



Delaware Public Employees’ Retirement System County & Municipal Police and Firefighters’ Pension Plan

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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' 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 schedule of employer allocations of the Delaware Public Employees' Retirement System (the System) County & Municipal Police and Firefighters' 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 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 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 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 Police and Firefighters' 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 Police and Firefighters' 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 Co.	\$ 137,561	1.0559%
Bethany Beach	117,649	0.9031
Blades	15,309	0.1175
Bridgeville	61,268	0.4703
Camden	73,648	0.5653
Camden Wyoming Fire Co.	55,251	0.4241
Cheswold	27,798	0.2134
Christiana Fire	117,761	0.9040
Clayton	87,281	0.6700
Dagsboro	41,261	0.3167
Delmar Police	111,159	0.8533
Dewey Beach	73,757	0.5662
Dover	1,008,343	7.7403
Elsmere Police	56,295	0.4321
Felton Police	27,667	0.2124
Fenwick Island	54,217	0.4162
Georgetown	138,553	1.0636
Greenwood	17,539	0.1346
Harrington Police	62,870	0.4826
Laurel Police	124,513	0.9558
Lewes Fire Department	122,270	0.9386
Lewes Police	122,249	0.9384
Middletown Police	403,653	3.0985
Milford	280,739	2.1550
Millsboro	147,996	1.1360
Milton	116,154	0.8916
Minquas Fire Company	19,165	0.1471
New Castle City	144,927	1.1125
New Castle County Police	3,856,913	29.6067
Newark	56,921	0.4369
Newport	45,626	0.3502
Ocean View	117,518	0.9021
Rehoboth Beach Police	165,524	1.2706
Seaford	232,013	1.7810
Selbyville Police	67,525	0.5183
Smyrna Police	247,210	1.8976
South Bethany	45,321	0.3479
Townsend Police	12,744	0.0978
Wilmington Pol/FF	4,391,281	33.7084
Wyoming	21,803	0.1674
Total	\$ 13,027,252	100.0000%

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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' 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 Co.	\$ 151,802	278,735	29,958	298,670	-	607,363	35,710	74,461	339,017	449,188	179,619	(48,431)	131,188
Bethany Beach	129,829	238,389	25,622	255,438	12,101	531,550	30,541	63,683	32,488	126,712	153,620	(3,485)	150,135
Blades	16,894	31,020	3,334	33,239	17,270	84,863	3,974	8,287	3,148	15,409	19,990	1,546	21,536
Bridgeville	67,611	124,145	13,343	133,024	2,440	272,952	15,905	33,164	11,838	60,907	80,000	(1,431)	78,569
Camden	81,272	149,229	16,039	159,902	18,630	343,800	19,119	39,865	16,396	75,380	96,165	(882)	95,283
Camden Wyoming Fire Co.	60,971	111,953	12,033	119,960	-	243,946	14,343	29,907	136,165	180,415	72,144	(19,452)	52,692
Cheswold	30,676	56,326	6,054	60,354	11,566	134,300	7,216	15,047	1,135	23,398	36,297	1,990	38,287
Christiana Fire	129,953	238,616	25,646	255,682	45,816	565,760	30,570	63,744	87	94,401	153,766	8,850	162,616
Clayton	96,317	176,854	19,008	189,503	6,421	391,786	22,658	47,245	15,160	85,063	113,966	(1,313)	112,653
Dagsboro	45,533	83,606	8,986	89,585	972	183,149	10,711	22,334	44,025	77,070	53,876	(6,165)	47,711
Delmar Police	122,667	225,238	24,209	241,347	614	491,408	28,856	60,170	37,069	126,095	145,146	(6,485)	138,661
Dewey Beach	81,393	149,451	16,063	160,140	12,549	338,203	19,147	39,924	15,415	74,486	96,308	(987)	95,321
Dover	1,112,734	2,043,170	219,600	2,189,298	174,221	4,626,289	261,760	545,813	67,278	874,851	1,316,637	6,725	1,323,362
Elsmere Police	62,123	114,069	12,260	122,228	12,732	261,289	14,614	30,473	10,246	55,333	73,507	(902)	72,605
Felton Police	30,531	56,060	6,025	60,069	6,271	128,425	7,182	14,976	2,585	24,743	36,125	134	36,259
Fenwick Island	59,830	109,858	11,808	117,716	2,341	241,723	14,074	29,348	15,594	59,016	70,794	(2,343)	68,451
Georgetown	152,897	280,745	30,174	300,824	95,193	706,936	35,968	74,998	6,188	117,154	180,914	13,472	194,386
Greenwood	19,355	35,539	3,820	38,081	6,172	83,612	4,553	9,494	11,592	25,639	22,902	(869)	22,033
Harrington Police	69,379	127,391	13,692	136,502	60,471	338,056	16,321	34,031	3,700	54,052	82,092	8,195	90,287
Laurel Police	137,403	252,296	27,117	270,340	48,405	598,158	32,323	67,399	5,477	105,199	162,582	6,839	169,421
Lewes Fire Department	134,929	247,752	26,628	265,471	-	539,851	31,741	66,185	301,333	399,259	159,654	(43,048)	116,606
Lewes Police	134,905	247,709	26,624	265,425	2,384	542,142	31,735	66,173	53,518	151,426	159,626	(7,754)	151,872
Middletown Police	445,442	817,907	87,909	876,404	22,364	1,804,584	104,786	218,496	37,718	361,000	527,067	(3,675)	523,392
Milford	309,803	568,851	61,140	609,536	114,127	1,353,654	72,878	151,963	20,730	245,571	366,573	11,095	377,668
Millsboro	163,317	299,878	32,231	321,325	11,374	664,808	38,419	80,110	26,491	145,020	193,244	(1,686)	191,558
Milton	128,179	235,359	25,296	252,192	6,158	519,005	30,153	62,874	150,382	243,409	151,668	(22,991)	128,677
Minquas Fire Company	21,149	38,832	4,174	41,610	5,844	90,460	4,975	10,374	23,422	38,771	25,024	(2,372)	22,652
New Castle City	159,931	293,660	31,563	314,663	21,422	661,308	37,622	78,448	29,180	145,250	189,237	3,559	192,796
New Castle County Police	4,256,207	7,815,125	839,971	8,374,063	598,685	17,627,844	1,001,235	2,087,736	104,505	3,193,476	5,036,137	72,967	5,109,104
Newark	62,813	115,336	12,396	123,585	-	251,317	14,776	30,811	123,448	169,035	74,324	(17,635)	56,689
Newport	50,350	92,450	9,937	99,062	26,949	228,398	11,844	24,697	12,715	49,256	59,576	1,042	60,618
Ocean View	129,684	238,122	25,593	255,153	30,393	549,261	30,507	63,612	11,244	105,363	153,448	3,693	157,141
Rehoboth Beach Police	182,660	335,395	36,048	359,383	49,158	779,984	42,969	89,598	4,794	137,361	216,132	6,306	222,438
Seaford	256,033	470,119	50,528	503,743	71,996	1,096,386	60,229	125,588	49,718	235,535	302,949	2,100	305,049
Selbyville Police	74,515	136,823	14,706	146,609	17,592	315,730	17,529	36,551	14,644	68,724	88,170	39	88,209
Smyrna Police	272,803	500,913	53,838	536,738	24,857	1,116,346	64,174	133,814	115,678	313,666	322,793	(9,548)	313,245
South Bethany	50,013	91,832	9,870	98,400	20,900	221,002	11,765	24,532	10,200	46,497	59,178	597	59,775
Townsend Police	14,063	25,823	2,775	27,669	-	56,267	3,308	6,898	31,407	41,613	16,640	(4,487)	12,153
Wilmington Pol/FF	4,845,897	8,897,894	956,345	9,534,275	509,177	19,897,691	1,139,953	2,376,987	162,373	3,679,313	5,733,885	58,201	5,792,086
Wyoming	24,060	44,178	4,748	47,338	271	96,535	5,660	11,802	9,733	27,195	28,469	(1,409)	27,060
Total	\$ 14,375,923	26,396,648	2,837,111	28,284,546	2,067,836	59,586,141	3,381,803	7,051,612	2,067,836	12,501,251	17,010,244	-	17,010,244

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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

1. Plan Description

The County & Municipal Police and Firefighters' 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 police officers and firefighters employed by a county or municipality of the State that have joined the Plan.

(b) Service Benefits

2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation (excluding overtime and special pay).

(c) Vesting

Five years of credited service.

(d) Retirement

Age 62 with 5 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

(e) Disability benefits

Duty - Total Disability

75% of final average monthly compensation plus 10% for each dependent not to exceed 25% for all dependents.

Duty - Partial Disability

Calculated the same as Service Benefits, subject to minimum 50% of final average monthly compensation.

Non-Duty

Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% of each dependent not to exceed 20% for all dependents. Partial disability to a minimum of 30% of final average monthly compensation.

(f) Survivor Benefits

If employee is receiving a pension, then eligible survivor receives a minimum of 50% of pension; if employee is active, eligible survivor receives 75% of pension the employee would have received at age 62. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

(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 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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

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 11.34% 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	\$	594,724
Plan net position		(580,348)
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Employers' net pension (asset) / liability	\$	14,376

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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

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

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	\$ 102,241	\$ 14,376	\$ (57,487)

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' 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	\$ -	\$ 13,344,161	\$ (1,668,020)	\$ 11,676,141
	2022	9 years	7,133,106	-	(891,639)	6,241,467
	2018	10 years	9,844,903	-	(1,968,980)	7,875,923
	2016	10 years	904,673	-	(301,556)	603,117
Subtotal			17,882,682	13,344,161	(4,830,195)	26,396,648
Net difference between projected and actual earnings on pension plan investments	2023	5 years	-	10,443,086	(2,088,617)	8,354,469
	2022	5 years	103,693,470	-	(25,923,367)	77,770,103
	2021	5 years	(83,329,624)	-	27,776,542	(55,553,082)
	2020	5 years	(4,573,886)	-	2,286,942	(2,286,944)
	2019	5 years	1,630,375	-	(1,630,375)	-
Subtotal			17,420,335	10,443,086	421,125	28,284,546
Changes of assumptions	2017	10 years	3,782,814	-	(945,703)	2,837,111
Total			\$ 39,085,831	\$ 23,787,247	\$ (5,354,773)	\$ 57,518,305
Deferred Inflows of Resources:						
Differences between expected and actual experience	2021	10 years	\$ (1,173,087)	\$ -	\$ 167,584	\$ (1,005,503)
	2020	10 years	(31,590)	-	5,265	(26,325)
	2019	10 years	(601,398)	-	100,233	(501,165)
	2017	10 years	(1,662,949)	-	415,738	(1,247,211)
	2015	10 years	(902,396)	-	300,797	(601,599)
Subtotal			(4,371,420)	-	989,617	(3,381,803)
Changes of assumptions	2021	10 years	(7,143,422)	-	1,020,489	(6,122,933)
	2016	10 years	(1,393,019)	-	464,340	(928,679)
Subtotal			(8,536,441)	-	1,484,829	(7,051,612)
Total			\$ (12,907,861)	\$ -	\$ 2,474,446	\$ (10,433,415)

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' 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,

2024	\$	1,250
2025		3,537
2026		31,777
2027		5,324
2028		1,266
Thereafter		3,931

Total	\$	47,085
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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	\$	21,060
Interest on total pension liability		39,494
Member contributions		(8,065)
Administrative expense		183
Projected earnings on pension plan investments		(38,542)
Recognition of deferred outflows and inflows of resources:		
Differences between projected and actual earnings on pension plan investments		(421)
Differences between expected and actual experience		3,840
Changes of assumptions		(539)
Pension expense	\$	17,010

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 Police and Firefighters’ Pension Plan (the Plan) as of and for the year ended June 30, 2023, 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