



**Delaware Public Employees’
Retirement System
County & Municipal Other
Employees’ Pension Plan**

Schedule of Employer Allocations and
Schedule of Pension Amounts by Employer
June 30, 2023

Delaware Public Employees' Retirement System County & Municipal Other 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 Audit of the Schedules

Opinions

We have audited the accompanying schedule of employer allocations of the Delaware Public Employees' Retirement System (the System) County & Municipal Other Employees' Pension Plan (the Plan) as of and for the year ended June 30, 2023, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the schedule of pension amounts by employer of the Plan as of and for the year ended June 30, 2023, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the County & Municipal Other Employees' Pension Plan as of and for the year ended June 30, 2023 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) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 these schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.
- 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 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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 *Government Auditing Standards*, the financial statements of the Delaware Public Employees' Retirement System, which include the County & Municipal Other Employees' Pension Plan, as of and for the year ended June 30, 2023, and our report thereon, dated November 20, 2023, expressed an unmodified opinion on those financial statements.



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 May 20, 2024 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 Plan's 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, P.C.

May 20, 2024

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

Schedule of Employer Allocations As of and for the Year Ended June 30, 2023

Reporting Unit	Employer Contributions	Employer's Proportionate Share
Aetna Hose Hook and Ladder	\$ 9,890	0.2658%
Bethany Beach Fire Co.	55,599	1.4942
Blades Fire Co.	21,611	0.5808
Camden Wyoming Vol Fire Co.	8,478	0.2279
Cheswold Fire Co.	14,467	0.3888
Christiana Fire Co.	20,976	0.5637
City of Harrington	46,222	1.2422
City of Milford	347,202	9.3312
City of New Castle	53,461	1.4368
City of Wilmington	1,049,578	28.2077
Cranston Heights Fire Co.	32,252	0.8668
Delaware City Fire Co.	44,495	1.1958
Elsmere Fire Co.	18,158	0.4880
Felton Fire Co.	15,465	0.4156
Five Points Fire Co.	7,638	0.2053
Georgetown EMS	40,271	1.0823
Goodwill Fire Co.	44,340	1.1916
Greenwood Fire Co.	13,547	0.3641
Harrington Fire Co.	21,656	0.5820
Hockessin Fire Co.	58,700	1.5776
Houston Vol Fire Co.	6,667	0.1792
Kent Conservation District	238,544	6.4109
Laurel Fire Co.	23,533	0.6325
Lewes Fire Co.	-	0.0000
Mid Sussex Rescue Fire Co.	38,064	1.0230
Mill Creek Fire Co.	67,438	1.8124
Millsboro Fire Co.	49,747	1.3370
Millville Fire Co.	53,479	1.4373
Milton Fire Co.	19,440	0.5225
Minquadale Fire Co.	30,063	0.8079
Odessa Fire Co.	28,406	0.7634
Port Penn Fire Co.	16,665	0.4479
Rehoboth Beach Fire Co.	49,871	1.3403
Riverfront Development Corp	64,431	1.7316
Roxana Fire Co.	27,371	0.7356
Sussex Conservation District	139,205	3.7412
Talleyville Fire Co.	50,683	1.3621
Town of Bethany Beach	120,242	3.2315
Town of Blades	7,115	0.1912
Town of Bowers Beach	-	0.0000
Town of Camden	13,887	0.3732
Town of Cheswold	10,250	0.2755
Town of Clayton	45,125	1.2128
Town of Felton	10,887	0.2926
Town of Frederica	5,273	0.1417
Town of Georgetown	90,078	2.4209
Town of Laurel	57,056	1.5334
Town of Millsboro	95,234	2.5594
Town of Milton	42,044	1.1299
Town of Newport	14,888	0.4001
Town of Ocean View	51,368	1.3805
Town of Selbyville	52,104	1.4003
Town of Smyrna	170,413	4.5799
Town of South Bethany	27,775	0.7465
Town of Wyoming	9,854	0.2648
Townsend Fire Co.	14,063	0.3779
Vol. Hose Co. Middletown	37,537	1.0088
Wilmington Manor Vol. Fire Co.	18,088	0.4861
Total	\$ 3,720,894	100.0000%

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

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

Schedule of Pension Amounts by Employer - As of and for the Year Ended June 30, 2023

Employer	Deferred outflow of resources					Deferred inflow of resources					Pension expense			
	Net Pension Liability	Differences between expected and actual experience	Changes of assumptions	Net Difference between projected and actual 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	
Aetna Hose Hook and Ladder	\$ 5,495	7,446	1,150	12,463	104,739	125,798	2,131	1,198	11,153	14,482	12,047	15,939	27,986	
Bethany Beach Fire Co.	30,891	41,861	6,462	70,064	5,240	123,627	11,981	6,737	15,836	34,554	67,722	(419)	67,303	
Blades Fire Co.	12,007	16,271	2,512	27,234	7,238	53,255	4,657	2,619	2,958	10,234	26,323	971	27,294	
Camden Wyoming Vol Fire Co.	4,711	6,384	985	10,684	21,295	39,348	1,827	1,027	15,660	18,514	10,327	432	10,759	
Cheswold Fire Co.	8,038	10,892	1,682	18,231	2,238	33,043	3,117	1,753	5,921	10,791	10,321	129	17,750	
Christiana Fire Co.	11,655	15,793	2,438	26,434	3,028	47,693	4,520	2,542	8,230	15,292	25,550	(686)	24,864	
City of Harrington	25,681	34,801	5,372	58,248	4,380	102,801	9,960	4,380	9,213	24,774	56,300	(2,031)	54,269	
City of Milford	192,908	261,413	40,356	437,536	731	740,036	74,818	42,072	43,777	160,667	422,905	(10,604)	412,301	
City of New Castle	29,703	40,251	6,214	67,370	8,533	122,368	11,520	6,478	9,646	27,644	65,117	(2,534)	62,583	
City of Wilmington	583,153	790,240	121,994	1,322,651	108,359	2,343,244	226,173	127,183	42,550	395,906	1,278,425	21,944	1,300,369	
Cranston Heights Fire Co.	17,919	24,283	3,749	40,643	2,997	71,672	6,950	3,908	1,992	12,850	39,284	(203)	39,081	
Delaware City Fire Co.	24,722	33,501	5,172	56,072	3,760	98,505	9,588	5,392	8,354	23,334	54,197	(279)	53,918	
Elsmere Fire Co.	10,089	13,671	2,111	22,882	514	39,178	3,913	2,200	4,948	11,061	22,117	(1,000)	21,117	
Felton Fire Co.	8,592	11,644	1,798	19,489	2,882	35,813	3,333	1,874	3,911	9,118	18,837	(417)	18,420	
Five Points Fire Co.	4,244	5,751	888	9,626	1,824	18,089	1,646	926	1,537	4,109	9,304	(78)	9,226	
Georgetown EMS	22,375	30,320	4,681	50,748	9,851	95,600	8,678	4,880	2,834	16,392	49,051	2,422	51,473	
Goodwill Fire Co.	24,635	33,384	5,154	55,876	761	95,175	9,575	6,615	6,615	21,543	54,007	(1,221)	52,786	
Greenwood Fire Co.	7,527	10,200	1,575	17,072	8,171	37,018	2,919	1,642	1,486	6,047	16,501	1,304	17,805	
Harrington Fire Co.	12,032	16,305	2,517	27,290	16	46,128	4,667	1,072	12,699	19,990	26,378	(2,062)	24,316	
Hockessin Fire Co.	32,614	44,196	6,823	73,972	23,197	148,188	12,649	7,113	2,447	22,209	71,499	4,213	75,712	
Houston Vol Fire Co.	3,704	5,020	775	8,402	145	14,342	1,437	808	6,675	8,920	8,121	(956)	7,165	
Kent Conservation District	132,537	179,603	27,726	300,608	7,542	515,479	51,404	28,906	51,840	132,150	290,556	(13,667)	276,889	
Laurel Fire Co.	13,075	17,718	2,735	29,656	-	12,788	62,897	5,071	2,852	2,355	10,278	28,664	2,325	30,989
Lewes Fire Co.	-	-	-	-	94,447	-	94,447	-	-	7,305	7,305	-	12,233	30,989
Mid Sussex Rescue Fire Co.	21,148	28,659	4,424	47,967	-	81,050	8,202	4,612	35,029	47,843	46,363	(5,309)	41,054	
Mill Creek Fire Co.	37,469	50,775	7,838	84,984	8,050	151,647	14,532	8,452	31,159	82,143	131,559	363	82,506	
Millsboro Fire Co.	27,640	37,455	5,782	62,690	10,330	116,257	10,720	6,028	16,469	33,217	60,594	67	60,661	
Millville Fire Co.	29,713	40,265	6,216	67,392	7,959	121,832	11,524	6,480	3,708	21,712	65,139	899	66,038	
Milton Fire Co.	10,801	14,637	2,260	24,498	3,704	45,099	4,189	2,356	7,829	14,374	23,679	(601)	23,078	
Minquedale Fire Co.	16,703	22,635	3,494	37,885	4,684	68,698	6,478	3,643	4,112	14,233	36,618	1,194	37,812	
Odessa Fire Co.	15,782	21,387	3,302	35,796	1,587	62,072	6,121	3,442	20,547	30,110	34,599	(2,779)	31,820	
Port Penn Fire Co.	9,259	12,548	1,937	21,001	3,203	38,689	3,591	2,019	1,327	6,937	20,299	247	20,546	
Rehoboth Beach Fire Co.	27,709	37,548	5,797	62,846	2,502	108,693	10,747	6,043	3,347	20,137	60,745	385	61,130	
Riverfront Development Corp.	35,798	48,511	7,489	81,194	4,034	141,228	13,884	7,807	20,589	42,280	78,479	(4,221)	74,258	
Roxana Fire Co.	15,207	20,608	3,181	34,492	9,076	67,357	5,898	3,317	3,182	12,397	33,339	1,485	34,824	
Sussex Conservation District	77,344	104,810	16,180	175,423	8,926	305,339	29,997	16,868	22,697	69,562	169,557	(2,125)	167,432	
Talleyville Fire Co.	28,160	38,160	5,891	63,870	1,657	109,578	10,922	6,142	14,936	32,000	61,734	(1,954)	59,780	
Town of Bethany Beach	66,807	90,532	13,976	151,526	13,995	270,029	25,911	14,570	10,195	50,676	146,459	(1,554)	144,905	
Town of Blades	3,953	5,357	827	8,966	1,274	16,424	1,533	862	4,740	7,135	8,666	(945)	7,721	
Town of Bowers Beach	-	-	-	-	168	168	-	-	193	193	-	3	3	
Town of Camden	7,716	10,456	1,614	17,500	5,946	35,516	2,993	1,683	3,699	8,375	16,915	11	16,926	
Town of Cheswold	5,695	7,717	1,191	12,917	2,226	24,051	2,209	1,242	2,594	6,045	12,485	66	12,551	
Town of Clayton	25,072	33,975	5,245	56,866	870	96,956	9,724	5,468	7,665	22,857	54,964	(1,449)	53,515	
Town of Felton	6,049	8,197	1,265	13,719	1,211	24,392	2,346	1,319	1,845	5,510	13,260	(369)	12,891	
Town of Frederica	2,930	3,970	613	6,645	1,751	12,979	1,136	639	2,593	4,368	6,423	62	6,485	
Town of Georgetown	50,048	67,821	10,470	113,514	4,337	196,142	19,411	10,915	7,191	37,517	109,718	(1,616)	108,102	
Town of Laurel	31,700	42,958	6,632	71,900	7,138	128,628	12,295	6,914	7,107	26,316	69,496	(1,110)	68,386	
Town of Millsboro	52,913	71,703	11,069	120,012	14,166	216,950	20,522	11,540	22,214	54,276	115,999	(1,547)	114,452	
Town of Milton	23,360	31,656	4,887	52,983	1,904	91,430	9,060	5,095	3,688	17,843	51,211	(432)	50,779	
Town of Newport	8,272	11,209	1,730	18,761	3,116	34,816	3,208	1,804	1,856	6,868	18,134	(163)	17,971	
Town of Ocean View	28,540	38,676	5,971	64,733	11,073	120,453	11,069	6,225	7,389	24,683	62,568	179	62,747	
Town of Selbyville	28,949	39,230	6,056	65,660	4,941	115,887	11,228	6,314	9,310	26,852	63,464	(1,031)	62,433	
Town of Smyrna	94,683	128,306	19,807	214,750	23,235	386,098	36,722	20,650	28,885	86,257	207,569	2,348	209,917	
Town of South Bethany	15,432	20,912	3,228	35,002	4,149	63,291	5,985	3,366	2,624	11,975	33,831	(186)	33,645	
Town of Wyoming	5,475	7,420	1,145	12,418	1,278	22,261	2,124	1,194	1,243	4,561	12,003	(20)	11,983	
Townsend Fire Co.	7,814	10,588	1,635	17,722	767	30,712	3,030	1,704	9,460	14,194	17,129	(1,564)	15,565	
Vol. Hose Co. Middletown	20,856	28,262	4,363	47,304	659	80,588	8,089	4,549	4,903	17,541	45,722	(799)	44,923	
Wilmington Manor Vol. Fire Co.	10,050	13,619	2,102	22,794	-	38,515	3,898	2,192	23,029	29,119	22,032	(3,290)	18,742	
Total	\$ 2,067,354	2,801,510	432,486	4,688,981	604,592	8,527,569	801,812	450,882	604,592	1,857,286	4,532,189	-	4,532,189	

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

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

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

1. Plan Description

The County & Municipal Other 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, 2023. 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 www.delawarepensions.com.

(a) Plan Description and Eligibility

The Plan covers employees of counties or municipalities that have joined the Plan.

(b) Service Benefits

1/60th of final average monthly compensation multiplied by years of credited service, subject to maximum limitations. For this plan, final average monthly compensation is the monthly average of the highest five years of compensation.

(c) Vesting

Five years of credited service.

(d) Retirement

Age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service.

(e) Disability Benefits

Same as Service Benefits. Employee must have 5 years of credited service.

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

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

(f) Survivor Benefits

If employee is receiving a pension, then eligible survivor receives a minimum 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62.

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 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.

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 outflows of resources, collective deferred inflows of resources and collective pension expense. The allocation percentages presented in the Schedule of Employer Allocations and applied to the amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of each employer's contribution to the Plan's total employer contributions during the measurement period July 1, 2022, through June 30, 2023, 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 5.55% of earnings for the Fiscal Year 2023.

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

The components of the collective net pension (asset) / liability of the participating employers at June 30, 2023 were as follows (in thousands):

Employers' total pension liability	\$	96,024
Plan net position		(93,957)
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Employers' net pension (asset) / liability	\$	2,067

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

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

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. 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%.

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 include 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, 2023 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Asset Allocation
Domestic equity	5.7%	33.8%
International equity	5.7	15.9
Fixed income	2.0	25.2
Alternative investments	7.8	19.3
Cash and equivalents	-	5.8

**Delaware Public Employees' Retirement System
County & Municipal Other Employees' Pension Plan**

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

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.

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	\$ 17,129	\$ 2,067	\$ (10,231)

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

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

5. 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, 2023:

	Measurement period ending June 30	Amortization Period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred Outflows of Resources:						
Differences between expected and actual experience	2023	8 years	\$ -	\$ 859,105	\$ (107,388)	\$ 751,717
	2022	8 years	1,754,042	-	(250,578)	1,503,464
	2019	9 years	330,104	-	(66,020)	264,084
	2017	9 years	107,874	-	(35,959)	71,915
	2016	9 years	420,660	-	(210,330)	210,330
Subtotal			2,612,680	859,105	(670,275)	2,801,510
Changes of assumptions	2017	9 years	479,003	-	(159,668)	319,335
	2016	9 years	226,303	-	(113,152)	113,151
Subtotal			705,306	-	(272,820)	432,486
Net difference between projected and actual earnings on pension plan investments	2023	5 years	\$ -	\$ 1,675,773	\$ (335,155)	\$ 1,340,618
	2022	5 years	16,281,147	-	(4,070,287)	12,210,860
	2021	5 years	(12,778,824)	-	4,259,608	(8,519,216)
	2020	5 years	(686,563)	-	343,282	(343,281)
	2019	5 years	237,999	-	(237,999)	-
Subtotal			3,053,759	1,675,773	(40,551)	4,688,981
Total			\$ 6,371,745	\$ 2,534,878	\$ (983,646)	\$ 7,922,977
Deferred Inflows of Resources:						
Changes of assumptions	2021	8 years	(541,058)	-	90,176	(450,882)
Differences between expected and actual experience	2021	8 years	(268,659)	-	44,776	(223,883)
	2020	8 years	(202,241)	-	40,448	(161,793)
	2018	8 years	(624,203)	-	208,067	(416,136)
Subtotal			(1,095,103)	-	293,291	(801,812)
Total			\$ (1,636,161)	-	\$ 383,467	\$ (1,252,694)

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,

2024	\$	362
2025		382
2026		4,654
2027		584
2028		223
Thereafter		465
Total	\$	6,670

Delaware Public Employees' Retirement System County & Municipal Other Employees' Pension Plan

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

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 8 years for the 2023 amounts.

6. Collective Pension Expense

The components of collective pension expense for the year ending June 30, 2023 are as follows (in thousands):

Service cost	\$	5,366
Interest on total pension liability		6,370
Member contributions		(1,771)
Administrative expense		133
Projected earnings on pension plan investments		(6,166)
Recognition of deferred outflows and inflows of resources:		
Difference between projected and actual earnings on pension plan investments		40
Differences between expected and actual experience		377
Changes of assumptions		183
<hr/>		
Pension expense	\$	4,532

7. Subsequent Events

The Plan evaluated all subsequent events through May 20, 2024, the date that the schedules were available to be issued.



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*

The 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 liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the schedule of pension amounts by employer of the Delaware Public Employees’ Retirement System - County & Municipal Other Employees’ Pension Plan (the Plan) and the related notes and have issued our report thereon dated May 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, 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 opinions on the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer 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.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. 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, P.C.

May 20, 2024