

State of Delaware
Other Postemployment Benefits (OPEB) Fund Trust

Schedules of Employer Allocations and OPEB Amounts by Employer

As of and for the Year Ended June 30, 2024

State of Delaware
OPEB Fund Trust

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Independent Auditor's Report

The Members of the Board of Pension Trustees
State of Delaware Other Post Employment Benefits Fund Trust
Dover, DE

Report on the Audit of the Schedules

Opinions

We have audited the schedule of employer allocations of the State of Delaware Other Postemployment Benefits (OPEB) Fund Trust (the Trust) 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 OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense (specified column totals) included in the schedule of OPEB amounts by employer of the Trust 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 OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating entities for the Trust 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 Trust 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 OPEB 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 OPEB 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 OPEB 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 OPEB 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 Trust'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 OPEB 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 State of Delaware Other Postemployment Benefits (OPEB) Fund Trust, 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.



Supplementary Information

The schedule of additional employer allocations has not been subject to the auditing procedures applied in the audit of the schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer and accordingly we do not express an opinion or provide any assurance on it.

Restriction on Use

Our report is intended solely for the information and use of the Trust's management, the Board of Pension Trustees, the Trust 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 Trust'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 Trust'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 Trust's internal control over financial reporting and compliance.

BDO USA, P.C.

May 22, 2025

**State of Delaware
OPEB Fund Trust**

**Schedule of Employer Allocations
As of and for the year ended June 30, 2024**

Reporting Unit	Employer 2024	Employer's Proportionate Share 2024
<i>State of Delaware Entities:</i>		
Academia Antonia Alonso	\$ 918,707	0.2182 %
Academy of Dover Charter School	478,783	0.1137 %
Bryan Allen Stevenson School of Excellence	32,088	0.0076 %
Campus Community School	426,083	0.1012 %
Charter School of New Castle	696,238	0.1653 %
Delaware Agricultural Lands Preservation	12,179	0.0029 %
Delaware Department of Transportation	13,644,023	3.2400 %
Delaware Military Academy Charter School	605,454	0.1438 %
Delaware State Housing Authority	25,681	0.0061 %
Delaware State Lottery	401,598	0.0954 %
Delaware State University	10,014,282	2.3780 %
Early College High School at DSU	455,229	0.1081 %
East Side Charter School	763,695	0.1814 %
First State Military Academy	492,947	0.1171 %
First State Montessori Academy	750,174	0.1781 %
Freire Charter School	507,970	0.1206 %
Gateway Lab School	340,122	0.0808 %
General Government (State of DE)	363,584,555	86.3385 %
Great Oaks Charter School	219,940	0.0522 %
Kuumba Academy Charter School	937,010	0.2225 %
Las Americas Aspira Academy	1,959,889	0.4654 %
MOT Charter School	1,423,087	0.3379 %
Newark Charter School	3,950,102	0.9380 %
Odyssey Charter School	2,796,120	0.6640 %
Positive Outcomes Charter School	292,102	0.0694 %
Providence Creek Academy Charter School	592,054	0.1406 %
Sussex Academy	1,063,555	0.2526 %
Sussex Montessori Charter School	327,345	0.0777 %
The Charter School of Wilmington	913,925	0.2170 %
Thomas A. Edison Charter School	755,626	0.1794 %
State of Delaware Entities Sub-Total	409,380,563	97.2135 %
<i>Affiliated Entities:</i>		
Delaware Solid Waste Authority	1,231,536	0.2924 %
Delaware State Education Association	13,613	0.0032 %
University of Delaware	10,489,490	2.4909 %
Total	\$ 421,115,202	100.0000 %
See accompanying notes to Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer		
<i>Supplementary Information:</i>		
Additional Contributions	\$ 100,979,526	

State of Delaware
OPEB Fund Trust
Schedule of OPEB Amounts by Employer
As of and for the year ended June 30, 2024

Reporting Unit	Deferred Outflows of Resources						Deferred Inflows of Resources				OPEB Expense		
	Net OPEB Liability	Expected and Actual Experience Differences	Assumption Changes	Projected and Actual Plan Investment Differences	Changes in Proportion	Total Deferred Outflows of Resources	Expected and Actual Experience Differences	Assumption Changes	Changes in Proportion	Total Deferred Inflows of Resources	Employer's Proportionate Share	Changes in Proportion	Total Employer OPEB Expense
<i>State of Delaware Entities:</i>													
Academia Antonia Alonso	\$ 17,636,189	\$ 411,643	\$ 941,780	\$ 18,355	\$ 4,412,982	\$ 5,784,760	\$ 940,082	\$ 4,026,113	\$ —	\$ 4,966,195	\$ 813,899	\$ 1,903,348	\$2,717,247
Academy of Dover Charter School	9,191,085	214,528	490,808	9,566	2,941,714	3,656,616	489,923	2,098,206	3,949	2,592,078	424,163	900,591	1,324,754
Bryan Allen Stevenson School of Excellence	615,979	14,377	32,894	641	565,515	613,427	32,834	140,620	—	173,454	28,427	107,895	136,322
Campus Community School	8,179,416	190,914	436,784	8,513	895,962	1,532,173	435,997	1,867,255	61,636	2,364,888	377,475	(6,428)	371,047
Charter School of New Castle	13,365,506	311,962	713,724	13,910	25,549	1,065,145	712,437	3,051,172	2,088,610	5,852,219	616,809	(486,636)	130,173
Delaware Agricultural Lands Preservation Foundation	233,791	5,457	12,485	243	16,034	34,219	12,462	53,371	59,423	125,256	10,789	(36,948)	(26,159)
Delaware Department of Transportation	261,920,999	6,113,452	13,986,693	272,594	529,739	20,902,478	13,961,469	59,793,168	13,953,650	87,708,287	12,087,481	(2,824,975)	9,262,506
Delaware Military Academy Charter School	11,622,750	271,285	620,660	12,096	618,402	1,522,443	619,540	2,653,323	1,074,122	4,346,985	536,382	(77,857)	458,525
Delaware State Housing Authority	492,991	11,507	26,326	513	19,671	58,017	26,278	112,543	512,932	651,753	22,751	(240,358)	(217,607)
Delaware State Lottery	7,709,372	179,943	411,684	8,024	—	599,651	410,941	1,759,950	1,375,849	3,546,740	355,782	(357,452)	(1,670)
Delaware State University	192,241,745	4,487,081	10,265,791	200,075	12,729,487	27,682,434	10,247,278	43,886,298	12,705,435	66,839,011	8,871,830	(225,568)	8,646,262
Early College High School at DSU	8,738,926	203,974	466,662	9,095	2,790,498	3,470,229	465,821	1,994,983	251,299	2,712,103	403,296	500,902	904,198
East Side Charter School	14,660,468	342,187	782,875	15,258	1,180,391	2,320,711	781,463	3,346,795	198,805	4,327,063	676,571	248,798	925,369
First State Military Academy	9,462,982	220,874	505,327	9,849	1,115,340	1,851,390	504,416	2,160,276	1,372,302	4,036,994	436,710	428,551	865,261
First State Montessori Academy	14,400,912	336,129	769,015	14,988	1,003,783	2,123,915	767,627	3,287,542	262,402	4,317,571	664,593	603,034	1,267,627
Freire Charter School	9,751,369	227,605	520,727	10,149	1,083,104	1,841,585	519,788	2,226,111	1,159,129	3,905,028	450,019	506,768	956,787
Gateway Lab School	6,529,238	152,398	348,664	6,795	546,939	1,054,796	348,035	1,490,540	712,099	2,550,674	301,320	(132,440)	168,880
Schedule continues on next page													

Reporting Unit	Net OPEB Liability	Deferred Outflows of Resources					Deferred Inflows of Resources					OPEB Expense	
		Expected and Actual Experience Differences	Assumption Changes	Projected and Actual Plan Investment Differences	Changes in Proportion	Total Deferred Outflows of Resources	Expected and Actual Experience Differences	Assumption Changes	Changes in Proportion	Total Deferred Inflows of Resources	Employer's Proportionate Share	Changes in Proportion	Total Employer OPEB Expense
General Government (State of DE)	6,979,644,725	162,910,669	372,716,002	7,264,046	10,504,730	553,395,447	372,043,846	1,593,362,401	33,504,775	1,998,911,022	322,105,997	(4,209,691)	317,896,306
Great Oaks Charter School	4,222,141	98,548	225,464	4,394	165,197	493,603	225,058	963,860	5,234,242	6,423,160	194,849	(402,590)	(207,741)
Kuumba Academy Charter School	17,987,549	419,844	960,543	18,720	2,334,576	3,733,683	958,811	4,106,324	1,900,469	6,965,604	830,114	552,862	1,382,976
Las Americas Aspira Academy	37,623,511	878,164	2,009,112	39,156	11,854,407	14,780,839	2,005,488	8,588,960	—	10,594,448	1,736,300	3,397,304	5,133,604
MOT Charter School	27,318,655	637,640	1,458,828	28,432	2,056,589	4,181,489	1,456,197	6,236,495	1,946,465	9,639,157	1,260,738	607,434	1,868,172
Newark Charter School	75,829,153	1,769,915	4,049,309	78,919	14,154,799	20,052,942	4,042,007	17,310,812	216,860	21,569,679	3,499,465	3,352,506	6,851,971
Odyssey Charter School	53,676,443	1,252,852	2,866,345	55,863	10,804,733	14,979,793	2,861,176	12,253,638	9,080	15,123,894	2,477,132	3,815,383	6,292,515
Positive Outcomes Charter School	5,607,406	130,881	299,438	5,836	96,901	533,056	298,898	1,280,098	491,604	2,070,600	258,778	(83,397)	175,381
Providence Creek Academy Charter School	11,365,516	265,281	606,923	11,828	876,586	1,760,618	605,829	2,594,600	255,532	3,455,961	524,511	22,490	547,001
Sussex Academy	20,416,813	476,545	1,090,267	21,249	3,322,074	4,910,135	1,088,300	4,660,894	3,266,687	9,015,881	942,222	1,209,921	2,152,143
Sussex Montessori Charter School	6,283,958	146,673	335,566	6,540	3,905,173	4,393,952	334,961	1,434,546	—	1,769,507	290,001	1,172,560	1,462,561
The Charter School of Wilmington	17,544,401	409,501	936,878	18,259	—	1,364,638	935,189	4,005,159	1,802,675	6,743,023	809,663	(695,178)	114,485
Thomas A. Edison Charter School	14,505,568	338,572	774,603	15,097	1,300,174	2,428,446	773,207	3,311,433	1,423,446	5,508,086	669,422	(179,463)	489,959
Previously Closed Entities**	—	—	—	—	—	—	—	—	1,824,639	1,824,639	—	(2,238,867)	(2,238,867)
State of Delaware Entities Sub-Total	7,858,779,557	183,430,401	419,662,177	8,179,003	91,851,049	703,122,630	418,905,358	1,794,057,486	87,668,116	2,300,630,960	362,677,489	7,132,499	369,809,988
<i>Affiliated Entities:</i>													
Delaware Solid Waste Authority	23,641,500	551,813	1,262,466	24,605	1,721,328	3,560,212	1,260,189	5,397,048	1,582,395	8,239,632	1,091,040	(57,231)	1,033,809
Delaware State Education Association	261,321	6,099	13,955	272	36,909	57,235	13,930	59,656	19,946	93,532	12,060	2,827	14,887
University of Delaware	201,364,206	4,700,007	10,752,934	209,569	19,073,983	34,736,493	10,733,543	45,968,837	23,412,812	80,115,192	9,292,825	(7,078,095)	2,214,730
Total	\$ 8,084,046,584	\$ 188,688,320	\$ 431,691,532	\$ 8,413,449	\$ 112,683,269	\$ 741,476,570	\$ 430,913,020	\$ 1,845,483,027	\$ 112,683,269	\$ 2,389,079,316	\$ 373,073,414	\$ —	\$373,073,414

**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 OPEB Amounts by Employer

**State of Delaware
OPEB Fund Trust**

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

Note 1: Description of the Plan

The State of Delaware's Other Postemployment Benefit (OPEB) Fund Trust (the Plan) is a cost-sharing multiple-employer defined-benefit plan established in Delaware Code. The Plan is administered by the Delaware Public Employees' Retirement System (DPERS). The State of Delaware (the State) is responsible for the policy and management of the OPEB benefits provided to retirees. 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. Additional financial and actuarial information with respect to the Plan may be found in the State of Delaware Other Postemployment Benefits (OPEB) Fund Trust Financial Statements available online at <https://open.omb.delaware.gov/Financials.shtml>.

The Plan provides medical coverage to pensioners and their eligible dependents covered under the following pension plans: State Employees', New State Police, Judiciary and Closed State Police Pension Plans. This includes the employees of the State as well as employees of the State's component units and affiliated entities which are part of the State Employees' Pension Plan. The participant's cost of Plan benefits is variable based on years of service within those pension plan categories. Pensioners who retire after July 1, 2012 and who become eligible for Medicare will pay an additional 5% of the Medicare Supplement offered by the State. Surviving spouses are eligible for coverage after a retiree's death.

Participating employers fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. By State Statute Chapter 52, Title 29 of the Delaware Code, contribution requirements of plan members and the government are established by the State Legislature. Funds are recorded in the Plan for the payment of retiree healthcare claims, and administrative and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the Plan. The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the Plan and is responsible for the financial management of the Plan.

Membership data is as follows:

	June 30, 2024^a
Retirees and Beneficiaries Receiving Benefits:	24,317
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3,983
Active Eligible Plan Members	40,186
Total Members	68,486

^a Based on census data as of July 1, 2023

**State of Delaware
OPEB Fund Trust**

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

Note 2: Basis of Presentation

The Schedules of Employer Allocations and OPEB Amounts by Employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan 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 the Plan or the participating employers. The accompanying schedules have been prepared in conformity with United States generally accepted accounting principles 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.

Note 3: Allocation Methodology

The amounts assigned to each employer in the Schedule of OPEB Amounts by Employer is each employer's proportionate share of the Net OPEB Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense (the Collective OPEB Amounts) determined in accordance with the Governmental Accounting Standards Boards Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Management has elected to allocate the employer's proportionate shares of the Collective OPEB Amounts based on the percentage of actual employer contributions during the period July 1, 2023 through June 30, 2024.

Note 4: Additional Contributions

During the year ended June 30, 2024, excess escheat contributions of \$101.0 million and a supplemental contribution of \$50.9 million were made. The supplemental contribution is expected to remain relatively consistent from year to year and is included in the contributions used to determine allocation percentages. In contrast, the excess escheat contribution is dependent on the availability of excess escheat funds and may fluctuate annually. Because of this variability, excess escheat funds are not included in the determination of allocation percentages. Each employers' share of the excess escheat contribution is included in the supplemental schedule of additional employer allocations.

Note 5: Collective Net OPEB Liability and Actuarial Information

The components of the collective net OPEB liability of the participating employers are as follows (expressed in thousands):

	June 30, 2024
Total OPEB Liability	\$ 9,041,547
Fiduciary Net Position	957,500
Net OPEB Liability	<u><u>\$ 8,084,047</u></u>

**State of Delaware
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Notes to Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer

Actuarial Assumptions

The collective total OPEB 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 OPEB liability to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

<i>Actuarial assumptions:</i>	June 30, 2024
Discount rate	4.46%
Projected salary increases	3.25% + Merit, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Blended rate of 8.80% for 2023 decreasing to an ultimate rate of 3.94% for 2042
Spousal coverage	50% of employees will elect spouse coverage at retirement
Percentage of Retirees electing coverage	50% of employees not currently covered are expected to elect coverage before retirement. All employees are expected to remain in currently enrolled plans. The following retirees are expected to elect coverage: 95% of employees with more than 20 years of service 80% of employees with less than 20 years of service 40% of current and future terminated vested employees 100% of long-term disability participants

The Entry Age Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this method, the normal cost rate is the percentage of pay contribution which would be sufficient to fund the Plan's benefits if it were paid from each member's entry into the Plan until termination or retirement.

Mortality rates are based on the sex-distinct employee, healthy annuitant, and disabled annuitant mortality tables derived from the Pub-2010 General Benefits Weighted Annuitant Mortality Table, including adjustment factors. Future mortality improvements are reflected by applying a custom projection scale on a generational basis to adjusted base tables from the base year.

The long-term expected rate of return on OPEB plan investments was determined using 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 weighting the expected future real rates of return by an asset allocation percentage which is based on the nature of 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 Trust's current and expected asset allocation as of June 30, 2024 are summarized in the following table:

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

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	5.7%
International Equity	5.7
Fixed Income	2.0
Alternative Investments	7.8
Cash and Equivalents	—

The total OPEB liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, health costs, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study performed in 2021 and covering the period July 1, 2015 through June 30, 2020. 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.

Discount Rate

The projection of cash flows used to determine the discount rate for June 30, 2024 assumed that employer contributions will be made at amounts equal to those outlined in Senate Bill 175 (at least 1% of the grand total of all State General Fund operating budget appropriations for the prior fiscal year) as well as 0.36% of covered payroll. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members until approximately 2040. As such, projected benefit payments are discounted at the long-term expected return on assets of 7.00% to the extent the fiduciary net position is available to make the payments and the municipal bond rate of 3.93%, based on the Bond Buyer 20-Bond GO Index, thereafter to the extent they are not available. The resulting single equivalent rate used to determine the total OPEB liability as of June 30, 2024 was 4.46%.

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

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (dollar amounts expressed in thousands):

	1% Decrease (3.46%)	Discount Rate (4.46%)	1% Increase (5.46%)
Collective Net OPEB Liability	\$ 9,606,179	\$ 8,084,047	\$ 6,862,445

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates (dollar amounts in thousands):

	1% Decrease (7.80%)	Healthcare Trend (8.80%)	1% Increase (9.80%)
Collective Net OPEB Liability	\$ 6,864,773	\$ 8,084,047	\$ 9,536,267

Note 6: Collective Deferred Outflows of Resources and Deferred Inflows of Resources

Certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense, they are labeled deferred inflows of resources. If they will increase OPEB expense, they are labeled deferred outflows of resources.

The following represents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the year ended June 30, 2024 (expressed in thousands):

**State of Delaware
OPEB Fund Trust**

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

	<u>Year of Deferral</u>	<u>Amortization Period</u>	<u>Beginning of Year Balance</u>	<u>Current Year</u>		<u>End of Year Balance</u>
				<u>Additions</u>	<u>Deductions</u>	
Deferred Outflows of Resources						
Expected and Actual Experience Differences	2024	7 Years	\$ —	\$ 123,910	\$ (17,701)	\$ 106,209
	2022	7 Years	27,520	—	(5,504)	22,016
	2020	6 years	120,928	—	(60,464)	60,464
Subtotal			148,448	123,910	(83,669)	188,689
Assumption Changes	2021	6 Years	212,444	—	(70,815)	141,629
	2020	6 Years	580,124	—	(290,062)	290,062
	2019	6 Years	77,599	—	(77,599)	—
Subtotal			870,167	—	(438,476)	431,691
Projected and Actual Plan Investment Differences	2024	5 Years	—	(30,451)	6,090	(24,361)
	2023	5 Years	10,220	—	(2,555)	7,665
	2022	5 Years	79,471	—	(26,490)	52,981
	2021	5 Years	(55,743)	—	27,871	(27,872)
	2020	5 Years	(2,180)	—	2,180	—
			31,768	(30,451)	7,096	8,413
Total			<u>\$ 1,050,383</u>	<u>\$ 93,459</u>	<u>\$ (515,049)</u>	<u>\$ 628,793</u>
Deferred Inflows of Resources						
Expected and Actual Experience Differences	2023	7 Years	\$ (108,577)	\$ —	\$ 18,097	\$ (90,480)
	2021	6 Years	(510,649)	—	170,216	(340,433)
	2019	6 Years	(178,929)	—	178,929	—
Subtotal			(798,155)	—	367,242	(430,913)
Assumption Changes	2024	7 years	—	(361,155)	51,594	(309,561)
	2023	7 years	(339,393)	—	56,566	(282,827)
	2022	7 years	(1,566,368)	—	313,273	(1,253,095)
Subtotal			(1,905,761)	(361,155)	421,433	(1,845,483)
Total			<u>\$ (2,703,916)</u>	<u>\$ (361,155)</u>	<u>\$ 788,675</u>	<u>\$ (2,276,396)</u>

**State of Delaware
OPEB Fund Trust**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year ending June 30:		
2025	\$	(170,115)
2026		(492,770)
2027		(419,859)
2028		(422,413)
2029		(108,554)
Thereafter		(33,892)
Total	\$	<u>(1,647,603)</u>

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.

Note 7: Collective OPEB Expense

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

Service Cost	\$	360,204
Interest Cost		340,968
Contributions		(151)
Administrative Expenses		152
Expected Return on Assets		(54,474)
Recognition of deferred outflows and inflows of resources:		
Projected and actual plan investment differences		(7,096)
Expected and actual experience differences		(283,573)
Assumption changes		<u>17,043</u>
OPEB Expense	\$	<u>373,073</u>

**State of Delaware
OPEB Fund Trust**

Supplementary Information

Supplementary Information

**State of Delaware
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Supplementary Information

Schedule of Additional Employer Allocations

As of and for the year ended June 30, 2024

Reporting Unit	Additional Employer Contributions 2024
<i>State of Delaware Entities:</i>	
Academia Antonia Alonso	\$ 220,297
Academy of Dover Charter School	114,808
Bryan Allen Stevenson School of Excellence	7,694
Campus Community School	102,171
Charter School of New Castle	166,951
Delaware Agricultural Lands Preservation	2,920
Delaware Department of Transportation	3,271,710
Delaware Military Academy Charter School	145,182
Delaware State Housing Authority	6,158
Delaware State Lottery	96,299
Delaware State University	2,401,332
Early College High School at DSU	109,160
East Side Charter School	183,127
First State Military Academy	118,204
First State Montessori Academy	179,885
Freire Charter School	121,806
Gateway Lab School	81,558
General Government (State of DE)	87,184,212
Great Oaks Charter School	52,740
Kuumba Academy Charter School	224,686
Las Americas Aspira Academy	469,963
MOT Charter School	341,243
Newark Charter School	947,198
Odyssey Charter School	670,484
Positive Outcomes Charter School	70,043
Providence Creek Academy Charter School	141,969
Sussex Academy	255,031
Sussex Montessori Charter School	78,494
The Charter School of Wilmington	219,151
Thomas A. Edison Charter School	181,192
State of Delaware Entities Sub-Total	98,165,668
<i>Affiliated Entities:</i>	
Delaware Solid Waste Authority	295,311
Delaware State Education Association	3,264
University of Delaware	2,515,283
Total	\$ 100,979,526

See accompanying independent auditors report.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Schedules Performed in Accordance with *Government Auditing Standards*

The Members of the Board of Pension Trustees
State of Delaware Other Post Employment Benefits Fund Trust
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 OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense (specified column totals) included in the schedule of OPEB amounts by employer of the State of Delaware Other Postemployment Benefits (OPEB) Fund Trust (the Trust), 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 OPEB amounts by employer, we considered the Trust'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 OPEB amounts by employer, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust'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 OPEB 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 Trust's schedule of employer allocations and specified column totals included in the schedule of OPEB 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 OPEB 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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

May 22, 2025