



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

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

# 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 Audit of the Schedules

#### *Opinions*

We have audited the 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, 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 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 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 State 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.



***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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer 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 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  
State 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
<b>State of Delaware Entities:</b>		
Academia Antonia Alonso Charter	\$ 527,365	0.1956%
Academy of Dover Charter	317,098	0.1176
Bryan Allen Stevenson School of Excellence	16,099	0.0060
Campus Community Charter	267,334	0.0991
Charter School of New Castle	508,351	0.1885
DE Military Academy Charter	415,811	0.1542
Delaware Agricultural Lands Preservation Foundation	7,629	0.0028
Delaware Department of Transportation	9,015,305	3.3430
Delaware State Housing Authority	16,354	0.0061
Delaware State University	7,021,763	2.6038
Early College High School Charter	302,228	0.1121
East Side Charter	504,026	0.1869
First State Military Academy	371,519	0.1378
First State Montessori Academy Charter	505,275	0.1874
Freire Charter School	356,836	0.1323
Gateway Lab Charter	221,770	0.0822
General Government (State of Delaware)	231,966,265	86.0159
Great Oaks Charter School	244,150	0.0905
Kuumba Academy Charter	682,889	0.2532
Las America Aspira Charter	1,169,807	0.4338
Lottery	284,298	0.1054
MOT Charter	908,396	0.3368
Newark Charter	2,416,537	0.8961
Odyssey Charter	1,676,074	0.6215
Positive Outcomes Charter	193,836	0.0719
Providence Creek Charter	363,960	0.1350
Sussex Academy Charter	789,593	0.2928
Sussex Montessori Charter	185,445	0.0688
The Charter School of Wilmington	616,185	0.2285
Thomas Edison Charter	464,733	0.1723
<b>State of Delaware Entities Sub-Total</b>	<b>262,336,931</b>	<b>97.2779</b>
<b>Affiliated Entities:</b>		
Delaware Solid Waste Authority	817,551	0.3032
Delaware State Education Association	8,417	0.0031
University of Delaware	6,514,886	2.4158
<b>Total</b>	<b>\$ 269,677,785</b>	<b>100.0000%</b>
<i>See accompanying notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.</i>		
<b>Supplementary Information:</b>		
Supplement Contribution	\$ 15,234,250	
PRI Transfer	\$ 143,598,160	

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

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

Reporting Unit	Net Pension Liability	Deferred outflows of resources				Deferred inflows of resources				Pension expense			
		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
State of Delaware entities:													
Academia Antonia Alonso Charter	\$ 3,064,338	403,016	216,932	978,163	366,952	1,965,063	-	-	-	-	707,992	231,501	939,493
Academy of Dover Charter	1,842,548	242,328	130,439	588,157	371,594	1,332,518	-	-	-	-	425,707	97,794	523,501
Bryan Allen Stevenson School of Excellence	93,546	12,303	6,622	29,861	40,606	89,392	-	-	-	-	21,613	8,121	29,734
Campus Community Charter	1,553,387	204,298	109,968	495,855	61,491	871,612	-	-	35,777	35,777	358,898	1,310	360,208
Charter School of New Castle	2,953,854	388,485	209,111	942,896	19,221	1,559,713	-	-	112,658	112,658	682,465	(33,662)	648,803
DE Military Academy Charter	2,416,136	317,765	171,044	771,252	96,246	1,356,307	-	-	71,121	71,121	558,230	18,652	576,882
DE Agricultural Lands Preservation Foundation	44,330	5,830	3,138	14,150	744	23,862	-	-	13,362	13,362	10,242	(5,176)	5,066
Delaware Department of Transportation	52,384,865	6,889,554	3,708,459	16,721,705	301,657	27,621,375	-	-	1,487,543	1,487,543	12,103,120	(217,092)	11,886,028
Delaware State Housing Authority	95,028	12,498	6,727	30,334	-	49,559	-	-	72,715	72,715	21,955	(37,788)	(15,833)
Delaware State University	40,801,072	5,366,076	2,888,412	13,024,057	1,295,113	22,573,658	-	-	148,110	148,110	9,426,774	163,489	9,590,263
Early College High School Charter	1,756,144	230,965	124,322	560,576	291,517	1,207,380	-	-	50,109	50,109	405,744	63,733	469,477
East Side Charter	2,928,723	385,180	207,332	934,874	153,019	1,680,405	-	-	56,832	56,832	676,659	35,923	712,582
First State Military Academy	2,158,770	283,917	152,825	689,098	201,449	1,327,289	-	-	-	-	498,767	127,443	626,210
First State Montessori Academy Charter	2,935,981	386,134	207,846	937,191	187,570	1,718,741	-	-	-	-	678,336	114,276	792,612
Freire Charter School	2,073,452	272,696	146,785	661,864	196,034	1,277,379	-	-	51,564	51,564	479,055	131,817	610,872
Gateway Lab Charter	1,288,630	169,478	91,225	411,342	56,651	728,696	-	-	123,848	123,848	297,728	(28,543)	269,185
General Government (State of Delaware)	1,347,876,914	177,270,103	95,419,664	430,254,032	1,435,738	704,379,537	-	-	1,959,965	1,959,965	311,416,593	(639,654)	310,776,939
Great Oaks Charter School	1,418,672	186,581	100,431	452,853	92,659	832,524	-	-	219,686	219,686	327,773	67,596	395,369
Kuumba Academy Charter	3,968,035	521,868	280,907	1,266,631	295,360	2,364,766	-	-	-	-	916,784	124,701	1,041,485
Las America Aspira Charter	6,797,350	893,974	481,202	2,169,773	995,495	4,540,444	-	-	-	-	1,570,475	395,796	1,966,271
Lottery	1,651,959	217,262	116,946	527,320	2,392	863,920	-	-	104,700	104,700	381,672	(36,899)	344,773
MOT Charter	5,278,380	694,202	373,670	1,684,905	293,339	3,046,116	-	-	196,602	196,602	1,219,529	135,995	1,355,524
Newark Charter	14,041,673	1,846,733	994,046	4,482,224	982,269	8,305,272	-	-	26,099	26,099	3,244,221	339,094	3,583,315
Odyssey Charter	9,739,095	1,280,866	689,455	3,108,804	847,575	5,926,700	-	-	-	-	2,250,143	497,763	2,747,906
Positive Outcomes Charter	1,126,315	148,131	79,735	359,530	10,536	597,932	-	-	52,396	52,396	260,226	(3,633)	256,593
Providence Creek Charter	2,114,848	278,141	149,715	675,078	7,051	1,109,985	-	-	45,742	45,742	488,619	(26,491)	462,128
Sussex Academy Charter	4,588,056	603,412	324,800	1,464,547	656,946	3,049,705	-	-	63,167	63,167	1,060,035	260,250	1,320,285
Sussex Montessori Charter	1,077,558	141,718	76,283	343,966	437,443	999,410	-	-	-	-	248,961	129,172	378,133
The Charter School of Wilmington	3,580,441	470,893	253,469	1,142,908	-	1,867,270	-	-	205,906	205,906	827,233	(81,796)	745,437
Thomas Edison Charter	2,700,405	355,152	191,169	861,993	21,318	1,429,632	-	-	152,003	152,003	623,908	(31,009)	592,899
Previously Closed Entities*	-	-	-	-	49,450	49,450.00	-	-	603,180	603,180	-	(363,006)	(363,006)
<b>State of Delaware Entities Sub-Total</b>	<b>1,524,350,505</b>	<b>200,479,559</b>	<b>107,912,679</b>	<b>486,585,939</b>	<b>9,767,435</b>	<b>804,745,612</b>	<b>-</b>	<b>-</b>	<b>5,853,085</b>	<b>5,853,085</b>	<b>352,189,457</b>	<b>1,439,677</b>	<b>353,629,134</b>
<i>Affiliated Entities</i>													
Delaware Solid Waste Authority	4,750,510	624,778	336,301	1,516,404	178,746	2,656,229	-	-	125,323	125,323	1,097,569	43,343	1,140,912
Delaware State Education Association	48,908	6,432	3,462	15,612	1,434	26,940	-	-	1,399	1,399	11,300	(1,531)	9,769
University of Delaware	37,855,782	4,978,718	2,679,908	12,083,895	19,333	19,761,854	-	-	3,987,141	3,987,141	8,746,287	(1,481,489)	7,264,798
<b>Total</b>	<b>\$ 1,567,005,705</b>	<b>206,089,487</b>	<b>110,932,350</b>	<b>500,201,850</b>	<b>9,966,948</b>	<b>827,190,635</b>	<b>-</b>	<b>-</b>	<b>9,966,948</b>	<b>9,966,948</b>	<b>362,044,613</b>	<b>-</b>	<b>362,044,613</b>

\* Previously Closed Entities include Delaware Academy of Public Safety Charter, Delaware Stem Academy, Design Thinking Academy, and Prestige Academy. 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

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### 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, 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](http://www.delawarepensions.com).

#### *(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); and, employees classified as Correctional Officers or Specified Peace Officers.

#### *(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

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### **(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 Benefits**

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

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### 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 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, 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 11.15% of earnings for the Fiscal Year 2023.

### 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, 2023, 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. Post retirement increases that became effective on July 1, 2022 include a 3% increase to pensioners retired on or before June 30, 1992 and 2% increase to pensioners retired between July 1, 1992 and June 30, 2017.

### 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, 2023 were as follows (in thousands):

Employers' total pension liability	\$ 12,635,996
Plan net position	(11,068,990)
<hr/>	
Employers' net pension (asset) / liability	\$ 1,567,006

#### *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*

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Investment rate of return/discount rate <sup>(1)</sup>	7.0%
Projected salary increases <sup>(1)</sup>	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

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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, 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.

# 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	\$ 3,055,382	\$ 1,567,006	\$ 318,585

### **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, 2023:

	Measurement period ending June 30	Amortization Period	Beginning of year balance	Additions	Deductions	End of year balance
<b>Deferred Outflows of Resources:</b>						
	2023	6 years	\$ -	\$ 143,396,822	(23,899,470)	119,497,352
Differences between	2022	6 years	12,166,442	-	(2,433,289)	9,733,153
expected and actual	2021	6 years	38,043,641	-	(9,510,911)	28,532,730
experience	2020	6 years	49,188,209	-	(16,396,070)	32,792,139
	2019	6 years	31,068,228	-	(15,534,115)	15,534,113
	2018	6 years	10,791,050	-	(10,791,050)	-
Subtotal			141,257,570	143,396,822	(78,564,905)	206,089,487
Net difference	2023	5 years	-	205,087,477	(41,017,495)	164,069,982
between projected	2022	5 years	2,063,971,916	-	(515,992,979)	1,547,978,937
and actual earnings	2021	5 years	(1,745,841,584)	-	581,947,195	(1,163,894,389)
on pension plan	2020	5 years	(95,905,359)	-	47,952,679	(47,952,680)
investments	2019	5 years	40,283,721	-	(40,283,721)	-
Subtotal			262,508,694	205,087,477	32,605,679	500,201,850
Changes of assumptions	2021	6 years	147,909,800	-	(36,977,450)	110,932,350
<b>Total</b>			<b>\$ 551,676,064</b>	<b>\$ 348,484,299</b>	<b>(82,936,676)</b>	<b>817,223,687</b>

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):

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

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

*Year ending June 30,*

2024	\$	31,862
2025		64,281
2026		629,832
2027		67,350
2028		23,899
<hr/>		
<b>Total</b>	<b>\$</b>	<b>817,224</b>

### *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 2023 amounts.

### **7. Collective Pension Expense**

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

Service cost	\$	242,813
Interest on total pension liability		852,391
Member contributions		(91,362)
Administrative expense		6,763
Changes in benefit terms		15,234
Projected earnings on pension plan investments		(746,732)
Recognition of deferred outflows and inflows of resources:		
Differences between projected and actual earnings on pension plan investments		(32,605)
Differences between expected and actual experience		78,565
Changes of assumptions		36,978
<hr/>		
Pension expense	\$	362,045

### **8. Subsequent Events**

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

## Supplementary Information

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

**Schedule of Allocation of PRI and Supplement Pay Contributions  
For the year ended June 30, 2023**

Reporting Unit	Allocation of PRI Contribution	Allocation of Pension Supplement Pay Contribution
State of Delaware Entities:		
Academia Antonia Alonso Charter	\$ 280,878	\$ 29,798
Academy of Dover Charter	168,871	17,915
Bryan Allen Stevenson School of Excellence	8,616	914
Campus Community Charter	142,306	15,097
Charter School of New Castle	270,683	28,717
DE Military Academy Charter	221,428	23,491
Delaware Agricultural Lands Preservation Foundation	4,021	427
Delaware Department of Transportation	4,800,486	509,281
Delaware State Housing Authority	8,759	929
Delaware State University	3,739,009	396,669
Early College High School Charter	160,974	17,078
East Side Charter	268,385	28,473
First State Military Academy	197,878	20,993
First State Montessori Academy Charter	269,103	28,549
Freire Charter School	189,980	20,155
Gateway Lab Charter	118,038	12,523
General Government (State of Delaware)	123,517,248	13,103,878
Great Oaks Charter School	129,956	13,787
Kuumba Academy Charter	363,591	38,573
Las America Aspira Charter	622,929	66,086
Lottery	151,352	16,057
MOT Charter	483,639	51,309
Newark Charter	1,286,783	136,514
Odyssey Charter	892,463	94,681
Positive Outcomes Charter	103,247	10,953
Providence Creek Charter	193,858	20,566
Sussex Academy Charter	420,455	44,606
Sussex Montessori Charter	98,796	10,481
The Charter School of Wilmington	328,122	34,810
Thomas Edison Charter	247,420	26,249
<b>State of Delaware Entities Sub-Total</b>	<b>139,689,274</b>	<b>14,819,559</b>
<i>Affiliated Entities:</i>		
University of Delaware	3,469,044	368,029
Delaware Solid Waste Authority	435,390	46,190
Delaware State Education Association	4,452	472
<b>Total</b>	<b>\$ 143,598,160</b>	<b>\$ 15,234,250</b>

*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***

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 - State Employees’ 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