



**Delaware Public Employees’
Retirement System
County & Municipal Police and
Firefighters’ Pension Plan**

Schedule of Employer Allocations and
Schedule of Pension Amounts by Employer
June 30, 2021

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' 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 Schedules

Opinions

We have audited the accompanying schedule of employer allocations of the Delaware Public Employees' Retirement System (the System) County & Municipal Police and Firefighters' Pension Plan (the Plan) as of and for the year ended June 30, 2021, and the related notes. We have also audited the total for all the columns titled net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of the Plan as of and for the year ended June 30, 2021, and the related notes (along with the schedule of employer allocations, hereafter collectively referred to as the Schedules).

In our opinion, the 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 excluding that attributable to employer-paid member contributions for the total of all participating entities for the County & Municipal Police and Firefighters' Pension Plan as of and for the year ended June 30, 2021 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). 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 the Schedules in accordance with accounting principles generally accepted in the United States of America; this includes 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 Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 schedules.

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 Schedules, 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 schedules.
- 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 schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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 Matters

We have audited, in accordance with 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 financial statements of the Delaware Public Employees' Retirement System, which include the County & Municipal Police and Firefighters' Pension Plan, as of and for the year ended June 30, 2021, and our report thereon, dated November 19, 2021, 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 25, 2022 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, LLP

May 25, 2022

**Delaware Public Employees' Retirement System
County & Municipal Police and Firefighters' Pension Plan**

**Schedule of Employer Allocations
As of and for the Year Ended June 30, 2021**

Reporting Unit	Employer Contributions	Employer's Proportionate Share
Bethany Beach	\$ 136,095	0.8459%
Blades	28,949	0.1799
Bridgeville	67,390	0.4189
Camden	87,532	0.5441
Cheswold	39,205	0.2437
Christiana Fire	147,580	0.9173
Clayton	105,027	0.6528
Dagsboro	27,930	0.1736
Delmar Police	119,596	0.7434
Dewey Beach	85,706	0.5327
Dover	1,312,381	8.1574
Elsmere Police	73,638	0.4577
Felton Police	36,788	0.2287
Fenwick Island	62,868	0.3908
Georgetown	227,001	1.4110
Greenwood	23,514	0.1462
Harrington Police	112,463	0.6990
Laurel Police	174,018	1.0817
Lewes Police	129,705	0.8062
Middletown Police	481,771	2.9946
Milford	396,206	2.4627
Millsboro	169,030	1.0507
Milton	69,788	0.4338
Minquas Fire Company	11,315	0.0703
New Castle City	183,377	1.1398
New Castle County Police	5,132,785	31.9042
Newport	71,881	0.4468
Ocean View	143,022	0.8890
Rehoboth Beach Police	229,030	1.4236
Seaford Police	294,146	1.8283
Selbyville Police	79,884	0.4965
Smyrna Police	235,669	1.4649
South Bethany	63,240	0.3931
Wilmington Pol/FF	5,508,302	34.2383
Wyoming	21,302	0.1324
Total	\$ 16,088,134	100.00%

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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

Schedule of Pension Amounts by Employer As of and for the Year Ended June 30, 2021

Employer	Deferred outflow of resources				Deferred inflows of resources				Pension expense excluding that attributable to employer-paid member contributions				
	Net Pension (Asset)	Difference between expected and actual experience	Changes of assumptions	Changes in proportion	Total deferred outflows of resources	Differences between expected and actual experience	Changes of assumptions	Net Difference between projected and actual investment earnings	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 excluding that attributable to employer paid member contributions
Bethany Beach	\$ (1,164,043)	\$ 110,142	\$ 40,000	\$ 7,999	\$ 158,141	\$ 45,351	\$ 84,774	\$ 989,101	\$ 5,235	\$ 1,124,461	\$ (164,296)	\$ (138)	\$ (164,434)
Blades	(247,606)	23,429	8,509	7,216	39,154	9,647	18,032	210,394	5,347	243,420	(34,948)	(159)	(35,107)
Bridgeville	(576,396)	54,539	19,807	3,717	78,063	22,456	41,977	489,771	3,594	557,798	(81,354)	(55)	(81,409)
Camden	(748,672)	70,839	25,727	4,113	100,679	29,168	54,523	636,156	7,632	727,479	(105,670)	(1,325)	(106,995)
Cheswold	(335,324)	31,728	11,523	5,790	49,041	13,064	24,421	284,929	1,583	323,997	(47,329)	856	(46,473)
Christiana Fire	(1,262,271)	119,436	43,376	60,401	223,213	49,178	91,927	1,072,567	-	1,213,672	(178,160)	8,514	(169,646)
Clayton	(898,312)	84,998	30,869	3,688	119,555	34,998	65,421	763,307	4,076	867,802	(126,790)	(93)	(126,883)
Dagsboro	(238,887)	22,603	8,209	1,637	32,449	9,307	17,397	202,985	6,211	235,900	(33,717)	(520)	(34,237)
Delmar Police	(1,022,919)	96,789	35,151	991	132,931	39,853	74,496	869,187	13,038	996,574	(144,378)	(2,332)	(146,710)
Dewey Beach	(733,056)	69,362	25,190	11,194	105,746	28,560	53,386	622,886	10,774	715,606	(103,465)	(402)	(103,867)
Dover	(11,224,982)	1,062,109	385,726	23,816	1,471,651	437,324	817,480	9,538,002	89,693	10,882,499	(1,584,324)	(13,972)	(1,598,296)
Elsmere Police	(629,840)	59,595	21,643	3,292	84,530	24,538	45,869	535,182	14,494	620,083	(88,897)	(2,223)	(91,120)
Felton Police	(314,653)	29,773	10,812	2,237	42,822	12,259	22,915	267,365	4,628	307,167	(44,411)	(571)	(44,982)
Fenwick Island	(537,722)	50,879	18,478	2,342	71,699	20,950	39,161	456,909	9,067	526,087	(75,896)	(1,097)	(76,993)
Georgetown	(1,941,573)	183,712	66,719	10,079	260,510	75,643	141,399	1,649,778	9,239	1,876,059	(274,039)	682	(273,357)
Greenwood	(201,116)	19,030	6,911	488	26,429	7,835	14,647	170,890	6,343	199,715	(28,386)	(724)	(29,110)
Harrington Police	(961,911)	91,016	33,054	1,783	125,853	37,476	70,053	817,347	5,055	929,931	(135,767)	(297)	(136,064)
Laurel Police	(1,488,401)	140,833	51,146	13,739	205,718	57,988	108,396	1,264,712	7,620	1,438,716	(210,077)	1,230	(208,847)
Lewes Police	(1,109,385)	104,970	38,122	2,385	145,477	43,221	80,793	942,657	13,577	1,080,248	(156,582)	(1,593)	(158,175)
Middletown Police	(4,120,655)	389,897	141,599	31,762	563,258	160,540	300,094	3,501,370	14,732	3,976,736	(581,600)	740	(580,860)
Milford	(3,388,803)	320,649	116,450	29,165	466,264	132,027	246,796	2,879,507	33,529	3,291,859	(478,305)	(2,233)	(480,538)
Millsboro	(1,445,741)	136,796	49,680	16,635	203,111	56,326	105,289	1,228,464	5,329	1,395,408	(204,056)	1,625	(202,431)
Milton	(596,903)	56,479	20,512	8,389	85,380	23,255	43,471	507,196	18,899	592,821	(84,249)	(3,024)	(87,273)
Minquas Fire Co	(96,776)	9,157	3,326	7,791	20,274	3,770	7,048	82,232	0	93,050	(13,659)	974	(12,685)
New Castle City	(1,568,450)	148,407	53,897	23,024	225,328	61,107	114,225	1,332,731	21,805	1,529,868	(221,375)	3,766	(217,609)
New Castle County	(43,901,432)	4,153,958	1,508,594	56,489	5,719,041	1,710,395	3,197,203	37,303,574	148,646	42,359,818	(6,196,367)	(8,399)	(6,204,766)
Newport	(614,810)	58,173	21,127	454	79,754	23,953	44,775	522,411	18,494	609,633	(86,776)	(2,776)	(89,552)
Ocean View	(1,223,287)	115,748	42,036	21,982	179,766	47,659	89,088	1,039,441	977	1,177,165	(172,658)	3,079	(169,579)
Rehoboth Beach	(1,958,924)	185,354	67,315	10,198	262,867	76,319	142,662	1,664,521	7,242	1,890,744	(276,488)	304	(276,184)
Seaford Police	(2,515,870)	238,052	86,453	41,291	365,796	98,018	183,223	2,137,765	53,787	2,472,793	(355,097)	(2,230)	(357,327)
Selbyville Police	(683,257)	64,650	23,479	8,831	96,960	26,620	49,759	580,572	7,234	664,185	(96,437)	(120)	(96,557)
Smyrna Police	(2,015,707)	190,726	69,266	40,470	300,462	78,532	146,798	1,712,771	21,348	1,959,449	(284,502)	4,790	(279,712)
South Bethany	(540,901)	51,180	18,587	12,627	82,394	21,073	39,392	459,610	16,114	536,189	(76,344)	(1,112)	(77,456)
Wilmington Pol/FF	(47,113,277)	4,457,864	1,618,963	168,260	6,245,087	1,835,528	3,431,111	40,032,718	54,701	45,354,058	(6,649,696)	19,350	(6,630,346)
Wyoming	(182,202)	17,240	6,261	577	24,078	7,099	13,269	154,819	4,809	179,996	(25,716)	(515)	(26,231)
Total	\$ (137,604,064)	\$13,020,112	\$ 4,728,517	\$ 644,852	\$18,393,481	\$ 5,361,037	\$10,021,270	\$116,923,827	\$ 644,852	\$132,950,986	\$ (19,421,811)	\$ -	\$(19,421,811)

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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

1. Plan Description

The County & Municipal Police and Firefighters' 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, 2021. 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:

McArdle Building, Suite 1
860 Silver Lake Blvd.
Dover, DE 19904

(a) Plan Description and Eligibility

The plan covers police officers and firefighters employed by a county or municipality of the State that have joined the Plan.

(b) Service Benefits

2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation (excluding overtime and special pay).

(c) Vesting

Five years of credited service.

(d) Retirement

Age 62 with 5 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

(e) Disability benefits

Duty - Total Disability

75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.

Duty - Partial Disability

Calculated the same as Service Benefits, subject to minimum 50% of final average compensation.

Non-Duty

Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% of each dependent not to exceed 20% for all dependents. Partial disability to a minimum of 30% of final average monthly compensation.

(f) Survivor Benefits

If employee is receiving a pension, then eligible survivor receives a minimum of 50% of pension; if employee is active, eligible survivor receives 75% of pension the employee would have received at age 62. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

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)/liability, collective deferred inflows of resources, collective deferred outflows 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, 2020 through June 30, 2021, 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

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

Pension Trustees determines employer contributions. Employer contributions were 16.59% of earnings for the Fiscal Year 2021.

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

The components of the collective net pension (asset) / liability of the participating employers at June 30, 2021 were as follows (in thousands):

Employers' total pension liability	\$ 488,188
Plan net position	(625,792)
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Employers' net pension (asset)	\$ (137,604)

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. 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 liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

Mortality assumptions are based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 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.

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

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, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Asset Allocation
Domestic equity	5.7%	32.3%
International equity	5.7	18.1
Fixed income	2.0	20.6
Alternative investments	7.8	24.2
Cash and equivalents	-	4.8

Discount Rate

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

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

The following presents the collective net pension (asset) / liability, calculated using the discount rate of 7.0%, as well as what the collective net pension (asset) / liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (in thousands):

	1% Decrease	Discount Rate	1% Increase
Collective net pension (asset)	\$ (63,527)	\$ (137,604)	\$ (198,048)

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' 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, 2021:

	Measurement period ending June 30	Amortization Period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred Outflows of Resources:						
Difference between expected and actual experience	2018	10 years	\$ 13,782,863	\$ -	\$ (1,968,980)	\$ 11,813,883
	2016	10 years	1,507,785	-	(301,556)	1,206,229
Subtotal			15,290,648	-	(2,270,536)	13,020,112
Changes of assumptions	2017	10 years	5,674,220	-	(945,703)	4,728,517
Subtotal			5,674,220	-	(945,703)	4,728,517
Total			\$ 20,964,868	\$ -	\$ (3,216,239)	\$ 17,748,629
Deferred Inflows of Resources:						
Difference between expected and actual experience	2021	10 years	\$ -	\$ (1,508,255)	\$ 167,584	\$ (1,340,671)
	2020	10 years	(42,120)	-	5,265	(36,855)
	2019	10 years	(801,864)	-	100,233	(701,631)
	2017	10 years	(2,494,425)	-	415,738	(2,078,687)
	2015	10 years	(1,503,990)	-	300,797	(1,203,193)
Subtotal			(4,842,399)	(1,508,255)	989,617	(5,361,037)
Net difference between projected and actual earnings on pension plan investments	2021	5 years	-	(138,882,708)	27,776,542	(111,106,166)
	2020	5 years	(9,147,770)	-	2,286,942	(6,860,828)
	2019	5 years	4,891,123	-	(1,630,374)	3,260,749
	2018	5 years	(4,435,163)	-	2,217,581	(2,217,582)
	2017	5 years	(2,204,016)	-	2,204,016	-
Subtotal			(10,895,826)	(138,882,708)	32,854,707	(116,923,827)
Changes of assumptions	2021	10 years	-	(9,184,400)	1,020,489	(8,163,911)
	2016	10 years	(2,321,699)	-	464,340	(1,857,359)
Subtotal			(2,321,699)	(9,184,400)	1,484,829	(10,021,270)
Total			\$ (18,059,924)	\$ (149,575,363)	\$ 35,329,153	\$ (132,306,134)

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,

2022	\$	(29,909)
2023		(27,691)
2024		(29,322)
2025		(27,035)
2026		1,205
Thereafter		(1,806)
Total	\$	(114,558)

Delaware Public Employees' Retirement System County & Municipal Police and Firefighters' Pension Plan

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

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 9 years for the 2021 amounts.

6. Collective Pension Expense

The components of collective pension expense for the year ending June 30, 2021 (excluding that attributable to employer-paid member contributions) are as follows (in thousands):

Service cost	\$	18,502
Interest on total pension liability		32,396
Member contributions		(6,803)
Administrative expense		152
Changes in benefit terms		-
Projected earnings on plan investments		(31,555)
Recognition of deferred outflows and inflows of resources:		
Differences between projected and actual earnings on plan investments		(32,855)
Differences between expected and actual experiences with regards to factors or other inputs in the measurement of total pension liability		1,281
Changes in assumption with regards to factors or other inputs in the measurement of total pension liability		(539)
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Pension expense	\$	(19,421)

7. Subsequent Events

The Plan evaluated all subsequent events through May 25, 2022, 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 Financial Schedules Performed in Accordance with *Government Auditing Standards*

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 excluding that attributable to employer-paid member contributions as of and for the year ended June 30, 2021 (specified column totals), included in the schedule of pension amounts by employer of the Delaware Public Employees' Retirement System - Police and Firefighters' Pension Plan (the Plan) (hereafter collectively referred to as the Schedules) and the related notes and have issued our report thereon dated May 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules, 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 opinion on the Schedules, 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 Schedules will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's Schedules 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 Schedules amounts. 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, LLP

May 25, 2022