
Projected salary increases ⁽¹⁾	2.5% + Merit
Cost of living adjustments	0.0 %

(1) Inflation is included at 2.5%.

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

Mortality assumptions are based on the Pub-2010 mortality tables with gender adjustments for employees, healthy annuitants, and disabled retirees as well as an adjusted version on MP-2020 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination includes the historical pattern of granting the changes and the consistency in the amounts of the changes.

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 real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan's current and expected asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Asset Allocation
Domestic equity	5.7%	31.8%
International equity	5.7	15.0
Fixed income	2.0	23.6
Alternative investments	7.8	21.5
Cash and equivalents	-	8.1

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

Sensitivity of the Collective Net Pension (Asset) / Liability to Changes in the Discount Rate

The following presents the collective net pension (asset) / liability, calculated using the discount rate of 7.0%, as well as what the collective net pension (asset) / liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (in thousands):

	1% Decrease	Discount Rate	1% Increase
Collective net pension (asset)/liability	\$ 2,856,431	\$ 1,367,924	\$ 223,679

6. Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2022:

	Measurement period ending June 30	Amortization Period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred Outflows of Resources:						
	2022	6 years	\$ -	\$ 14,599,731	\$ (2,433,289)	\$ 12,166,442
Difference between	2021	6 years	47,554,552	-	(9,510,911)	38,043,641
expected and actual	2020	6 years	65,584,279	-	(16,396,070)	49,188,209
experience	2019	6 years	46,602,343	-	(15,534,115)	31,068,228
	2018	6 years	21,582,098	-	(10,791,048)	10,791,050
	2017	6 years	3,384,669	-	(3,384,669)	-
Subtotal			184,707,941	14,599,731	(58,050,102)	141,257,570
Net difference	2022	5 years	-	2,579,964,895	(515,992,979)	2,063,971,916
between projected	2021	5 years	(2,327,788,779)	-	581,947,195	(1,745,841,584)
and actual earnings	2020	5 years	(143,858,038)	-	47,952,679	(95,905,359)
on pension plan	2019	5 years	80,567,442	-	(40,283,721)	40,283,721
investments	2018	5 years	(56,740,386)	-	56,740,386	-
Subtotal			(2,447,819,761)	2,579,964,895	130,363,560	262,508,694
Changes of assumptions	2021	6 years	184,887,250	-	(36,977,450)	147,909,800
	2017	6 years	35,283,000	-	(35,283,000)	-
Subtotal			220,170,250	-	(72,260,450)	147,909,800
Total			\$ (2,042,941,570)	\$ 2,594,564,626	\$ 53,008	\$ 551,676,064

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows (in thousands):

Year ending June 30,

2023	\$	18,020
2024		(33,055)
2025		(637)
2026		564,915
2027		2,433
<hr/>		
Total	\$	551,676

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6 years for the 2022 amounts.

7. Collective Pension Expense

The components of collective pension expense for the year ending June 30, 2022 (excluding that attributable to employer-paid member contributions) are as follows (in thousands):

Service cost	\$	227,452
Interest on total pension liability		814,116
Member contributions		(85,416)
Administrative expense		6,059
Changes in benefit terms		230,874
Projected earnings on plan investments		(887,351)
Recognition of deferred outflows and inflows of resources:		
Differences between projected and actual earnings on plan investments		(130,363)
Differences between expected and actual experiences with regards to factors or other inputs in the measurement of total pension liability		58,050
Changes in assumption with regards to factors or other inputs in the measurement of total pension liability		72,260
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Pension expense	\$	305,681

8. Subsequent Events

The Plan evaluated all subsequent events through June 2, 2023, the date that the schedules were available to be issued.

Supplementary Information

**Delaware Public Employees' Retirement System
State Employees' Pension Plan**

**Schedule of Allocation of PRI and Supplement Pay Contributions
For the year ended June 30, 2022**

Reporting Unit	Allocation of PRI Contribution	Allocation of Pension Supplement Pay Contribution
State of Delaware Entities:		
Academia Antonia Alonso Charter	\$ 22,489	\$ 27,247
Academy of Dover Charter	11,790	14,284
Campus Community Charter	11,876	14,389
Charter School of New Castle	22,637	27,426
DE Military Academy Charter	17,791	21,554
Delaware Agricultural Lands Preservation Foundation	344	417
Delaware Department of Transportation	414,282	501,924
Delaware State Housing Authority	1,318	1,597
Delaware State University	302,751	366,799
Early College High School Charter	10,264	12,436
East Side Charter	21,607	26,178
First State Military Academy	16,138	19,552
First State Montessori Academy Charter	21,863	26,488
Freire Charter School	16,861	20,427
Gateway Lab Charter	10,331	12,517
General Government (State of Delaware)	10,385,925	12,583,084
Great Oaks Charter School	14,202	17,207
Kuumba Academy Charter	29,029	35,170
Las America Aspira Charter	45,672	55,334
Lottery	13,093	15,863
MOT Charter	41,481	50,256
Newark Charter	94,474	114,459
Odyssey Charter	66,917	81,074
Positive Outcomes Charter	9,333	11,308
Providence Creek Charter	16,374	19,838
Sussex Academy Charter	36,406	44,108
Sussex Montessori Charter	7,214	8,740
The Charter School of Wilmington	29,059	35,206
Thomas Edison Charter	23,086	27,970
State of Delaware Entities Sub-Total	11,714,607	14,192,852
<i>Affiliated Entities:</i>		
University of Delaware	302,254	366,197
Delaware Solid Waste Authority	34,657	41,988
Delaware State Education Association	382	463
Total	\$ 12,051,900	\$ 14,601,500

See accompanying independent auditor's report.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Schedules Performed in Accordance with *Government Auditing Standards*

Members of the Board of Pension Trustees
Delaware Public Employees' Retirement System
Dover, DE

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of employer allocations and the total for all entities of the columns titled net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions as of and for the year ended June 30, 2022 (specified column totals), included in the schedule of pension amounts by employer of the Delaware Public Employees' Retirement System - State Employees' Retirement Plan (the Plan) (hereafter collectively referred to as the Schedules) and the related notes and have issued our report thereon dated June 2, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedules, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Schedules will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's Schedules are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the Schedules amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

June 2, 2023