

Delaware Public Employees' Retirement System State 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 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, 2024, 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, 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 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, 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 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, 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
State 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
State of Delaware Entities:		
Academia Antonia Alonso Charter	\$ 693,217	0.2250 %
Academy of Dover Charter	361,270	0.1173
Bryan Allen Stevenson School of Excellence	24,212	0.0079
Campus Community Charter	321,504	0.1044
Charter School of New Castle	525,352	0.1705
DE Military Academy Charter	456,850	0.1483
Delaware Agricultural Lands Preservation Foundation	9,189	0.0030
Delaware Department of Transportation	10,295,205	3.3421
Delaware State Housing Authority	19,378	0.0063
Delaware State University	7,556,355	2.4530
Early College High School Charter	343,497	0.1115
East Side Charter	576,252	0.1871
First State Military Academy	371,957	0.1207
First State Montessori Academy Charter	566,050	0.1838
Freire Charter School	383,292	0.1244
Gateway Lab Charter	256,641	0.0833
General Government (State of Delaware)	264,573,715	85.8886
Great Oaks Charter School	165,958	0.0539
Kuumba Academy Charter	707,028	0.2295
Las America Aspira Charter	1,478,850	0.4801
Lottery	303,029	0.0984
MOT Charter	1,073,801	0.3486
Newark Charter	2,980,580	0.9676
Odyssey Charter	2,109,834	0.6849
Positive Outcomes Charter	220,408	0.0716
Providence Creek Charter	446,739	0.1450
Sussex Academy Charter	802,514	0.2605
Sussex Montessori Charter	247,001	0.0802
The Charter School of Wilmington	689,609	0.2239
Thomas Edison Charter	570,164	0.1851
State of Delaware Entities Sub-Total	299,129,451	97.1064
Affiliated Entities:		
Delaware Solid Waste Authority	918,526	0.2982
Delaware State Education Association	9,491	0.0031
University of Delaware	7,985,404	2.5923
Total	\$ 308,042,872	100.0000 %

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

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

Schedule of Pension Amounts by Employer - As of and for the Year Ended June 30, 2024

Employer	Net Pension Liability	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
State of Delaware Entities:													
Academia Antonia Alonso Charter	\$ 3,513,319	810,536	166,427	681,369	369,739	2,028,071	-	-	-	-	860,923	218,289	1,079,212
Academy of Dover Charter	1,830,966	422,411	86,734	355,095	265,523	1,129,763	-	-	1,905	1,905	448,670	105,690	554,360
Bryan Allen Stevenson School of Excellence	122,710	28,310	5,813	23,798	44,296	102,217	-	-	-	-	30,069	10,483	40,552
Campus Community Charter	1,629,427	375,915	77,187	316,009	76,875	845,986	-	-	9,014	9,014	399,284	(2,866)	396,418
Charter School of New Castle	2,662,556	614,261	126,126	516,373	3,659	1,260,419	-	-	178,454	178,454	652,447	(53,288)	599,159
DE Military Academy Charter	2,315,379	534,166	109,680	449,042	70,124	1,163,012	-	-	87,515	87,515	567,373	(1,577)	565,796
Delaware Agricultural Lands Preservation Foundation	46,571	10,744	2,206	9,032	1,335	23,317	-	-	7,841	7,841	11,412	(4,956)	6,456
Delaware Department of Transportation	52,177,516	12,037,543	2,471,672	10,119,242	162,962	24,791,419	-	-	1,126,832	1,126,832	12,785,864	(228,445)	12,557,419
Delaware State Housing Authority	98,210	22,657	4,652	19,047	1,415	47,771	-	-	44,485	44,485	24,066	(27,947)	(3,881)
Delaware State University	38,296,647	8,835,176	1,814,129	7,427,204	999,201	19,075,710	-	-	981,218	981,218	9,384,420	(1,200)	9,383,220
Early College High School Charter	1,740,890	401,630	82,467	337,626	222,125	1,043,848	-	-	32,954	32,954	426,597	48,034	474,631
East Side Charter	2,920,524	673,776	138,347	566,403	101,417	1,479,943	-	-	28,416	28,416	715,661	24,456	740,117
First State Military Academy	1,885,129	434,906	89,299	365,600	118,109	1,007,914	-	-	106,316	106,316	461,942	62,077	524,019
First State Montessori Academy Charter	2,868,819	661,847	135,897	556,375	105,297	1,459,416	-	-	22,528	22,528	702,991	77,767	780,758
Freire Charter School	1,942,577	448,160	92,021	376,741	106,858	1,023,780	-	-	90,557	90,557	476,020	69,002	545,022
Gateway Lab Charter	1,300,692	300,074	61,614	252,255	43,750	657,693	-	-	82,616	82,616	318,729	(20,247)	298,482
General Government (State of Delaware)	1,340,896,012	309,349,600	63,518,830	260,051,686	801,950	633,722,066	-	-	2,201,522	2,201,522	328,580,498	(80,483)	328,500,015
Great Oaks Charter School	841,098	194,044	39,843	163,121	22,198	419,206	-	-	403,045	403,045	206,107	(21,043)	185,064
Kuumba Academy Charter	3,583,315	826,684	169,743	694,944	195,727	1,887,098	-	-	148,091	148,091	878,075	70,015	948,090
Las America Aspira Charter	7,495,015	1,729,127	355,042	1,453,574	970,952	4,508,695	-	-	-	-	1,836,620	371,691	2,208,311
Lottery	1,535,793	354,313	72,751	297,850	-	724,914	-	-	116,411	116,411	376,339	(38,749)	337,590
MOT Charter	5,442,171	1,255,529	257,798	1,055,448	236,976	2,805,751	-	-	149,948	149,948	1,333,579	97,757	1,431,336
Newark Charter	15,105,990	3,485,007	715,577	2,929,637	1,149,743	8,279,964	-	-	19,574	19,574	3,701,654	362,118	4,063,772
Odyssey Charter	10,692,929	2,466,898	506,529	2,073,773	892,194	5,939,394	-	-	-	-	2,620,254	430,787	3,051,041
Positive Outcomes Charter	1,117,058	257,709	52,916	216,641	6,314	533,580	-	-	41,858	41,858	273,730	(8,759)	264,971
Providence Creek Charter	2,264,135	522,344	107,253	439,103	63,673	1,132,373	-	-	24,715	24,715	554,816	(2,191)	552,625
Sussex Academy Charter	4,067,251	938,330	192,667	788,798	414,589	2,334,384	-	-	252,169	252,169	996,662	189,397	1,186,059
Sussex Montessori Charter	1,251,835	288,803	59,300	242,779	379,616	970,498	-	-	-	-	306,757	143,441	450,198
The Charter School of Wilmington	3,495,033	806,317	165,561	677,822	-	1,649,700	-	-	161,830	161,830	856,442	(78,728)	777,714
Thomas Edison Charter	2,889,670	666,657	136,885	560,419	95,543	1,459,504	-	-	110,241	110,241	708,100	(20,289)	687,811
Previously Closed Entities*	-	-	-	-	-	-	-	-	252,795	252,795	-	(300,934)	(300,934)
State of Delaware Entities Sub-Total	1,516,029,237	349,753,474	71,814,966	294,016,806	7,922,160	723,507,406	-	-	6,682,850	6,682,850	371,496,101	1,389,302	372,885,403
Affiliated Entities:													
Delaware Solid Waste Authority	4,655,216	1,073,975	220,520	902,827	132,585	2,329,907	-	-	118,400	118,400	1,140,740	1,919	1,142,659
Delaware State Education Association	48,102	11,097	2,279	9,329	717	23,422	-	-	1,144	1,144	11,787	161	11,948
University of Delaware	40,471,127	9,336,837	1,917,135	7,848,919	1,117,298	20,220,189	-	-	2,370,366	2,370,366	9,917,266	(1,391,382)	8,525,884
Total	\$ 1,561,203,682	360,175,383	73,954,900	302,777,881	9,172,760	746,080,924	-	-	9,172,760	9,172,760	382,565,894	-	382,565,894

* Previously Closed Entities include Delaware Academy of Public Safety Charter and Design Thinking 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

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, 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 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.

(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).

Delaware Public Employees' Retirement System State Employees' Pension Plan

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

(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 the benefit 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 retired 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.

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

Delaware Public Employees' Retirement System State Employees' Pension Plan

Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by 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 11.71% of earnings for the Fiscal Year 2024.

The following is a reconciliation of employer contributions reported on the June 30, 2024 Annual Comprehensive Financial Report to the employer contributions presented in the Schedule of Employer Allocations:

Annual Comprehensive Financial Report	\$ 308,052
Employer contributions to separately finance specific liabilities	(9)
Schedule of Employer Allocations	\$ 308,043

4. Collective Net Pension Liability and Actuarial Information

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

Employers' total pension liability	\$ 13,336,236
Plan fiduciary net position	(11,775,032)
Employers' net pension liability	\$ 1,561,204

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%.

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.

Delaware Public Employees' Retirement System State Employees' Pension Plan

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

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, 2024 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	10-year 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.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability, calculated using the discount rate of 7.0%, as well as what the collective net pension 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 liability	\$ 2,836,051	\$ 1,561,204	\$ 389,943

Delaware Public Employees' Retirement System State Employees' Pension Plan

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2024:

	Measurement period ending June 30	Amortization Period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred Outflows of Resources:						
Differences between	2024	6 years	\$ -	\$ 266,231,699	\$ (44,371,950)	\$ 221,859,749
expected and actual	2023	6 years	119,497,352	-	(23,899,470)	95,597,882
experience	2022	6 years	9,733,153	-	(2,433,289)	7,299,864
	2021	6 years	28,532,730	-	(9,510,911)	19,021,819
	2020	6 years	32,792,139	-	(16,396,070)	16,396,069
	2019	6 years	15,534,113	-	(15,534,113)	-
Subtotal			206,089,487	266,231,699	(112,145,803)	360,175,383
Net difference	2024	5 years	-	(337,891,713)	67,578,343	(270,313,370)
between projected	2023	5 years	164,069,982	-	(41,017,495)	123,052,487
and actual earnings	2022	5 years	1,547,978,937	-	(515,992,979)	1,031,985,958
on pension plan	2021	5 years	(1,163,894,389)	-	581,947,195	(581,947,194)
investments	2020	5 years	(47,952,680)	-	47,952,680	-
Subtotal			500,201,850	(337,891,713)	140,467,744	302,777,881
Changes of assumptions	2021	6 years	110,932,350	-	(36,977,450)	73,954,900
Total			\$ 817,223,687	\$ (71,660,014)	\$ (8,655,509)	\$ 736,908,164

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	\$ 41,074
2026	606,625
2027	44,144
2028	693
2029	44,372
Total	\$ 736,908

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 2024 amounts.

Delaware Public Employees' Retirement System

State Employees' Pension Plan

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

6. Collective Pension Expense

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

Service cost	\$ 266,687
Interest on total pension liability	894,797
Member contributions	(102,141)
Administrative expense	7,894
Changes in benefit terms	67,974
Projected earnings on pension plan investments	(761,300)
Recognition of deferred outflows and inflows of resources:	
Differences between projected and actual earnings on pension plan investments	(140,468)
Differences between expected and actual experience	112,146
Changes of assumptions	36,977
Pension expense	\$ 382,566

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 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, 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