

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

Schedule of Employer Allocations and
Schedule of Pension Amounts by Employer
June 30, 2025

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

Contents

Independent Auditor's Report	3-5
Schedule of Employer Allocations	6-7
Schedule of Pension Amounts by Employer	8-9
Notes to Schedule of Employer Allocations and Schedule of Pension Amounts by Employer	10-15
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 <i>Government Auditing Standards</i>	16-17



Tel: 302-656-5500
Fax: 302-656-8024
www.bdo.com

4250 Lancaster Pike, Suite 120
Wilmington, DE 19805

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, 2025, 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, 2025, 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, 2025 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, 2025, and our report thereon, dated November 25, 2025, 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 21, 2026 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 21, 2026

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

**Schedule of Employer Allocations
As of and for the Year Ended June 30, 2025**

Reporting Unit	Employer Contributions	Employer's Proportionate Share
Aetna Hose Hook and Ladder	\$ 4,370	0.0924 %
Bethany Beach Fire Co.	36,005	0.7609
Blades Fire Co.	-	0.0000
Camden Wyoming Vol Fire Co.	-	0.0000
Cheswold Fire Co	-	0.0000
Christiana Fire Co.	26,619	0.5626
City of Harrington	59,513	1.2578
City of Milford	399,731	8.4481
City of New Castle	60,018	1.2685
City of Wilmington	1,316,903	27.8321
Claymont Fire Co.	3,752	0.0793
Cranston Heights Fire Co.	38,495	0.8136
Delaware City Fire Co.	47,802	1.0103
Delaware Municipal Electric Corp.	51,137	1.0808
Elsmere Fire Co.	34,356	0.7261
Felton Fire Co.	23,327	0.4930
Five Points Fire Co.	18,612	0.3934
Georgetown EMS	46,273	0.9780
Goodwill Fire Co.	55,208	1.1668
Greenwood Fire Co.	-	0.0000
Harrington Fire Co.	-	0.0000
Hockessin Fire Co.	64,782	1.3691
Houston Vol Fire Co.	7,592	0.1605
Kent Conservation District	297,366	6.2847
Laurel Fire Co	33,603	0.7102
Lewes Fire Co.	-	0.0000
Mid Sussex Rescue Fire Co.	36,026	0.7614
Mill Creek Fire Co.	106,089	2.2421
Millsboro Fire Co.	-	0.0000
Millville Fire Co.	57,303	1.2111
Milton Fire Co.	29,695	0.6276
Minquadale Fire Co.	40,792	0.8621
Odessa Fire Co.	32,906	0.6955
Port Penn Fire Co.	19,607	0.4144
Rehoboth Beach Fire Co.	54,587	1.1537
Riverfront Development Corp.	67,461	1.4258
Roxana Fire Co.	2,733	0.0578

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

**Schedule of Employer Allocations
As of and for the Year Ended June 30, 2025**

Reporting Unit	Employer Contributions	Employer's Proportionate Share
Sussex Conservation District	\$ 165,484	3.4974 %
Talleyville Fire Co.	74,553	1.5756
Town of Bethany Beach	141,015	2.9803
Town of Blades	9,149	0.1934
Town of Bowers Beach	-	0.0000
Town of Camden	14,866	0.3142
Town of Cheswold	15,589	0.3295
Town of Clayton	47,893	1.0122
Town of Delmar	89,339	1.8881
Town of Felton	12,779	0.2701
Town of Frederica	8,426	0.1781
Town of Georgetown	106,549	2.2519
Town of Laurel	68,509	1.4479
Town of Middletown	176,270	3.7254
Town of Millsboro	119,757	2.5310
Town of Millville	16,658	0.3521
Town of Milton	61,657	1.3031
Town of Newport	16,524	0.3492
Town of Ocean View	61,403	1.2977
Town of Selbyville	72,887	1.5404
Town of Smyrna	211,559	4.4712
Town of South Bethany	29,942	0.6328
Town of Wyoming	10,997	0.2324
Townsend Fire Co.	13,642	0.2883
Vol. Hose Co. Middletown	50,858	1.0749
Wilmington Manor Vol. Fire Co.	62,626	1.3236
Total	\$ 4,731,594	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, 2025

Employer	Net Pension Asset	Deferred outflows of resources			Deferred inflows of resources					Pension expense			
		Differences between expected and actual experience	Changes in proportion	Total deferred outflows of resources	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 inflows of resources	Proportionate share of allocated pension expense	Net amortization of deferred amounts from changes in proportion	Employer's share of pension expense related to specific liabilities	Total pension expense
Aetna Hose Hook and Ladder	\$ 8,714	1,594	78,012	79,606	3,112	250	553	6,747	10,662	4,208	13,978	(1,969)	16,217
Bethany Beach Fire Co.	71,801	13,138	31,214	44,352	25,641	2,059	4,555	10,817	43,072	34,673	3,059	(16,223)	21,509
Blades Fire Co.	-	-	23,438	23,438	-	-	-	2,004	2,004	-	4,790	-	4,790
Camden Wyoming Vol Fire Co.	-	-	22,702	22,702	-	-	-	10,440	10,440	-	1,930	-	1,930
Cheswold Fire Co	-	-	13,465	13,465	-	-	-	3,786	3,786	-	2,530	-	2,530
Christiana Fire Co.	53,082	9,713	1,892	11,605	18,957	1,522	3,367	5,635	29,481	25,633	(678)	(11,993)	12,962
City of Harrington	118,680	21,716	5,353	27,069	42,382	3,403	7,529	6,440	59,754	57,310	(1,916)	(26,815)	28,579
City of Milford	797,136	145,863	40,645	186,508	284,671	22,854	50,567	28,704	386,796	384,936	(2,713)	(180,106)	202,117
City of New Castle	119,687	21,901	11,595	33,496	42,742	3,432	7,592	3,710	57,476	57,797	55	(27,042)	30,810
City of Wilmington	2,626,143	480,541	121,625	602,166	937,840	75,293	166,590	75,716	1,255,439	1,268,160	24,735	(593,353)	699,542
Claymont Fire Co.	7,482	1,369	-	1,369	2,672	215	475	3,138	6,500	3,613	(523)	23,859	26,949
Cranston Heights Fire Co.	76,767	14,047	5,882	19,929	27,415	2,201	4,870	2,184	36,670	37,071	264	(17,345)	19,990
Delaware City Fire Co.	95,326	17,443	10,548	27,991	34,043	2,733	6,047	7,034	49,857	46,033	1,011	(21,538)	25,506
Delaware Municipal Electric Corp.	101,976	18,660	-	18,660	36,417	2,924	6,469	42,765	88,575	49,244	(7,128)	1,505,276	1,547,392
Elsmere Fire Co.	68,511	12,536	287	12,823	24,467	1,964	4,346	10,496	41,273	33,084	(2,617)	(15,479)	14,988
Felton Fire Co.	46,519	8,512	1,401	9,913	16,613	1,334	2,951	4,358	25,256	22,464	(859)	(10,510)	11,095
Five Points Fire Co.	37,116	6,792	1,188	7,980	13,255	1,064	2,354	7,892	24,565	17,923	(1,327)	(8,386)	8,210
Georgetown EMS	92,276	16,885	10,949	27,834	32,953	2,646	5,854	2,761	44,214	44,560	1,588	(20,849)	25,299
Goodwill Fire Co.	110,094	20,145	2,731	22,876	39,316	3,157	6,984	4,855	54,312	53,164	(1,114)	(24,875)	27,175
Greenwood Fire Co.	-	-	17,324	17,324	-	-	-	991	991	-	3,699	-	3,699
Harrington Fire Co.	-	-	19,135	19,135	-	-	-	8,553	8,553	-	1,760	-	1,760
Hockessin Fire Co.	129,187	23,639	21,897	45,536	46,135	3,704	8,195	1,632	59,666	62,384	5,587	(29,189)	38,782
Houston Vol Fire Co.	15,139	2,770	3,286	6,056	5,406	434	960	6,748	13,548	7,311	(831)	(3,421)	3,059
Kent Conservation District	593,002	108,510	15,056	123,566	211,771	17,002	37,618	30,723	297,114	286,359	(11,179)	(133,983)	141,197
Laurel Fire Co	67,010	12,262	7,311	19,573	23,930	1,921	4,251	4,321	34,423	32,359	1,813	(15,140)	19,032
Lewes Fire Co.	-	-	66,843	66,843	-	-	-	4,420	4,420	-	12,485	-	12,485
Mid Sussex Rescue Fire Co.	71,842	13,146	9,402	22,548	25,656	2,060	4,557	24,411	56,684	34,693	(3,587)	(16,232)	14,874
Mill Creek Fire Co.	211,560	38,712	5,870	44,582	75,552	6,066	13,420	20,738	115,776	102,162	(2,519)	(47,800)	51,843
Millsboro Fire Co.	-	-	49,211	49,211	-	-	-	11,528	11,528	-	8,858	-	8,858
Millville Fire Co.	114,273	20,910	11,887	32,797	40,809	3,276	7,249	1,589	52,923	55,182	2,277	(25,819)	31,640
Milton Fire Co.	59,216	10,836	3,429	14,265	21,147	1,698	3,756	9,617	36,218	28,595	(1,292)	(13,379)	13,924
Minquadale Fire Co.	81,346	14,885	3,290	18,175	29,050	2,332	5,160	4,956	41,498	39,282	(853)	(18,379)	20,050
Odessa Fire Co.	65,621	12,008	3,187	15,195	23,434	1,881	4,163	14,384	43,862	31,688	(2,332)	(14,826)	14,530
Port Penn Fire Co.	39,101	7,155	5,265	12,420	13,963	1,121	2,480	3,197	20,761	18,882	460	(8,834)	10,508
Rehoboth Beach Fire Co.	108,857	19,919	7,929	27,848	38,875	3,121	6,905	1,867	50,768	52,567	1,113	(24,595)	29,085
Riverfront Development Corp.	134,529	24,617	14,585	39,202	48,043	3,857	8,534	11,297	71,731	64,964	(1,709)	(30,396)	32,859
Roxana Fire Co.	5,449	997	34,872	35,869	1,946	156	346	4,627	7,075	2,631	5,957	(1,231)	7,357
Sussex Conservation District	330,005	60,385	13,561	73,946	117,850	9,462	20,934	14,618	162,864	159,359	332	(74,562)	85,129
Talleyville Fire Co.	148,671	27,204	5,761	32,965	53,093	4,263	9,431	21,382	88,169	71,793	(3,170)	(33,591)	35,032
Town of Bethany Beach	281,208	51,457	19,543	71,000	100,424	8,063	17,839	3,440	129,766	135,795	686	(63,536)	72,945
Town of Blades	18,244	3,338	1,184	4,522	6,515	523	1,157	2,743	10,938	8,810	(997)	(4,122)	3,691
Town of Bowers Beach	-	-	84	84	-	-	-	116	116	-	3	-	3
Town of Camden	29,646	5,425	6,571	11,996	10,587	850	1,881	1,607	14,925	14,316	57	(6,698)	7,675
Town of Cheswold	31,088	5,689	1,071	6,760	11,102	891	1,972	3,516	17,481	15,012	(310)	(7,024)	7,678
Town of Clayton	95,507	17,476	7,475	24,951	34,107	2,738	6,059	4,684	47,588	46,120	79	(21,579)	24,620

**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, 2025

Employer	Net Pension Asset	Deferred outflows of resources			Deferred inflows of resources					Pension expense			
		Differences between expected and actual experience	Changes in proportion	Total deferred outflows of resources	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 inflows of resources	Proportionate share of allocated plan pension expense	Net amortization of deferred amounts from changes in proportion	Employer's share of pension expense related to specific liabilities	Total pension expense
Town of Delmar	\$ 178,159	32,600	-	32,600	63,623	5,108	11,302	74,712	154,745	86,032	(12,452)	537,776	611,356
Town of Felton	25,484	4,663	1,673	6,336	9,101	731	1,617	882	12,331	12,306	(61)	(5,758)	6,487
Town of Frederica	16,804	3,075	660	3,735	6,001	482	1,066	2,922	10,471	8,114	(178)	(3,797)	4,139
Town of Georgetown	212,478	38,880	9,584	48,464	75,880	6,092	13,479	2,802	98,253	102,605	(244)	(48,007)	54,354
Town of Laurel	136,619	24,999	7,737	32,736	48,789	3,917	8,667	3,396	64,769	65,973	114	(30,868)	35,219
Town of Middletown	351,514	64,321	-	64,321	125,532	10,078	22,299	147,410	305,319	169,745	(24,570)	(79,421)	65,754
Town of Millsboro	238,817	43,700	14,116	57,816	85,286	6,847	15,150	19,758	127,041	115,324	(645)	(53,958)	60,721
Town of Millville	33,218	6,078	-	6,078	11,863	952	2,107	13,931	28,853	16,041	(2,322)	(7,505)	6,214
Town of Milton	122,955	22,499	603	23,102	43,909	3,525	7,800	7,618	62,852	59,375	(1,249)	(27,781)	30,345
Town of Newport	32,953	6,030	4,038	10,068	11,768	945	2,090	687	15,490	15,913	295	(7,445)	8,763
Town of Ocean View	122,449	22,406	10,869	33,275	43,729	3,511	7,768	4,209	59,217	59,131	690	(27,666)	32,155
Town of Selbyville	145,349	26,596	2,985	29,581	51,907	4,167	9,220	10,114	75,408	70,189	(1,981)	(32,840)	35,368
Town of Smyrna	421,887	77,198	31,818	109,016	150,663	12,095	26,762	33,251	222,771	203,729	1,200	(95,321)	109,608
Town of South Bethany	59,710	10,926	7,203	18,129	21,324	1,712	3,788	1,013	27,837	28,834	651	(13,491)	15,994
Town of Wyoming	21,930	4,013	1,893	5,906	7,832	629	1,391	416	10,268	10,590	68	(4,955)	5,703
Townsend Fire Co.	27,205	4,978	17,831	22,809	9,715	780	1,726	17,760	29,981	13,137	(718)	(6,147)	6,272
Vol. Hose Co. Middletown	101,420	18,558	2,535	21,093	36,219	2,908	6,434	6,964	52,525	48,976	(1,246)	(22,915)	24,815
Wilmington Manor Vol. Fire Co.	124,887	22,852	-	22,852	44,599	3,581	7,922	46,469	102,571	60,308	(8,804)	(28,217)	23,287
Total	\$ 9,435,649	1,726,567	851,501	2,578,068	3,369,631	270,530	598,558	851,501	5,090,220	4,556,459	-	-	4,556,459

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, 2025. For a more complete description, please refer to the DPERS Annual Comprehensive Financial Report.

Separately issued financial statements for DPERS are available from the Office of Pensions at www.delawarepensions.com.

(a) Plan Description and Eligibility

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

(b) Service Benefits

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

(c) Vesting

Five years of credited service.

(d) Retirement

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

(e) Disability Benefits

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

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

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

(f) Survivor Benefits

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

2. Basis of Presentation

The Schedules of Employer Allocations and Pension Amounts by Employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of DPERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of DPERS or the participating employers. The accompanying schedules have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

3. Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net pension asset, 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, 2024, through June 30, 2025, 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 5.70% of earnings for the Fiscal Year 2025.

The following is a reconciliation of employer contributions reported on the June 30, 2025 Annual Comprehensive Financial Report to the employer contributions presented in the Schedule of Employer Allocations (in thousands):

Annual Comprehensive Financial Report	\$	6,863
Employer contributions to separately finance specific liabilities		(2,131)
<hr/>		
Schedule of Employer Allocations	\$	4,732

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

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

4. Collective Net Pension (Asset) and Actuarial Information

The components of the collective net pension (asset) of the participating employers at June 30, 2025 were as follows (in thousands):

Employers' total pension liability	\$	114,563
Plan fiduciary net position		(123,999)
<hr/>		
Employers' net pension (asset)	\$	(9,436)

Actuarial Assumptions

The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025. 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. The demographic assumptions were adopted by the Board upon the recommendations of the actuary, based on an experience study performed in 2021 and covering the period July 1, 2015 through June 30, 2020. 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, 2025 are summarized in the following table:

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

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

Asset Class	Long-term Expected Real Rate of Return	10year Average Asset Allocation
Domestic equity	5.7%	34.2%
International equity	5.7	14.2
Fixed income	2.0	25.1
Alternative investments	7.8	21.3
Cash and equivalents	-	5.2

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension (Asset) 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 (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Collective net pension (asset) / liability	\$ 8,402	\$ (9,436)	\$ (23,995)

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

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2025:

	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	\$ 66,331	\$ -	\$ (11,055)	\$ 55,276
	2023	8 years	644,329	-	(107,389)	536,940
	2022	8 years	1,252,886	-	(250,579)	1,002,307
	2019	9 years	198,064	-	(66,020)	132,044
	2017	9 years	35,956	-	(35,956)	-
Subtotal			2,197,566	-	(470,999)	1,726,567
Changes of assumptions	2017	9 years	159,667	-	(159,667)	-
Total			\$ 2,357,233	\$ -	(630,666)	\$ 1,726,567
Deferred Inflows of Resources:						
Differences between expected and actual experience	2025	7 years	-	(3,680,136)	525,733	(3,154,403)
	2021	8 years	(179,107)	-	44,776	(134,331)
	2020	8 years	(121,345)	-	40,448	(80,897)
	2018	8 years	(208,069)	-	208,069	-
Subtotal			(508,521)	(3,680,136)	819,026	(3,369,631)
Changes of assumptions	2021	8 years	(360,706)	-	90,176	(270,530)
Net difference between projected and actual earnings on pension plan investments	2025	5 years	\$ -	\$ (4,390,926)	\$ 878,185	\$ (3,512,741)
	2024	5 years	(2,435,215)	-	608,804	(1,826,411)
	2023	5 years	1,005,463	-	(335,155)	670,308
	2022	5 years	8,140,573	-	(4,070,287)	4,070,286
	2021	5 years	(4,259,608)	-	4,259,608	-
Subtotal			2,451,213	(4,390,926)	1,341,155	(598,558)
Total			\$ 1,581,986	\$ (8,071,062)	\$ 2,250,357	\$ (4,238,719)

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,

2026	\$	2,652
2027		(1,418)
2028		(1,779)
2029		(1,035)
2030		(407)
Thereafter		(525)
Total		\$ (2,512)

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 2025 amounts.

6. Collective Pension Expense

The components of collective pension expense for the year ending June 30, 2025 are as follows (in thousands):

Service cost	\$	6,100
Interest on total pension liability		7,457
Member contributions		(2,216)
Administrative expense		192
Change in benefit terms		2,281
Projected earnings on pension plan investments		(7,638)
Recognition of deferred outflows and inflows of resources:		
Difference between projected and actual earnings on pension plan investments		(1,341)
Differences between expected and actual experience		(348)
Changes of assumptions		69
Pension expense		\$ 4,556

7. Subsequent Events

The Plan evaluated all subsequent events through May 21, 2026, the date that the schedules were available to be issued.



Tel: 302-656-5500
Fax: 302-656-8024
www.bdo.com

4250 Lancaster Pike, Suite 120
Wilmington, DE 19805

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, 2025 and the related notes and have issued our report thereon dated May 21, 2026.

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 21, 2026