

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

Schedule of Employer Allocations and
Schedule of Pension Amounts by Employer
June 30, 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



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 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, 2024, and the related notes. We have also audited the total for all entities of the columns titled net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the schedule of pension amounts by employer of the Plan as of and for the year ended June 30, 2024, 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 asset, 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, 2024 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, 2024, and our report thereon, dated November 25, 2024, 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 22, 2025 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 22, 2025

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

Schedule of Employer Allocations As of and for the Year Ended June 30, 2024

Reporting Unit	Employer Contributions	Employer's Proportionate Share
Aetna Hose Hook and Ladder	\$ 8,287	0.2044 %
Bethany Beach Fire Co.	59,253	1.4617
Blades Fire Co.	-	0.0000
Camden Wyoming Vol Fire Co.	-	0.0000
Cheswold Fire Co.	4,121	0.1017
Christiana Fire Co.	23,094	0.5697
City of Harrington	53,477	1.3193
City of Milford	383,714	9.4661
City of New Castle	50,689	1.2505
City of Wilmington	1,200,449	29.6146
Cranston Heights Fire Co.	36,937	0.9112
Delaware City Fire Co.	50,131	1.2367
Elsmere Fire Co.	29,435	0.7262
Felton Fire Co.	19,069	0.4704
Five Points Fire Co.	10,045	0.2478
Georgetown EMS	46,072	1.1366
Goodwill Fire Co.	49,804	1.2286
Greenwood Fire Co.	1,733	0.0428
Harrington Fire Co.	-	0.0000
Hockessin Fire Co.	62,093	1.5318
Houston Vol Fire Co.	9,781	0.2413
Kent Conservation District	247,509	6.1060
Laurel Fire Co.	27,351	0.6747
Lewes Fire Co.	-	0.0000
Mid Sussex Rescue Fire Co.	35,723	0.8813
Mill Creek Fire Co.	92,906	2.2920
Millsboro Fire Co.	-	0.0000
Millville Fire Co.	50,893	1.2555
Milton Fire Co.	26,599	0.6562
Minquadale Fire Co.	36,395	0.8979
Odessa Fire Co.	28,020	0.6912
Port Penn Fire Co.	14,247	0.3515
Rehoboth Beach Fire Co.	53,062	1.3090
Riverfront Development Corp	68,946	1.7009
Roxana Fire Co.	32,847	0.8103
Sussex Conservation District	149,645	3.6917
Talleyville Fire Co.	69,652	1.7183

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

Schedule of Employer Allocations As of and for the Year Ended June 30, 2024

Reporting Unit	Employer Contributions	Employer's Proportionate Share
Town of Bethany Beach	\$ 130,000	3.2071 %
Town of Blades	8,147	0.2010
Town of Bowers Beach	-	0.0000
Town of Camden	15,486	0.3820
Town of Cheswold	12,206	0.3011
Town of Clayton	42,851	1.0571
Town of Felton	11,600	0.2862
Town of Frederica	6,612	0.1631
Town of Georgetown	97,976	2.4170
Town of Laurel	58,341	1.4393
Town of Millsboro	97,113	2.3957
Town of Milton	52,330	1.2910
Town of Newport	15,458	0.3813
Town of Ocean View	56,098	1.3839
Town of Selbyville	60,971	1.5041
Town of Smyrna	202,238	4.9891
Town of South Bethany	29,547	0.7289
Town of Wyoming	10,697	0.2639
Townsend Fire Co.	29,482	0.7273
Vol. Hose Co. Middletown	45,837	1.1308
Wilmington Manor Vol. Fire Co.	38,598	0.9522
Total	\$ 4,053,567	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, 2024

Employer	Net Pension Asset	Deferred outflow of resources					Deferred inflow 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
Aetna Hose Hook and Ladder	\$ (1,385)	4,493	326	5,011	89,018	98,848	1,040	737	8,950	10,727	8,259	16,342	24,601
Bethany Beach Fire Co.	(9,900)	32,123	2,334	35,831	4,431	74,719	7,433	5,273	13,327	26,033	59,055	(205)	58,850
Blades Fire Co.	-	-	-	-	28,705	28,705	-	-	2,481	2,481	-	4,790	4,790
Camden Wyoming Vol Fire Co.	-	-	-	-	27,242	27,242	-	-	13,050	13,050	-	1,930	1,930
Cheswold Fire Co	(688)	2,234	162	2,492	12,370	17,258	517	367	4,853	5,737	4,107	2,017	6,124
Christiana Fire Co.	(3,858)	12,520	910	13,965	2,319	29,714	2,897	2,055	7,070	12,022	23,016	(725)	22,291
City of Harrington	(8,935)	28,992	2,106	32,338	3,650	67,086	6,709	4,759	20,959	20,959	53,299	(2,537)	50,762
City of Milford	(64,109)	208,022	15,114	232,034	548	455,718	48,137	34,145	38,314	120,596	382,432	(11,491)	370,941
City of New Castle	(8,469)	27,480	1,997	30,652	14,351	74,480	6,359	4,511	5,581	16,451	50,520	(1,309)	49,211
City of Wilmington	(200,566)	650,800	47,285	725,918	79,725	1,503,728	150,596	106,820	91,369	348,785	1,196,439	12,692	1,209,131
Cranston Heights Fire Co.	(6,171)	20,025	1,455	22,336	2,508	46,324	4,634	3,287	3,053	10,974	36,814	(495)	36,319
Delaware City Fire Co.	(8,376)	27,178	1,975	30,314	2,674	62,141	6,289	4,461	8,603	19,353	49,964	(548)	49,416
Elsmere Fire Co.	(4,918)	15,958	1,159	17,800	373	35,290	3,693	2,619	13,204	19,516	29,337	(2,566)	26,771
Felton Fire Co.	(3,186)	10,338	751	11,531	2,141	24,761	2,392	1,697	4,915	9,004	19,005	(778)	18,227
Five Points Fire Co.	(1,678)	5,446	396	6,074	1,501	13,417	1,260	894	2,813	4,967	10,011	(358)	9,653
Georgetown EMS	(7,697)	24,977	1,815	27,860	6,501	61,153	5,780	4,100	4,046	13,926	45,918	2,065	47,983
Goodwill Fire Co.	(8,321)	27,000	1,962	30,117	493	59,572	6,248	4,432	6,586	17,266	49,638	(1,464)	48,174
Greenwood Fire Co.	(290)	940	68	1,048	19,296	21,352	217	154	1,238	1,609	1,727	3,417	5,144
Harrington Fire Co.	-	-	-	-	22,968	22,968	-	-	10,626	10,626	-	1,765	1,765
Hockessin Fire Co.	(10,374)	33,662	2,446	37,548	20,382	94,038	7,790	5,525	2,040	15,355	61,885	4,514	66,399
Houston Vol Fire Co.	(1,634)	5,302	385	5,914	116	11,717	1,227	870	8,141	10,238	9,748	(1,364)	8,384
Kent Conservation District	(41,353)	134,182	9,749	149,670	18,318	311,919	31,050	22,025	36,913	89,988	246,682	(11,658)	235,024
Laurel Fire Co	(4,570)	14,828	1,077	16,539	10,049	42,493	3,431	2,434	3,610	9,475	27,259	2,047	29,306
Lewes Fire Co.	-	-	-	-	80,645	80,645	-	-	5,737	5,737	-	12,233	12,233
Mid Sussex Rescue Fire Co.	(5,968)	19,366	1,407	21,602	5,591	47,966	4,481	3,179	29,720	37,380	35,604	(4,377)	31,227
Mill Creek Fire Co.	(15,522)	50,367	3,659	56,181	5,946	116,153	11,655	8,267	25,633	45,555	92,596	(2,790)	89,806
Millsboro Fire Co.	-	-	-	-	60,540	60,540	-	-	13,998	13,998	-	8,858	8,858
Millville Fire Co.	(8,503)	27,591	2,005	30,775	13,171	73,542	6,385	4,529	2,648	13,562	50,723	2,094	52,817
Milton Fire Co.	(4,444)	14,420	1,048	16,085	3,000	34,553	3,337	2,367	11,801	17,505	26,511	(1,481)	25,030
Minquedale Fire Co.	(6,081)	19,731	1,434	22,008	2,434	45,607	4,566	3,239	6,603	14,408	36,274	603	36,877
Odessa Fire Co.	(4,681)	15,190	1,104	16,944	4,048	37,286	3,515	2,493	17,382	23,390	27,926	(2,305)	25,621
Port Penn Fire Co.	(2,380)	7,724	561	8,615	6,450	23,350	1,787	1,268	1,017	4,072	14,199	881	15,080
Rehoboth Beach Fire Co.	(8,865)	28,767	2,090	32,087	2,611	65,555	6,657	4,722	2,607	13,986	52,885	590	53,475
Riverfront Development Corp.	(11,519)	37,378	2,716	41,692	4,573	86,359	8,649	6,135	15,695	30,479	68,716	(4,019)	64,697
Roxana Fire Co.	(5,488)	17,807	1,294	19,863	7,085	46,049	4,121	2,923	5,624	12,668	32,737	994	33,731
Sussex Conservation District	(25,002)	81,127	5,894	90,491	8,539	186,051	18,772	13,316	18,233	50,321	149,145	(1,799)	147,346
Talleyville Fire Co.	(11,637)	37,761	2,744	42,119	886	83,510	8,738	6,198	26,263	41,199	69,420	(4,296)	65,124
Town of Bethany Beach	(21,720)	70,477	5,121	78,611	12,847	167,056	16,308	11,568	6,526	34,402	129,565	(1,393)	128,172
Town of Blades	(1,361)	4,417	321	4,927	1,059	10,724	1,022	725	3,966	5,713	8,120	(1,009)	7,111
Town of Bowers Beach	-	-	-	-	126	126	-	-	154	154	-	3	3
Town of Camden	(2,587)	8,396	610	9,365	4,744	23,115	1,943	1,378	2,856	6,177	15,435	(47)	15,388
Town of Cheswold	(2,039)	6,617	481	7,381	1,638	16,117	1,531	1,086	3,085	5,702	12,166	(103)	12,063
Town of Clayton	(7,159)	23,231	1,688	25,912	6,865	57,696	5,376	3,813	6,071	15,260	42,708	(426)	42,282
Town of Felton	(1,938)	6,289	457	7,015	1,271	15,032	1,455	1,032	1,284	3,771	11,562	(326)	11,236
Town of Frederica	(1,105)	3,585	260	3,998	1,205	9,048	829	588	2,954	4,371	6,590	(79)	6,511

**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, 2024

Employer	Net Pension Asset	Deferred outflow of resources					Deferred inflow 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 pension expense	Net amortization of deferred amounts from changes in proportion	Total pension expense
Town of Georgetown	\$ (16,369)	53,116	3,859	59,246	3,781	120,002	12,291	8,718	4,868	25,877	97,648	(1,591)	96,057
Town of Laurel	(9,747)	31,629	2,298	35,279	9,604	78,810	7,319	5,192	4,750	17,261	58,147	(491)	57,656
Town of Millsboro	(16,225)	52,648	3,825	58,725	17,909	133,107	12,183	8,642	17,951	38,776	96,788	(470)	96,318
Town of Milton	(8,743)	28,370	2,061	31,644	1,253	63,328	6,565	4,657	8,958	20,180	52,155	(1,491)	50,664
Town of Newport	(2,583)	8,380	609	9,347	3,375	21,711	1,939	1,375	1,210	4,524	15,406	(40)	15,366
Town of Ocean View	(9,373)	30,413	2,210	33,923	9,248	75,794	7,038	4,992	5,877	17,907	55,911	157	56,068
Town of Selbyville	(10,187)	33,054	2,402	36,869	3,949	76,274	7,649	5,425	11,383	24,457	60,767	(1,714)	59,053
Town of Smyrna	(33,789)	109,640	7,966	122,295	16,343	256,244	25,371	17,996	40,487	83,854	201,563	(344)	201,219
Town of South Bethany	(4,937)	16,018	1,164	17,867	4,178	39,227	3,707	2,629	1,774	8,110	29,448	(71)	29,377
Town of Wyoming	(1,787)	5,799	421	6,469	922	13,611	1,342	952	829	3,123	10,661	(14)	10,647
Townsend Fire Co.	(4,926)	15,983	1,161	17,828	613	35,585	3,699	2,623	21,527	27,849	29,384	(3,861)	25,523
Vol. Hose Co. Middletown	(7,658)	24,850	1,805	27,718	484	54,857	5,750	4,079	8,740	18,569	45,684	(1,601)	44,083
Wilmington Manor Vol. Fire Co.	(6,449)	20,925	1,520	23,340	-	45,785	4,842	3,435	38,127	46,404	38,469	(6,356)	32,113
Total	\$ (677,250)	2,197,566	159,667	2,451,213	676,612	5,485,058	508,521	360,706	676,612	1,545,839	4,040,028	-	4,040,028

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, 2024. 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.

(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.

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

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

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, 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, 2023, through June 30, 2024, 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 5.59% of earnings for the Fiscal Year 2024.

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

The components of the collective net pension (asset) of the participating employers at June 30, 2024 were as follows (in thousands):

Employers' total pension liability	\$	105,759
Plan fiduciary net position		(106,436)
<hr/>		
Employers' net pension (asset)	\$	(677)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Actuarial Assumptions

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

(1) Inflation is included at 2.5%.

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

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

The total pension liability is 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, 2024 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	10year Average Asset Allocation
Domestic equity	5.7%	33.6%
International equity	5.7	13.9
Fixed income	2.0	25.3
Alternative investments	7.8	21.7
Cash and equivalents	-	5.5

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 County & Municipal Other Employees' Pension Plan

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

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

The following presents the collective net pension (asset), calculated using the discount rate of 7.0%, as well as what the collective net pension (asset) 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	\$ 9,109	\$ (677)	\$ (9,668)

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, 2024:

	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	2024	7 years	\$ -	\$ 77,386	\$ (11,055)	\$ 66,331
	2023	8 years	751,717	-	(107,388)	644,329
	2022	8 years	1,503,464	-	(250,578)	1,252,886
	2019	9 years	264,084	-	(66,020)	198,064
	2017	9 years	71,915	-	(35,959)	35,956
	2016	9 years	210,330	-	(210,330)	-
Subtotal			2,801,510	77,386	(681,330)	2,197,566
Changes of assumptions	2017	9 years	319,335	-	(159,668)	159,667
	2016	9 years	113,151	-	(113,151)	-
Subtotal			432,486	-	(272,819)	159,667
Net difference between projected and actual earnings on pension plan investments	2024	5 years	\$ -	(3,044,019)	\$ 608,804	\$ (2,435,215)
	2023	5 years	1,340,618	-	(335,155)	1,005,463
	2022	5 years	12,210,860	-	(4,070,287)	8,140,573
	2021	5 years	(8,519,216)	-	4,259,608	(4,259,608)
	2020	5 years	(343,281)	-	343,281	-
Subtotal			4,688,981	(3,044,019)	806,251	2,451,213
Total			\$ 7,922,977	\$ (2,966,633)	\$ (147,898)	\$ 4,808,446

Deferred Inflows of Resources:

Changes of assumptions	2021	8 years	(450,882)	-	90,176	(360,706)
Differences between expected and actual experience	2021	8 years	(223,883)	-	44,776	(179,107)
	2020	8 years	(161,793)	-	40,448	(121,345)
	2018	8 years	(416,136)	-	208,067	(208,069)
Subtotal			(801,812)	-	293,291	(508,521)
Total			\$ (1,252,694)	\$ -	\$ 383,467	\$ (869,227)

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

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

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

Year ending June 30,

2025	\$	(216)
2026		4,056
2027		(14)
2028		(375)
2029		369
Thereafter		119
Total	\$	3,939

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 7 years for the 2024 amounts.

6. Collective Pension Expense

The components of collective pension expense for the year ending June 30, 2024 are as follows (in thousands):

Service cost	\$	5,687
Interest on total pension liability		7,020
Member contributions		(1,930)
Administrative expense		170
Projected earnings on pension plan investments		(6,672)
Recognition of deferred outflows and inflows of resources:		
Difference between projected and actual earnings on pension plan investments		(806)
Differences between expected and actual experience		388
Changes of assumptions		183
Pension expense	\$	4,040

7. Subsequent Events

The Plan evaluated all subsequent events through May 22, 2025, 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 asset, 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) as of and for the year ended June 30, 2024 and the related notes and have issued our report thereon dated May 22, 2025.

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 or significant deficiencies may exist that were not 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 22, 2025