

ANNUAL COMPREHENSIVE FINANCIAL REPORT

ACFR FISCAL YEAR ENDED JUNE 30, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

REPORT SUMMARY FISCAL YEAR ENDED JUNE 30, 2024

BACKGROUND

The Office of Auditor of Accounts, Department of Finance, and Division of Accounting present the State of Delaware Annual Comprehensive Financial Report (ACFR) for Fiscal Year ended June 30, 2024.

This engagement was performed in accordance with 29 Del. C. § 2906(a).

This ACFR audit was conducted using generally accepted auditing standards (GAAS) in the United States. The internal control report and findings of the ACFR, conducted according to generally accepted government auditing standards (GAGAS), will be presented at a later date.

The purpose of the ACFR is to be transparent about the use of taxpayers' money and to provide an accounting of all state expenditures. The ACFR does this by including dozens of basic and intricate financial reports, along with notes, narratives and supporting data.

The ACFR is an important tool used to analyze the state's overall financial position for purposes of bond financing and for establishing financial transparency and credibility with its creditors and oversight agencies.

KEY INFORMATION AND FINDINGS

CliftonLarsonAllen, LLP (CLA) issued its opinions on the State of Delaware Annual Comprehensive Financial Report (ACFR) as of and for the year ended June 30, 2024. For the second straight year, CLA included a disclaimer of opinion in its Independent Auditors' Report on the ACFR and the basis for it:

CLA Basis for Disclaimer of Opinions on Business-type Activities and Unemployment Fund

The State's Department of Labor was unable to provide sufficient appropriate audit evidence for the balances and financial activity of the account balances of the unemployment fund. The State's records do not permit us, nor is it practical to extend or apply other auditing procedures, to obtain sufficient appropriate audit evidence to conclude that the account balances and related cash flows in the business-type activities and unemployment fund were free from material misstatement. As a result of these matters we were unable to determine whether further audit adjustments may have been necessary in respect to the unemployment fund account balances, and the elements making up the statement of activities and cash flows.

The State's ACFR examines all funds, departments, organizations, bureaus, boards, commissions, offices of elected officials and authorities that make up the state's legal entity. Individually presented component units, which are legally separate entities for which the State is financially accountable, are also included. A summary of all State of Delaware financial activities showing its assets, deferred outflows and inflows of resources, liabilities, net position, revenues, expenses, and changes in net position, in the aggregate, is presented in this table:



ANNUAL COMPREHENSIVE FINANCIAL REPORT

REPORT SUMMARY FISCAL YEAR ENDED JUNE 30, 2024

KEY INFORMATION & FINDINGS CONT.

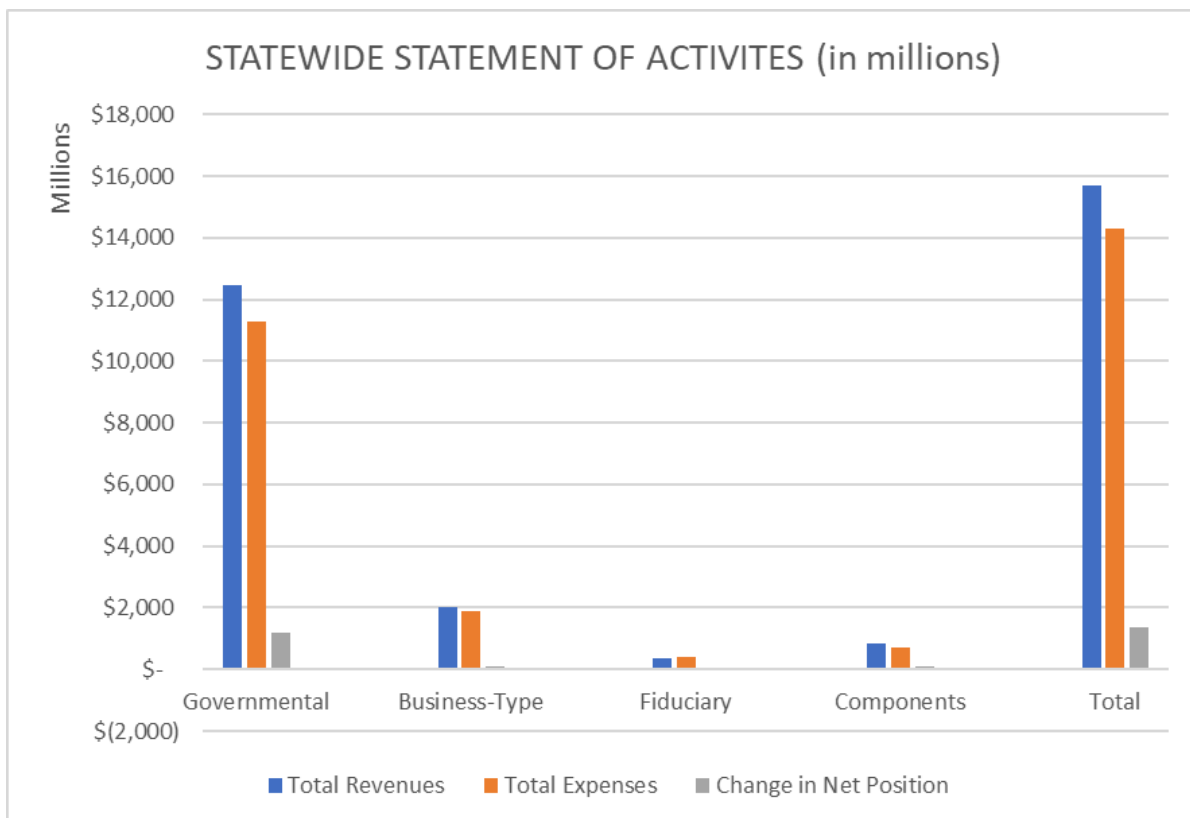
STATEWIDE STATEMENT OF NET POSITION (in thousands)

	Governmental	Business-Type	Fiduciary *	Components	Total
Total Assets	\$ 13,364,864	\$ 6,883,779	\$ 188,857	\$ 2,728,848	\$ 23,166,348
Deferred Outflows	\$ 2,469,524	\$ 149,606	\$ -	\$ 305,177	\$ 2,924,307
Liabilities	\$ 14,922,859	\$ 2,380,254	\$ 106	\$ 1,611,071	\$ 18,914,290
Deferred Inflows	\$ 2,459,569	\$ 246,796	\$ -	\$ 330,942	\$ 3,037,307
Net Position	\$ (1,548,040)	\$ 4,406,335	\$ 188,751	\$ 1,092,012	\$ 4,139,058
	\$ -	\$ -	\$ -	\$ -	\$ -

STATEWIDE STATEMENT OF ACTIVITIES (in thousands)

	Governmental	Business-Type	Fiduciary	Components	Total
Total Revenues	\$ 12,478,060	\$ 2,002,674	\$ 364,743	\$ 840,631	\$ 15,686,108
Total Expenses	\$ 11,289,233	\$ 1,902,219	\$ 386,857	\$ 723,657	\$ 14,301,966
Change in Net Position	\$ 1,188,827	\$ 100,455	\$ (22,114)	\$ 116,974	\$ 1,384,142

* Pension/OPEB Trusts are excluded from calculation as net liabilities for Pension/OPEB obligations are included in the Statement of Net Position of the Primary Government.



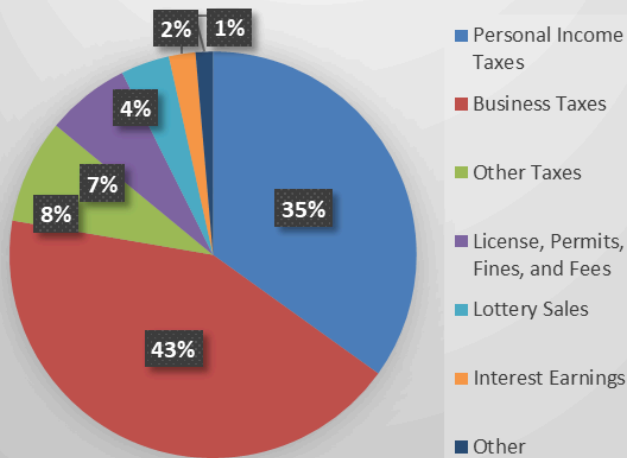


ANNUAL COMPREHENSIVE FINANCIAL REPORT

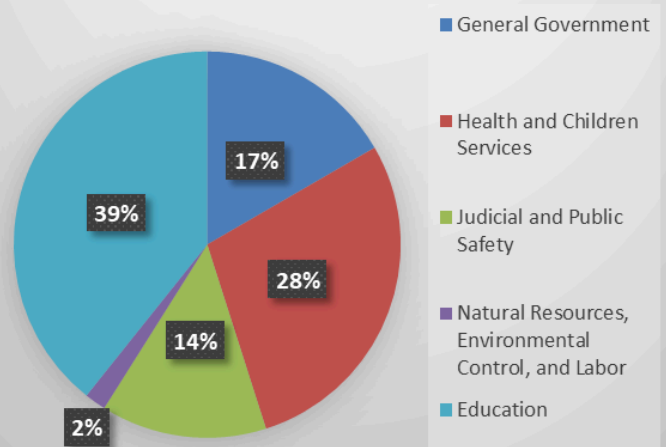
REPORT SUMMARY FISCAL YEAR ENDED JUNE 30, 2024

KEY INFORMATION & FINDINGS CONT.

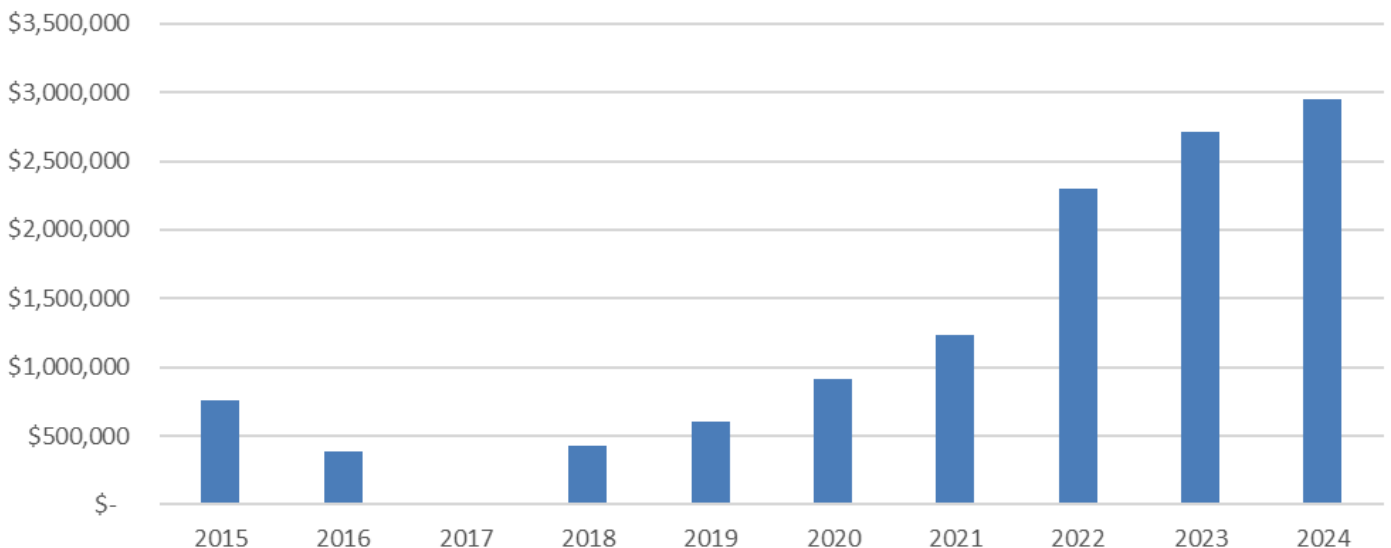
**General Fund Revenues -
\$6.3 billion**



**General Fund Expenditures -
\$6.2 billion**



**General Fund Balance - Unassigned (p. 198)
(in thousands)**



2024
DELAWARE

Annual Comprehensive
Financial Report

For the Fiscal Year Ended
June 30, 2024

State of Delaware

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

John Carney
Governor

Richard J. Geisenberger
Secretary, Department of Finance

Kyle K. Pritchard
Director, Division of Accounting

Prepared by the Department of Finance, Division of Accounting

This document and related information is available at <http://accounting.delaware.gov>.

Acknowledgments

The State of Delaware's Annual Comprehensive Financial Report was prepared by the Department of Finance, Division of Accounting, Financial Accounting & Reporting Section:

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Special appreciation to:

All fiscal and accounting personnel throughout the State whose efforts and cooperation to submit accurate, timely financial data for their agencies made this report possible.

State of Delaware
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024
Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	i
Selected State Officials	ix
Organizational Chart	x

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	6

Basic Financial Statements

Government - Wide Financial Statements

Statement of Net Position	22
Statement of Activities	24

Governmental Fund Financial Statements

Balance Sheet	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)	27
Reconciliation of the Net Changes in Fund Balances - Total Governmental Funds to Change in Net Position of Governmental Activities	28

Proprietary Fund Financial Statements

Statement of Net Position	29
Statement of Revenues, Expenses and Changes in Fund Net Position	30
Statement of Cash Flows	31

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33

Discretely Presented Component Unit Financial Statements

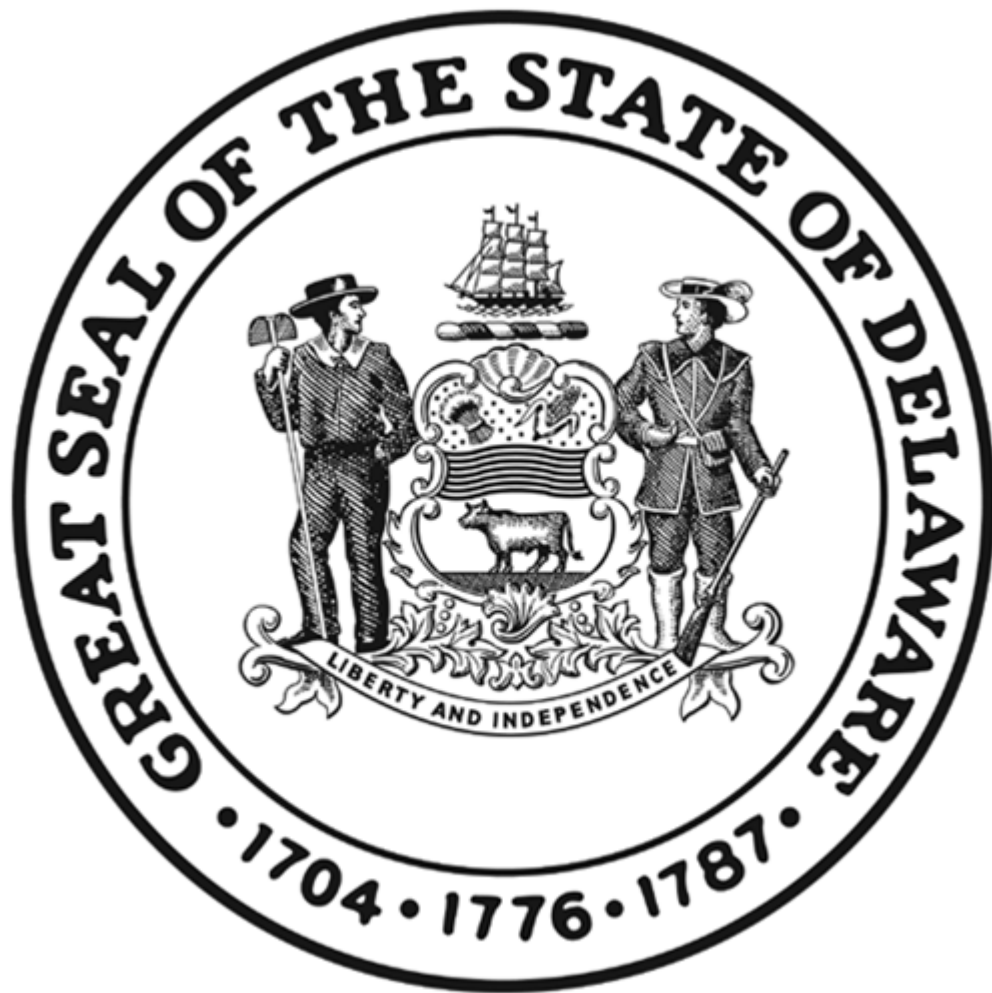
Combining Statement of Net Position	34
Combining Statement of Activities	35

Table of Contents (continued)

	<u>Page</u>
Notes to the Financial Statements	
Note 1 - Summary of Significant Accounting Policies	36
Note 2 - Cash, Investments and Restricted Assets	56
Note 3 - Fair Value of Investments	74
Note 4 - Receivables	81
Note 5 - Interfund Balances and Transfers	83
Note 6 - Capital Assets	85
Note 7 - Deferred Outflows and Inflows of Resources	88
Note 8 - General Obligation Bonds	90
Note 9 - Revenue Bonds	93
Note 10 - Loans and Notes Payable	103
Note 11 - Lease Commitments and IT Subscription-Based Arrangements	107
Note 12 - Service Concession Arrangement	113
Note 13 - Other Long-Term Obligations	117
Note 14 - Changes in Long-Term Obligations	118
Note 15 - Risk Management	119
Note 16 - Other Post-Employment Benefits (OPEB)	121
Note 17 - Pensions	129
Note 18 - Commitments	151
Note 19 - Contingencies	152
Note 20 - Governmental Fund Balances	153
Note 21 - Tax Abatements	155
Note 22 - No Commitment Debt	156
Note 23 - Affiliated Organizations	157
Note 24 - Accounting Changes and Error Corrections	158
Note 25 - Subsequent Events	160
 Required Supplementary Information	
Notes to Required Supplementary Information	162
Budgetary Comparison Schedule - General and Special Funds	164
Statutory/Budgetary Reconciliations	165
Information About Infrastructure Assets Reported Using the Modified Approach	167
Delaware Public Employees' Retirement System (DPERS)	
Schedule of Net Pension Liability	169
Schedule of Contributions	175
DelDOT - Delaware Transit Corporation - Pension Data:	
Schedule of Net Pension Liability	177
Schedule of Contributions	179
OPEB Trust:	
Schedule of Net OPEB Liability	181

Table of Contents (continued)

Schedule of Contributions	182
	<u>Page</u>
Delaware Transit Corporation - OPEB Trust	
Schedule of Net OPEB Liability	183
Supplementary Information - Combining Statements	
Combining Statement of Fiduciary Net Position	185
Combining Statement of Changes in Fiduciary Net Position	186
Investment Trust Funds:	
Combining Statement of Net Position	187
Combining Statement of Changes in Net Position	188
Custodial Funds:	
Combining Statement of Net Position	189
Combining Statement of Changes in Net Position	190
Local School District Funds:	
Combining Balance Sheet	191
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	193
 <u>STATISTICAL SECTION</u>	
Statistical Section Index	196
Net Position by Component	197
Changes in Net Position	198
Changes in Fund Balances, Governmental Funds	200
Fund Balances, Governmental Funds	202
Personal Income by Industry	203
Personal Income Tax Rates	204
Personal Income Tax Filers and Liability by Income Level	205
Franchise Taxes	206
Ratios of Outstanding Debt by Type	207
Debt Limits	208
General Obligation Debt Support	209
Pledged Revenue Coverage	210
Demographic and Economic Statistics	211
Principal Employers by Industry	212
State Employees by Function	213
Operating Indicators by Function	214
Capital Assets Statistics by Function	215
Capital Asset Balances by Function	216



Introductory Section

Annual Comprehensive Financial Report



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

RICHARD J. GEISENBERGER
SECRETARY OF FINANCE

December XX, 2024
To the Citizens, Governor, and
Members of the Legislature of the
State of Delaware:

It is my pleasure to present the Annual Comprehensive Financial Report (ACFR) for the State of Delaware (the State) for the fiscal year ended June 30, 2024. This report has been prepared in accordance with U.S. generally accepted accounting principles (GAAP) applicable to state and local governments, as prescribed by the Governmental Accounting Standards Board (GASB). The State continues to follow the recommendations of the Government Finance Officers Association of the United States and Canada (GFOA) for the form and content of government financial reports and participates in the GFOA's program for the Certificate of Achievement for Excellence in Financial Reporting.

Responsibility for both the accuracy of the data, as well as the completeness and fairness of the ACFR's presentation, rests with the Department of Finance. The management of the Department of Finance has established a comprehensive framework of internal control to provide a reasonable basis for asserting that, to the best of our knowledge and belief, the information presented is accurate in all material respects and fairly sets forth the State's financial position and results of operations in accordance with GAAP. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities are included.

The report is presented in these sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a list of selected State officials, and the State's organizational chart. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), basic financial statements, notes to the basic financial statements, and required supplementary information. The statistical section includes selected financial, demographic, and economic information.

GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The State is located on the eastern seaboard of the United States and is bordered by the Atlantic Ocean, the Delaware Bay and the states of New Jersey, Pennsylvania and Maryland. The State is 96 miles long and has a land area of 1,955 square miles. Population estimates from the U.S. Census Bureau in July 2023 indicate under 1,032,000 people reside here. As the first state to ratify the United States Constitution on December 7, 1787, the State of Delaware is known as "The First State." The structure of the State's government, which is similar to other states, consists of three branches that operate through a system of checks and balances. The executive branch is comprised of the Governor, Lt. Governor, State Treasurer, State Auditor, Attorney General and Insurance Commissioner. The legislative branch is bicameral and consists of a 21-member Senate and a 41-member House of Representatives. The judicial branch includes the Supreme Court, Superior Court, Court of Chancery, and other courts.

The State's reporting entity reflected in the ACFR, which is described more fully in Note 1 to the basic financial statements, conforms to the requirements of GASB Statement No. 61, The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity, to better meet user needs and to address reporting entity issues that have arisen since the issuance of Statements No. 14 and No. 34. Consequently, the transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the discretely presented component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

The State budgets and controls its financial activities on the cash basis of accounting during its fiscal year. In compliance with State law, the State records its financial transactions in either of two major categories - the budgetary general fund or budgetary special funds. References to these funds include the terms "budgetary" or "budgetary basis" to differentiate them from the GAAP funds of the same name which encompass different funding categories. GAAP fund definitions for accounting purposes differ from those of the budgetary basis. General and special funds are fully explained in Note 1 to the basic financial statements.

The budgetary general fund provides for the cost of the State's general operations and is credited with all tax and other revenue of the State not dedicated to budgetary special funds. All disbursements from the budgetary general fund must be authorized by appropriations of the General Assembly.

Budgetary special funds are designated for specific purposes. The appropriate budgetary special fund is credited with tax or other revenue allocated and is charged with the related disbursements. Examples of specific uses of budgetary special funds include the Transportation Trust Fund, which collects some of its revenue through motor fuel taxes and tolls. Federal payments, unemployment compensation and local school funds are examples of nonappropriated special funds. Some special funds, such as the Delaware State Housing Authority and the State Pension Office, contain both appropriated funds for operations and non-appropriated funds for specific programs, such as public housing and pension benefits.

Federal funds, which are credited to budgetary special funds, are not appropriated, but are subject to the review and approval of the State Office of Management and Budget and the Delaware State Clearinghouse Committee for Federal Aid Coordination. The Committee is comprised of 10 members, including the Secretary of Finance, Director of the Office of Management and Budget, Director of the Division of Small Business, the Controller General, and six legislators.

Budgetary Control and Financial Management Systems

Disbursements are controlled by an encumbrance accounting system, via purchase orders, designed to provide information on the actual extent of the State's obligations and guard against over-committing available funds. Appropriations are reduced immediately when purchase orders are issued for goods and services. The total amount of budgetary general fund cash disbursements, plus unliquidated encumbrances, cannot exceed the amount appropriated by the General Assembly for any specific budgetary line items by department. Internal controls prevent State organizations from spending beyond budgetary limits and statutory requirements described in the Budget and Accounting Manual (the BAM), which dictates the process for handling cash, assets, the use of credit cards, payroll, procurement, budgeting and approvals over all financial transactions. (See Notes to Required Supplementary Information for more details.)

The majority of the State's financial transactions are processed through the statewide accounting system, which is a comprehensive, enterprise-wide financial system. However, certain special funds have financial activity external to that system, such as the Delaware Transportation Authority, the Delaware State Housing Authority and Delaware State University. This activity is governed in strict adherence to legislative regulations and guidelines established by their boards. In addition, these entities are audited annually and produce published financial reports.

Budget Process

Each fall, State organizations submit requests for operating and capital funds for the next fiscal year to the Office of Management and Budget and public hearings are held to review the requests. The Governor's proposed operating and capital budgets for the general fund and special funds, including the Transportation Trust Fund, are then drafted and presented by the Governor to the General Assembly in January. The General Assembly's Joint Finance and Joint Capital Improvement Committees hold hearings and mark up the Governor's proposed operating and capital budgets. As amended, the budgets are expected to be enacted on July 1.

Appropriation Limit

The State Constitution limits annual appropriations by majority vote of both houses of the General Assembly to 98% of estimated budgetary general fund revenue plus the unencumbered budgetary general fund balance from the previous fiscal year. An exception to this limit may be made in the event of a declared emergency, with the approval of a three-fifths vote of the members of each house of the General Assembly. No appropriation may be made which exceeds

100% of estimated budgetary general fund revenue plus the unencumbered general fund balance from the previous fiscal year.

Tax Limitations

The State Constitution was amended in May 1980 to limit tax and license fee increases or the imposition of any new taxes or fees to a three-fifths vote of each house of the General Assembly, rather than by a simple majority vote. An exception exists for tax increases to meet debt service on outstanding obligations of the State for which insufficient revenue is available when such debt service is due.

ECONOMIC CONDITION AND OUTLOOK

Over the past year Delaware's economy has continued to expand, though at a slower pace than the immediate post-pandemic recovery period. In the twelve months through September, employment in the State has increased 1.3%. While a deceleration from the prior twelve months, it is still slightly above the pre-pandemic trend of 1.1%, which is roughly where growth will likely settle. Importantly, the level of employment in the State is also back to the pre-pandemic trend, with all the lost jobs recovered and then some. Financial activities, the State's only industry with a disproportionately large location quotient, has slowed significantly from the 4.2% for the twelve months through September 2023, but is still growing slightly slower than total employment at 1.0%. On the other hand, the State's largest industry—education and health services—has accelerated strongly from 1.1% growth to 3.7% growth. One of the State's better-paying industries, professional and business services, declined 1.6%, though has shown increases each of the past four months. Government is currently one of the fastest-growing sectors in the State at 4.4%, with both State and federal government employment growing over 6%. Since the employment trough in April 2020, State employment growth has generally been at or above that of the nation.

Delaware personal income growth has slowed from the unsustainable, partly inflation-induced 8.8% pace of calendar year 2022 to 5.8% in 2023, and 5.4% for the first half of 2024. Wage and salary income, half of total income, has accelerated from 4.4% in 2023 to 6.0% for the first two quarters of this year. Despite high interest rates, dividend, interest and rent income growth has halved, from 11.0% to 5.5%. On an industry basis, only management of companies and enterprises has seen declining earnings in the first half of 2024, while construction, arts, entertainment and recreation, and federal government earnings have increased by double-digits.

The Federal Reserve recently reduced interest rates by a quarter of a percentage point, following the half-point reduction that initiated the current easing cycle. National labor market news has been mixed, with a surprisingly strong jobs report for September followed by a more surprisingly weak report for October. Prior to the 12,000 job increase of October, the consensus was that the economy was on the verge of a soft landing, if it had not already been achieved; the October report seems not to have changed many minds, though it may cause the Federal Reserve to act more trepidatiously in the near term. Regardless, below-trend growth is expected through 2026 as the Fed brings inflation fully under control. At present, there is no reason to expect Delaware's economy to significantly outperform the nation's.

As a result, economically-sensitive general fund revenue sources, with the possible exception of the realty transfer tax which is currently recovering strongly after a more-than-doubling of mortgage rates, are expected to show moderate growth at best over the next two years—particularly compared to the performance immediately following the pandemic. The current DEFAC forecast (October 2024) calls for general fund revenue growth of 3.2% in fiscal year 2025 and 2.7% in fiscal year 2026. Prospects for the personal income tax, the State's largest general fund revenue source, the corporate income tax, and, indirectly, general fund revenues, however, depend on how the new Administration and Congress respond to the expiration of personal income tax provisions of the Tax Cuts and Jobs Act at the end of calendar year 2025. Whether the resolution comes promptly or at the end of 2025—or later—remains to be seen.

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Delaware completed the fiscal year ending June 30, 2024 with a General Fund cash surplus of \$116.8 million, resulting in an ending General Fund cash balance of \$2,746.2 million after a \$410.1 million deposit into the Budget Stabilization Fund. The funded ratio of the Delaware State Employee Pension plan reached 87% on an actuarial basis. Delaware retained its AAA bond rating in 2023 and continued to secure low interest rates on capital improvement bonds. These results demonstrate Delaware's commitment to maintaining fiscal stability and managing taxpayer resources in a sound manner, which is carried out through structured processes and initiatives.

Revenue and Expenditure Forecasting

The Delaware Economic and Financial Advisory Council (DEFAC), an entity created by executive order in 1977, is comprised of a minimum of 25 members from the executive and legislative branches of State government and the private sector, as appointed by the Governor. DEFAC submits revenue and expenditure forecasts for the Budgetary General Fund and the Transportation Trust Fund to the Governor and the General Assembly regularly throughout the fiscal year. These forecasts are meant to ensure compliance with State constitutional limits on spending authority so future expenditures do not exceed expected revenues. In addition, revenue forecasts near year-end for the next fiscal year are utilized to calculate the corresponding statutory debt limits.

DEFAC prepares revenue estimates five times each fiscal year in October, December, March, May and June for the current fiscal year and the succeeding two fiscal years. A revenue forecast for the current fiscal year and the succeeding four fiscal years is generated once each year, generally in October. In addition, budgetary general fund expenditure forecasts are generated for the current and succeeding fiscal years and transportation trust fund expenditure forecasts are generated for the current fiscal year in October, December, March, May and June.

Additionally, DEFAC advises the Governor and General Assembly on economic conditions in the State and advises the Governor and the Secretary of Finance on tax policy. Executive Order No. 4, signed by Governor Carney in February 2017, established the Government Efficiency and Accountability Review (GEAR) Board to identify, on an on-going basis, cost savings and continuous improvement opportunities across state government. GEAR is

currently monitoring nearly 140 projects across State Executive and Judicial Branch agencies designed to improve the transparency, efficiency and quality of State government service delivery. Since GEAR's inception, the state has trained more than 100 graduates of the Continuous Improvement Practitioner (CIP) training program to lead such initiatives. DEFAC meetings, as well as GEAR meetings, are open to the public and provide a forum for members of the public and private sectors to exchange views on matters of economic and fiscal concern for the State.

On June 30, 2018, Governor Carney signed Executive Order No. 21, which implements key recommendations of a DEFAC advisory panel tasked with studying potential fiscal controls and a budget stabilization fund. The directive requires DEFAC to calculate an advisory benchmark index that is used to calculate an advisory benchmark appropriation and help policymakers determine sustainable levels of base budget growth. The benchmark index consists of equal weightings of the 3-year average of i) Delaware personal income growth and ii) Delaware population growth and the Implicit Price Deflator for State and Local Government Purchases. The Executive Order also directs the Office of Management and Budget to recognize for reporting and planning purposes a Budget Stabilization Fund, to complement the State's Budget Reserve Account, and to allocate to that fund the unencumbered general funds forecast at the end of the current fiscal year in excess of the two percent set-aside. The fiscal year 2020 Budget Bill established and each subsequent Budget Bill has maintained a separate Budget Stabilization Fund as a special fund holding account, and requires the unencumbered general fund balance at the end of each fiscal year in excess of the two percent set-aside be transferred into the fund. Funds in the account require an act of the General Assembly to enable appropriation and spending authority.

On July 17, 2023, Governor Carney signed Senate Bill 175. This Act requires an annual appropriation to the Other Post Employment Benefits (OPEB) Fund of at least 1% of the grand total of all General Fund operating budget appropriations for the prior fiscal year. The total amount of the contributions to the OPEB Fund may not exceed the annual required contribution, which is actuarially determined by the Board of Pension Trustees.

On June 30, 2024, Governor Carney signed House Bill 270. This Act codifies the recommendations of the DEFAC Benchmark Evaluation and Review Panel, building on the State's existing appropriation limit methodology by formalizing the Budget Stabilization Fund process enabled by Executive Order 21 and the past six Operating Budget Acts. The Act defines rules for deposits to and withdrawals from the Budget Stabilization Fund and provides an objective and stable measure of sustainable budget growth through an advisory budget benchmark index. The Act requires that the Governor's recommended Budget Appropriation Bill consider this methodology and detail any proposed plans necessary or desirable in relation to State revenues or reserve funding.

Implement an Integrated Revenue Administration System (IRAS)

The Delaware Department of Finance, Division of Revenue (DOR) is responsible for collecting more than \$3.3 billion in annual state taxes, processing more than \$350 million of tax refunds, ensuring compliance with the State's tax laws and assisting taxpayers. The Division of Revenue's technology as of 2017 was over 25 years old, mainframe based, and consisted of over

100 client server applications. IRAS implementation is designed to fully modernize DOR's process systems to create a web-based, real-time, and integrated user experience that automates processing capabilities, optimizes the efficiency and effectiveness of DOR staff, and strengthens security and internal controls. IRAS will improve DOR's ability to mitigate fraud and will increase revenue with new audit programs and better technology to assist with the collection of delinquent taxes. The project will also create numerous opportunities for improved efficiency and taxpayer service through collaboration with other state and local agencies.

Governor Carney and the General Assembly approved funding for the project in the Fiscal Year 2020 budget and a contract was awarded in July 2019. Release 1 went live in late 2020, incorporating business related taxes such as licensing fees, gross receipts taxes, commodities taxes such as alcohol and cigarettes, and so-called "Trust Fund Taxes" which are taxes due to the state that are collected through third parties such as personal income tax withholding, realty transfer taxes, lodging taxes and public utility taxes. In late 2022, Release 2 went live for Delaware's Personal Income Tax. As a result, all estimated, final, and extension returns for Personal Income Tax can be filed through Delaware's tax portal and are administered within IRAS. Release 3 will initiate administration for Delaware's new marijuana tax as well as convert processing of corporate and other business income taxes to the modernized system. These remaining updates will occur in a series of releases during 2024 and 2025.

INDEPENDENT AUDIT

The accounting firm of CliftonLarsonAllen, LLP (CLA) has audited the State's basic financial statements for the fiscal year ended June 30, 2024. As a result of that audit, CLA has issued an unmodified opinion with respect to the State's basic financial statements, except for the Unemployment Insurance (UI) Trust Fund and Business-Type Activities (of which the UI Trust Fund is a component) for which CLA has issued a disclaimer of opinion.

The Delaware Department of Labor's Division of Unemployment Insurance (DOLUI) was unable to overcome the significant employee turnover, internal control deficiencies, and an antiquated financial system identified in the prior year in order to provide detail reports supporting DOLUI's Fiscal Year 2024 financial statements. The UI Trust Fund is a proprietary fund and its systems are separate from the State's financial accounting systems. Data retrieved from DOLUI's management system was unable to be reconciled and information provided to the Delaware Department of Finance's Division of Accounting (DOA) was incomplete. DOA continues to assist DOLUI to overcome and address its internal control deficiencies and correct its flawed data for future years.

The State believes the balance of cash held in escrow by the UI Treasury for the UI Trust Fund provides overall assurance of the financial standing of the UI Trust Fund. The modernization project for DOLUI's management and financial systems is underway. DOA continues to provide assistance to overcome and address its internal control deficiencies and correct its flawed data for future years. DOA assistance includes the provision of internal staff support and external support from a Certified Public Accounting firm.

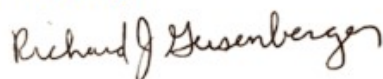
CLA's report on the basic financial statements has been included in the financial section of this ACFR.

The State Auditor of Accounts performs periodic financial and compliance audits of the various State departments, agencies and institutions of higher education and has primary responsibility for conducting audits under the Office of Management and Budget Uniform Grant Guidance. Results of these audits may be found in separately issued audit reports and may be obtained by contacting the Office of Auditor of Accounts, Townsend Building, 401 Federal Street, Dover, Delaware 19901.

ACKNOWLEDGEMENTS

The Department of Finance takes great pride in the preparation of this Annual Comprehensive Financial Report. I wish to express my sincere appreciation to the many individuals whose dedicated efforts have made this report possible. This report could not have been accomplished without the professionalism and dedication demonstrated by the Division of Accounting and the financial and management personnel of each State agency, component units, and all other organizations within the reporting entity. This report is also available on the internet at: <https://accounting.delaware.gov/reports-transparency>.

Sincerely,

A handwritten signature in dark ink, reading "Richard J. Geisenberger". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard J. Geisenberger
Secretary of Finance

**STATE OF DELAWARE
SELECTED STATE OFFICIALS
AS OF JUNE 30, 2024**

KEY ELECTED OFFICIALS:

Governor	John Carney
Lieutenant Governor	Bethany Hall-Long
Attorney General	Kathy Jennings
State Treasurer	Colleen C. Davis
Auditor of Accounts	Lydia York
Insurance Commissioner	Trinidad Navarro

KEY LEGISLATIVE OFFICIALS:

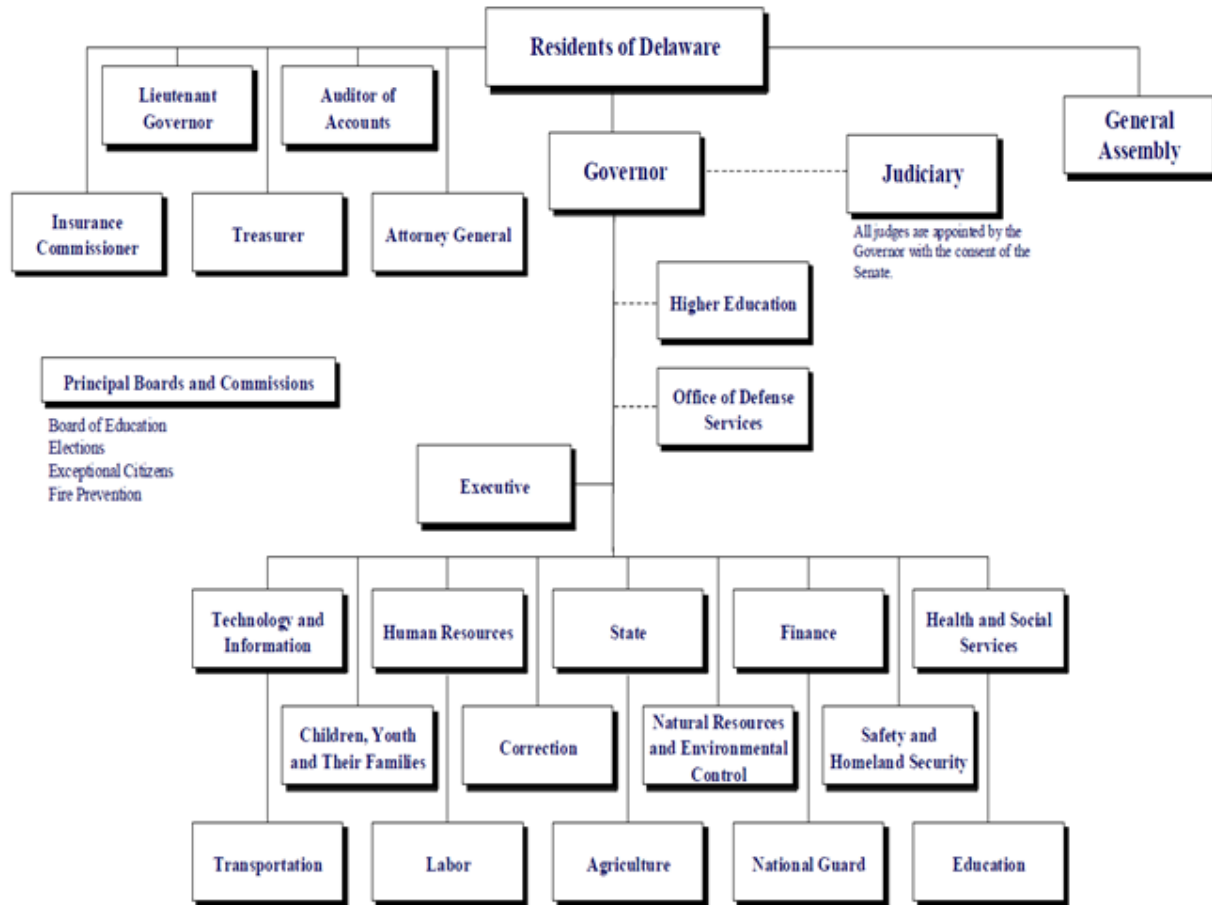
President Pro Tempore of the Senate	David P. Sokola
Senate Majority Leader	Bryan Townsend
Senate Minority Leader	Gerald W. Hocker
Speaker of the House of Representatives	Peter C. Schwartzkopf
House of Representatives Majority Leader	Valerie Longhurst
House of Representatives Minority Leader	Michael Ramone

CABINET POSITIONS AND OTHER APPOINTED OFFICIALS:

Agriculture	Michael Scuse
Correction	Acting Commission Terry Taylor
Delaware State Housing Authority	Cynthia Karnai
Education	Dr. Mark Holodick
Finance	Richard Geisenberger
Health and Social Services	Josette Manning
Human Resources	Claire DeMatteis
Labor	Karryl Hubbard
Delaware National Guard	Major General Michael Berry
Natural Resources and Environmental Control	Shawn Garvin
Office of Management and Budget	Cerron Cade
Safety and Homeland Security	Nathaniel McQueen, Jr.
Services for Children, Youth and Their Families	Steve Yeatman
State	Jeffrey W. Bullock
Technology and Information	Greg Lane
Transportation	Nicole Majeski

State of Delaware

Organizational Chart



Financial Section

Annual Comprehensive Financial Report



INDEPENDENT AUDITORS' REPORT

The Honorable Governor and Honorable Members of the State Legislative
The State of Delaware
Dover, Delaware

Report on the Audit of the Financial Statements

Disclaimer of Opinions and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, the general fund, federal fund, local school district fund, capital projects fund, lottery fund, DelDOT fund, and the aggregate remaining fund information, and we were engaged to audit the business-type activities and unemployment fund, of the State of Delaware (the State), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Business-type Activities	Disclaimer
Aggregate Discretely Presented Component Units	Unmodified
Governmental – General Fund	Unmodified
Governmental – Federal Fund	Unmodified
Governmental – Local School District Fund	Unmodified
Governmental – Capital Projects Fund	Unmodified
Enterprise – Lottery Fund	Unmodified
Enterprise – DelDOT Fund	Unmodified
Enterprise – Unemployment Fund	Disclaimer
Aggregate Remaining Fund Information	Unmodified

Disclaimer of Opinions on Business-Type Activities and Unemployment Fund

We do not express an opinion on the accompanying financial statements of the business-type activities and unemployment fund and the respective changes in financial position and cash flows thereof for the year ended June 30, 2024. Because of the significance of the matter described in the Basis for Disclaimer of Opinions on Business-Type Activities and Unemployment Fund section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statement of the business-type activities and unemployment fund.

Unmodified Opinions on Each of the Other Opinion Units

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the aggregate discretely presented component units, the general fund, federal fund, local school district fund, capital projects fund, the lottery fund, the DelDOT fund, and the aggregate remaining fund information of the State, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Honorable Governor and
Honorable Members of the State Legislative
State of Delaware

We did not audit the financial statements of certain agencies and component units of the State, which represent the indicated percent of total assets and deferred outflows of resources and total revenues as presented in the table below. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for those agencies and component units, is based solely on the reports of the other auditors.

Opinion Unit	Entity	Percentage Audited by Other Auditors	
		Assets and Deferred Outflows of Resources	Revenues
Governmental Activities	Sustainable Energy Utility, Inc.	1.0%	0.4%
Discretely Presented Component Units	Delaware State Housing Authority, Diamond State Port Corporation, Riverfront Development Corporation, Delaware State Foundation, Delaware Charter Schools, and Delaware Agricultural Lands Preservation Foundation	82.5%	72.7%
General Fund	Sustainable Energy Utility, Inc.	2.3%	0.6%
Aggregate Remaining Fund Information	Delaware Public Employees' Retirement System and Delaware Other Postemployment Benefits Fund Trust	99.0%	87.2%

Basis for Disclaimer of Opinions on Business-Type Activities and Unemployment Fund

The State's Department of Labor was unable to provide sufficient appropriate audit evidence for the balances and financial activity of the account balances of the unemployment fund. The State's records do not permit us, nor is it practical to extend or apply other auditing procedures, to obtain sufficient appropriate audit evidence to conclude that the account balances and related cash flows in the business-type activities and unemployment fund were free from material misstatement. As a result of these matters we were unable to determine whether further audit adjustments may have been necessary in respect to the unemployment fund account balances, and the elements making up the statement of activities and cash flows.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the aggregate discretely presented component units, the general fund, federal fund, local school district fund, capital projects fund, the lottery fund, the DeIDOT fund, and the aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State 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.

The Honorable Governor and
Honorable Members of the State Legislative
State of Delaware

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Business-Type Activities and Unemployment Fund

Our responsibility is to conduct an audit of the State's financial statements in accordance with GAAS and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions on Business-Type Activities and Unemployment fund section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the business-type activities and unemployment fund.

We are required to be independent of the State, and meet our other ethical responsibilities, in accordance with the relevant ethical requirements to our audit.

Auditor's Responsibilities for the Audit of the Governmental Activities, Aggregate Discretely Presented Component Units, General Fund, Federal Fund, Local School District Fund, Capital Projects Fund, Lottery Fund, DelDOT Fund, and Aggregate Remaining Fund Information

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 financial statements.
- 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 State's internal control. Accordingly, no such opinion is expressed.

The Honorable Governor and
Honorable Members of the State Legislative
State of Delaware

- 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of content (collectively referred to as RSI) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

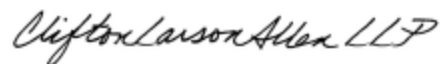
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, based on our audit and the report of other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

The Honorable Governor and
Honorable Members of the State Legislative
State of Delaware

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
December 23, 2024

STATE OF DELAWARE

Management's Discussion and Analysis

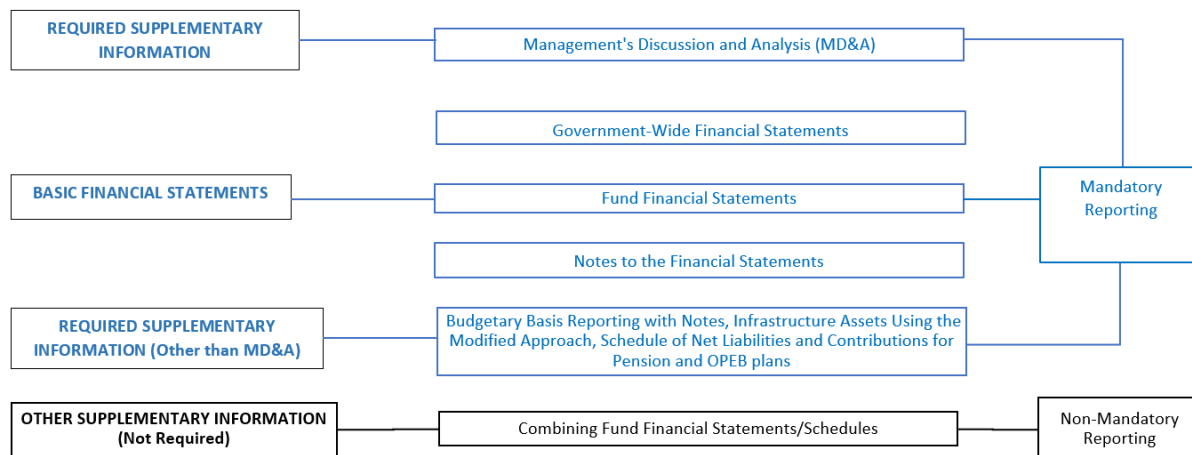
As management of the State of Delaware (the State), we offer readers of the State's financial statements this narrative overview and analysis of the financial activities for the State's fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page i of this report.

Financial Highlights

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2.9 billion. (Table 1 on page 11)
- The State's total net position increased by \$1.3 billion when compared to the previous year's ending net position. The net position for governmental activities increased by \$1.2 billion (43.4%) and the net position for business-type activities increased by \$100.5 million (2.3%) as a result of the current year operations. (Table 2 on page 12)
- The State's governmental funds reported combined ending fund balances of \$6.1 billion, an increase of \$0.6 billion (10.1%) in comparison with the prior year balance. Of this amount, \$2.94 billion or 48.5%, is the unassigned fund balance.
- The State's total general obligations debt increased \$73.9 million during fiscal year 2024 to \$2.5 billion. Of the State's outstanding general obligation debt, \$737.5 million (29.6%) has been issued on behalf of local school districts, which is supported by the property tax revenues of those districts. In addition, the State has \$1.1 billion in outstanding revenue bonds with \$48.1 million for energy conservation projects and \$1.1 billion for transportation projects. (Table 4 on page 19)

Overview of the Financial Statements

This annual report consists of a series of financial statements and supplementary information. The financial section of this report includes the following:



Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the State's operations, in a manner similar to a private-sector business.

- **Statement of Net Position**

The *Statement of Net Position* reports the difference between the State's assets and deferred outflows of resources and liabilities and deferred inflows of resources as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating. In evaluating the State's overall condition, however, additional nonfinancial information should be considered, such as the State's economic outlook, population, employment, and the condition of its capital assets and infrastructure.

- **Statement of Activities**

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the State as follows:

- **Governmental Activities**

The majority of the State's services fall into this category, which includes general government, health and children's services, judicial and public safety, natural resources

and environmental control, labor, and education. These services are primarily supported by taxes and intergovernmental revenues.

- **Business-type Activities**

Transportation, Lottery and Unemployment Insurance are the State's business-type activities. These operations are intended to recover all or a significant portion of their costs through user fees and charges. The state operates certain activities similar to private-sector businesses by charging fees to customers to recover all or a significant portion of their cost of providing goods and services.

- **Discretely Presented Component Units**

Certain organizations are legally separate from the State; however, the State remains financially accountable for them. These entities include the Delaware State Housing Authority, the Diamond State Port Corporation, the Riverfront Development Corporation, Delaware State University, the Delaware Agricultural Lands Preservation Foundation, and 23 charter schools. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found starting on page 22 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The State's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds**

Most of the State's basic services and expenditures are reported in governmental funds, which focus on how money flows into and out of these funds as well as the balances remaining at year end that are available for spending. Governmental fund financial statements are narrower than government-wide financial statements and focus on near-term inflows and outflows of available resources, as well as on balances of available resources on hand at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The State's governmental funds include the general, federal, local school district, and capital projects funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for these funds.

The basic governmental funds financial statements can be found starting on page 25 of this report.

The combining schedule for the local school districts that reflects the local school district fund can be found starting on page 191 of this report.

The State budgets and controls its financial activities on the cash basis of accounting. In compliance with State law, the State records its financial transactions in either of two major categories – the General Fund or the Special Fund. References to these funds in this report include the terms “budgetary” or “budgetary basis” to differentiate them from the GAAP funds of the same name which encompass different funding categories. The State adopts an annual appropriated budget for its budgetary general fund and special fund. A budgetary comparison schedule has been provided for the budgetary general fund and special fund to demonstrate compliance with the budget. The schedules can be found on page 164 of this report.

- **Proprietary Funds**

These funds are utilized when the State charges customers for providing services, whether they are provided to outside customers (enterprise funds) or other State agencies and other governments. Proprietary Funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Lottery, Unemployment Insurance Trust Fund, and the Delaware Department of Transportation (DelDOT), all of which are considered to be major funds of the State.

The basic proprietary fund financial statements can be found starting on page 29 of this report.

- **Fiduciary Funds**

The State uses fiduciary funds to account for resources held for the benefit of parties outside of the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are used where the State holds assets in trust or as an agent for others, including the pension and other post employment benefits trust funds and custodial funds.

The basic fiduciary fund financial statements can be found starting on page 32 of this report. The combining fiduciary and custodial fund statements can be found starting on page 185.

Reconciliation between Government-wide and Fund Statements

By comparing governmental funds to government-wide financial statements, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

This report includes two schedules that reconcile the amount reported on the governmental funds financial statements (modified accrual accounting, short term focus) with government-wide financial statements (full-accrual accounting, long-term focus). The following summarizes the major differences between the two statements:

- Capital outlay, right-to-use leased asset and right-to-use subscription asset spending result in capital assets on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.
- Bond proceeds provide current financial resources on the governmental fund statements, but issuing bonds increases long-term liabilities on the government-wide statements. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.
- Long-term obligations related to Pensions and Other Post-Employment Benefits (OPEB) results in certain liabilities on the government-wide financial statements, but not on the government funds statements as those financials focus on the near-term inflows and outflows of spendable resources.
- Expenses not requiring the use of current financial resources are reported as expenditures in the government-wide financial statements but not in the governmental funds financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 36 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain Required Supplementary Information (RSI) concerning the status of the State's legally adopted budget, the maintenance of the State's infrastructure and additional schedules related to funding status and progress, and required schedules of liability and contributions for the State's pension and OPEB trusts. The RSI can be found starting on page 161 of this report.

Statewide Financial Analysis

Government entities are required by GAAP to report on their net position. The *Statement of Net Position* presents the balance of all the State's assets and deferred outflows of resources, and of its liabilities and deferred inflows of resources, with the difference between them reported as net position.

The following table (Table 1) was derived from current and prior-year government-wide statements of net position:

Table 1
Net Position as of June 30, 2024 and 2023
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 8,740,370	\$8,200,195	\$1,113,681	\$1,281,853	\$ 9,854,051	\$ 9,482,048
Capital Assets	4,624,494	4,236,067	5,770,098	5,556,962	10,394,592	9,793,029
Total Assets	<u>13,364,864</u>	<u>12,436,262</u>	<u>6,883,779</u>	<u>6,838,815</u>	<u>20,248,643</u>	<u>19,275,077</u>
Deferred Outflows of Resources	2,469,524	2,493,731	149,606	168,081	2,619,130	2,661,812
Liabilities:						
Long-term Liabilities						
Outstanding	12,721,938	12,794,542	1,868,791	2,024,935	14,590,729	14,819,477
Other Liabilities	2,200,921	2,188,761	511,463	407,556	2,712,384	2,596,317
Total Liabilities	<u>14,922,859</u>	<u>14,983,303</u>	<u>2,380,254</u>	<u>2,432,491</u>	<u>17,303,113</u>	<u>17,415,794</u>
Deferred Inflows of Resources	2,459,569	2,683,556	246,796	268,525	2,706,365	2,952,081
Net Position:						
Net Investment in						
Capital Assets	1,752,144	1,434,819	4,374,164	4,091,883	6,126,308	5,526,702
Restricted	2,044,171	1,676,555	431,182	468,024	2,475,353	2,144,579
Unrestricted Deficit	(5,344,354)	(5,848,240)	(399,011)	(254,027)	(5,743,365)	(6,102,267)
Total Net Position	<u>\$ (1,548,039)</u>	<u>\$ (2,736,866)</u>	<u>\$4,406,335</u>	<u>\$4,305,880</u>	<u>\$ 2,858,296</u>	<u>\$ 1,569,014</u>

The Unemployment Trust Fund, which is a part of Business-type Activities, has been restated for Fiscal year 2023. See Note 24 - Accounting Changes and Error Corrections in the Notes to the Financial Statements.

Total assets of the governmental activities increased \$928.6 million as a result of increased cash and investments of \$335.1 million and a \$388.4 million increase in capital assets. The increase in cash and investments is a result of increased investment income of \$179.1 million and an increase in bond bill cash. The increase in capital assets is due to the increased spending for school district building facilities. Total liabilities of the governmental activities decreased by \$60.4 million primarily due to a decrease in the net OPEB liability of \$253.8 million offset by an increase in the net pension liability of \$163.0 million. The decrease in the OPEB liability is due to an increase in the discount rate. The investment results of the pension plan resulted in the majority of the plans reporting a net pension liability in the fiscal year 2024. Deferred inflows of resources decreased by \$224.0 million due to differences between expected and actual experience, changes in proportion, and changes in assumptions for OPEB and pension plans.

The net position deficit of governmental activities of \$1.5 billion for fiscal year 2024 (Table 1), is due to the liabilities related to Pension and OPEB, which total \$8.8 billion. The State expects to fund these liabilities with future State resources.

The following table (Table 2) derived from the current and prior year government-wide Statement of Activities:

Table 2
Changes in Net Position - Primary Government
For the Fiscal Years Ended June 30, 2024 and 2023
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 883,758	\$ 776,305	\$ 1,620,207	\$ 1,568,539	\$ 2,503,965	\$ 2,344,844
Operating Grants and Contributions	4,043,140	3,964,406	345,799	327,743	4,388,939	4,292,149
General Revenues:						
Taxes:						
Personal Income Taxes	2,237,948	2,164,548	—	—	2,237,948	2,164,548
Business Taxes	3,915,897	4,035,248	—	—	3,915,897	4,035,248
Real Estate Taxes	826,002	812,240	—	—	826,002	812,240
Other Taxes	119	89	—	—	119	89
Investment Income (Loss)	241,306	62,229	31,771	23,836	273,077	86,065
Miscellaneous	24,570	16,736	4,897	5,430	29,467	22,166
Total Revenues	12,172,740	11,831,801	2,002,674	1,925,548	14,175,414	13,757,349
Expenses:						
General Government	999,570	1,214,705	—	—	999,570	1,214,705
Health and Children's						
Services	4,857,865	4,777,304	—	—	4,857,865	4,777,304
Judicial and Public Safety	1,074,515	917,173	—	—	1,074,515	917,173
Natural Resources and						
Environmental Control	263,977	210,828	—	—	263,977	210,828
Labor	95,631	87,917	—	—	95,631	87,917
Education	3,869,081	3,559,644	—	—	3,869,081	3,559,644
Interest Expense	128,594	73,839	—	—	128,594	73,839
Lottery	—	—	593,683	518,374	593,683	518,374
Transportation/DelDOT	—	—	913,144	876,727	913,144	876,727
Unemployment	—	—	90,072	79,048	90,072	79,048
Total Expenses	11,289,233	10,841,410	1,596,899	1,474,149	12,886,132	12,315,559
Increase (Decrease) in Net Position Before Transfers	883,507	990,391	405,775	451,399	1,289,282	1,441,790
Transfers	305,320	305,944	(305,320)	(305,944)	—	—
Increase (Decrease) in Net Position	1,188,827	1,296,335	100,455	145,455	1,289,282	1,441,790
Net Position - beginning, as originally reported	(2,736,866)	(4,033,201)	4,305,880	4,234,169	1,569,014	200,968
Adjustment	\$ —	\$ —	\$ —	\$ (73,744)	\$ —	\$ —
Net Position (Deficit) - Beginning as adjusted	\$ (2,736,866)	\$ (4,033,201)	\$ 4,305,880	\$ 4,160,425	\$ 1,569,014	\$ 127,224
Net Position (Deficit) - End of Year	\$ (4,284,905)	\$ (2,736,866)	\$ 4,406,335	\$ 4,305,880	\$ 2,858,296	\$ 1,569,014

The Unemployment Trust Fund, which is a part of Business-type Activities, has been restated for Fiscal year 2023. See Note 24 - Accounting Changes and Error Corrections in the Notes to the Financial Statements.

Governmental Activities

Since fiscal year 2023, the net position for governmental activities has increased by \$1.2 billion from the prior fiscal year (Table 2). The State's total revenues resulting from governmental activities exceeded total expenses by \$883.5 million. Revenues increased \$340.9 million due to increased investment income of \$179.1 million and increased tax revenues of \$73.4 million for personal income taxes. Program revenues increased by \$186.2 million from the prior year primarily due to an increase in charges for services. Investment income and personal income taxes increased due to favorable economic conditions. Total expenses for governmental activities increased \$447.8 million from the prior year; due to an increase of \$309.4 million in Education and \$157.3 million in Judicial and Public Safety, offset by a decrease of \$215.1 million in General Government due to decreased expenses for employee benefits. The increased expenses for Judicial and Public Safety and Education are mainly due to increased expenses for salaries and fringe benefits.

Business-type Activities

Net position of business-type activities increased \$100.5 million during the fiscal year compared to an increase in the prior year of \$145.5 million.

Charges for services increased by \$51.7 million from the prior fiscal year. State unemployment taxes decreased \$38.6 million as a result of lower employer tax rates and an increase in employer refunds. Lottery sales increased by \$78.5 million; the largest increase was in sports revenue of \$61.6 million, 85%, due to a new iGaming contract that includes a sports mobile option. Sports mobile sales are recorded in sports lottery figures. DelDOT revenues increased by \$11.7 million, \$23.2 million less than the increase of the prior year due to decreases in motor vehicle related revenues of \$12.8 million. Federal grant revenue decreased by \$18.1 million as a result of decreased federal unemployment insurance benefits.

Operating expenses increased by \$122.8 million from the prior fiscal year. The significant components of this increase were:

- Increased unemployment benefits of \$11.0 million were due primarily to economic condition.
- Increased transportation expenses of \$36.4 million resulted from an emphasis on highway infrastructure projects and less on road maintenance throughout the fiscal year.
- Significant sports sales increases and a large jackpot run in Powerball during the fiscal year resulted in an increase in prize expenses of \$59.3 million.

The Lottery transferred \$297.4 million of gaming revenues to the State, an increase of \$3.2 million from the prior year primarily as a result of the increase in net sales.

Governmental Funds

The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the State's

financing requirements. Unassigned fund balances may serve as a useful measure of a government's net resources at the end of the fiscal year.

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. This is further described in Note 1 and Note 20 of the basic financial statements.

As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$6.1 billion, an increase of \$0.6 billion over the prior year fund balance.

Of this amount, \$58.8 million is nonspendable (1.0%), either due to its form or legal constraints, \$2.0 billion (33.6%) is restricted for specific programs by external constraints, and \$846.5 million (14.0%) is committed for specific purposes pursuant to constraints imposed by a formal action of the Delaware Legislature. An additional \$183.2 million (3.0%) has been assigned to specific purposes by management. The remaining \$2.9 billion (48.5%) of fund balance is unassigned.

General Fund

The General Fund accounts for the operation and administration of the State. The overall general fund balance increased by \$495.4 million (11.6%), during the current fiscal year. The change in fund balance resulted in \$445.1 million less than the fiscal year 2023 change in fund balance. This is due to decreased tax revenues of \$45.9 million less than fiscal year 2023 and expenditure increases of \$679.0 million, primarily from General Government, Judicial and Public Safety, and Education from fiscal year 2023.

Federal Funds

Federal Funds represent pass through grants used for designated purposes. These funds report federal grant revenues and the related expenditures to support the State's grant programs. Total federal fund revenues increased by \$143.9 million and federal fund expenses increased by \$43.2 million.

Local School District Funds

These funds are used to account for activities relating to the State's local school districts, which are funded by locally raised real estate taxes and other revenues. The fund balance decreased by \$3.1 million to \$487.5 million primarily due to an increase in expenditures of \$49.2 million to serve the increasing student population, offset by increased taxes of \$14.1 million and increased interest and other investment income of \$26.0 million.

Capital Project Funds

Capital Project Funds are used to account for the construction and acquisition of capital assets of the primary government. Capital outlay expenditures totaled \$259.4 million in fiscal year 2024, an increase of \$2.6 million.

Proprietary Funds

The State's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. The Proprietary Fund financial statements provide separate information for the Lottery, Unemployment Insurance Trust Fund, and the DelDOT Fund, all of which are considered to be part of the primary government and major funds of the State.

Total Proprietary Fund net position increased in fiscal year 2024 by \$100.5 million as a result of operations. Page 13 discusses the changes in net position of the business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and final amended budget, and the final budget and actual expenditures for the year are summarized for the General Fund in the following paragraphs. The budgetary schedule may be found in the Required Supplementary Information Section starting on page 161.

Original budget compared to final budget. Overall, the change between the original and final general fund budget was an increase in budgeted revenues of \$330.1 million and an increase in budgeted expenses of \$2.5 billion. The increase in budgeted revenues is primarily due to increases for updated revenue estimates available for appropriations as of the last Delaware Economic and Financial Advisory Council (DEFAC) meeting in June 2024. The increase in budgeted expenses is primarily a result of the inclusion of the Grant-in-Aid and Capital budgets, which added \$72.0 million and \$753.4 million, respectively. The remainder of the change is due to prior year encumbrances and multi-year project budgetary carry-forwards from the prior fiscal years.

Final budget compared to actual results. Actual revenues were \$20.6 million lower than budgetary final revenues of \$6.4 billion, due primarily to a decrease in personal income tax of \$16.1 million from a return to pre-pandemic employment levels and a decrease of \$74.0 million in licenses, permits, and fines, offset by a \$53.6 million increase in business taxes as a result of favorable economic conditions leading to increases in both the corporate income and franchise taxes. Actual expenditures were less than budgeted expenditures by \$1.9 billion, or 29.9%. The most significant differences between estimated expenses and actual results were as follows:

- \$1,028.2 million in lower general government expenses as budgeted projects will be extended over several years;

- \$447.5 million in lower education expenses, with federal assistance providing a larger portion of funding for programs for underserved students.
- \$151.7 million in lower Health and Children's expenses with federal Medicaid providing a larger portion of the costs of care through the pandemic;

Capital Assets and Debt Administration

Capital Assets

The State's investment in capital assets for its governmental and business-type activities, as of June 30, 2024, amounted to \$10.4 billion (net of accumulated depreciation and amortization). This investment in capital assets includes land, land improvements, buildings, right-to-use leased and subscription assets, vehicles and equipment, easements, roads, highways, and bridges.

A summary of the State's primary government's capital assets, net of depreciation and amortization is as follows:

Table 3
State of Delaware Capital Assets as of June 30, 2024
Net of Depreciation and Amortization
 (Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 585,721	\$ 545,452	\$ 439,188	\$ 419,307	\$ 1,024,909	\$ 964,759
Land Improvements	164,381	169,446	16,451	12,911	180,832	182,357
Buildings	2,787,319	2,700,976	290,749	166,212	3,078,068	2,867,188
Right-to-Use Leased Buildings	246,730	241,810	708	818	247,438	242,628
Easements	83,550	83,550	—	—	83,550	83,550
Right-to-Use Leased Equipment	8,800	9,066	182	215	8,982	9,281
Equipment, Vehicles and Computer Software	94,841	80,845	165,826	170,771	260,667	251,616
Right-to-Use Subscription Assets	90,100	46,174	4,987	1,398	95,087	47,572
Infrastructure	—	—	4,800,357	4,596,802	4,800,357	4,596,802
Construction-In-Progress	563,052	358,748	51,650	189,038	614,702	547,786
	<u>\$ 4,624,494</u>	<u>\$ 4,236,067</u>	<u>\$ 5,770,098</u>	<u>\$ 5,557,472</u>	<u>\$ 10,394,592</u>	<u>\$ 9,793,539</u>

The total increase in capital assets for governmental activities was \$388.4 million (9.2%) and the increase for business-type activities was \$212.6 million (3.8%).

Major capital asset increases in the government-type activities during the fiscal year are due primarily to increased spending for school district building facilities. Major capital asset increases in the business-type activities during the current fiscal year are due to the increased spending at DelDOT for projects including:

- \$94.5 million for the I-95 and SR896 Interchange project, which will improve safety and reduce congestion;
- \$16.3 million for the US113 at SR18/SR404 Georgetown Grade Separated Interchange, which will preserve mobility for local residents and businesses while reducing congestion and improving safety;
- \$8.2 million for replacing the existing SR 1 and SR 16 signalized intersection with a grade-separated intersection;
- \$7.9 million for the SR24 Love Creek to Mulberry Knoll project to widen the roadway to facilitate the continuation of the existing four lane section.

As allowed by GASB, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 4,382 centerline miles and 840 bridges that the State is responsible to maintain with a total book value of \$4.8 billion as of June 30, 2024.

It is the State's policy to maintain at least 85% of its highways at a fair or better condition rating and 95% of its national bridge inventory (combined structural and deck ratings) at a fair or better condition rating as follows:

The condition of road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0 for poor pavement to 5 for pavement in excellent condition.

The condition of bridges is measured using the "Bridge Condition Rating" (BCR), which is based on the Federal Highway Administration's Coding Guide, "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges". The BCR uses a measurement scale that is based on a condition index ranging from 0 to 9, 0 to 4 for substandard bridges, and 9 for bridges in perfect condition. For reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges are taken as those with ratings of 6 to 9. A rating of 5 is considered fair.

The Department performs condition assessments of eligible infrastructure assets at least every three years.

Of the Department's 840 bridge structures that were rated in 2024, 86.7% received good or better BCR rating, 12.3% were rated fair, and 1.0% received a substandard rating. Of the 8,394,917 square feet of bridge deck that was rated, 77.1% received an OPC condition rating of good or better, 22.3% received a fair rating, and 0.6% received a substandard deck rating. Of the 4,382 centerline miles that were rated in 2024, 90.2% received a fair or better OPC rating and 9.8% received a poor rating.

For 2024, the estimated and actual expenditures to maintain and preserve the Department's infrastructure were \$830.2 million and \$365.5 million, respectively.

Additional information on the State's capital assets can be found in "Note 1" starting on page 36, "Note 6" starting on page 85 and on page 167 in the Required Supplementary Information.

Long-Term Debt

The State uses general obligation debt to finance capital projects. At the end of the current fiscal year, the State had total debt outstanding of \$2.5 billion backed by the full faith and credit of the State. The State's debt burden reflects its centralized role in financing facilities, including school construction projects. As of June 30, 2024, \$737.5 million, or 29.6% of the State's outstanding debt was issued on behalf of local school districts. Local school districts transferred \$72.1 million of property tax revenue to the State to cover related debt service during fiscal year 2024. Due to the State's statutory debt limits and its fiscal management, three principal rating agencies - Moody's Investor's Service, Fitch Ratings Standard & Poor's, and Kroll Bond Rating Agency - reaffirmed their triple-A ratings on the State's general obligation bonds during fiscal year 2024.

The State has no constitutional debt limits. However, in 1991, the State enacted legislation that limits debt issuance with a three-part test as follows:

- A 5% test restricts new debt authorization to 5% of budgetary general fund revenue as projected by the Delaware Economic and Financial Advisory Council (DEFAC) in June for the next fiscal year. For fiscal year 2024, debt authorization was limited to \$301.7 million.
- A 15% test restricts debt issuance if the annual payments on all outstanding debt exceed 15% of estimated budgetary general fund and Transportation Trust Fund Revenue for the next fiscal year. Currently these annual payments represent approximately 6.0% of estimated general fund and Transportation Trust Fund revenues.
- Finally, a cash balance test restricts debt issuance if the debt service payment in any year exceeds the estimated cumulative cash balance for the following fiscal year. For fiscal year 2024, the projected cash balance exceeded debt service.

The following table is a two-year comparison of bonded debt presented for both governmental and business-type activities:

Table 4
State of Delaware Bonded Debt as of June 30, 2024 and 2023
General Obligation and Revenue Bonds
(Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2.024	2.023	2.024	2.023	2.024	2.023
General Obligation Bonds	\$ 2,488,175	\$ 2,414,230	\$ —	\$ —	\$ 2,488,175	\$ 2,414,230
Revenue Bonds	48,145	51,475	1,092,130	1,158,185	1,140,275	1,209,660
	<u>\$ 2,536,320</u>	<u>\$ 2,465,705</u>	<u>\$ 1,092,130</u>	<u>\$ 1,158,185</u>	<u>\$ 3,628,450</u>	<u>\$ 3,623,890</u>

On May 15, 2024, the State issued \$359.3 million of general obligation bonds maturing between May 1, 2024 and May 1, 2043. Of the \$359.3 million issued as Series 2024A, \$290.0 million was issued representing new money, the proceeds of which were used to fund various capital projects as authorized by the General Assembly; and \$69.3 million was issued as refunding bonds, the proceeds of which were used to refund existing bonds for a net present value savings of \$5.3 million, or 7.7% of the principal refunded. The bonds bear coupons between 4.0% and 5.0% and yield between 2.81% and 4.09%.

In addition, the Sustainable Energy Utility, Inc. (SEU) had \$48.1 million of Revenue Bonds outstanding as of June 30, 2024. The SEU bonds support general government initiatives and have been used to finance construction on energy efficient upgrades to facilities in the State, therefore this debt is reflected in the primary government statements as governmental activities. The bonds are secured by appropriations of the State organizations that are participating in the SEU program but are not an obligation of the State.

Debt issued by the Delaware Transportation Authority does not constitute a debt of the State or a pledge of its general taxing power or of its full faith and credit. Rather, the outstanding revenue bonds are obligations of the Authority payable solely from and secured by a pledge and assignment of certain tolls and revenues such as motor fuel tax revenues, motor vehicle document fees and motor vehicle registrations. The Delaware Transportation Authority has revenue bonds outstanding of \$1.1 billion to support its ongoing capital transportation program which includes \$164.8 million in Grant Anticipation Vehicle Bonds (GARVEEs) to finance a portion of the costs of completing the final design and right-of-way acquisition for a new U.S. 301. The Delaware Transportation Authority also obtained a loan from the Federal Highway Administration (FHWA) to finance construction of the U.S. 301 toll road project, which has an outstanding balance of \$243.4 million as of June 30, 2024.

Additional information on the State of Delaware's long-term debt can be found in Notes 8, 9, and 10 starting page 90 of this report.

Financial Management

The State's financial management continues to be recognized by the premier credit rating from all four principal rating agencies: Aaa from Moody's Investor's Service, AAA from Fitch Ratings and AAA from Standard & Poor's, and AAA from Kroll Bond Rating Agency. The ratings reflect Delaware's financial management practices that have become institutionalized within the State:

- Expenditure budgeting of 98% of available budgetary general fund revenue;
- Budgetary general fund revenue forecasts that are frequent, objective and often conservative;
- Three-part debt affordability test that limits debt authorization to 5% of budgetary general fund revenue; debt service to 15% of tax supported revenue; and the cash balance test;
- Consistent satisfaction of the State's budget reserve requirement – the State's rainy day fund has never fallen below its mandated 5% of general fund revenue; and
- Adequate funding of its pension plan.

Economic Factors and Next Year's Budgets and Rates

Over the past year Delaware's economy has continued to expand, though at a slower pace than the immediate post-pandemic recovery period. In the twelve months through September, employment in the State has increased 1.3%. While a deceleration from the prior twelve months, it is still slightly above the pre-pandemic trend of 1.1%, which is roughly where growth will likely settle. Importantly, the level of employment in the State is also back to the pre-pandemic trend, with all the lost jobs recovered and then some. Financial activities, the State's only industry with a disproportionately large location quotient, has slowed significantly from the 4.2% for the twelve months through September 2023, but is still growing slightly slower than total employment at 1.0%. On the other hand, the State's largest industry—education and health services—has accelerated strongly from 1.1% growth to 3.7% growth. One of the State's better-paying industries, professional and business services, declined 1.6%, though has shown increases each of the past four months. Government is currently one of the fastest-growing sectors in the State at 4.4%, with both State and federal government employment growing over 6%. Since the employment trough in April 2020, State employment growth has generally been at or above that of the nation.

Delaware personal income growth has slowed from the unsustainable, partly inflation-induced 8.8% pace of calendar year 2022 to 5.8% in 2023, and 5.4% for the first half of 2024. Wage and salary income, half of total income, has accelerated from 4.4% in 2023 to 6.0% for the first two quarters of this year. Despite high interest rates, dividend, interest and rent income growth has halved, from 11.0% to 5.5%. On an industry basis, only management of companies and enterprises has seen declining earnings in the first half of 2024, while construction, arts, entertainment and recreation, and federal government earnings have increased by double-digits.

The Federal Reserve recently reduced interest rates by a quarter of a percentage point, following the half-point reduction that initiated the current easing cycle. National labor market news has been mixed, with a surprisingly strong jobs report for September followed by a more surprisingly weak report for October. Prior to the 12,000 job increase of October, the consensus was that the

economy was on the verge of a soft landing, if it had not already been achieved; the October report seems not to have changed many minds, though it may cause the Federal Reserve to act more trepidatiously in the near term. Regardless, below-trend growth is expected through 2026 as the Fed brings inflation fully under control. At present, there is no reason to expect Delaware's economy to significantly outperform the nation's.

As a result, economically-sensitive general fund revenue sources, with the possible exception of the realty transfer tax which is currently recovering strongly after a more-than-doubling of mortgage rates, are expected to show moderate growth at best over the next two years—particularly compared to the performance immediately following the pandemic. The current DEFAC forecast (October 2024) calls for general fund revenue growth of 3.2% in fiscal year 2025 and 2.7% in fiscal year 2026. Prospects for the personal income tax, the State's largest general fund revenue source, the corporate income tax, and, indirectly, general fund revenues, however, depend on how the new Administration and Congress respond to the expiration of personal income tax provisions of the Tax Cuts and Jobs Act at the end of calendar year 2025. Whether the resolution comes promptly or at the end of 2025—or later—remains to be seen.

Requests for Information

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Department of Finance, Division of Accounting, 820 Silver Lake Boulevard, Suite 200, Silver Lake Plaza, Dover, Delaware 19904 or visit our website at <https://accounting.delaware.gov>.

STATE OF DELAWARE
STATEMENT OF NET POSITION
JUNE 30, 2024

(Expressed in Thousands)

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 64,330	\$ 469,350	\$ 533,680	\$ 110,625
Pooled Cash and Investments	4,760,958	100,110	4,861,068	142,802
Receivables, Net	1,201,579	196,316	1,397,895	467,597
Lease Receivable	29,846	10,565	40,411	14,232
Interfund Balances	13,856	(13,856)	—	—
Inventories	10,454	30,616	41,070	—
Prepaid Items	15,978	—	15,978	5,345
Investments	376,419	193,645	570,064	600,498
Other Assets	—	2,860	2,860	32,709
Restricted Assets:				
Pooled Cash and Investments	2,255,567	—	2,255,567	15,814
Deposit on Hold with Trustee	34	—	34	4,519
Restricted Investments	—	124,075	124,075	23,198
OPEB Asset	—	—	—	2,288
Net Pension Asset	11,349	—	11,349	780
Other Restricted Assets	—	—	—	5,030
Capital Assets:				
Non-Depreciable Assets, Net	1,232,323	5,313,295	6,545,618	531,538
Depreciable Capital Assets, Net	3,392,171	456,803	3,848,974	771,873
Total Capital Assets, Net	4,624,494	5,770,098	10,394,592	1,303,411
Total Assets	13,364,864	6,883,779	20,248,643	2,728,848
DEFERRED OUTFLOWS OF RESOURCES	2,469,524	149,606	2,619,130	305,177
LIABILITIES				
Accounts Payable	1,023,883	263,159	1,287,042	61,927
Accrued Liabilities	81,874	16,593	98,467	47,179
Accrued Interest Payable	32,325	19,551	51,876	4,761
Unearned Revenue	452,846	61,582	514,428	32,363
Escrow Deposits	—	50,072	50,072	62,168
Due Within One Year	609,993	100,506	710,499	25,724
Due In More Than One Year	3,881,968	1,357,257	5,239,225	633,236
Net Pension Liability, Due In More Than One Year	1,736,249	72,751	1,809,000	122,379
Net OPEB Liability, Due In More Than One Year	7,103,721	438,783	7,542,504	621,334
Total Liabilities	14,922,859	2,380,254	17,303,113	1,611,071
DEFERRED INFLOWS OF RESOURCES	2,459,569	246,796	2,706,365	330,942
NET POSITION				
Net Investment in Capital Assets	1,752,144	4,374,164	6,126,308	817,316
Restricted For:				
Debt Service	—	150,813	150,813	—
Federal and State Regulations	2,016,842	—	2,016,842	557,719
Bond Covenants	—	—	—	46,195
Unemployment Benefits	—	280,369	280,369	—
Loan Program	—	—	—	24,224
Other Purposes	27,329	—	27,329	83,465
Unrestricted (Deficit)	(5,344,354)	(399,011)	(5,743,365)	(436,907)
Total Net Position (Deficit)	\$ (1,548,039)	\$ 4,406,335	\$ 2,858,296	\$ 1,092,012

STATE OF DELAWARE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Discretely Presented Component Units
		Charges for Services	Grants and Contributions		Primary Government			
			Operating	Capital	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 999,570	\$ 419,729	\$ 258,435	\$ —	\$ (321,406)	\$ —	\$ (321,406)	\$ —
Health and Children's Services	4,857,865	153,093	3,031,284	—	(1,673,488)	—	(1,673,488)	—
Judicial and Public Safety	1,074,515	87,742	123,925	—	(862,848)	—	(862,848)	—
Natural Resources and Environmental Control	263,977	121,879	89,139	—	(52,959)	—	(52,959)	—
Labor	95,631	12,540	74,490	—	(8,601)	—	(8,601)	—
Education	3,869,081	88,775	465,867	—	(3,314,439)	—	(3,314,439)	—
Interest	128,594	—	—	—	(128,594)	—	(128,594)	—
	<u>11,289,233</u>	<u>883,758</u>	<u>4,043,140</u>	<u>—</u>	<u>(6,362,335)</u>	<u>—</u>	<u>(6,362,335)</u>	<u>—</u>
Business-type Activities:								
Lottery	593,683	891,069	—	—	—	297,386	297,386	—
DelDOT	913,144	692,242	345,077	—	—	124,175	124,175	—
Unemployment	90,072	36,896	722	—	—	(52,454)	(52,454)	—
Total Business-type Activities	<u>1,596,899</u>	<u>1,620,207</u>	<u>345,799</u>	<u>—</u>	<u>—</u>	<u>369,107</u>	<u>369,107</u>	<u>—</u>
Total Primary Government	<u>\$ 12,886,132</u>	<u>\$ 2,503,965</u>	<u>\$ 4,388,939</u>	<u>\$ —</u>	<u>(6,362,335)</u>	<u>369,107</u>	<u>(5,993,228)</u>	<u>—</u>
Discretely Presented Component Units:								
Delaware State Housing Authority	\$ 122,850	\$ 15,357	\$ 153,991	\$ 855	—	—	—	47,353
Diamond State Port Corporation	4,514	—	1,447	565	—	—	—	(2,502)
Riverfront Development Corporation	13,097	3,498	—	17,677	—	—	—	8,078
Delaware State University	239,226	128,309	17,852	529	—	—	—	(92,536)
Delaware Charter Schools	342,976	5,003	47,137	3,848	—	—	—	(286,988)
Delaware Agricultural Lands Preservation Foundation	994	397	10,581	1,769	—	—	—	11,753
Total Discretely Presented Component Units	<u>\$ 723,657</u>	<u>\$ 152,564</u>	<u>\$ 231,008</u>	<u>\$ 25,243</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(314,842)</u>
General Revenues:								
Taxes:								
Personal Income					2,237,948	—	2,237,948	—
Business					3,915,897	—	3,915,897	—
Real Estate					826,002	—	826,002	—
Other					119	—	119	—
Unrestricted Payments from Primary Government					—	—	—	371,741
Investment Income					241,306	31,771	273,077	24,825
Miscellaneous					24,570	4,897	29,467	35,250
Transfers In (Out)					305,320	(305,320)	—	—
Total General Revenues and Transfers					<u>7,551,162</u>	<u>(268,652)</u>	<u>7,282,510</u>	<u>431,816</u>
Changes in Net Position					1,188,827	100,455	1,289,282	116,974
Net Position (Deficit) - Beginning as Originally Reported					(2,736,866)	4,340,074	1,603,208	959,075
Adjustment (See Note 24 for Details)					—	(34,194)	(34,194)	15,963
Net Position (Deficit) - Beginning					<u>(2,736,866)</u>	<u>4,305,880</u>	<u>1,569,014</u>	<u>975,038</u>
Net Position (Deficit) - Ending					<u>\$ (1,548,039)</u>	<u>\$ 4,406,335</u>	<u>\$ 2,858,296</u>	<u>\$ 1,092,012</u>

See Accompanying Notes to Basic Financial Statements

**STATE OF DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2024

(Expressed in Thousands)

	General	Federal	Local School Districts	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 48,299	\$ 120	\$ 15,910	\$ —	\$ 64,329
Pooled Cash and Investments	5,588,191	447,695	515,717	464,921	7,016,524
Deposit on Hold with Trustee	34	—	—	—	34
Investments	376,145	—	274	—	376,419
Lease Receivable	29,723	—	123	—	29,846
Accounts Receivable, Net	260,933	51,801	216	—	312,950
Taxes Receivable, Net	94,661	—	52,192	—	146,853
Intergovernmental					
Receivables, Net	—	337,176	—	—	337,176
Loans and Notes Receivable, Net	47,198	357,402	—	—	404,600
Due from Other Funds	184,116	62,845	—	—	246,961
Prepaid Items	15,978	—	—	—	15,978
Inventories	8,255	2,199	—	—	10,454
TOTAL ASSETS	\$ 6,653,533	\$ 1,259,238	\$ 584,432	\$ 464,921	\$ 8,962,124
LIABILITIES					
Accounts Payable	\$ 681,644	\$ 277,588	\$ 46,825	\$ 17,826	\$ 1,023,883
Accrued Liabilities	81,874	—	—	—	81,874
Other Liabilities	102,804	—	—	—	102,804
Escheat Liability	650,001	—	—	—	650,001
Due to Other Funds	74,648	158,459	—	—	233,107
Unearned Revenue	5,151	447,695	—	—	452,846
Total Liabilities	1,596,122	883,742	46,825	17,826	2,544,515
DEFERRED INFLOWS OF RESOURCES	293,029	18,095	50,102	—	361,226
FUND BALANCES					
Nonspendable	58,828	—	—	—	58,828
Restricted	740,819	357,401	487,505	447,095	2,032,820
Committed	846,532	—	—	—	846,532
Assigned	183,165	—	—	—	183,165
Unassigned	2,935,038	—	—	—	2,935,038
Total Fund Balances	4,764,382	357,401	487,505	447,095	6,056,383
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 6,653,533	\$ 1,259,238	\$ 584,432	\$ 464,921	\$ 8,962,124

STATE OF DELAWARE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2024

(Expressed in Thousands)

Total Fund Balances - Governmental Funds	<u>\$ 6,056,383</u>
---	---------------------

Amounts reported for governmental activities in the statement of net position are different because:

Net pension asset available to fund future pension obligations	11,349
--	--------

Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 585,721	
Land Improvements	164,381	
Buildings	2,787,319	
Right-to-Use Leased Buildings	246,730	
Easements	83,550	
Right-to-Use Leased Equipment	8,800	
Equipment, Vehicles and Software	94,841	
Right-to-Use Subscription Asset	90,100	
Construction in Progress	<u>563,052</u>	
		4,624,494

Deferred outflows of resources related to the pension and OPEB contributions, changes in proportion, change in assumptions, experience differences, and investment differences	2,469,524
--	-----------

Deferred inflows of resources related to:

Revenues that will be collected after year-end, but are not available to pay for the current period's expenditures	361,226	
Pension investment differences, changes in proportion, and experience differences	(2,743)	
OPEB investment differences, changes in proportion, and change in assumptions	(2,379,035)	
Lease Related	(28,077)	
Deferred gains on refunding of bonds	<u>(49,714)</u>	
		(2,098,343)

Certain liabilities net of related assets are not due and payable in the current period and are not reported in the fund balance sheet. These liabilities consist of:

Interest Payable	(32,325)	
Claims and Judgments (Current and Long-term)	(204,011)	
Compensated Absences (Current and Long-term)	(216,096)	
Pollution Remediation Obligations (Current and Long-term)	(34,700)	
Notes Payable	(37,381)	
General Obligation and Revenue Bonds and Related Accounts	(2,880,803)	
Lease and Subscription Obligations	(357,522)	
Net Pension Liability, Due In More Than One Year	(1,736,249)	
Net OPEB Liability, Due In More Than One Year	(7,103,721)	
Other Long-term Obligations	<u>(8,639)</u>	

	(12,611,447)
Total Net Position (Deficit) of Governmental Activities	<u><u>\$ (1,548,040)</u></u>

STATE OF DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	General	Federal	Local School Districts	Capital Projects	Total Governmental Funds
Revenues					
Personal Taxes	\$ 2,237,948	\$ —	\$ —	\$ —	\$ 2,237,948
Business Taxes	3,911,560	—	—	—	3,911,560
Other Tax Revenue	119	—	830,339	—	830,458
Licenses, Fees, Permits and Fines	549,084	—	1,407	—	550,491
Rentals and Sales	83,125	—	39,135	—	122,260
Grants	29,286	4,078,455	5,018	—	4,112,759
Interest and Other Investment Income	181,355	—	32,099	—	213,454
Other	153,068	—	11,512	—	164,580
Total Revenues	7,145,545	4,078,455	919,510	—	12,143,510
Expenditures					
Current:					
General Government	637,105	188,820	—	—	825,925
Health and Children's Services	1,953,980	2,965,120	—	—	4,919,100
Judicial and Public Safety	1,052,738	115,686	—	—	1,168,424
Natural Resources and Environmental Control	230,448	55,696	—	—	286,144
Labor	20,277	67,496	—	—	87,773
Education	2,714,857	409,634	818,407	—	3,942,898
Unrestricted Payments to Component Unit - Education	263,120	—	82,926	—	346,046
Capital Outlay	41,585	67,622	271	259,352	368,830
Debt Service:					
Principal	240,953	13,849	—	—	254,802
Interest and Other Charges	116,288	3,298	—	—	119,586
Costs of Issuance of Debt	988	—	—	—	988
Total Expenditures	7,272,339	3,887,221	901,604	259,352	12,320,516
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,794)	191,234	17,906	(259,352)	(177,006)
Other Sources (Uses) of Financial Resources					
Transfers In	725,129	5,785	52,721	—	783,635
Transfers Out	(66,206)	(247,227)	(74,036)	(90,846)	(478,315)
Issuance of General Obligation Bonds	—	—	—	323,675	323,675
Issuance of Refunding Debt	—	—	—	35,620	35,620
Payment to Refunding Escrow Agent	(78,327)	—	—	—	(78,327)
Premiums on Bond Sales	—	—	—	37,916	37,916
Lease and SBITA Proceeds	41,585	67,622	271	—	109,478
Total Other Sources (Uses) of Financial Resources	622,181	(173,820)	(21,044)	306,365	733,682
Net Change in Fund Balances	495,387	17,414	(3,138)	47,013	556,676
Fund Balances - Beginning	4,268,995	339,987	490,643	400,082	5,499,707
Fund Balances - Ending	\$ 4,764,382	\$ 357,401	\$ 487,505	\$ 447,095	\$ 6,056,383

STATE OF DELAWARE
RECONCILIATION OF THE NET CHANGES IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

Net Changes in Fund Balances		\$ 556,676
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
In the current period, these amounts are:		
Capital Outlays	598,278	
Depreciation Expense	(208,891)	
Loss on Disposal of Assets	<u>(960)</u>	
		388,427
Change in revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.		91,233
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Components of the debt related adjustments consist of:		
Debt Service Principal Repayments (net of sinking fund in the amount of \$72)	209,367	
Payment to Refunding Agent for Principal Repayments	78,327	
New Debt Issued (Face Value)	(359,295)	
Premium Received on General Obligation Bonds	(37,916)	
Amortization of Premiums on Bonds	36,998	
Current Year Gain on Refunding of Debt	(5,074)	
Amortization of Gain on Refunding of Debt	<u>4,898</u>	
		(72,695)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, the changes in these liabilities are not reported as expenditures in the governmental funds:		
Accrued Interest Expense	9,748	
Claims and Judgments	(3,116)	
Compensated Absences	(3,327)	
Pollution Remediation Obligation	(11,662)	
Change in Pension Liability	112,706	
Change in OPEB Liability	181,952	
Notes Payable	1,454	
Change in Lease Liability and Related Assets	(11,131)	
Change in Subscription Liability	(46,264)	
Other Liabilities	<u>(5,175)</u>	
		225,185
Change in Net Position in the Statement of Activities		<u><u>\$ 1,188,826</u></u>

STATE OF DELAWARE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2024

(Expressed in Thousands)

	Unemployment	Lottery	DeIDOT	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 360,522	\$ 1,370	\$ 107,458	\$ 469,350
Pooled Cash and Investments	—	483	99,627	100,110
Accounts Receivable, Net	40,422	23,826	34,458	98,706
Lease Receivable	—	—	875	875
Installment Receivable	—	—	823	823
Taxes Receivable, Net	12,661	—	—	12,661
Intergovernmental Receivables, Net	7,953	—	52,262	60,215
Interest Receivable	—	—	2,061	2,061
Inventories	—	—	30,616	30,616
Due from Other Funds	—	470	—	470
Other Assets	—	—	314	314
Investments:				
Unrestricted	—	—	179,052	179,052
Restricted	—	—	83,244	83,244
Total Current Assets	421,558	26,149	590,790	1,038,497
Noncurrent Assets:				
Investments:				
Unrestricted	—	—	14,593	14,593
Restricted	—	—	40,831	40,831
Lease Receivables - Net of Current Portion	—	—	9,690	9,690
Installment Receivables - Net of Current Portion	—	—	21,850	21,850
Other Assets	—	2,546	—	2,546
Due from Other Funds	—	11,331	—	11,331
Capital Assets:				
Capital Assets, Non-depreciable	—	—	5,313,295	5,313,295
Capital Assets, Depreciable, Net	—	—	456,803	456,803
Total Capital Assets, Net	—	—	5,770,098	5,770,098
Total Noncurrent Assets	—	13,877	5,857,062	5,870,939
Total Assets	421,558	40,026	6,447,852	6,909,436
DEFERRED OUTFLOWS OF RESOURCES				
	—	2,671	146,935	149,606
LIABILITIES				
Current Liabilities:				
Accounts Payable	141,189	16,681	105,289	263,159
Accrued Liabilities	—	8,468	8,125	16,593
Escrow Deposits	—	—	50,072	50,072
Interest Payable	—	—	19,551	19,551
Unearned Revenue	—	—	61,582	61,582
Due to Other Funds	—	—	25,657	25,657
Pollution Remediation Obligation	—	—	5	5
Claims and Judgements	—	—	2,855	2,855
Compensated Absences	—	—	2,476	2,476
Lease Liabilities	—	—	176	176
Subscription Liabilities	—	—	1,385	1,385
Revenue Bonds	—	—	93,609	93,609
Total Current Liabilities	141,189	25,149	370,782	537,120
Noncurrent Liabilities:				
Pollution Remediation Obligation - Net of Current Portion	—	—	20	20
Lease Liabilities - Net of Current Portion	—	—	764	764
Subscription Liabilities - Net of Current Portion	—	—	3,303	3,303
Claims and Judgements - Net of Current Portion	—	—	1,683	1,683
Liabilities Payable from Restricted Assets	—	2,546	—	2,546
Loans Payable	—	—	243,447	243,447
Net Pension Liability, Due in More Than One Year	—	1,652	71,099	72,751
Net OPEB Liability, Due in More Than One Year	—	8,390	430,393	438,783
Compensated Absences - Net of Current Portion	—	—	12,762	12,762
Revenue Bonds	—	—	1,092,732	1,092,732
Total Noncurrent Liabilities	—	12,588	1,856,203	1,868,791
Total Liabilities	141,189	37,737	2,226,985	2,405,911
DEFERRED INFLOWS OF RESOURCES				
	—	3,960	242,836	246,796
NET POSITION				
Net Investment in Capital Assets	—	—	4,374,164	4,374,164
Restricted for:				
Debt Service	—	—	150,813	150,813
Unemployment Benefits	280,369	—	—	280,369
Unrestricted (Deficit)	—	1,000	(400,011)	(399,011)
Total Net Position (Deficit)	\$ 280,369	\$ 1,000	\$ 4,124,966	\$ 4,406,335

See Accompanying Notes to Basic Financial Statements

STATE OF DELAWARE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	<u>Unemployment</u>	<u>Lottery</u>	<u>DelDOT</u>	<u>Total</u>
Operating Revenues:				
Unemployment Taxes-State Funded	\$ 36,896	\$ —	\$ —	\$ 36,896
Gaming Revenue	—	891,069	—	891,069
Pledged Revenues:				
Turnpike Revenue	—	—	168,270	168,270
Motor Vehicle and Related Revenue	—	—	389,079	389,079
Toll Revenue	—	—	61,080	61,080
Passenger Fares	—	—	9,487	9,487
Miscellaneous	—	—	64,326	64,326
Total Operating Revenues	<u>36,896</u>	<u>891,069</u>	<u>692,242</u>	<u>1,620,207</u>
Operating Expenses:				
Unemployment Benefits - State Funded	89,300	—	—	89,300
Unemployment Benefits - Federal Funded	772	—	—	772
Cost of Sales	—	323,091	—	323,091
Prizes	—	257,518	—	257,518
Transportation	—	—	833,587	833,587
Depreciation and Amortization	—	—	39,171	39,171
General and Administrative	—	11,574	—	11,574
Total Operating Expenses	<u>90,072</u>	<u>592,183</u>	<u>872,758</u>	<u>1,555,013</u>
Operating Income (Loss)	<u>(53,176)</u>	<u>298,886</u>	<u>(180,516)</u>	<u>65,194</u>
Non operating Revenues (Expenses):				
Interest Income	9,758	—	22,013	31,771
Interest Expense	—	—	(35,032)	(35,032)
Federal Grant Revenue	722	—	345,077	345,799
Grants to Other Agencies	—	—	(5,354)	(5,354)
Other Revenue	—	—	4,185	4,185
Gains (losses) on disposal of assets	—	—	712	712
Contributions	—	(1,500)	—	(1,500)
Total Nonoperating Revenues (Expenses)	<u>10,480</u>	<u>(1,500)</u>	<u>331,601</u>	<u>340,581</u>
Income (Loss) Before Transfers	<u>(42,696)</u>	<u>297,386</u>	<u>151,085</u>	<u>405,775</u>
Transfers In	—	—	7,700	7,700
Transfers Out	—	(297,386)	(15,634)	(313,020)
Increase in Net Position	<u>(42,696)</u>	<u>—</u>	<u>143,151</u>	<u>100,455</u>
Net Position (Deficit) - Beginning as Originally Reported	<u>357,259</u>	<u>1,000</u>	<u>3,981,815</u>	<u>4,340,074</u>
Adjustment (See Note 24 for Details)	<u>(34,194)</u>	<u>—</u>	<u>—</u>	<u>(34,194)</u>
Net Position (Deficit) - Beginning as Restated	<u>323,065</u>	<u>1,000</u>	<u>3,981,815</u>	<u>4,305,880</u>
Net Position (Deficit) - Ending	<u>\$ 280,369</u>	<u>\$ 1,000</u>	<u>\$ 4,124,966</u>	<u>\$ 4,406,335</u>

The Unemployment Trust Fund, which is a part of Business-type Activities, has been restated for Fiscal year 2023. See Note 24 - Accounting Changes and Error Corrections in the Notes to the Financial Statements.

STATE OF DELAWARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	Unemployment	Lottery	DelDOT	Total
Cash Flows from Operating Activities:				
Receipts from Employers	\$ 39,329	\$ —	\$ —	\$ 39,329
Receipts from Customers and Users	—	876,457	691,289	1,567,746
Payments to Suppliers for Goods and Services	—	(74,256)	(598,345)	(672,601)
Payments to Employees for Services	—	(6,181)	(243,565)	(249,746)
Payments for Insurance Claims	(83,303)	—	(3,156)	(86,459)
Payments for Prizes	—	(257,073)	—	(257,073)
Payment for Commissions	—	(244,576)	—	(244,576)
Net Cash Provided (Used) by Operating Activities	(43,974)	294,371	(153,777)	96,620
Cash Flows from Noncapital Financing Activities:				
Receipts from Federal Government for Operating Activities	722	—	16,017	16,739
Payment on Other Grants	—	(1,500)	(5,354)	(6,854)
Transfers In	—	—	7,700	7,700
Transfers Out	—	(298,076)	(15,634)	(313,710)
Net Cash Provided (Used) by Noncapital Financing Activities	722	(299,576)	2,729	(296,125)
Cash Flows from Capital and Related Financing Activities:				
Principal Paid on Capital Debt	—	—	(66,055)	(66,055)
Receipts from Federal Government for Capital Outlays	—	—	350,652	350,652
Purchases of Capital Assets	—	—	(247,639)	(247,639)
Proceeds from Sale of Land and Equipment	—	—	1,333	1,333
Lease Receipts	—	—	1,428	1,428
Lease Payments	—	—	(232)	(232)
Subscription Payments	—	—	(1,336)	(1,336)
Service Concession Arrangement Receipts	—	—	1,601	1,601
Interest Paid on Capital Debt	—	—	(58,586)	(58,586)
Net Cash Provided (Used) by Capital and Related Financing Activities	—	—	(18,834)	(18,834)
Cash Flows from Investing Activities:				
Interest and Investment Revenues	9,758	—	19,745	29,503
Escrow Deposits Received	—	—	(258)	(258)
Purchase of Investments	—	—	9,584	9,584
Proceeds from Sales and Maturities of Investments	—	—	128,234	128,234
Net Cash Provided (Used) by Investing Activities	9,758	—	157,305	167,063
Net Increase (Decrease) in Cash, Cash Equivalents and Pooled Investments	(33,494)	(5,205)	(12,577)	(51,276)
Cash, Cash Equivalents and Pooled Investments- Beginning of Year	394,016	7,058	219,662	620,736
Cash, Cash Equivalents and Pooled Investments - End of Year	\$ 360,522	\$ 1,853	\$ 207,085	\$ 569,460
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (53,176)	\$ 298,886	\$ (180,516)	\$ 65,194
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	—	—	39,171	39,171
Bad Debt Expense	—	—	(42)	(42)
Effect of Changes in Operating Assets, Deferred Inflows, Liabilities, and Deferred Inflows:				
Receivables, Net	2,433	(14,611)	(5,816)	(17,994)
Inventories	—	—	(577)	(577)
Net Pension Adjustment	—	—	4,310	4,310
Due to (from) General Fund	—	—	(23,361)	(23,361)
Deferred Outflows of Resources	—	—	15,776	15,776
Deferred Inflows of Resources	—	—	(18,166)	(18,166)
Accounts and Other Payables	6,769	(367)	15,832	22,234
Accrued Liabilities	—	10,463	10,169	20,632
Accrued Payroll and Related Expenses	—	—	1,011	1,011
Net OPEB Adjustment	—	—	(11,568)	(11,568)
Net Cash Provided (Used) by Operating Activities	(43,974)	294,371	(153,777)	96,620
Schedule of Noncash Noncapital Financing Activities				
Transfers Out	\$ —	\$ 690	\$ —	\$ 690
Capitalized Interest	—	—	—	—
Acquisition of right-to-use leased equipment through lease liabilities	—	—	108,331	108
Acquisition of right-to-use subscription assets through subscription liabilities	—	—	5,318,969	5,318,969

STATE OF DELAWARE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2024
(Expressed in Thousands)

	Pension & OPEB Trusts	Investment Trust	Custodial Funds
Assets:			
Cash and Cash Equivalents	\$ 535,786	\$ 1,291	\$ 32,145
Pooled Cash and Investments	79,353	—	118,384
Receivables:			
Accrued Interest	18,098	43	—
Investment Sales Pending	13,240	32	—
Employer Contributions	28,017	—	—
Member Contributions	5,473	—	—
Other Receivables	—	—	3,022
Investments, at Fair Value:			
Domestic Fixed Income	1,021,357	2,462	492
Domestic Equities	3,544,015	8,545	—
Pooled Equity and Fixed Income	5,929,179	14,116	—
Alternative Investments	2,246,302	5,415	—
Foreign Fixed Income	86,743	211	—
Foreign Equities	1,119,145	2,699	—
Total Assets	14,626,708	34,814	154,043
Liabilities:			
Investment Purchase Payable	37,781	91	—
Benefits/Claims Payable	20,819	—	—
Accrued Investment Expense	6,451	15	—
Accrued Administrative Expenses	321	—	—
Total Liabilities	65,372	106	—
Net Position Restricted for:			
Pensions	13,603,836	—	—
OPEB	957,500	—	—
Other Governments or Individuals	—	34,708	154,043
Total Net Position	\$ 14,561,336	\$ 34,708	\$ 154,043

STATE OF DELAWARE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	Pension & OPEB Trusts	Investment Trust	Custodial Funds
Additions:			
Contributions:			
Employer Contributions	\$ 929,110	\$ —	\$ —
Transfer of Assets from Outside the System	5,714	2,521	—
Transfer of Contributions from Post-Retirement Increase Fund	—	—	—
Member Contributions	118,551	—	—
Collection of Child Support	—	—	263,579
Other Contributions	—	—	95,474
Miscellaneous Receipts	28	—	—
Total Contributions	<u>1,053,403</u>	<u>2,521</u>	<u>359,053</u>
Investments:			
Investment Earnings	206,797	480	—
Net Change in Fair Value of Investments	<u>1,188,630</u>	<u>2,780</u>	<u>—</u>
Total Investment Earnings	1,395,427	3,260	—
Less Investment Manager/Advisor/Custody Fees	(39,716)	(93)	—
Less Investment Administrative Expenses	<u>(891)</u>	<u>—</u>	<u>—</u>
Net Investment Earnings	<u>1,354,820</u>	<u>3,167</u>	<u>—</u>
Securities Lending Income	595	2	—
Securities Lending Expense	<u>(89)</u>	<u>—</u>	<u>—</u>
Total Net Securities Lending Income	506	2	—
Total Additions	<u>2,408,729</u>	<u>5,690</u>	<u>359,053</u>
Deductions:			
Transfer of Assets to Outside the System	3,432	2,482	—
Transfer of Assets to Post-Retirement Increase Fund	—	—	—
Pension/Claim Payments	1,210,901	—	—
Refunds of Contributions to Members	11,082	—	—
Burial Benefit Payments	7,543	—	—
Distribution of Child Support	—	—	262,874
Fine and Restitution Payments	—	—	92,545
Support for Individuals	—	—	28,954
Administrative Expenses	<u>8,749</u>	<u>2</u>	<u>—</u>
Total Deductions	<u>1,241,707</u>	<u>2,484</u>	<u>384,373</u>
Change in Net Position	1,167,022	3,206	(25,320)
Net Position - Beginning	<u>13,394,314</u>	<u>31,502</u>	<u>179,363</u>
Net Position - Ending	<u><u>\$ 14,561,336</u></u>	<u><u>\$ 34,708</u></u>	<u><u>\$ 154,043</u></u>

STATE OF DELAWARE
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2024

(Expressed in Thousands)

	Delaware State Housing Authority	Diamond State Port Corporation	Riverfront Development Corporation	Delaware State University	Delaware Charter Schools	Delaware Agricultural Lands Preservation Foundation	Total
ASSETS							
Cash and Cash Equivalents	\$ 58,520	\$ 20,530	\$ 7,513	\$ 11,920	\$ 12,142	\$ —	\$ 110,625
Pooled Cash and Investments	293	—	1,950	16,552	99,054	24,953	142,802
Accounts and Other Receivables, Net	59,569	653	645	44,163	8,619	1,663	115,312
Loans and Notes Receivable, Net	337,231	5,815	665	—	—	8,574	352,285
Lease Receivable	—	12,699	1,281	74	52	126	14,232
Prepaid Items	4,763	—	114	—	468	—	5,345
Investments	560,385	—	—	23,068	17,045	—	600,498
Other Assets	—	21,050	96	249	11,314	—	32,709
State of Delaware OPEB Asset	2,288	—	—	—	—	—	2,288
Net Pension Asset	—	780	—	—	—	—	780
Restricted Assets:							
Cash and Cash Equivalents	—	279	—	10,566	4,969	—	15,814
Deposit on Hold with Trustee	—	—	—	4,519	—	—	4,519
Restricted Investments	1,877	—	—	21,321	—	—	23,198
Other Restricted Assets	—	—	—	5,030	—	—	5,030
Capital Assets:							
Capital Assets - Non-Depreciable	1,870	46,635	52,144	88,980	45,226	296,683	531,538
Capital Assets - Depreciable, Net	6,347	146,009	83,295	257,869	278,353	—	771,873
Total Capital Assets, Net	8,217	192,644	135,439	346,849	323,579	296,683	1,303,411
Total Assets	1,033,143	254,450	147,703	484,311	477,242	331,999	2,728,848
DEFERRED OUTFLOWS OF RESOURCES							
	4,145	1,595	210	83,065	216,082	80	305,177
LIABILITIES							
Accounts Payable	2,682	1,933	494	50,209	6,595	14	61,927
Accrued Liabilities	2	4,491	64	6,295	36,312	15	47,179
Accrued Interest Payable	2,225	—	—	1,141	1,395	—	4,761
Unearned Revenue	23,785	279	91	8,036	172	—	32,363
Escrow Deposits	62,168	—	—	—	—	—	62,168
Due Within One Year	3,070	—	6,003	6,764	9,887	—	25,724
Due in More Than One Year	227,151	—	14,510	95,724	295,851	—	633,236
Net Pension Liability, Due In More Than One Year	95	—	36	40,801	81,403	44	122,379
Net OPEB Liability, Due In More Than One Year	483	—	—	207,213	413,413	225	621,334
Total Liabilities	321,661	6,703	21,198	416,183	845,028	298	1,611,071
DEFERRED INFLOWS OF RESOURCES							
	10,274	12,488	1,245	142,110	164,527	298	330,942
Net Position							
Net Investment in Capital Assets	7,822	188,153	114,926	183,861	25,871	296,683	817,316
Restricted for:							
Federal and State Regulations	555,769	—	1,950	—	—	—	557,719
Bond Covenants	46,195	—	—	—	—	—	46,195
Loan Program	24,224	—	—	—	—	—	24,224
Other Purposes	2,289	—	—	19,114	27,262	34,800	83,465
Unrestricted (Deficit)	69,054	48,701	8,594	(193,892)	(369,364)	—	(436,907)
Total Net Position (Deficit)	\$ 705,353	\$ 236,854	\$ 125,470	\$ 9,083	\$ (316,231)	\$ 331,483	\$ 1,092,012

STATE OF DELAWARE
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

Net (Expenses) Revenues and Changes in Net Position											
	Program Income				Delaware State Housing Authority	Diamond State Port Corporation	Riverfront Development Corporation	Delaware State University	Delaware Charter Schools	Delaware Agricultural Lands Preservation Foundation	Total
	Expenses	Charges for Services	Grants and Contributions								
			Operating	Capital							
Discretely Presented Components Units											
Delaware State Housing Authority	\$ 122,850	\$ 15,357	\$ 153,991	\$ 855	\$ 47,353	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 47,353
Diamond State Port Corporation	4,514	—	1,447	565	—	(2,502)	—	—	—	—	(2,502)
Riverfront Development Corporation	13,097	3,498	—	17,677	—	—	8,078	—	—	—	8,078
Delaware State University	239,226	128,309	17,852	529	—	—	—	(92,536)	—	—	(92,536)
Delaware Charter Schools	342,976	5,003	47,137	3,848	—	—	—	—	(286,988)	—	(286,988)
Delaware Agricultural Lands Preservation Foundation	994	397	10,581	1,769	—	—	—	—	—	11,753	11,753
	<u>\$ 723,657</u>	<u>\$ 152,564</u>	<u>\$ 231,008</u>	<u>\$ 25,243</u>	<u>47,353</u>	<u>(2,502)</u>	<u>8,078</u>	<u>(92,536)</u>	<u>(286,988)</u>	<u>11,753</u>	<u>(314,842)</u>
General Revenues											
Unrestricted Payments from Primary Government					—	—	—	92,649	279,092	—	371,741
Investment Income					11,982	955	—	6,894	4,928	66	24,825
Miscellaneous					—	37,983	(12,998)	2,161	7,865	239	35,250
Total General Revenues					<u>11,982</u>	<u>38,938</u>	<u>(12,998)</u>	<u>101,704</u>	<u>291,885</u>	<u>305</u>	<u>431,816</u>
Change in Net Position					59,335	36,436	(4,920)	9,168	4,897	12,058	116,974
Net Position Beginning as Originally Reported					644,978	200,418	130,390	(85)	(336,051)	319,425	959,075
Adjustment (See Note 24 for Details)					1,040	—	—	—	14,923	—	15,963
Net Position (Deficit) - Beginning As Restated					<u>646,018</u>	<u>200,418</u>	<u>130,390</u>	<u>(85)</u>	<u>(321,128)</u>	<u>319,425</u>	<u>975,038</u>
Net Position (Deficit) - Ending					<u>\$ 705,353</u>	<u>\$ 236,854</u>	<u>\$ 125,470</u>	<u>\$ 9,083</u>	<u>\$ (316,231)</u>	<u>\$ 331,483</u>	<u>\$ 1,092,012</u>

Delaware Charter Schools and DSHA, which are Component Units of the State, have been restated for Fiscal year 2023. See Note 24 - Accounting Changes and Error Corrections in the Notes to the Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Delaware (the State) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). There may be rounding differences between amounts reported in the basic financial statements section and amounts reported in other sections of the Annual Comprehensive Financial Report (ACFR).

(a) Reporting Entity

The accompanying financial statements present the State's primary government and include all funds, offices of elected officials, departments and organizations, bureaus, boards, commissions, and authorities that comprise the State's legal entity. Also included in the State's primary government are the State's 16 local school districts and 3 vo-tech schools (collectively referred to as the local school districts). The local school districts have separately elected boards, but they have not been specifically granted power by legislation to be legally separate. Based on the powers and authority granted in Title 14 of the State of Delaware Code, the primary government holds sufficient power and responsibility that the local school districts have been accounted for as not being legally separate and as a result have been reported in the primary government. The financial activity of the local school districts is reported in the General Fund, Local School District Fund (for real estate taxes levied by the schools), Federal Fund, and Capital Projects Fund.

The Delaware Technical and Community College (DTCC) was established by 14 Del. C. 91 as a State organization to operate or make available public institutions of learning for persons who have graduated from high school or who are unable to attend public high schools and offer a 2-year college parallel program or associate degree program. The Governor with the consent of the Senate appoints all seven members of the Board of Trustees. DTCC is considered part of the primary government and its activity is shown in the Education function in the General Fund, Federal Fund, and Capital Projects Fund of the primary government.

The DelDOT enterprise fund is also included in the reporting entity of the primary government. DelDOT has the overall responsibility for coordinating and developing transportation policies for the State along with the maintenance and operation of roadways and bridges that fall under its jurisdiction. To assist DelDOT in their mission, the State and DelDOT created the Delaware Transportation Authority (the Authority), which includes the activities of the Transportation Trust Fund (the Trust Fund) and the Delaware Transit Corporation (DTC). The Authority is a body politic and corporate whose actions are taken by resolution of the Secretary of Transportation, the Director of the Office of Management and Budget, and the Administrator of the Trust Fund. The Authority's principal role is to provide financing to DelDOT and as a result is a blended component unit of DelDOT.

Fiduciary funds, although legally separate entities, are in substance part of the State's operations. The State's reporting entity also comprises its component units, entities for which the State is considered either financially accountable or the nature and the significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading. Blended component units are reported within the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that such are legally separate from the State.

The decision to include and how to report a component unit in the State's reporting entity is based on several criteria, including legal standing, debt responsibility, fiscal dependency, and financial accountability. The State is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. The State may also be financially accountable if an organization is fiscally dependent on the State and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the State, regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Blended Component Units

The Delaware Public Employees' Retirement System (DPERS) is a public employee retirement system, which covers substantially all State employees. The DPERS is a legally separate entity. DPERS' Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. It provides services and benefits almost exclusively to the primary government, and it is considered a fiduciary fund component unit and shown in the financial statements as part of the primary government as a pension trust fund. The DPERS financial report for the fiscal year ended June 30, 2024 may be obtained at www.delawarepensions.com or by writing to the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, Delaware 19904-2402.

The Delaware Other Postemployment Benefits Fund Trust (OPEB Trust) is a trust which provides retirement medical coverage to pensioners and their eligible dependents in the State's Employees', Judiciary, New State Police, and Closed State Police Pension Plans. The OPEB Trust is a legally separate entity and by legislative code the Board of DPERS serves as the Board of the OPEB Trust. It provides services and benefits almost exclusively to the primary government and its component units and affiliated agencies. The OPEB Trust is considered a fiduciary fund component unit and is shown in the financial statements as part of the primary government as the OPEB Trust Fund. The OPEB Trust financial report for the fiscal year ended June 30, 2024 may be obtained at www.delawarepensions.com or by writing to the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, Delaware 19904-2402.

The Delaware Economic Development Authority (DEDA) was established by 29 Del. C. 87A, Subchapter VII as a legally separate entity to assist the State in the development of industrial, commercial, and agricultural businesses, including assisting in the financing of facilities and activities in order to contribute to the prosperity, health, and general welfare of the citizens of the State. DEDA is considered to be a blended component unit due to the board being the same as the primary government. It is funded almost exclusively by State appropriations and is under the direction of the Governor-appointed director who guides the operations of the State employees. It is reported as part of the General Government in the General Fund of the primary government.

The Sustainable Energy Utility, Inc. (SEU) is a legally separate 501(c)(3) nonprofit organization, which was established to reduce energy waste and foster a sustainable energy future for the State. The Governor appoints seven of the eleven members. It provides benefits almost exclusively to the primary government by developing and coordinating programs for the purpose of promoting sustainable use of energy by State departments and organizations. The SEU is considered a blended component unit and is shown as part of the Natural Resources and Environmental Control function in the General Fund of the primary government.

Discretely Presented Component Units

The following component units are entities that are legally separate from the State, but are financially accountable to the State for reporting purposes or whose relationship with the State is such that exclusion would cause the State's financial statements to be misleading. The discretely presented component units' column of the basic financial statements includes the financial data of these entities. Each discretely presented component unit has a June 30, 2024 fiscal year-end.

Complete financial statements for each of the discretely presented component units may be obtained from their respective administrative offices.

Delaware State Housing Authority (DSHA)

The Delaware State Housing Authority is a public corporation whose Director is appointed by the Governor with the consent of the State Senate and serves at the Governor's pleasure. The DSHA is governed by the Council on Housing whose eleven members are appointed by the Governor. The DSHA administers the role of providing affordable housing as a key aspect of State policy. The State provides both General Fund appropriations and capital funding to assist DSHA in its mission. Certain transactions of the DSHA require the approval of the primary government. The DSHA is authorized, among other things, to (1) make mortgage, construction and other loans to not-for-profit and limited for-profit housing sponsors; (2) make loans to mortgage lenders, requiring the proceeds thereof to be used for making newly qualified residential mortgage loans; (3) purchase qualified mortgage loans from mortgage lenders; and (4) apply for and receive assistance and subsidies under programs from the federal government and others.

Diamond State Port Corporation (DSPC)

The Diamond State Port Corporation was organized as a body corporate and politic constituting a public instrumentality of the State. The DSPC is empowered to operate, improve and maintain the Port of Wilmington and related facilities. The Governor appoints eight of the fifteen members of the board of directors, with the advice and consent of the Senate. Certain transactions of the DSPC require the approval of the primary government.

Riverfront Development Corporation (RDC)

The Riverfront Development Corporation was formed to plan, develop, and manage programs and projects intended to foster economic development along the Brandywine and Christina Rivers. The Governor appoints eight of the twenty-one board members; however, five of the remaining thirteen directors consist of the Governor and four State officials. Authorization by the State's Budget Director and Controller General is required before funds of the RDC may be expended, which indicates imposition of will.

Delaware State University (DSU)

Delaware State University is a public institution of higher education. Funding is primarily through State appropriations. State appropriations, without restrictions as to use by DSU, are reported in general revenue. Additional funding is derived from tuition, federal grants, private donations and grants. The Board of Trustees is comprised of fifteen members, eight appointed by the Governor of Delaware and seven elected by the Trustees. The President of DSU and the Governor of the State of Delaware serve as ex-officio members of the Board. DSU financial data includes its component unit, the Delaware State University Foundation, Inc. The State annually appropriates funding for DSU, which totaled \$92.6 million in fiscal year ending June 30, 2024, which is 37.3 percent of DSU's total revenues.

Delaware Charter Schools

The State's 23 Charter Schools are public schools funded primarily through State appropriations. Additional funding is derived from federal grants passed through from the primary government, private donations and funds received from local school districts on a tax portion per child basis. State funding for the Charter Schools totaled \$279.1 million for the fiscal year ending June 30, 2024 which represents 80.2 percent of the Charter Schools' total revenues. Each Charter School is a separate legal entity managed by its own separate board of directors and operates independently under a charter granted by the State Department of Education with the approval of the State Board of Education. Charters are granted for an initial period of four years and renewable every five years thereafter. Charter Schools issue their own debt but are dependent on the State for their primary funding. Financial information for Delaware Charter Schools is presented in the aggregate as they are individually immaterial to the State's basic financial statements but each represents a discretely presented component unit.

Delaware Agricultural Lands Preservation Foundation (DALPF)

The Delaware Agricultural Lands Preservation Foundation was established to provide comprehensive agricultural lands preservation programs to serve the long-term needs of the agriculture community and the citizens of Delaware. State appropriations fund DALPF for their specific programs. DALPF is comprised of twelve trustees and the Governor of the State of Delaware appoints ten of them. DALPF shall continue until its existence is terminated by law, whereby all of its rights, properties and liabilities shall pass to and be assumed by the State.

Related Organizations

Organizations in which the State appoints the voting majority of the board but the State is not financially accountable for the organizations are considered related organizations.

The Delaware Solid Waste Authority (DSWA) is a legally separate entity and the primary government appoints all seven members of its governing board. The primary government's accountability for DSWA does not extend beyond making the appointments. The DSWA is responsible for implementing solid waste disposal, recycling, and resource recovery systems, facilities, and services for the State of Delaware. The financial activities of DSWA are not included in the State's financial statements.

The Delaware Health Facilities Authority (DHFA) was established by 16 Del. C. 92 for the benefit of the people of the State, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions and provides a measure of assistance and an alternative method to enable facilities to provide structures needed to accomplish this purpose. All of the seven members of the board are appointed by the Governor. The primary government's accountability for DHFA does not extend beyond making the appointments. The financial activities of DHFA are not included in the State's financial statements.

Complete financial statements for each of the related organizations may be obtained from their respective administrative offices.

Jointly Governed Organization

The Delaware River and Bay Authority (DRBA), a body politic, was created with the intention of advancing the economic growth and development of those areas in the State of Delaware and the State of New Jersey, which border the Delaware River and Delaware Bay. DRBA is governed by twelve commissioners: six appointed by the State of Delaware and six appointed by the State of New Jersey. DRBA is autonomous from a day-to-day operations perspective and neither state is obligated for DRBA's debt. DRBA is not included in the basic financial statements as the State of Delaware has no ongoing financial interest or financial responsibility. Complete financial statements for the DRBA may be obtained from its administrative office.

Other Organization

The Governor appoints eight members of the governing board of the University of Delaware (the University). The remaining twenty members are elected separately. Since the primary government's accountability does not extend beyond State grants to the University and there is a lack of fiscal dependency, the financial activities of the University are not included in the State's basic financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is separately presented from certain legally separate component units for which the State is financially accountable.

The statement of net position measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and general long-term debt. The difference between the State's assets, deferred outflows of resources and its liabilities and deferred inflows of resources is its net position. Net position is displayed in three components – net investment in capital assets (capital assets, net of accumulated depreciation and related debt); restricted; and unrestricted. Net position is restricted when constraints are placed that are either externally imposed or are imposed by constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds reported as part of the fiduciary fund financial statements are custodial in nature and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and other taxes are recognized when the transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the State's enterprise operations and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Intrafund non-exchange transactions between the primary government and component units are reported as operating or capital grants as appropriate for restricted amounts. Unrestricted amounts are reported as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other long term liabilities including lease liabilities, compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the State the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Taxes, grants, fees, sales, rents, and interest income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent earned and available. All other revenue items are considered to be measurable and available only when cash is received by the State. Revenue related to expenditure driven grants is recognized when the qualifying expenditures have been incurred and all other requirements for recognition have been met.

Governmental Funds

The State reports the following major governmental funds:

General Fund – The General Fund is the State’s primary operating fund. It accounts for all financial resources obtained and used for those services traditionally provided by a state government, which are not required to be accounted for in other funds. These services include, among others, education, and health and social services.

Federal Fund – The Federal Fund accounts for all activities relating to the State’s federal grant programs.

Local School District Fund – The Local School District Fund is used to account for aggregate financial activity of the State’s local school districts that is funded by locally-raised real estate taxes, interest, and minor miscellaneous revenue. All other financial activity that is funded from sources, such as federal grant programs, major and minor capital project programs, and subsidized government programs are accounted for in the General Fund, Federal Fund, and Capital Projects Fund.

Capital Projects Fund – Transactions related to resources obtained and used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Fiduciary Funds) are accounted for in the Capital Projects Fund. Such resources are derived principally from proceeds of general obligation bond issues, federal grants, and transfers from the General Fund.

Proprietary Funds

Proprietary funds are used to account for those activities which are financed and operated in a manner similar to private business enterprises. The costs of providing services to the public on a continuing basis are financed by or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Unemployment Fund are charges to employers for taxes against wages. The principal operating revenues of the Lottery Fund and DelDOT Fund are charges to customers for sales and services.

The Lottery Fund recognizes revenue from online games on the day of the drawing. Revenue from the sale of instant tickets is recognized when the book has been activated and 85% of the related prizes of an activated book are paid, 90 days from the date of activation, or when the next pack of the same game is activated. Revenue from the video lottery and table games is recognized, net of prizes paid, at the time the public plays the game. Revenue from the sports lottery is also recognized at the time the public plays the game.

Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. For the Unemployment Fund, expenses are payments of benefits to recipients. All expenses not meeting this definition are reported as non-operating expenses.

The State reports the following major proprietary funds:

Unemployment Fund – The Unemployment Fund accounts for the activities relating to the State’s Unemployment Insurance Trust Fund.

Lottery Fund – The Lottery Fund accounts for the activities relating to the State’s Lottery program.

DelDOT Fund – The DelDOT Fund accounts for the activities relating to the operation of the State’s Department of Transportation, including the Delaware Transportation Authority, which is comprised of the Transportation Trust Fund and Delaware Transit Corporation.

Fiduciary Funds

The fiduciary funds account for assets held by the State in a trustee capacity or as an agency for other individuals or organizations. The fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The State reports the following fiduciary funds (Pension Trust Funds and OPEB Trust Funds are reported in a single, combined column in the fiduciary fund statements):

Pension Trust Funds – The Delaware Public Employees’ Retirement System (DPERS) is a public employee retirement system, which covers substantially all State employees. It provides services and benefits almost exclusively to the primary government and it is considered a fiduciary fund and is shown in the financial statements as part of the primary government as a pension trust fund. Pension trust funds account for transactions, assets, liabilities, and net position available for plan benefits (Note 17). For pension trust funds, employee contributions are recognized as revenue in the period in which the employee services are performed. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

OPEB Trust Fund – The OPEB Trust Fund is a trust administered by DPERS. In addition to providing pension benefits, the State is statutorily required to provide health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the State’s employees may become eligible for these benefits if they reach normal retirement age while working for the State. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the State and the retired employee.

Investment Trust Funds – Investment Trust Funds are used to account for external investment pools where a government commingles the monies of more than one legally separate entity and invests, on the participants’ behalf, in an investment portfolio; one or more of the participants is not part of the sponsor’s reporting entity. The Investment

Trust Fund accounts for the transactions, assets, liabilities, and net position for the DPERS's external investment pool and for the OPEB Fund Investment Trust Fund.

Custodial Funds – Custodial funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets the criteria for a trust, pension, investment trust fund or private-purpose trust fund. They account for the receipt of various taxes, deposits, deductions, and certain property collected by the State for the distribution to other governmental units or designated beneficiaries. Included in these funds are court fines and restitution, and child support payments.

New Accounting Pronouncements

During the fiscal year ending June 30, 2024, the State adopted GASB Statement No. 99 *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative guidance by addressing practice issues identified during implementation of certain GASB statements. The requirements related to leases, public-private or public-public partnerships, and SBITAs are effective for fiscal years beginning after June 15th, 2022 and the requirements relating to financial guarantees and reporting of derivative are effective for fiscal years beginning after June 15, 2023. The State has evaluated this statement and determined there is no material impact or application to the State.

During the fiscal year ending June 30, 2024, the State adopted GASB Statement No. 100 *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements for this statement are effective for fiscal years beginning after June 15, 2023. The State has evaluated this statement and determined the effects of that correction of an error and change to or within the financial reporting entity are shown in Note 24 - Accounting Changes and Error Corrections.

Impact of Future Accounting Pronouncements

In June of 2022, the GASB issued Statement No. 101 *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The State is currently evaluating the future impact of this statement.

In December of 2023, the GASB issued Statement No. 102 *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's susceptibilities due to certain

concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. That objective is achieved by addressing financial limitations and actions taken by the government to mitigate risk through note disclosures. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The State is currently evaluating the future impact of this statement.

In April of 2024, the GASB issued Statement No. 103 Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model through enhancements. This will be achieved by providing information that is essential for decision making and assessing the financial health of the government, as well as assessing the government's accountability. That objective is achieved by modifying existing requirements related to the Management's discussion and Analysis (MD&A), presentation of proprietary fund statements and net positions, information about major component units, budgetary comparison information and financial trends presented as statistics. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The State is currently evaluating the future impact of this statement.

In September of 2024, the GASB issued Statement No. 104 Disclosure of Certain Capital Assets. The objective of the statement is to ensure certain types of capital assets will be disclosed separately in the capital assets note disclosures required by Statement 34, Statement 87, Statement 94 and Statement No. 96. This Statement also requires additional disclosures for capital assets held for sale. The Statement requires that capital assets held for sale be evaluated each reporting period. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The State is currently evaluating the future impact of this statement.

(c) Assets, Liabilities, and Net Assets or Equity

Cash Equivalents, Pooled Cash Investments, and Investments

Cash equivalents consist of demand deposits, short-term money market securities, and other deposits held by financial institutions, generally with original maturities of three months or less at the time of purchase.

Pooled Cash and Investments consist of cash equivalents, commercial paper, certificates of deposit, short-term (12 to 18 months) and long-term investments, which comprise corporate, municipal and U.S. government obligations, held and managed by the State Treasurer.

Investment securities are stated at quoted market prices, except that investment securities with a remaining maturity at time of purchase of one year or less are stated at cost or amortized cost.

All of the investment assets of the Pension and Investment Trust Funds, with the exception of the Closed State Police Pension Plan (which is a pay-as-you-go plan) and

the Delaware Volunteer Firemen's Fund (which is a length of service award plan), are pooled and invested in a common Master Trust. Investments are presented at fair value or net asset value. Fair values for fixed income and equity securities are determined by quoted market prices based on national exchanges when available. Pooled investments are funds wherein the System owns units or shares of commingled equity, fixed income, and cash funds. Pooled investments are redeemable with the underlying funds at net asset values under the terms of the partnership agreements and/or subscription agreements. Alternative investments are ownership interests in investment limited partnerships or private LLCs, some of which may be illiquid.

The valuation method for pooled and alternative investments that do not have a readily determinable fair value is such that the DPERS establishes fair value by using the net asset value (NAV) per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. These values are calculated by the management of each investment fund as of DPERS' measurement date, generally in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. The NAV received from each investment fund are reviewed by DPERS management and its investment advisor; both management and the custodian receive periodic and audited annual financial reports from the management of each investment fund.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All trade and property tax receivables, including those for the component units, are shown net of an allowance for uncollectibles and refunds.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Other Assets

The discretely presented component units recorded other assets of \$32.7 million, which includes a deposit of \$21.0 million for Diamond State Port Corporation. On June 12, 2023, Diamond State Port Corporation and the U.S. Army Corp of Engineers' (USACE) entered into a Memorandum of Agreement (MOA) for the design and construction of a dredged material placement facility estimated to cost \$22.8 million with an annual operating cost estimated to be \$400,000. The facility will accommodate 3.1 million cubic yards of dredged material over 20 years of maintenance dredging. In conjunction with this agreement, Diamond State Port Corporation deposited \$21.0 million with USACE

which is reported in Other Assets. Design and construction activities had not commenced as of June 30, 2024.

Restricted Assets

When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, and then unrestricted resources as needed. In the government-wide financial statements, restricted net assets represent balances that are subject to external restrictions or were created by enabling legislation.

The State has the following restricted assets:

- The Delaware Transportation Authority restricts revenue bond proceeds that are accounted for in the Transportation Trust Fund.
- The Unemployment Fund restricts the entire net position for unemployment benefits.
- The governmental activities have funds that are required to be restricted as disclosed in Note 20.

The discretely presented component units have the following restricted assets:

- Diamond State Port Corporation has restricted investments for capital project outlays.
- Delaware State University has restricted assets for capital projects, grants, and college endowment funds.
- Delaware State Housing Authority has restricted assets used for the specific purpose of housing development fund activities per enabling legislation.
- Riverfront Development Corporation has restricted assets for capital project outlays.
- Delaware Charter schools have restricted assets used primarily for debt service obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (which are normally immovable and of value only to the State, such as roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, the proprietary funds, and discretely presented component units.

Capital assets are defined by the State as assets with estimated useful lives in excess of one year at the date of acquisition. Such assets are recorded at historical cost if purchased or constructed, or estimated historical cost if the original cost is not determinable. (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in Note 11 - Lease Commitments). Donated capital assets including donated works of art and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

All land and buildings are capitalized, regardless of cost. Equipment and vehicles are capitalized when the cost of individual items exceeds \$25,000. Building and land improvements are capitalized when the cost of the project exceeds \$100,000. Infrastructure and software are capitalized when the costs of individual items or projects exceed \$1.0 million. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized, but rather expensed as incurred.

The State possesses certain capital assets that have not been capitalized and depreciated, because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. These assets include works of art and historical treasures, such as statues, monuments, historical documents, paintings, forts, miscellaneous State capital-related artifacts, and furnishings. These assets are held for public exhibition, education or research in the furtherance of public service rather than for financial gain; they are protected, kept unencumbered, cared for, and preserved; and they are subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, equipment, and software of the primary government and component units is depreciated and amortized using the straight line method over the following estimated useful lives:

Asset	Primary Government Years	Discretely Presented Component Unit Years
Buildings and Building Improvements	10 - 40	15 - 75
Right-To-Use Assets - Buildings	1 - 40	1 - 40
Land Improvements	20	15 - 45
Furniture and Equipment	3 - 12	3 - 40
Right-To-Use Assets - Equipment	1 - 30	1 - 20
Vehicles	7	3 - 7
Software	5	5 - 10
Right-To-Use Assets - Subscription	1 - 12	1 - 3

The State has elected to use the modified approach to account for certain infrastructure assets. Under this process, the State does not record depreciation expense nor are amounts capitalized in connection with improvements to these assets, unless the improvements expand the capacity or efficiency of an asset. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State, 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained, and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. Roads and bridges

maintained by the Department of Transportation are accounted for using the modified approach.

Leases and IT Subscription-Based Software

The State is a lessee for noncancellable leases of property, equipment, and IT subscription-based software. The State recognizes a lease and subscription liabilities and intangible right-to-use lease and subscription assets in the government-wide financial statements.

At the commencement of a leasing arrangement, the State initially measures the lease and subscription liabilities at the present value of payments expected to be made during the contract term. Subsequently, the lease and subscription liabilities are reduced by the principal portion of payments made. The lease and subscription assets are initially measured as the initial amount of the lease and subscription liabilities, adjusted for lease and subscription payments made at or before the lease and subscription commencement dates, plus certain initial direct costs. Subsequently, the lease and subscription assets are amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leasing arrangements include how the State determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The State uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the State uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease and subscription terms include the noncancellable period of the leasing arrangement. Lease and subscription payments included in the measurement of the lease and subscription liabilities are composed of fixed payments and purchase option price that the State is reasonably certain to exercise.

The State monitors changes in circumstances that would require a remeasurement of its lease or subscription and will remeasure the lease or subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease or subscription liability.

Lease and subscription assets are reported with other capital assets and lease and subscription liabilities are reported with long-term debt on the statement of net position.

Lessor: The State is a lessor for a noncancellable lease of a land, buildings and tower leases. The State recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the State initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease

receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the State determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The State uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The State monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Service Concession Arrangement

DelDOT has a Service Concession Arrangement (SCA) related to the design, construction, operation, and maintenance of the Welcome Center and Service Plaza (the Center). An SCA is defined as: (1) when a third party operator collects and is compensated by fees from customers; (2) the Department (as transferor) determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the Department is entitled to significant residual interest in the service utility of the underlying SCA asset at the end of the arrangement.

DelDOT recognizes an underlying SCA asset as a capital asset and deferred inflows of resources in its financial statements. The SCA capital asset and related deferred inflows of resources are amortized over the term of the SCA. In addition, DelDOT recognizes an installment receivable and deferred inflows of resources related to future payments to be received. The installment receivable is initially measured at the commencement of the SCA term at the present value of payments expected to be received during the agreement term, net of any provision for estimated uncollectible amounts. The installment receivable is subsequently reduced by the principal portion of payments received. Deferred inflows of resources are initially measured at the value of the corresponding receivable, adjusted for payments received at or before the agreement commencement date. Deferred inflows of resources related to the SCA are recognized as installment revenues over the agreement term.

Key estimates and judgments made by DelDOT in measuring the installment receivable and related deferred inflows of resources are as follows:

- Discount rate - DelDOT uses its estimated incremental borrowing rate.

- **Installment term** - The installment term includes the period during which the operator has a noncancellable right to use the underlying asset, plus, if applicable, periods covered by DelDOT's options to extend or terminate the SCA, if it is reasonably certain that DelDOT will exercise or not exercise those options, respectively.
- **Installment payments** - Installment payments included in the measurement of the installment receivable include fixed payments expected to be received under the agreement, variable payments that are fixed in substance or dependent on an index or rate, and any purchase price option that DelDOT is reasonably certain to exercise. Variable payments are excluded from the installment payments.

DelDOT monitors changes in circumstances that would require a remeasurement of its installment receivable and deferred inflows of resources and performs remeasurements in the period that those changes in circumstances become known if such changes are expected to significantly affect the amount of the installment receivable.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

Unearned Revenue

For the year ended June 30, 2024, the State has total unearned revenue of \$447.7 million recorded in the Federal Fund. This consists of \$441.8 million of funds from the American Rescue Plan Act, which provide economic assistance for families, small businesses and workers due to the impact of the pandemic, and \$5.9 million for the State Small Business Credit Initiative (SBCI) program. The SBCI program supports lending to small businesses and small manufacturers and will be expended as qualified applicants are approved for the program.

The State's unearned revenue recorded in the General Fund totals \$5.2 million and consists of \$4.8 million of state park recreation use fees, and \$0.3 million of unspent federal funds held by the Delaware Sustainable Energy Utility.

Compensated Absences

It is the State's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. In the governmental fund financial statements, liabilities for compensated absences are accrued when they are considered "due and payable" and recorded in the fund only for separations or transfers that occur before year-end. In the government-wide and proprietary fund financial statements, the State has accrued a liability for compensated absences, recognizing the obligation to make future payments.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of DPERS and additions to/deductions from DPERS' fiduciary net position have been determined on the same basis as they are reported by DPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trust and additions to/deductions from OPEB's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Equity

In governmental fund types, fund equity is called "fund balance." Fund balances are reported as nonspendable, restricted, committed, assigned, or unassigned as described in Note 20.

The State Constitution provides that certain excess unencumbered budgetary general funds at the end of a fiscal year must be placed in a reserve account (the Budget Reserve Account). This account, designed to mitigate the operational impact of any future unanticipated deficits may not exceed 5% of the estimated general fund revenue for the ensuing fiscal year. Total funding of the Budget Reserve Account was \$348.7 million at June 30, 2024.

Effective July 1, 2023 and pursuant to 83 Del Law c 325 (SB 250, § 71), \$410.1 million was allocated to the Budget Stabilization Fund to assist the State in developing a more sustainable, long-term approach to annual budgeting by storing excess funds during

periods of budget surplus and covering operating expenditures during periods of budget deficit. The account requires an act of the General Assembly to enable appropriation and spending authority. \$59.1 million was added to this fund per 84 Del Law c 81 (HB 195, § 65) for appropriation in the fiscal year 2025 budget resulting in a balance of \$469.2 million.

When resources meeting more than one of the classifications (excluding nonspendable) are commingled in an account, assuming that an expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second, assigned third and finally unassigned.

In proprietary funds, fund equity is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted as defined on page 40.

(d) Grants

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables when entitlement occurs. All other federal reimbursement type grants are recorded as accounts receivable when the related expenditures or expenses are recognized. Related revenue is recorded subject to availability in the governmental funds.

(e) Litigation Revenue

In 1997, several states began litigation against defendant tobacco product manufacturers to recover certain amounts the states expended to provide health care to the users of tobacco products. In 1998, a settlement was reached which provided that the states cease litigation against the manufacturers. As part of the Master Settlement Agreement, certain manufacturers agreed to remit periodic payments to the states until 2025. The State's share of the estimated \$200 billion settlement amounted to \$774.5 million. Amounts to be remitted are calculated based on a variety of specific settlement provisions. Future tobacco product sales are one key factor used in determining periodic payment amounts. A receivable of \$13.7 million has been recorded pursuant to the settlement. The Master Settlement agreement receipts of \$23.9 million are recorded in the general fund as part of other revenue and as miscellaneous general revenue on the government-wide statement of activities. Expenditures of monies received under the Master Settlement Agreement are authorized by legislation and are dedicated to health care and related programs.

As part of a multi-state litigation, the State of Delaware settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct. As part of the Settlement Agreements, certain drug companies and pharmaceutical distributors agreed to remit periodic payments to the states until fiscal year 2039. The Settlement receipts of \$48.9 million are recorded in the general fund as part of other revenue and as miscellaneous general revenue on the government-wide statement of activities. A receivable of \$149.4 million has been recorded for the amounts not received by June 30, 2024, pursuant to the settlement and a related deferred inflow of

resources in the governmental fund financial statements. Reporting in the government-wide financial statements requires recognition of the opioid settlement receivable and revenue and appropriate identification in the reconciliations included with the audited financial statements. Expenditures of monies received under the Master Settlement Agreement are authorized under legislation and are dedicated to opioid addiction prevention and opioid addictions services.

(f) Management Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH, INVESTMENTS AND RESTRICTED ASSETS**Cash Management Policy and Investment Guidelines**

The State Treasurer maintains the majority of the deposits and investments of the primary government and uses professional money managers to invest the State's deposits according to guidelines set in the Statement of Objectives and Guidelines for the Investment of State of Delaware Funds (the Policy) by the State's Cash Management Policy Board (the Board). The Board, created by State law, establishes policies for, and the terms, conditions, and other matters relating to, the investment of all money belonging to the State except money in DPERS and the OPEB Trust and money held under the State deferred compensation program. By law, all deposits and investments belonging to the State are under the control of the State Treasurer in various pooled investment funds (State Investment Pool), except for those that, by specific authority, are under the control of other agencies or component units, as determined by the Board. The deposit and investment policies of those entities may differ from those of the State Treasurer. Typically, these agencies follow the deposit and investment policies of the State Treasurer in an effort to minimize deposit and investment risks.

As mandated by State statutes, the State's funds shall be invested pursuant to the prudent person standard as defined in the Policy. The prudent person standard allows the Board to establish investment policies based on investment criteria that it defines, and it allows the Board to delegate investment authority to investment professionals. This standard of care not only permits but also encourages diversifying investments across various asset classes.

The objectives and guidelines, as outlined in the Policy, apply to all cash and special purpose funds for which the State is financially accountable. These funds are categorized as outlined below:

- **Cash Accounts** — Cash accounts divide the State's available cash into three parts:
 - **Collection and Disbursement Accounts** — The State maintains an amount of cash in its general collection and disbursement accounts sufficient to meet its outstanding obligations.
 - **Cash and Liquidity Accounts** — The majority of the State's cash balance available for investment is maintained in the cash and liquidity accounts. These accounts are managed and invested by investment managers, selected by the Board through competitive bid, in order to maximize the return to the State while, at the same time, providing for safety of principal and sufficient liquidity for the State to meet its cash needs. The State manages its short-term investments to ensure sufficient liquidity and prevent their premature sale for the purpose of covering expenditures. Short-term investments should mature at face value in sufficient amounts to meet any needs.
 - **Reserve Cash (Intermediate) Account** — To the extent cash is not expected to be needed on short notice, the Board directs the funding of a third party. This account is managed and invested by an investment manager or managers, selected by the Board after a competitive bid, in order to maximize the return on said

money to the State while providing for the safety of principal. The State manages its intermediate investments to ensure such investments are made under circumstances and in amounts in which the State would not be forced to liquidate them at a loss.

- Special Purpose Accounts - There are two primary types of special purpose accounts:
 - Endowment Accounts — Endowment accounts consist of funds set-aside for specified purposes.
 - Authority Accounts — The State's Authorities (State agencies, local school districts and component units) maintain a variety of fund types, including various operating funds, bond funds, and debt service reserve funds.

The Policy specifies the types of investments these managers can make; the maximum percentage of assets that may be invested in particular instruments; the minimum credit quality of these investments; and the maximum length of time the assets can be invested. The Policy provides, among other things, the percentage limits of the entire portfolio, ranging from 5% to 20% that may be invested in obligations of any one issuer, other than the U.S. Government which has no restrictions. The following investments are permissible for all funds under the review of the Board, subject to percentage limitations of the account:

- U.S. Government securities
- Government agency securities
- Certificates of deposit, time deposits, and bankers acceptances
- Corporate debt instruments
- Repurchase agreements
- Reverse repurchase agreements
- Money market funds
- Canadian treasury bills
- Canadian agency securities
- Mortgage-backed and asset-backed securities
- Municipal obligations

Additional permissible investments for special-purpose accounts only:

- Guaranteed investment contracts
- Asset-backed securities and trust certificates

The primary government's accounts are categorized as "authority accounts". At June 30, 2024, investments of the primary government were primarily in commercial paper, corporate obligations, government agency bonds and notes, and municipal obligations. All of these meet the objectives defined by the Policy. The State's Cash Management Policy Board *Statement of Objectives and Guidelines for the Investment of State of Delaware Funds* is available by request through the Office of the State Treasurer.

Risks

The following deposits and investments disclosure of the primary government excludes the OPEB Trust and DPERS, which are described on starting on page 64.

Custodial Credit Risk**Deposits**

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the deposits or collateral securities may not be recovered from an outside party.

All State deposits are required by law to be collateralized by direct obligations of, or obligations, which are guaranteed by, the United States of America, or other suitable obligations as determined by the Board, unless the Board shall find such collateralization not in the best interest of the State. The Board has determined that certificates of deposit and time deposits must be collateralized, unless the bank issuing the certificate has assets of not less than \$5 billion and is rated not lower than "II" by Fitch, Inc. "Peer Group Rating". The Board has also determined that State demand deposits need not be collateralized, provided that any bank that holds these funds has had for the last two years a return on average assets of 0.5% or greater and an average equity-capital ratio of at least 1:20. If the bank does not meet the above criteria, collateral must consist of one or more of the following:

- U.S. Government securities;
- U.S. Government agency securities;
- Federal Home Loan Board letters of credit;
- State of Delaware securities; or
- Securities of a political subdivision of the State with a Moody's Investors Service rating of "A" or better.

At June 30, 2024, the carrying amount of the primary government's deposits was \$613.8 million and the bank balance was \$668.9 million. Of the \$668.9 million bank balance, \$27.7 million was fully insured; \$347.9 million represents unemployment insurance taxes collected from Delaware employers that are held in escrow by the U.S. Treasury; and the remaining \$641.2 million was subject to custodial credit risk because they were uninsured and uncollateralized. Included in the primary government's deposits are custodial funds. The carrying amount of the custodial fund's deposits was \$32.1 million and the bank balance was \$30.6 million. The bank balance was subject to custodial credit risk because the deposits were not covered by depository insurance or the deposits were uncollateralized, collateralized with securities held by the pledging financial institutions, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name.

Of the primary government's bank balance of \$668.9 million, \$460.5 million is part of the Treasurer's cash pool and the remaining balance represents outside bank accounts of the primary government.

State law permits the Treasurer to deposit in a financial institution in the State in which the Treasurer has custody if the deposit is interest bearing; the financial institution provides collateral that has a market value that exceeds the amount by which a deposit exceeds the deposit insurance, and a custodian holds the collateral.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the value of the investment or collateral securities that are in the possession of an outside party may not be recovered. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name.

At June 30, 2024, the primary government's investments were \$7,520.9 million. Of the primary government's investments, \$317.7 million was fully insured and collateralized. Included in the primary government's investments of \$7,520.9 million are custodial funds. The amount of the custodial funds' investments was \$118.9 million.

The following table provides information on \$7,203.2 million of the primary government's investments that are exposed to custodial credit risk; \$118.9 million of this amount represents the custodial funds' investments:

Investment Type	Fair Value (Expressed in Thousands)
Certificates of Deposit	\$ 333,871
Commercial Paper	222,850
Corporate Obligations	2,220,891
U.S. Government Obligations	3,915,525
Municipal Obligations	23,101
Money Market	17,718
Mutual Funds	128,306
Equity Securities	334,367
Other Obligations	6,525
Total	<u>\$ 7,203,154</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Also, the terms of a debt investment may cause its fair value to be highly sensitive to interest rate changes. The State manages interest rates using the segmented time distribution and effective duration methods. The State approves and contracts with different investment managers of fixed income securities in order to manage the exposure to interest rate risk with each different manager focusing on different goals of yield periods or duration of maturities of their particular portion of the investment pool. The Policy provides either maturity or duration

limitations for the various investment pools. The interest rate risk inherent in the portfolio is monitored by measuring the weighted average maturity and/or duration.

Effective duration measures the expected change in value of a fixed income security for a given change in interest rate. This method takes into account the likely timing and amounts of variable cash flows for bonds with call options and prepayment provisions.

The following table presents the fair value and effective duration of the primary government and custodial fund investments by investment type at June 30, 2024:

Investment Type	Expressed in Thousands			Effective Duration (In Years)
	Treasurer's Pool	Outside Treasurer's Pool	Total Investments	
Corporate Obligations	\$ 2,202,630	\$ 18,261	\$ 2,220,891	3.24
Municipal Obligations	23,101	—	23,101	2.67
U.S. Government Obligations	3,906,661	210,613	4,117,274	4.44
Mutual Funds	120,949	7,357	128,306	—
Money Market	17,194	524	17,718	—
Commercial Paper	222,837	115,985	338,822	0.23
Certificates of Deposit	333,146	725	333,871	0.58
Total	\$ 6,826,518	\$ 353,465	\$ 7,179,983	

Although the Policy does not limit total portfolio maturities, it provides maximum maturity restrictions for each of the investment account types as described below:

- Cash Account Investment - The maximum maturity for any investment at the time of purchase for the cash account is one year.
- Liquidity Accounts - The maximum maturity for any investment at the time of purchase shall be two years for the Liquidity Accounts; notwithstanding the foregoing, the term for corporate debt instruments and both mortgage backed and asset backed securities that are subject to periodic reset of coupon or interest rate may have an average life not to exceed three years.
- Reserve Cash (Intermediate) Account - The maximum maturity for any investment at the time of purchase shall be ten years. The maximum average maturity of the portfolio shall be seven years.
- Endowment Accounts - The maximum maturity for any investment at the time of purchase is ten years. The maximum average maturity of the portfolio is seven years. The Board shall consider tailoring maturity restrictions to meet specific purposes for endowment accounts to be established in the future.
- Authority Operating, Bond and Debt Service Reserve Fund Accounts - The maximum maturity for any investment at the time of purchase is ten years, except when prudent to match a specific investment instrument with a known specific future liability, in which case the maturity limitation shall match the maturity of the corresponding liability.

As of June 30, 2024, the primary government and custodial funds had the following investment maturities:

	Investment Maturity (Expressed in Thousands)				
	Fair Value	Investment Maturities			
		Less Than 1	1 to 5	6 to 10	More than 10
Corporate obligations	\$ 2,220,891	\$ 453,344	\$ 1,308,137	\$ 459,410	\$ —
Municipal obligations	23,101	3,049	20,052		—
U.S. government obligations					
U.S. Treasuries	3,267,678	336,799	1,414,189	1,516,690	—
U.S. Agencies	849,597	441,585	221,931	70,547	115,534
Certificates of Deposit	333,871	323,868	10,003	—	—
Mutual Funds	128,306	128,306	—	—	—
Money Market	17,718	17,194	524	—	—
Commercial Paper	338,821	330,721	8,100	—	—
Total Investments	\$ 7,179,983	\$ 2,034,866	\$ 2,982,936	\$ 2,046,647	\$ 115,534

Credit Risk

Credit risk of investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Policy requires that the State's investments in asset-backed securities be rated AAA by a major rating agency. Corporate debt instruments must be rated by Standard and Poor's Ratings Services (S & P) and/or Moody's Investor Service (Moody's) and/or Fitch Ratings (Fitch) as follows:

Investment	S & P	Moody's	Fitch
Commercial Paper	A-1	P-2	F2
Senior Long-Term Debt	A	A	A
Corporate Bonds	A-	A3	A-

Additionally, the State has multiple non-rated/pooled accounts which represent immaterial amounts when treated individually. The Board permits the types of investments which are held in these accounts.

The following table presents the State's investments which were rated by S & P as of June 30, 2024:

Credit Risk - Quality Ratings
(Expressed in Thousands)

	Total	AAA	AA+	AA	AA-	A+	A	A-	A-1	BBB+	AGY	TSY	NR
Corporate obligations	\$ 2,220,891	\$ 169,081	\$ 57,759	\$ 25,171	\$ 195,681	\$ 418,736	\$ 566,200	\$ 642,696	\$ —	\$ —	\$ —	\$ —	\$ 145,567
Municipal obligations	23,101	177	3,021	11,596	8,307	—	—	—	—	—	—	—	—
U.S. government obligations	—	—	—	—	—	—	—	—	—	—	—	—	—
U.S. Treasuries	3,267,677	7,653	87,277	—	—	—	—	—	—	—	91,500	3,080,054	1,193
U.S. Agencies	849,597	14,694	656,259	—	—	—	—	—	—	—	178,626	—	18
Other Obligations	—	—	—	—	—	—	—	—	—	—	—	—	—
Pooled Investments	6,525	—	—	—	—	—	—	—	—	—	—	—	6,525
Money Market	17,718	—	—	—	—	—	—	—	—	—	—	—	17,718
Equity Securities	334,367	—	—	—	—	—	—	—	—	—	—	—	334,367
Mutual Funds	128,306	23,169	—	—	—	—	—	—	—	—	2,778	—	102,359
Certificates of Deposit	333,871	—	—	—	—	—	—	—	—	—	—	—	333,871
Commercial Paper	338,822	—	—	—	—	—	—	—	115,972	—	—	—	222,850
Total Investments	\$ 7,520,875	\$ 214,774	\$ 804,316	\$ 36,767	\$ 203,988	\$ 418,736	\$ 566,200	\$ 642,696	\$ 115,972	\$ —	\$ 272,904	\$ 3,080,054	\$ 1,164,468

NR = Non-Rated Pooled accounts

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the State's investments in a single issuer (5% or more of total investments). When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The investments in obligations explicitly guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure.

The Policy provides the following percentage of account limitations, valued at market. Investments due to mature in one business day may be excluded from the computation of said limitations.

- A. U.S. Government — No Restrictions.
- B. Government Agency — 50% total, 20% in any one agency.
- C. Certificates of Deposits, Time Deposits, and Bankers Acceptances — 50% total, 5% in any one issuer.
 - a. Domestic — no additional restrictions.
 - b. Non-Domestic — 25%.
 - c. Delaware Domiciled — Not more than the lesser of \$10 million or 25% of an issuer's total equity capital may be invested in any one issuer.
- D. Corporate Debt — 50% total, 25% in any one industry, 5% in any one issuer, 5% of any issuer's total outstanding securities.
 - a. Domestic — no additional restrictions.
 - b. Non-Domestic — 25%, 5% in any one issuer.
- E. Repurchase Agreements — 50% total.
- F. Reverse Repurchase Agreements — 25% total.
- G. Money Market Funds — 25% total, 10% in any one fund.
- H. Canadian Treasuries — 25% total, 10% in any one agency.
- I. Canadian Agency Securities — 25% total, 10% in any one agency.
- J. Mortgage-backed and asset backed securities — 10% total (when combined with asset backed securities and trust certificates).
- K. Municipal Obligations — 5% in any one issuer.
- L. Guaranteed Investment Contracts — Permitted where it is prudent to match a specific investment instrument with a known specific future liability, subject to the credit quality

guidelines for commercial paper and corporate bonds and debentures and with adequate exit provisions in the event of the future downgrade of the issuer.

M. Asset Backed Securities and Trust Certificates — 10% total (when combined with mortgage-backed and asset backed securities).

At June 30, 2024, as required by the State's laws and policies, there were no obligations that represented 5% or more of the primary government's investments, except for U.S. government securities, pooled and mutual funds.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely impact the fair value of an investment or deposit.

The Policy only permits investments denominated in U.S. dollars. The State does not have any investments that are exposed to foreign currency risk.

Commitments

At June 30, 2024, the State did not enter into any commitment agreements with any investment managers for future funding of various asset classes.

OPEB Trust Fund (OPEB Trust) and Delaware Public Employees' Retirement System (DPERS)

Investment Policy

The Board of Pension Trustees is authorized to maintain and invest the funds of the OPEB Trust and DPERS. There are no State statutes limiting allowable investments for the OPEB Trust or DPERS. The investment decisions are dictated by the prudent person rule and the internal investment guidelines established by the Board as outlined below:

- Allocate a minimum of 15% of assets to fixed income investments such as bonds, cash equivalents, and certain real estate investments
- Maintain a diversified portfolio to minimize the risk of overexposure in any one market segment or investment style
- Monitor the performance of all investment managers using specific benchmarks
- Control exposure in illiquid asset classes
- Review, re-examine, and reconfirm the operation of results of the investment process regularly
- Identify new long-term opportunities for risk reduction and improved investment returns
- Review actuarial assumptions to ensure consistency with capital market expectations

The Board delegates the operation of the OPEB Trust and the DPERS's investments to the Investment Committee. The committee establishes asset allocations to various investment markets. The current policy was adopted by the Board on September 24, 2021. There were no significant changes to the policy from the prior version. For the fiscal year ended June 30, 2024,

management of the OPEB Trust and DPERS have operated in accordance with these policies, in all material respects.

Securities Lending

DPERS entered into a security lending agreement with its custodian bank, which acts as a security lending agent for DPERS. The objective of securities lending is to earn income through a conservatively operated and well-controlled program. The custodian is authorized to lend securities within the borrower limits and guidelines established by DPERS. DPERS lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 103 percent of fair market value for domestic securities and 107 percent for international securities. The Trust's pool of assets are co-mingled with the assets of DPERS and therefore the Trust is a participant in the existing security lending agreement with DPERS's custodian bank.

The only types of collateral received from borrowers are obligations issued by the U.S. Government. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. The OPEB Trust and DPERS have the authority to sell collateral securities only upon a borrower default. As of June 30, 2024, there were no violations of legal or contractual provisions. The OPEB Trust and DPERS have not experienced any losses resulting from the default of a borrower or lending agent during the year ended June 30, 2024.

At year-end, the OPEB Trust and DPERS have no credit risk exposure to borrowers because the amounts the OPEB Trust owes the borrowers exceed the amounts the borrowers owe the OPEB Trust and DPERS. The contract with the OPEB Trust's and DPERS's custodian requires it to indemnify the OPEB Trust and DPERS if the borrowers fail to return the securities or fail to pay the OPEB Trust and DPERS for income distributions by the securities' issuers while the securities are on loan. The OPEB Trust and DPERS manages its market risk by recording investments at fair value daily and maintaining the value of the collateral held by the OPEB Trust and DPERS in excess of the value of the securities loaned. As of June 30, 2024: 1) the OPEB Trust's fair value of securities on loan was \$6.5 million and the associated collateral was \$6.7 million; and 2) DPERS's fair value of securities on loan was \$95.4 million and the associated collateral was \$98.4 million.

All open security loans can be terminated on demand by either the System or borrower. The collateral is valued at fair value obtained from independent pricing services.

Investments

OPEB Trust

The following is a listing of fixed income investments and cash equivalents and related maturity schedule which shows the OPEB Trust's exposure to interest rate risk as of June 30, 2024. The OPEB Trust holds \$65.3 million in domestic fixed income and \$5.5 million in foreign fixed income instruments. The table below also includes \$34.1 million in pooled stable value fund, reported as cash equivalents, and \$146.0 million in pooled fixed income investments:

OPEB Trust Investment Maturities (in Years)
(Expressed in Thousands)

Investment Type/Sector	Fair Value	Less than 1	1 - 6	6 - 10	10 +
Asset Backed Securities	\$ 8,409	\$ —	\$ 535	\$ 907	\$ 6,967
Bank Loans	15,455	81	10,867	4,507	—
Certificates of Deposit	3,381	3,381	—	—	—
Cash Equivalents	34,067	34,067	—	—	—
Commercial Mortgage-Backed	12,289	26	686	23	11,554
Commercial Paper	1,515	1,515	—	—	—
Corporate Bonds	1,518	—	1,187	175	156
Government Agencies	21,945	—	315	1,509	20,121
Government Bonds	6,305	—	535	1,060	4,710
Pooled Investments	146,015	—	6,461	139,554	—
Total	\$ 250,899	\$ 39,070	\$ 20,586	\$ 147,735	\$ 43,508

DPERS

The following is a listing of fixed income investments and cash equivalents and related maturity schedule which shows DPERS's exposure to interest rate risk as of June 30, 2024. DPERS holds \$958.5 million in domestic fixed income and \$81.4 million in foreign fixed income instruments. Also included is \$501.6 million in pooled stable value fund, reported as cash equivalents and \$2.2 billion in pooled fixed income investments.

DPERS Investment Maturities (in Years)
(Expressed in Thousands)

Investment Type/Sector	Fair Value	Less Than 1	1 - 6	6 - 10	10 +
Asset Backed Securities	\$ 123,480	\$ —	\$ 7,853	\$ 13,314	\$ 102,313
Bank Loans	226,951	1,193	159,578	66,180	—
Certificates of Deposit	49,662	49,662	—	—	—
Cash Equivalents	501,618	501,618	—	—	—
Commercial Mortgage-Backed	180,469	380	10,067	333	169,689
Commercial Papers	22,256	22,256	—	—	—
Corporate Bonds	22,285	—	17,425	2,568	2,292
Government Agencies	322,270	—	4,621	22,163	295,486
Government Bonds	92,583	—	7,858	15,562	69,163
Pooled Investments	2,165,165	—	94,887	2,070,278	—
Total	\$ 3,706,739	\$ 575,109	\$ 302,289	\$ 2,190,398	\$ 638,943

Interest Rate Risk

The State has delegated investment policy for the OPEB Trust and DPERS to the Board and its Committees. The Investment Committee sets its own guidelines in conjunction with the Board to manage and review DPERS's exposure to fluctuating interest rates. Interest rate risk is a consideration when establishing and reviewing investment manager guidelines and asset allocation. Both topics are included in the Statement of Investment Policies and Objectives which is published on DPERS's website.

Credit Risk

The OPEB Trust and DPERS's general investment policy is to apply the prudent-person rule to all risks incurred by the fund. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The OPEB Trust and DPERS have no investment policy that would further limit its investment choices related to credit risk.

As of June 30, 2024, the OPEB Trust fixed income investments and cash equivalents had the following credit risk characteristics (expressed in thousands):

Moody's Ratings or Comparable	Percent of Total Net Position	Fair Value
AAA to A-	3.35%	\$ 33,194
BBB+ to B3	1.44%	\$ 14,208
CCC+ to C	0.51%	\$ 5,055
D	0.03%	\$ 345
Not Rated	20.00%	\$ 198,097
Total	25.33%	\$ 250,899

As of June 30, 2024, DPERS's fixed income investments and cash equivalents had the following credit risk characteristics (expressed in thousands):

Moody's Ratings or Comparable	Percent of Total Net Position	Fair Value
AAA to A-	3.58%	\$ 488,830
BBB+ to B3	1.52%	208,623
CCC to C	0.55%	74,213
D	0.04%	5,067
Not Rated	21.54%	2,930,006
Total	27.23%	\$ 3,706,739

Custodial Credit Risk

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the deposits or collateral securities may not be recovered from an outside party.

OPEB Trust

At June 30, 2024, the \$111.3 million carrying amount of the Trust's cash and cash equivalents was comprised of \$34.1 million of short-term investments and \$77.2 million in deposits. Of the \$77.2 million in deposits, \$107.9 thousand was subject to custodial credit risk because it was held by outside institutions and uninsured and uncollateralized. The remaining \$77.1 million was held as pooled deposits by the State Treasurer's Office, which includes deposit accounts, short- and long-term investments.

DPERS

At June 30, 2024, the \$505.1 million carrying amount of DPERS's cash and cash equivalents was comprised of \$399.7 million of short-term investments in a stable value fund, \$101.9 million in short term bills and notes and \$3.5 million in deposits. Of the \$3.5 million in deposits, \$2.5 million was subject to custodial credit risk because it was uninsured and uncollateralized. The remaining \$1 million was held as pooled deposits by the State Treasurer's Office, which includes deposit accounts, short- and long-term investments.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the value of the investment or collateral securities that are in the possession of an outside party may not be recovered. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. The OPEB Trust and DPERS's investments are not exposed to custodial credit risk as they are held by the DPERS's custodian in the name of the OPEB Trust, DPERS, or its nominee.

Investment Concentration Risk

As of June 30, 2024, the OPEB Trust and DPERS held no concentration of investments (except pooled investments) in an individual issuer in excess of 5% of the fair value of the OPEB Trust's or DPERS's net position.

Management Fees

The OPEB Trust and DPERS paid \$563.0 thousand and \$32.3 million, respectively, in management fees to the alternative investment funds and partnerships for the fiscal year ended June 30, 2024. These fees are netted against investment income.

Foreign Investments

Foreign investments include equity securities, bonds, cash, and cash equivalents.

Foreign assets in the OPEB Trust's Statement of Fiduciary Net Position as of June 30, 2024 includes no fixed income investments of domestic issuers which have been classified as domestic on the Statement of Fiduciary Net Position but are denominated in a foreign currency.

OPEB Trust Investment Types (Expressed in Thousands)				
Currency	Fair Value in U.S. Dollars	Equities	Fixed Income	Cash and Cash Equivalents
Australian Dollar	\$ 199	\$ 199	\$ —	\$ —
Brazilian Real	964	964	—	—
British Pound Sterling	3,101	3,101	—	—
Canadian Dollar	2,008	2,008	—	—
Danish Krone	5,026	5,015	—	11
Euro	15,023	14,908	96	19
HK offshore Chinese Yuan Renminbi	1,159	1,159	—	—
Hong Kong Dollar	3,919	3,919	—	—
Indian Rupee	7,150	7,150	—	—
Indonesian Rupiah	2,633	2,633	—	—
Japanese Yen	2,478	2,463	—	15
New Taiwan dollar	1,283	1,283	—	—
Nigerian Naira	21	21	—	—
Philippine Peso	1,168	1,165	—	3
South African Rand	57	57	—	—
South Korean Won	1,037	1,037	—	—
Swedish Krona	267	267	—	—
Swiss Franc	134	134	—	—
United Arab Emirates dirham	403	403	—	—
Vietnamese Dong	2,485	2,478	—	7
Total Foreign Currencies	50,515	50,364	96	55
Foreign Issued Investments				
Denominated in U.S. Dollars	26,604	21,157	5,447	—
Pooled International Investments				
Denominated in U.S. Dollars	47,903	47,903	—	—
Total	\$ 125,022	\$ 119,424	\$ 5,543	\$ 55

DPERS's foreign assets as of June 30, 2024 includes no fixed income investments of domestic issuers which have been classified as domestic, but are denominated in a foreign currency.

DPERS Investment Types (Expressed in Thousands)				
Currency	Fair Value in U.S. Dollars	Equities	Fixed Income	Cash and Cash Equivalents
Australian dollar	\$ 2,922	\$ 2,922	\$ —	\$ —
Brazilian real	14,150	14,150	—	—
British pound sterling	45,537	45,537	—	—
Canadian dollar	29,487	29,486	—	1
Danish krone	73,810	73,653	—	157
Euro	220,622	218,930	1,416	276
HK offshore Chinese Yuan Renminbi	17,019	17,019	—	—
Hong Kong dollar	57,546	57,544	—	2
Indian rupee	104,997	104,997	—	—
Indonesian rupiah	38,673	38,673	—	—
Japanese yen	36,387	36,165	—	222
New Taiwan dollar	18,846	18,846	—	—
Nigerian naira	311	311	—	—
Philippine peso	17,160	17,110	—	50
South African rand	842	842	—	—
South Korean won	15,234	15,234	—	—
Swedish krona	3,925	3,925	—	—
Swiss franc	1,961	1,961	—	—
United Arab Emirates dirham	5,924	5,924	—	—
Vietnamese dong	36,501	36,397	—	104
Total Foreign Currencies	\$ 741,854	\$ 739,626	\$ 1,416	\$ 812
Foreign Issued Investments				
Denominated in U.S. Dollars	390,689	310,695	79,994	—
Pooled International Investments				
Denominated in U.S. Dollars	721,331	721,331	—	—
Total	\$ 1,853,874	\$ 1,771,652	\$ 81,410	\$ 812

Derivative

Derivatives are instruments (securities or contracts) whose value is dependent on such things as stock or bond prices, interest rate levels, or currency exchange rates. The Board adopted a formal written policy on the use of derivative instruments which is reviewed periodically and incorporated in the formalized investment policy adopted by the Board. Some selected managers are permitted to use derivatives. In every case, the types of derivatives used and limits on their use are stated in the manager's contract and are monitored on an ongoing basis. Derivatives serve a variety of useful purposes for the OPEB Trust and DPERS, including the reduction of foreign exchange risk, the minimization of transaction costs, and as a means of implementing value added strategies to enhance returns. If the use of derivatives in a portfolio strategy results in some leverage, that leverage is never permitted to expose the Fund to a loss greater than the amount committed to that strategy.

The following lists principal categories of derivative instruments and their uses during the year:

Category	Purpose
Foreign exchange forward contracts	Hedge currency risk of investments denominated in foreign currencies; enhance return
Exchange traded futures contracts	Reduce transaction costs; hedge equity market risk; control fixed income; counterbalance portfolio duration; enhance return
Exchange traded options contracts	Enhance return; reduce transaction costs
Total return equity swaps	Hedge equity market risk exposure

Generally, derivatives are subject both to market risk and counterparty risk. The derivatives utilized by the OPEB Trust and DPERS typically have no greater risk than their physical counterparts, and in many cases are offset by exposures elsewhere in the portfolio (for example, a short S&P 500 futures contract partially hedging a long position in S&P 500 securities). Counterparty risk, the risk that the “other party” to a contract will default, is managed by utilization of exchange traded futures and options where practical (in which case the futures exchange is the counterparty and guarantees performance) and by careful screening of counterparties where use of exchange traded products is impractical or uneconomical.

Derivative securities are priced and accounted for at their fair value. For exchange traded securities such as futures and options, closing prices from the securities exchanges are used. Foreign exchange contracts are valued at the price at which the transaction could be settled by offset in the forward markets.

The Investment Committee monitors the OPEB Trust and DPERS’s derivative holdings on a regular basis to ensure that the derivatives used by managers of the OPEB Trust and DPERS will not have a material adverse impact on its financial condition. Total derivative instruments at June 30, 2024 were not material to the OPEB Trust or DPERS.

Risk and Uncertainty

The OPEB Trust and DPERS invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk inherent in investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such change could affect the amounts reported.

Discretely Presented Component Units

Delaware State Housing Authority (DSHA)

As of June 30, 2024, DSHA had bank and savings money markets deposits of \$244.9 million. No deposits were uninsured or uncollateralized.

Investment Policies

DSHA has an investment policy that encompasses all moneys related to the issuance of bonds, as well as all funds otherwise held by DSHA. DSHA seeks first and foremost to ensure safety of principal, and secondly, to attain the highest possible return available given the risk constraints.

DSHA is allowed to invest in certain qualified investments as defined by amended Subchapter II, Section 4013, Chapter 40, Title 31, of the Delaware Code and DSHA's formal investment policy.

Investments

Investments are presented at fair value. Fair values are determined by quoted market prices based on national exchange prices for all investments, except for the State of Delaware Investment Pool. The State pool is valued based on the pool's share price. The table below lists the DSHA's investments and the related maturities:

Investment Type	Investment Maturities (in Years) (Expressed in Thousands)					
	Fair Value	Less than 1	1 - 5	5 - 10	10 - 20	20 - 30
U.S. Treasury Notes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. Treasury Bills	660	660	—	—	—	—
U.S. Treasury Bonds	22,490	7,503	14,987	—	—	—
U.S. Treasury Strips	—	—	—	—	—	—
U.S. Agencies	56,658	24,642	32,016	—	—	—
Commercial Paper	8,369	8,369	—	—	—	—
Corporate Notes	45,677	9,677	36,000	—	—	—
Money Market Bank Accounts	131,138	131,138	—	—	—	—
Money Market Savings Accounts	191,248	191,248	—	—	—	—
Uninvested Principal Cash	3,095	3,095	—	—	—	—
State of Delaware Investment Pool	293	293	—	—	—	—
Total Investments	\$ 459,628	\$ 376,625	\$ 83,003	\$ —	\$ —	\$ —
Securitized Mortgage Loans	101,050	—	—	—	22,462	78,588
Total Investments & Securitized Mortgage Loans	\$ 560,678	\$ 376,625	\$ 83,003	\$ —	\$ 22,462	\$ 78,588

Credit Risk

DSHA's general investment policy is to make investments with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. As of June 30, 2024, DSHA's investments were rated as follows:

	Ratings (S & P) (Expressed in Thousands)									U.S. Government Guaranteed
	Fair Value	AAA	AA+	AA	AA-	A1+	A1	A	A+	
Investment Type										
U.S. Treasury Bills	\$ 660	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	660
U.S. Treasury Notes	—	—	—	—	—	—	—	—	—	—
U.S. Treasury Strips	—	—	—	—	—	—	—	—	—	—
U.S. Treasury Bonds	22,490	—	—	—	—	—	—	—	—	22,490
U.S. Agencies	56,689	—	55,422	—	—	—	—	—	—	1,267
Corporate Notes	46,705	1,639	7,881	6,445	28,570	482	546	494	648	—
Commercial Paper	7,342	—	—	—	—	4,742	2,600	—	—	—
Securitized Mortgage Loans	101,050	—	—	—	—	—	—	—	—	101,050
Total	\$ 234,936	\$ 1,639	\$ 63,303	\$ 6,445	\$ 28,570	\$ 5,224	\$ 3,146	\$ 494	\$ 648	\$ 125,467

NOTE 3 FAIR VALUE MEASUREMENT

The State categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs — other than quoted prices — included within Level 1 that are observable for the asset or liability — either directly or indirectly
- Level 3: Unobservable inputs — market data are not available and are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Equity securities and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities and pooled investments classified in Level 2 of the fair value hierarchy are valued using other inputs including, but not limited to, interest rates and yield curves that are observable at commonly quoted intervals as well as the latest available estimates of price or actual bids quoted in active markets for those or similar securities. Fixed income securities classified in Level 3 of the fair value hierarchy are the State's proportional investments held in an investment pool.

The State has the following recurring fair value measurements as of June 30, 2024:

		Investments by Fair Value (Expressed in Thousands)			
		Fair Value Measurement			
	06/30/2024	Level 1	Level 2	Level 3	
Fixed Income Securities:					
U.S. Government Obligations					
U.S. Treasury Notes	\$ 3,267,677	\$ —	\$ 3,267,677	\$ —	
U.S. Agency Notes	849,597	—	849,597	—	
Municipal Obligations	23,101	—	23,101	—	
Corporate Bonds	2,220,891	—	2,220,891	—	
Commercial Paper	338,822	—	338,822	—	
Other Pooled & Obligations	6,525	—	6,525	—	
Equity Securities					
Equity Securities	334,367	334,367	—	—	
Mutual Funds	128,306	128,306	—	—	
Total Investments by Fair Value Level	\$ 7,169,286	\$ 462,673	\$ 6,706,613	\$ —	
Investments not subject to measurement: Money Market and Certificates of Deposit	351,589				
Total Investments	\$ 7,520,875				

OPEB Trust Fund (OPEB Trust) and Delaware Public Employee's Retirement System (DPERS)

The OPEB Trust and DPERS have both investments measured at fair value and investments that are measured using the net asset value (NAV) per share (or its equivalent) as a practical expedient to fair value which are not classified in the fair value hierarchy.

Equity and Fixed Income securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Equity securities classified in Level 2 are valued using the latest available estimates of price bids or actual price bids quoted in active and inactive markets for those securities.

Fixed Income securities and pooled investments classified in Level 2 are valued using other inputs including, but not limited to, interest rates and yield curves that are observable at commonly quoted intervals as well as the latest available estimates of price bids or actual bids quoted in active and inactive markets for those, or similar, securities.

Pooled investments classified in Level 1 of the fair value hierarchy are investments in open-end, non-exchange-traded mutual funds for which fair value per share (unit) is determined and published and is the basis for current transactions. These securities are valued at their NAV on the date of valuation, and are classified as Level 1 in the fair value hierarchy since they may be purchased or sold at their publically quoted NAV on the date of valuation.

The OPEB Trust has the following recurring fair value measurements as of June 30, 2024:

OPEB Trust Investments by Fair Value
(Expressed in Thousands)

	06/30/2024	Fair Value Measurement		
		Level 1	Level 2	Level 3
Equity Securities				
Common Stock	\$ 296,932	\$ 296,930	\$ 2	\$ —
Convertible Equity	—	—	—	—
Preferred Stock	1,082	1,082	—	—
Total Equity Securities	298,014	298,012	2	—
Fixed Income Securities				
Asset Backed Securities	8,409	—	8,409	—
Bank Loans	18,836	—	18,836	—
Commercial Mortgage-Backed	12,289	—	12,289	—
Commercial Papers	1,515	—	1,515	—
Corporate Bonds	1,518	—	1,518	—
Government Agencies	21,945	—	21,945	—
Government Bonds	6,305	—	6,305	—
Total Fixed Income Securities	70,817	—	70,817	—
Pooled Investments				
Equity Funds	22,198	22,198	—	—
Total Pooled Investments	22,198	22,198	—	—
Total Investments by Fair Value Level	\$ 391,029	\$ 320,210	\$ 70,819	\$ —
Total Investments Measured at NAV	495,526			
Total Investments	\$ 886,555			

DPERS has the following recurring fair value measurements as of June 30, 2024:

DPERS Investments by Fair Value (Expressed in Thousands)				
	06/30/2024	Fair Value Measurement		
		Level 1	Level 2	Level 3
Equity Securities				
Common Stock	\$ 4,360,493	\$ 4,360,467	\$ 26	\$ —
Convertible Equity	—	—	—	—
Preferred Stock	15,896	15,896	—	—
Total Equity Securities	4,376,389	4,376,363	26	—
Fixed Income Securities				
Asset Backed Securities	123,480	—	123,480	—
Bank Loans and Deposits	276,613	—	276,613	—
Commercial Mortgage-Backed	180,469	—	180,469	—
Commercial Paper	22,256	—	22,256	—
Corporate Bonds	22,285	—	22,285	—
Government Agencies	322,270	—	322,270	—
Government Bonds	92,583	—	92,583	—
Total Fixed Income Securities	1,039,956	—	1,039,956	—
Pooled Investments				
Equity Funds	379,509	379,509	—	—
Fixed Income Funds	20,910	20,910	—	—
Total Pooled Investments	400,419	400,419	—	—
Total Investments by Fair Value Level	\$ 5,816,764	\$ 4,776,782	\$ 1,039,982	\$ —
Total Investments Measured at NAV	7,276,870			
Total Investments	\$ 13,093,634			

The valuation method for pooled and alternative investments that do not have a readily determinable fair value is such that DPERS establishes fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. These values are calculated by the management of each investment fund as of the DPERS's measurement date, generally in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. The NAV received from each investment fund are reviewed by Office of Pensions staff and its investment advisor; and both DPERS's management and the custodian receive periodic and audited annual financial reports from the management of each investment fund.

The OPEB Trust has the following recurring NAV measurements as of June 30, 2024. Excluded from pooled investments below is a short-term stable value fund that the Trust classifies as Cash Equivalents in the amount of \$34.1 million. At year end, the NAV, unfunded commitments, and redemption terms are as follows:

OPEB Trust Investments Measured at NAV
(Expressed in Thousands)

	Fair Value	Unfunded Commitments (1)	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Pooled Investments				
Equity Funds	\$ 212,415	\$ —	Daily, Monthly	1 to 6 days
Fixed Income Funds	139,554	—	Daily	2 days
Total Pooled Investments (2)	351,969			
Alternative Investments				
Funds Primarily Invested in Public Securities				
Equity Focused Strategy (3)	15,839	—	Annual, Triennial	90 to 150 days
Funds Primarily Invested in Private Securities (4)				
Buyout	11,570	\$ 1,045		
International	28,859	3,857		
Private Debt	2,760	5,052		
Private Equity	77,186	22,200		
Real Assets	7,343	10,479		
Total Alternatives	143,557			
Total Investments Measured at NAV	\$ 495,526			

The DPERS has the following recurring NAV measurements as of June 30, 2024. Excluded from the pooled investments below is a short term stable value fund that DPERS classifies as Cash Equivalents in the amount of \$399.7 million. At year end, the NAV, unfunded commitments, and redemption terms are as follows:

DPERS Investments Measured at NAV				
(Expressed in Thousands)				
	Fair Value	Unfunded Commitments (1)	Redemption Frequency	Redemption Notice Period
Pooled Investments				
Equity Funds	\$ 3,024,455	\$ —	Daily, Monthly	1 to 6 days
Fixed Income Funds	2,144,255	—	Daily	2 days
Total Pooled Investments	<u>5,168,710</u>			
Alternative Investments				
Funds Primarily Invested in Public Securities				
Equity Focused Strategy	232,594	\$ —	Annual, Triennial	90 to 150 days
Funds Primarily Invested in Private Securities				
Buyout	169,908	\$ 15,353		
International	423,798	56,644		
Private Debt	40,538	74,192		
Private Equity	1,133,489	326,012		
Real Assets	107,833	153,893		
Total Alternatives	<u>\$ 2,108,160</u>			
Total Investments Measured at NAV	<u>\$ 7,276,870</u>			

- (1) *Unfunded Commitments.* The OPEB Trust and DPERS have commitments to invest additional amounts, to be drawn down as called upon at any time during the term of each relationship. The lengths of these terms are discussed below. Generally, these commitments are self-funding; in that the capital calls are met using cash flows generated by distributions received from alternative investment funds as the underlying investments of the funds are liquidated.
- (2) *Pooled Investments.* This type includes four index tracking funds and three global value equity funds. The index funds maintain a portfolio constructed to match or track the components of the following market indices: S&P 500, Russell 1000 Value, Bloomberg U.S. TIPS and the Bloomberg U.S. Aggregate. The global value equity funds invest in both U.S. and non-U.S. equities, seeking quality companies that are attractively valued and have growth potential.
- (3) *Equity Focused Strategy.* This type includes three funds that engage in equity investing strategies. The composite portfolio for this type invests both long and short in global common stocks, but also in debt, credit, private equity, derivative and other financial instruments. In limited circumstances, these funds have the ability to impose a gate, or in the case of a withdrawal greater than 95% they may hold back up to 5% of the redemption

amount until the completion of the funds' annual audit. These funds may also segregate a portion of the portfolio in a side pocket. Investments in a side pocket are redeemable only upon liquidation of the underlying assets in the side pocket. Investments representing approximately 40% of the value of the investments in this type are held in side pockets. Liquid capital, representing approximately 17% of the value of the investment in this type, is subject to staggered two-year liquidity with 50% available for withdrawal in year one and 50% available for withdrawal in year two. Additionally, liquid capital representing 43% of the value of investments in this type cannot be redeemed because the investments include an initial lock-up that does not allow for redemption in the first three years after acquisition. The remaining restriction for the latter portion of liquid capital described is approximately 9 months as of June 30, 2024.

- (4) *Funds Primarily Invested in Private Securities.* These investments can never be redeemed with the funds. Instead, the nature of the investments in these types is that distributions are received through the liquidation of the underlying assets of the funds. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 14 years. The strategy of each type is as follows:

Buyout. This type includes three funds that make equity investments in mature, private companies.

International. This type includes 19 funds that invest in private equity and buyout strategies operating principally outside of the U.S.

Private Debt. This type includes eight funds that invest in debt or equity securities of financially stressed (distressed) companies, as well as convertible bonds and subordinated debt in private companies.

Private Equity. This type includes 54 funds that invest in the equity securities of growing private companies, primarily in the technology and healthcare sectors.

Real Assets. This type includes 13 funds that invest in commercial real estate and private energy companies including commercial real estate, exploration and production, midstream, power and services businesses.

Discretely Presented Component Unit

Delaware State Housing Authority (DSHA)

At June 30, 2024, the Delaware State Housing Authority (DSHA), a component unit of the State of Delaware has \$560.7 million of investments with \$235.2 million classified in Level 1 of the fair value hierarchy and the remaining \$325.5 million not measured at fair value since they are money market accounts and not subject to measurement. The Level 2 investments are fixed income securities and pooled investments valued using other inputs which includes interest rate and yield curves that are observable at commonly quoted intervals as well as the latest available estimates of price bids or actual bids quoted in active or inactive markets for similar securities.

NOTE 4 RECEIVABLES

Amounts other than lease and installment receivables are aggregated into a single accounts receivable line, which is recorded net of an allowance for uncollectible accounts. In the governmental fund financial statements, receivables that will not be available within 60 days of year-end are recorded as deferred inflows of resources.

Taxes receivable represent the amount of personal, business, and other taxes determined to be measurable at June 30, 2024. Uncollectibility for taxes receivable primarily results from identified assessment problems, inability to locate taxpayers, and accounts of decedents.

The State levies taxes on real property through its school districts. Each of the State's three counties establishes the assessed values of real estate and bills and collects its own property taxes. Local school property taxes are levied by local school districts based on the assessed value of real estate, as determined by county taxation formulas. Taxes are levied on July 1 and are payable on or before September 30. Taxes paid after the payable date are assessed a 6% penalty for nonpayment and 1% interest per month thereafter. Taxes are billed and collected by the counties with funds remitted to the local school district to be used for the local share of school operating costs and debt service on general obligation bonds issued for capital improvements. Receivables as of year-end for the State's individual funds, including the applicable allowances for uncollectible accounts, are as follows:

Receivables - Primary Government
Governmental Activities/Governmental Funds
(Expressed in Thousands)

	General Fund	Federal Fund	Local School District Funds	Total Receivables
Receivables				
Taxes	\$ 327,646	\$ —	\$ 52,437	\$ 380,083
Accounts	509,406	311,283	236	820,925
Loans and Notes	48,903	357,402	—	406,305
Intergovernmental	—	337,176	—	337,176
Total Receivables	885,955	1,005,861	52,673	1,944,489
Allowance for Doubtful Accounts	(483,163)	(259,482)	(265)	(742,910)
Total Receivables, Net	\$ 402,792	\$ 746,379	\$ 52,408	\$ 1,201,579
Amounts not Scheduled for Collection During the Subsequent Year	\$ 144,972	\$ 343,339	\$ 38,297	\$ 526,608

**Receivables - Primary Government
Business-Type Activities/Proprietary Funds
(Expressed in Thousands)**

	Unemployment	Lottery	DelDOT	Total Receivables
Receivables:				
Taxes	\$ 78,796	\$ —	\$ —	\$ 78,796
Accounts	46,057	23,826	35,689	105,572
Interest	—	—	2,061	2,061
Intergovernmental	7,953	—	52,262	60,215
Total Receivables	132,806	23,826	90,012	246,644
Allowance for Doubtful Accounts	(71,770)	—	(1,231)	(73,001)
Total Receivables, Net	\$ 61,036	\$ 23,826	\$ 88,781	\$ 173,643
Amounts not Scheduled for Collection During the Subsequent Year	\$ —	\$ —	\$ —	\$ —

Discretely Presented Component Units

Delaware State Housing Authority (DSHA)

Total receivables as of June 30, 2024 are as follows:

(Expressed in Thousands)

Receivables:	
Mortgage Loans	\$ 355,742
Accrued Interest	69,728
Other Receivables	3,171
Grants Receivable	308
Total Receivables	428,949
Allowance for Doubtful Accounts	(32,149)
Total Receivables, Net	\$ 396,800
Amounts not Scheduled for Collection During the Subsequent Year	\$ 390,566

Mortgage loans receivable, which total \$355.7 million, consist of single family, multi-family, and second mortgage assistance loans. Interest rates on the loans vary from 0% to 8% with loan maturities ranging from 1 to 17 years depending on the type of mortgage loan issued. Mortgage loans outstanding in the Housing Development Fund are collateralized by first, second, or third mortgages on the properties and, in limited instances, are guaranteed by corporate sponsors.

NOTE 5 INTERFUND BALANCES AND TRANSFERS**(a) Due To/From to Other Funds**

Receivables reported as “due from other funds” and the related payables reported as “due to other funds” represent amounts owed to State organizations by other organizations within the State primary government. Amounts receivable from or payable to other levels of government are reported as intergovernmental receivables or payables and are expected to be repaid within one year from the date of these financial statements. The composition of due from/due to balances at June 30, 2024 is as follows (expressed in thousands):

	Due To			
	General	Federal	Lottery	Total
Due From				
General	\$ —	\$ 62,845	\$ 11,801	\$ 74,646
Federal	158,459	—	—	158,459
DelDOT	25,657	—	—	25,657
Total	<u>\$ 184,116</u>	<u>\$ 62,845</u>	<u>\$ 11,801</u>	<u>\$ 258,762</u>

The amount due to the Federal Fund is for clean water revolving loan funds used to complete projects at State park facilities. The amount due from the Federal Fund is for borrowings to eliminate negative balances in the State Investment Pool.

The amount due to the Lottery Fund represents future liabilities that require the State General Fund to pay as a result of the Lottery’s transfer of profits as required by law.

The amount due from DelDOT represents a borrowing from the State's General Fund cash accounts.

(b) Transfers In From/Out to Other Funds

Transfers in and transfers out between funds in the statement of revenues, expenditures and changes in fund balance and the statement of revenues, expenses and changes in fund net position, proprietary funds represent transfers between funds. Transfers are used to (1) move revenues from the fund that statute requires to collect them to the fund that statute requires to expend them, (2) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) move profits from the Lottery Fund, as required by State law, and (4) move bond proceeds from Capital Projects to the General Fund or Local School District Fund to cover expenses paid by the General Fund as well as refundings paid to the escrow agent by the General Fund.

A schedule of transfers in and transfers out for the year ended June 30, 2024 is presented below (expressed in thousands):

Transfers In						
	General	Federal	Local School District Fund	DelDOT	Total	
Transfers Out						
General	\$ —	\$ 5,785	\$ 52,721	\$ 7,700	\$ 66,206	
Federal	247,227	—	—	—	247,227	
Local School District Fund	74,036	—	—	—	74,036	
Capital Projects	90,846	—	—	—	90,846	
Lottery	297,386	—	—	—	297,386	
DelDOT	15,634	—	—	—	15,634	
Total	\$ 725,129	\$ 5,785	\$ 52,721	\$ 7,700	\$ 791,335	

NOTE 6 CAPITAL ASSETS

Capital asset activities for the fiscal year ended June 30, 2024 were as follows:

Capital Assets				
(Expressed in Thousands)				
Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 545,452	\$ 40,269	\$ —	\$ 585,721
Easements	83,550	—	—	83,550
Construction-In-Progress	358,748	350,723	(146,419)	563,052
Total Capital Assets, Not Being Depreciated	987,750	390,992	(146,419)	1,232,323
Capital Assets, Being Depreciated and Amortized				
Vehicles	149,430	19,612	(6,666)	162,376
Buildings	4,738,363	204,579	(2,699)	4,940,243
Right-to-Use Leased Buildings	308,592	29,783	—	338,375
Equipment	123,618	15,253	(1,908)	136,963
Right-to-Use Leased Equipment	13,424	2,527	—	15,951
Land Improvements	380,755	13,029	—	393,784
Computer Software	417,448	—	—	417,448
Right-to-Use Subscription Assets	53,287	68,922	—	122,209
Total Capital Assets Being Depreciated and Amortized	6,184,917	353,705	(11,273)	6,527,349
Less Accumulated Depreciation/Amortization				
Vehicles	(104,908)	(12,442)	6,563	(110,787)
Buildings	(2,037,387)	(117,411)	1,874	(2,152,924)
Right-to-Use Leased Buildings	(66,782)	(24,863)	—	(91,645)
Equipment	(89,325)	(7,405)	1,876	(94,854)
Right-to-Use Leased Equipment	(4,358)	(2,793)	—	(7,151)
Land Improvements	(211,309)	(18,094)	—	(229,403)
Computer Software	(415,418)	(887)	—	(416,305)
Right-to-Use Subscription Assets	(7,113)	(24,996)	—	(32,109)
Total Accumulated Depreciation/Amortization	(2,936,600)	(208,891)	10,313	(3,135,178)
Total Capital Assets, Being Depreciated/Amortized, Net	3,248,317	144,814	(960)	3,392,171
Governmental Activities Capital Assets, Net	\$ 4,236,067	\$ 535,806	\$ (147,379)	\$ 4,624,494

Capital Assets				
(Expressed in Thousands)				
Business-type Activities DelDOT	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 419,307	\$ 19,881	\$ —	\$ 439,188
Infrastructure	4,596,802	203,555	—	4,800,357
Welcome and Service Center	22,100	—	—	22,100
Construction In Progress	189,038	17,769	(155,157)	51,650
Total Capital Assets, Not Being Depreciated	5,227,247	241,205	(155,157)	5,313,295
Capital Assets, Being Depreciated and Amortized				
Land Improvements	16,541	4,446	—	20,987
Buildings & Improvements	234,276	134,212	—	368,488
Furniture & Equipment	396,823	22,934	(15,827)	403,930
Right-to-Use Leased Buildings	1,067	—	(48)	1,019
Right-to-Use Leased Equipment	419	108	(147)	380
Right-to-Use Subscription Assets	1,398	5,319	(188)	6,529
Total Capital Assets, Being Depreciated and Amortized	650,524	167,019	(16,210)	801,333
Less Accumulated Depreciation/Amortization				
Land Improvements	(3,630)	(906)	—	(4,536)
Buildings & Improvements	(90,164)	(9,675)	—	(99,839)
Furniture & Equipment	(226,052)	(27,259)	15,207	(238,104)
Right-to-Use Leased Buildings	(249)	(109)	47	(311)
Right-to-Use Leased Equipment	(204)	(141)	147	(198)
Right-to-Use Subscription Assets	(510)	(1,081)	49	(1,542)
Total Accumulated Depreciation/Amortization	(320,809)	(39,171)	15,450	(344,530)
Total Capital Assets, Being Depreciated /Amortized, Net	329,715	127,848	(760)	456,803
Business-type Activities Capital Assets, Net	<u>\$ 5,556,962</u>	<u>\$ 369,053</u>	<u>\$ (155,917)</u>	<u>\$ 5,770,098</u>

Depreciation expense was charged to the following primary government functions as follows:

Depreciation/Amortization Expense	
(Expressed in Thousands)	
Governmental Activities:	
General Government	\$ 37,907
Health and Children's Services	15,377
Judicial and Public Safety	39,151
Natural Resources and Environmental Control	8,551
Labor	3,440
Education	<u>104,465</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 208,891</u>
Business-type Activities:	
DelDOT	<u>\$ 39,171</u>

NOTE 7 DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period.

Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities. The components of deferred outflows of resources and deferred inflows of resources reported in the government wide financial statements as of June 30, 2024 are as follows (expressed in thousands):

	Governmental Activities	Business-type Activities	Primary Government
Deferred Outflows of Resources			
Loss on Refundings of Debt	\$ —	\$ 8,897	\$ 8,897
OPEB - See Note 16			
State Employees Plan	1,387,460	49,975	1,437,435
DTC Plan	—	37,921	37,921
Pensions - See Note 17			
State Employees Plan	968,953	39,083	1,008,036
Special Fund	5	—	5
New State Police	81,645	—	81,645
Judiciary	6,096	—	6,096
Closed State Police	25,365	—	25,365
DTC Plan	—	4,858	4,858
Contributory	—	8,872	8,872
Total Deferred Outflows of Resources	\$ 2,469,524	\$ 149,606	\$ 2,619,130

	Governmental Activities	Business-type Activities	Primary Government
Deferred Inflows of Resources			
Service Concession Arrangement	\$ —	\$ 35,259	\$ 35,259
Lease Related	28,077	10,252	38,329
Gain on Refundings of Debt	49,714	—	49,714
OPEB - See Note 16			
State Employees Plan	2,379,035	108,588	2,487,623
DTC Plan	—	89,119	89,119
Pensions - See Note 17			
State Employees Plan	1,960	1,592	3,552
Special Fund	—	—	—
New State Police	—	—	—
Judiciary	—	—	—
Closed State Police	783	—	783
DTC Plan	—	1,218	1,218
Contributory	—	768	768
Total Deferred Inflows of Resources	\$ 2,459,569	\$ 246,796	\$ 2,706,365

Deferred inflows of resources on the governmental funds balance sheet as of June 30, 2024 are unavailable revenues as follows (expressed in thousands):

	General Fund	Federal Fund	Local School District Fund	Total Governmental Funds
Deferred Inflows of Resources				
Lease Receivable	\$ 27,966	\$ —	\$ 110	\$ 28,076
Accounts Receivable	212,540	18,095	191	230,826
Taxes Receivable	52,523	—	49,801	102,324
Total Deferred Inflows of Resources	\$ 293,029	\$ 18,095	\$ 50,102	\$ 361,226

NOTE 8 GENERAL OBLIGATION BONDS

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for State administrative operations, public and higher education, public and mental health, corrections, and conservation purposes and for maintenance and construction of highway facilities.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in amounts approved by the General Assembly. The enabling acts pursuant to which the bonds are issued provide that all bonds issued shall be direct obligations of the State; that is, the bonds are secured by the pledge of the full faith and credit of the State. General obligation bonds are redeemed over a period not to exceed 20 years, generally from available resources in the general fund. Accordingly, the State has generally issued 20-year serial bonds with equal amounts of principal maturing each year. Bonds outstanding have call provisions providing for early redemption at the option of the State, generally beginning 8 or 10 years following the date of issue in the inverse order of maturity, in whole or in part, at redemption prices not to exceed 100% of par value.

On May 15, 2024, the State issued \$359.3 million of general obligation bonds maturing between May 1, 2024 and May 1, 2043. Of the \$359.3 million issued as Series 2024A, \$290.0 million was issued representing new money, the proceeds of which were used to fund various capital projects as authorized by the General Assembly; and \$69.3 million was issued as refunding bonds, the proceeds of which were used to refund existing bonds for a net present value savings of \$5.3 million, or 7.7% of the principal refunded. The bonds bear coupons between 4.0% and 5.0% and yield between 2.81% and 4.09%.

The refunding Series 2024B resulted in an economic gain of \$1.2 million and a debt service cash savings over the next 11 years of \$6.2 million. The gain on refunding is recorded with the Deferred Inflows of Resources on the Statement of Net Position.

Bonds issued and outstanding totaled \$2,488.2 million at June 30, 2024. Of this amount, \$596.5 million is supported by property taxes collected by the local school districts. During fiscal year 2024, the local school district funds transferred \$72.0 million of property tax revenue to the State to meet the required debt service on their share of the debt.

The State is authorized to issue an additional \$249.3 million of general obligation bonds at June 30, 2024. Interest rates and maturities of the outstanding general obligation bonds are detailed as follows:

General Obligation Bonds - Governmental Activities

(Expressed in Thousands)

Sale #	Description	Interest Rates	Maturity Date (Fiscal Year)	Balance Outstanding at June 30, 2024
241	GO 2024B	2.81% - 3.38%	2035	\$ 69,280
241	GO 2024A	2.80% - 4.09%	2044	290,015
240	GO 2023B	3.00% - 5.00%	2027	34,275
240	GO 2023A	4.00% - 5.00%	2042	328,530
239	GO 2022	3.00% - 5.00%	2042	233,980
238	GO 2021A	2.00% - 5.00%	2041	255,655
237	GO 2020B	5.00%	2032	24,205
236	GO 2020A	2.00% - 5.00%	2039	240,000
235	GO 2019A	5.00%	2030	63,895
234	GO 2019A	3.00% - 5.00%	2039	171,000
232	GO 2018A	5.00%	2038	162,450
231	GO 2017A	5.00%	2029	146,250
230	GO 2017	3.00% - 5.00%	2037	108,270
229	GO 2016D	2.00% - 5.00%	2032	38,440
227	GO 2016C	4.00% - 5.00%	2027	17,705
225	GO 2016A	2.125% - 5.00%	2036	120,360
222	GO 2014B	2.00% - 5.00%	2035	26,720
219	GO 2013A	2.00% - 5.00%	2027	2,585
214	GO 2010D	4.55%	2030	59,580
213	GO 2010C	3.10% - 4.60%	2031	63,150
211	GO 2010B	2.00% - 5.00%	2025	3,205
206	GO 2009C	2.00% - 5.00%	2028	28,625
Total, Gross				2,488,175
Plus: Unamortized Bond Premium				343,530
Total General Obligation Bonds				<u>\$ 2,831,705</u>

The following table sets forth the future debt service requirements on outstanding general obligation bonds at June 30, 2024 (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2025	\$ 215,895	\$ 106,019	\$ 321,914
2026	208,670	97,925	306,595
2027	202,460	87,791	290,251
2028	196,320	77,860	274,180
2029	189,265	68,573	257,838
2030-2034	786,910	218,102	1,005,012
2035-2039	487,400	85,833	573,233
2040-2044	201,255	18,122	219,377
Total	<u>\$ 2,488,175</u>	<u>\$ 760,225</u>	<u>\$ 3,248,400</u>

Changes in general obligation bonded debt during the year ended June 30, 2024 are summarized in Note 14.

In prior years, the State has defeased certain general obligation bonds by creating separate irrevocable trust funds. New debt has been issued or cash appropriated and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt. Accordingly, the debt has been considered defeased and has been removed as a liability from the government-wide financial statements. At June 30, 2024, a total of \$50.2 million of defeased bonds were outstanding.

NOTE 9 REVENUE BONDS**Revenue Bonds**

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. These bonds pledge income derived from acquired or constructed assets or some other stream of revenues to retire the debt and pay related interest.

Primary Government

On May 1, 2020, the Delaware Sustainable Energy Utility (the "SEU") issued \$53.0 million of Energy Efficient Bonds maturing between September 15, 2020 and September 15, 2034. Series 2020 bonds were issued as refunding bonds, the proceeds of which were used to refund existing bonds for a net present value savings of \$4.8 million, or 9.3% of the 2011 Bonds. Interest rates on the bonds vary from 1.45% to 2.82%.

In February 2019, the SEU issued \$18.7 million of its Sustainable Energy Utility, Inc. Energy Efficiency Revenue Bonds, Series 2019 (the 2019 SEU Bonds) maturing between June 15, 2019 and December 15, 2039. The total amount issued is to finance energy conservation measures for multiple State agencies. Interest rates on the bonds vary from 3.00% to 4.00%.

Under separate Installment Payment Agreements, each agency and Delaware State University is obligated to make installment payments to the SEU in accordance with the Energy Performance Contracting Act, 29 Del. C. §6971. Further, each agency and Delaware State University separately entered into Guaranteed Energy Savings Agreements with various energy services companies, which guaranteed that the savings achieved will be sufficient to cover the financing costs associated with the SEU bonds upon completion of the energy conservation measures. In the event that savings are not realized, the energy services companies will be held responsible for the deficiency.

The SEU Bonds are limited obligations of the SEU, secured by the trust estate and payable only from amounts appropriated by the State that are eligible for payment under the Installment Payment Agreements. No funds appropriated to any agency for any purpose are available to pay the Installment Payments of any other agency or Delaware State University.

Remaining maturities and interest due relating to SEU's revenue bonds at June 30, 2024 are as follows:

Sustainable Energy Utility Revenue Bonds

(Expressed in Thousands)

Fiscal Year	Principal	Interest	Total
2025	\$ 3,415	\$ 1,370	\$ 4,785
2026	3,530	1,291	4,821
2027	3,645	1,206	4,851
2028	3,760	1,110	4,870
2029	3,880	1,003	4,883
2030-2034	20,025	3,231	23,256
2035-2039	9,200	794	9,994
2040	690	13	703
Total	<u>\$ 48,145</u>	<u>\$ 10,018</u>	<u>\$ 58,163</u>
Plus Unamortized Bond Premium	<u>953</u>		
Total Revenue Bonds Payable	<u>\$ 49,098</u>		

DelDOT Fund***Delaware Transportation Authority (Authority)***

The Authority is included in the DelDOT fund. The Authority assists in the implementation of the State's plans and policies regarding the coordination and development of a comprehensive, balanced transportation system for the State. It has the power to develop a unified system of air, water, vehicular, and specialized transportation in the State. The Authority includes the Transportation Trust Fund and the Delaware Transit Corporation. The Secretary of the Department of Transportation, with consent of the Governor, appoints the Authority's Director.

To assist the Authority in financing a unified transportation system, the State created a Transportation Trust Fund (the Trust Fund) within the Authority which receives all receipts of the Authority. The primary sources of funding of the Trust Fund are motor fuel taxes and motor vehicles fees imposed and collected by the State and deposited in the Trust Fund, and revenue from the Delaware Turnpike, which the Authority owns and operates. The Authority also has the power to issue bonds, with legislative authorization, to finance improvements to the State's transportation system. Debt issued by the Authority does not constitute a debt of the State or a pledge of its general taxing power or of its full faith and credit. Rather, the outstanding revenue bonds are obligations of the Authority payable solely from and secured by a pledge and assignment of certain tolls and revenues such as motor fuel tax revenue, motor vehicle document fees, and motor vehicle registrations. The Authority may apply Trust Fund revenue in excess of debt service requirements for transportation projects, subject to legislative authorization, and may pledge any or all of this revenue to secure financing for these projects.

The Authority has a total of \$328.8 million in authorized but unissued revenue bonds at June 30, 2024. Bonds outstanding at June 30, 2024 amounted to \$1,092.1 million and are presented as follows:

Delaware Transportation Authority Revenue Bonds

(Expressed in Thousands)

Description	Interest Rates	Maturity Date (Fiscal Year)	Balance Outstanding At June 30, 2024
Transportation System Senior Revenue Bonds - Series			
2014	2.25% - 3.25%	2025	\$ 12,240
2016	2.00% - 5.00%	2029	124,325
2017	2.50% - 5.00%	2037	55,780
2019	3.00% - 5.00%	2039	121,190
2020	4.00% - 5.00%	2040	212,835
2022	3.50% - 5.00%	2042	202,560
Transportation System US 301 Project Revenue Bonds 2015	3.25% - 5.00%	2055	198,415
Transportation System Grant Anticipation (GARVEE) Bonds 2020	5.00%	2035	164,785
	Total, Gross		<u>1,092,130</u>
	Less: Current Portion of Debt Outstanding		<u>71,365</u>
	Long-term Portion of Debt Outstanding		<u>\$ 1,020,765</u>

Future debt service requirements for the Authority's outstanding bonds are shown in the table below:

Delaware Transportation Authority Revenue Bonds			
(Expressed in Thousands)			
Fiscal Year	Principal	Interest	Total
2025	\$ 71,365	\$ 48,039	\$ 119,404
2026	67,470	44,769	112,239
2027	66,765	41,560	108,325
2028	66,050	38,254	104,304
2029	64,880	35,203	100,083
2030-2034	299,355	133,740	433,095
2035-2039	205,175	74,275	279,450
2040-2044	102,015	46,088	148,103
2045-2049	49,355	32,868	82,223
2050-2054	79,885	17,708	97,593
2055	19,815	991	20,806
Total	<u>\$ 1,092,130</u>	<u>\$ 513,495</u>	<u>\$ 1,605,625</u>

The transportation system revenue bonds have fixed interest rates and are limited obligations of the Authority secured only by the pledged revenues of the trust funds. Summary financial information at June 30, 2024 for the trust funds, which is the segment of DelDOT that supports the revenue bonds.

Delaware Transportation Authority - Transportation Trust Fund
Condensed Statement of Net Position

(Expressed in Thousands)

Assets:		
Current Assets	\$	398,317
Capital Assets		2,061,029
Other Assets		<u>77,273</u>
Total Assets		2,536,619
Deferred Outflows of Resources		<u>8,897</u>
Total Assets and Deferred Outflows	\$	<u><u>2,545,516</u></u>
Liabilities:		
Current Liabilities	\$	227,041
Noncurrent Liabilities		<u>1,336,179</u>
Total Liabilities		<u>1,563,220</u>
Deferred Inflows of Resources		35,259
Net Position:		
Net Investment in Capital Assets		670,724
Unrestricted		125,697
Restricted		<u>150,616</u>
Total Net Position		<u>947,037</u>
Total Liabilities, Deferred Inflows and Net Position	\$	<u><u>2,545,516</u></u>

Delaware Transportation Authority - Transportation Trust Fund**Condensed Statement of Revenues****Expenses and Changes in Net Position**

(Expressed in Thousands)

Operating Revenues (Pledged Against Bonds)	\$ 557,350
Other Operating Revenues	62,028
Depreciation Expense	(179)
Other Operating Expenses	<u>(343,820)</u>
Operating Income	275,379
Nonoperating Revenues (Expenses):	
Investment Income	21,253
Interest Revenue	881
Interest Expense	(34,948)
Installment Revenue	1,153
Service Concession Arrangement	632
Transfer to Other Agencies	(15,634)
Transfer from General Fund	7,700
Transfer to DTC	(98,156)
Transfer to DelDOT	<u>(104,868)</u>
Change in Net Position	53,392
Beginning Net Position	<u>893,645</u>
Ending Net Position	<u><u>\$ 947,037</u></u>

Condensed Statement of Cash Flows

(Expressed in Thousands)

Net Cash Provided by (Used In):	
Operating Activities	\$ 287,431
Noncapital Financing Activities	(210,958)
Capital and Related Financing Activities	(233,625)
Investing Activities	<u>147,512</u>
Net Decrease	(9,640)
Beginning Cash and Cash Equivalents	<u>119,316</u>
Ending Cash and Cash Equivalents	<u><u>\$ 109,676</u></u>

The State has pledged turnpike, motor fuel tax, and motor vehicle fee revenues to the Trust Fund in order to provide additional means to finance the maintenance and development of the State's highway transportation system, as well as security for the repayment of the outstanding revenue bonds of the Authority. Proceeds from the revenue bonds were used to finance infrastructure maintenance, preservation, and construction-related projects. The revenue bonds are payable solely from these pledged revenue streams and are not backed by the faith and credit of the State or any such political subdivision. Annual principal and interest payments on the revenue bonds

are expected to require less than 25% of pledged revenues. The total principal and interest remaining to be paid on the revenue bonds as of June 30, 2024 was \$1,605.6 million. Principal and interest paid on the revenue bonds for the year ended June 30, 2024 was \$124.2 million. Total pledged revenues for the year ended June 30, 2024 were \$579.1 million.

Discretely Presented Component Units

Debt issued by the following component units is not secured by the full faith, credit and taxing power of the State.

Delaware State Housing Authority (DSHA)

DSHA is authorized to issue bonds and notes, with the approval of the State, in order to exercise its powers. These bonds and notes are secured solely by the revenues, loans, and other pledged assets under the related Bond Indenture of DSHA.

The revenue bonds outstanding have been issued to provide financing for mortgage loans. The bonds are secured by the mortgage loans made or purchased under the applicable resolutions, the revenues, prepayments and foreclosures proceeds received related to the mortgage loans, and certain funds and accounts established pursuant to the applicable bond resolutions. All bonds are callable subject to certain restrictions. Interest rates on bonds outstanding range from 2.60% to 6.00% with maturities of such bonds up through June 30, 2055.

Outstanding bonds at June 30, 2024 amounted to \$219.2 million. Future debt service requirements for DSHA's bonds are shown on the following table:

Delaware State Housing Authority Revenue Bonds			
(Expressed in Thousands)			
Fiscal Year	Principal	Interest	Total
2025	\$ 1,272	\$ 12,823	\$ 14,095
2026	2,855	10,462	13,317
2027	2,990	10,343	13,333
2028	3,130	10,217	13,347
2029	3,285	10,083	13,368
2030-2034	19,066	48,071	67,137
2035-2039	24,645	43,143	67,788
2040-2044	44,766	35,990	80,756
2045-2049	50,169	25,066	75,235
2050-2055	67,015	11,601	78,616
Total	<u>\$ 219,193</u>	<u>\$ 217,799</u>	<u>\$ 436,992</u>

Delaware State University (DSU)

Revenue bonds payable at June 30, 2024 are as follows:

Delaware State University Revenue Bonds Payable	
(Expressed in Thousands)	
Revenue Refunding Bonds Series 2012	\$ 20,102
Revenue Refunding Bonds 2014	24,782
Revenue Refunding Bonds 2017	36,717
Energy Efficiency Refunding Bonds Series 2020	6,960
Total Revenue Bonds Outstanding as of June 30, 2024	<u>\$ 88,561</u>

On March 1, 2012, DSU issued revenue refunding bonds in the amount of \$32.1 million (par value) through the DEDA. The bonds are due October 1, 2036 and are secured by a pledge of certain unappropriated revenues of DSU. The proceeds of the 2012 bonds were used to finance: (1) the refunding of certain maturities of The Delaware Economic Development Authority (DEDA) Revenue Refunding Bonds (Delaware State University Project) Series 1999; (2) the purchase of the University Village, a four building, 628 bed student housing facility and dining hall located on the campus of the University, the construction of which was financed by the Kent County, Delaware Variable Rate Demand Student Housing Revenue Bonds (Delaware State University Student Housing Foundation Project) Series 2004B; (3) the funding of any required reserve funds relating to the 2012 Bonds; and (4) the costs of issuance and any credit enhancement of the 2012 Bonds. As of June 30, 2024, \$20.1 million remained outstanding on the 2012 revenue bonds.

On December 11, 2014, DSU issued revenue refunding bonds in the amount of \$29.2 million through the DEDA. The bonds are due October 1, 2044 and are secured by unappropriated gross revenue of the University. The proceeds of the 2014 bonds with other available funds, were used to finance: (1) purchase the University Courtyard, a 416 bed student housing facility located on campus from the Delaware State University Housing Foundation; (2) construction, equipping and furnishing of an optical science center for applied research; (3) acquisition and capital improvement of the former Sheraton Hotel and Convention Center, now known as the Living and Learning Commons, a 264 bed student housing facility and space used for Delaware State University Early College High School. As of June 30, 2024, \$24.8 million remained outstanding on the 2014 revenue bonds.

On April 3, 2017, DSU issued revenue-refunding bonds in the amount of \$42.7 through the DEDA. The bonds mature through October 1, 2039, and are secured by unappropriated gross revenue of the University. The proceeds of the 2017 bonds, together with other available funds, were used to refund the 2007 revenue series bonds for a net present value savings of \$3.5 million, or 7.37% of the principal refunded. The bonds bear coupons between 3.0% and 5.0% and yield between 1.17% and 3.99%. As of June 30, 2024, \$36.7 million remained outstanding on the 2017 revenue bonds.

On April 30, 2020, the State of Delaware Sustainable Energy Utility, Inc. issued energy efficiency refunding revenue bonds. The bonds are due September 15, 2034, and are limited obligations of the University, payable only from amounts appropriated by the State that are eligible for payment of the Installment Payments pursuant to the Energy Performance Contracting Act. The 2020 bonds are equally and ratably secured by the trust estate, and failure of the State to appropriate each year sufficient available funds will cause insufficient funds to be deposited into the bond fund to pay all principal and interest on the bonds when due. The proceeds of the 2020 bonds were used to refinance and defease, for interest rate savings, the Energy Efficiency Bonds, Series 2011 and pay costs of issuance. The refunding resulted in a net economic gain of \$779 thousand and a decrease in debt service over the next 12 years of \$918 thousand. As of June 30, 2024, \$7.0 million remained outstanding on the 2020 energy efficiency bonds.

Remaining maturities and interest due relating to DSU's revenue bonds at June 30, 2024 are as follows:

Delaware State University Revenue Bonds

(Expressed in thousands)

Fiscal Year	Principal	Interest	Total
2025	\$ 4,400	\$ 3,459	\$ 7,859
2026	4,580	3,274	7,854
2027	4,690	3,082	7,772
2028	4,965	2,897	7,862
2029	5,135	2,718	7,853
2030-2034	27,955	10,168	38,123
2035-2039	22,845	4,204	27,049
2040-2044	7,410	895	8,305
2045	1,030	27	1,057
Total	<u>\$ 83,010</u>	<u>\$ 30,724</u>	<u>\$ 113,734</u>
Plus Unamortized Bond Premiums and Discount	5,551		
Total Revenue Bonds Payable	<u>\$ 88,561</u>		

NOTE 10 LOANS AND NOTES PAYABLE***Banc of America Master Lease/Purchase***

In May 2011, the State entered into a Master Lease/Purchase Agreement (Master Agreement) with Banc of America Public Capital Corporation (BOA) for a two year period (with two one-year extensions that ended May 2015) on behalf of all of its State Agencies to acquire equipment including all installation costs with a maximum aggregate amount of principal components for this equipment not to exceed \$50.0 million. Each individual equipment lease established the duration of the lease agreement with the interest rate determined using a percentage of a like term U.S. Treasury as quoted by the Federal Reserve and these agreements continue through the repayment of amounts due.

On April 30, 2021, the State refinanced an agreement under the BOA Master Agreement in the amount of \$16.5 million for the purchase and installation of equipment for the Red Clay Consolidated School District. Beginning October 15, 2021, principal and interest payments are due each April 15 and October 15. The interest rate for the term of the agreement is 2.15%, and the loan matures April 15, 2035.

The future maturities of principal and interest payments on the agreement are as follows:

Red Clay Consolidated School District Agreement

(Expressed in Thousands)

Fiscal Year	Principal	Interest	Total
2025	\$ 902	\$ 298	\$ 1,200
2026	968	279	1,247
2027	1,037	257	1,294
2028	1,109	235	1,344
2029	1,185	210	1,395
2030-2034	7,181	628	7,809
2035	1,715	28	1,743
Total	<u>\$ 14,097</u>	<u>\$ 1,935</u>	<u>\$ 16,032</u>

On August 20, 2020, the State executed an agreement under the BOA Master Agreement in the amount of \$3.2 million for the purchase and installation of equipment for the Department of Corrections. Beginning October 20 2021, principal and interest payments are due each month. From September 20, 2020 to October 20, 2021, all interest due is accrued as additional principle. The interest rate for the term of the agreement is 1.84% and the loan matures on August 20, 2040.

The future maturities of principal and interest payments on the agreement are as follows:

DOC Agreement			
(Expressed in Thousands)			
Fiscal Year	Principal	Interest	Total
2025	\$ 118	\$ 50	\$ 168
2026	124	48	172
2027	131	46	177
2028	137	43	180
2029	144	41	185
2030-2034	827	162	989
2035-2039	1,030	77	1,107
2040-2041	292	3	295
Total	<u>\$ 2,803</u>	<u>\$ 470</u>	<u>\$ 3,273</u>

On November 6, 2020, the State executed an agreement under the BOA Master Agreement in the amount of \$11.2 million for the purchase and installation of equipment for the Department of Health and Social Services. Beginning November 6, 2021, principal and interest payments are due annually in the month of November. The interest rate for the term of the agreement is 1.85% and the loan matures on November 6, 2040.

The future maturities of principal and interest payments on the agreement are as follows:

DHSS Agreement			
(Expressed in Thousands)			
Fiscal Year	Principal	Interest	Total
2025	\$ 374	\$ 188	\$ 562
2026	397	181	578
2027	421	174	595
2028	446	166	612
2029	472	158	630
2030-2034	2,781	648	3,429
2035-2039	3,591	363	3,954
2040-2041	1,697	47	1,744
Total	<u>\$ 10,179</u>	<u>\$ 1,925</u>	<u>\$ 12,104</u>

On June 15, 2023, the State executed an agreement under the BOA Master Agreement in the amount of \$10.5 million for the purchase and installation of equipment for New Castle County Vocational Technical School District. Beginning June 15, 2024, principal and interest payments are due annually in the month of June. The interest rate for the term of the agreement is 3.71% and the loan matures on June 15, 2043.

The future maturities of principal and interest payments on the agreement are as follows:

NCCVT Agreement			
(Expressed in Thousands)			
Fiscal Year	Principal	Interest	Total
2025	\$ 1,073	\$ 382	\$ 1,455
2026	228	342	570
2027	253	334	587
2028	280	324	604
2029	308	314	622
2030-2034	2,006	1,375	3,381
2035-2039	2,914	941	3,855
2040-2043	3,240	311	3,551
Total	<u>\$ 10,302</u>	<u>\$ 4,323</u>	<u>\$ 14,625</u>

On October 2, 2015, the State entered into a new agreement with TD Equipment Finance, Inc. for a two-year period through and inclusive of September 30, 2017, with three optional one-year renewals to initiate new agreements. On February 9, 2016, the state successfully negotiated and signed a similar contract with Banc of America Public Capital Corporation. The contract allows for funding and acquisition of equipment which is collateralized by the underlying equipment financed. The agreement provides for annual automatic renewals of each individual equipment agreement, with interest rates determined at the initiation of the agreement, using a percentage of like term U.S. Treasury as quoted in the Federal Reserve. The State did not access additional funds through this agreement during the fiscal year ended June 30, 2024.

Transportation Infrastructure Finance and Innovation Act

The Authority has obtained a loan from the Federal Highway Administration (FHWA) under the Transportation Infrastructure Finance and Innovation Act (TIFIA) to borrow up to \$211.4 million, excluding capitalized interest, to finance construction of the U.S. 301 toll road project (the Project). Funds were reimbursed by FHWA as costs are incurred on the Project. Interest accrues at 2.94%, compounded semi-annually. Interest payments are deferred five years from the end of construction, with the first interest payment due December 1, 2023. Principal payments are deferred nine years and six months from the end of construction, with the first principal payment due June 1, 2028. Final maturity on the loan is the earlier of the 35th anniversary of the substantial completion date of the Project or December 31, 2053.

The loan has mandatory prepayment requirements to the extent revenues generated from the Project exceed certain amounts as defined in the loan agreement. The loan agreement also allows for optional prepayments without penalty. The loan is secured by the toll revenues generated by the Project, with an additional subordinated lien on pledged revenues of the Trust Fund.

As of June 30, 2024, the total outstanding loan payable, including capitalized interest of \$32.2 million, was \$243.4 million. The loan was fully funded during the 2020 fiscal year. Projected debt service on the loan, including capitalized interest, is as follows as of June 30, 2024:

TIFIA Loan Payable (Expressed in Thousands)			
Year Ending June 30	Principal Maturity	Interest Maturity	Total*
2025	\$ —	\$ 7,148	\$ 7,148
2026	—	7,157	7,157
2027	—	7,157	7,157
2028	795	7,167	7,962
2029	934	7,124	8,058
2030-2034	12,440	34,919	47,359
2035-2039	25,082	32,552	57,634
2040-2044	44,268	27,669	71,937
2045-2049	65,973	19,955	85,928
2050-2054	93,955	8,399	102,354
Total	<u>\$ 243,447</u>	<u>\$ 159,247</u>	<u>\$ 402,694</u>

*Debt service requirements subject to change based on timing and amount of any mandatory or voluntary prepayments.

Transportation Trust Fund Line of Credit

The Transportation Trust Fund has a line of credit agreement with M&T Bank for \$50.0 million, which matures in September 2026. There were no borrowings against the line at June 30, 2024. The line bears interest on the amount that has been advanced from time to time pursuant to the bank loan agreements. At June 30, 2024, the interest rate was equal to 5.3382%.

NOTE 11 LEASES AND IT SUBSCRIPTION-BASED ARRANGEMENTS**Primary Government*****Leases receivable***

The State is the lessor in several property and equipment lease agreements leasing land, buildings and cellular towers to various third parties. The terms of these leases range from one to thirty years. The State computes lease receivables at the commencement of the lease term, calculated at the present value of payments expected to be received during the term outlined in the leasing arrangement. The State recognized \$3.7 million in lease revenue and \$1.157 million in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the State's receivable for lease payments is \$29.8 million. In addition, the State has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the deferred inflow of resources was \$28.1 million.

Leases payable

The State is a lessee of various buildings and equipment. The leases are for terms ranging from one to thirty years. The State computes lease liabilities at the commencement of the lease term, calculated at the present value of payments expected to be made during the term outlined in the leasing arrangement with a discount rate of 4.82%. Leases liabilities are subsequently reduced by the principle portion as payments are made. During the fiscal year ending June 30, 2024, the State incurred expenses related to leases of \$44.4 million.

The assets acquired through the lease are as follows:

Right-of-use assets (expressed in thousands)

Building	\$	338,375
Less		
Accumulated amortization		(91,645)
Equipment		15,951
Less		
Accumulated amortization		(7,151)
Right of Use Assets	\$	<u>255,530</u>

The future principal and interest lease payments as of June 30, 2024, were as follows (expressed in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 25,801	\$ 11,207	\$ 37,008
2026	24,475	10,138	34,613
2027	21,532	9,174	30,706
2028	20,540	8,301	28,841
2029	19,903	7,471	27,374
2030-2034	82,275	26,202	108,477
2035-2039	43,083	12,669	55,752
2040-2044	25,661	5,939	31,600
2045-2049	10,992	2,178	13,170
2050-2054	5,197	251	5,448
Totals	<u>\$ 279,459</u>	<u>\$ 93,530</u>	<u>\$ 372,989</u>

IT Subscription-Based Payables

The State is party to various subscription-based arrangements to use vendor provided information technology. The arrangements are for terms ranging from one to twelve years. The State computes arrangement liabilities at the commencement of the term, calculated at the present value of payments expected to be made during the term outlined in the arrangement with a discount rate of 4.82%. Liabilities are subsequently reduced by the principle portion as payments are made. During the fiscal year ending June 30, 2024, the State incurred expenses related to IT arrangements of \$92.5 million.

Subscription Assets (expressed in thousands)

IT Software	\$ 122,209
Less	
Accumulated amortization	(32,109)
Right of Use Assets	<u>\$ 90,100</u>

The future principal and interest payments as of June 30, 2024, were as follows (expressed in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 21,722	\$ 3,499	\$ 25,221
2026	19,348	2,395	21,743
2027	13,069	1,713	14,782
2028	3,407	1,326	4,733
2029	3,454	1,131	4,585
2030-2034	16,508	2,666	19,174
2035-2039	555	21	576
Totals	<u>\$ 78,063</u>	<u>\$ 12,751</u>	<u>\$ 90,814</u>

DelDOT Fund***Delaware Transportation Authority (Authority)******Leases receivable***

The Department, as lessor, has lease receivables attributable to leasing various land and buildings. Variable payments and short-term leases are not included in the measurement of lease receivables. Revenues related to the Department's lessor leasing activities were as follows for the Fiscal Year Ended June 30, 2024:

Expressed in thousands	
Revenue	Amount
Lease revenue	\$ 1,264
Interest revenue	256
Totals	<u>\$ 1,520</u>

The Department has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2024, deferred inflows of resources related to leasing activities were \$10.3 million.

DTC, as lessor, leases parking garage spaces through a contract that includes variable lease payments. Lease revenue related to variable lease payments is recognized as a current year inflow of resources and reported as miscellaneous revenues on the statement of revenues, expenses, and changes in net position. Variable lease revenue was \$150,150 for the Fiscal Year ended June 30, 2024.

Leases payable

The Department, as lessee, has lease liabilities attributable to leasing various buildings and office equipment. The leases are expected to terminate at various times between July 2024 and April 2031 with monthly payments ranging from \$152 to \$8,843. Discount rates for these leases range from 0.23% to 2.30%. Variable payments and short-term leases are not included in the measurement of lease liabilities. Expenses related to the Department's lessee leasing activities were as follows for the Fiscal Year ended June 30, 2024:

Expressed in thousands	
Expense	Amount
Amortization of right-to-use leased buildings and equipment	\$ 252
Interest on lease liability	10
Totals	<u>\$ 262</u>

The annual requirement to amortize all lease liabilities as of June 30, 2024 was as follows:

Expressed in thousands			
Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 176	\$ 9	\$ 185
2026	166	8	174
2027	140	6	146
2028	123	4	127
2029	120	3	123
2030-2032	215	3	218
Totals	<u>\$ 940</u>	<u>\$ 33</u>	<u>\$ 973</u>

Right-to-use assets acquired through outstanding leases as of June 30, 2024 were as follows:

Expressed in thousands	
Right-to-use leased assets	\$ 1,399
Less	
Accumulated amortization	<u>509</u>
Total	<u>\$ 890</u>

On October 1, 2021, DTC entered into a lease agreement for transit vehicle tires that covers a three-year period with the option to extend the contract for an additional two one-year periods. The lease agreement requires DTC to make variable monthly payments based on miles driven multiplied by a mileage rate as set forth in the agreement. The mileage rate is based on contract year and estimated annual vehicle miles. For the Fiscal Year ended June 30, 2024, DTC incurred expenses related to this lease of \$496,914. These expenses are recognized as a current year outflow of resources and reported within materials, supplies, and other on the statement of revenues, expenses, and changes in net position.

IT Subscription-Based Payables

The Department has subscription liabilities attributable to arrangements entered into for transportation scheduling and diagnostic software programs. The SBITAs are expected to terminate at various times between December 2024 and December 2028 with annual payments ranging from \$29,700 to \$717,228. Discount rates for these arrangements range from 2.23% to 2.30%. Variable payments and short-term arrangements are not included in the measurement of the subscription liabilities. Expenses related to the Department's SBITA activities were as follows for the Fiscal Year Ended June 30, 2024:

Expressed in thousands	
Expense	Amount
Amortization of right-to-use subscription assets	\$ 1,081
Interest on SBITAs	74
Totals	<u>\$ 1,155</u>

The annual requirement to amortize all subscription liabilities as of June 30, 2024 was as follows:

Expressed in thousands			
Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,385	\$ 103	\$ 1,488
2026	2,646	51	2,697
2027	601	7	608
2028	56	1	57
Totals	<u>\$ 4,688</u>	<u>\$ 162</u>	<u>\$ 4,850</u>

DTC entered into a SBITA for a mobile ticketing application that requires DTC to pay a variable fee based on the quantity of mobile ticketing transactions. For the Fiscal Year Ended June 30, 2024, DTC incurred variable expenses related to the SBITA of \$83,597. These expenses are recognized as a current year outflow of resources and reported within materials, supplies, and other on the statement of revenues, expenses, and changes in net position.

NOTE 12 SERVICE CONCESSION ARRANGEMENTS AND CORRESPONDING LEASE AND NOTE RECEIVABLE**DelDOT FUND****DELAWARE TRANSIT AUTHORITY**

During Fiscal Year 2009, DelDOT entered into a Service Concession Arrangement (SCA) with HMS Host Tollroads, Inc. (HMS), under which HMS financed, designed, and built the Welcome Center and Service Plaza (the Center) and was to maintain and operate the Center for 35 years. Construction of the Center was completed at the end of Fiscal Year 2010. The agreement with HMS was entered into in order to improve the comfort of motorists traveling through Delaware and to avoid the issuance of debt by DelDOT. Under the SCA, HMS was responsible for maintaining the Center to current conditions and insuring the Center over the course of the 35-year operations period. During the Fiscal Year Ended June 30, 2022, HMS was sold to Applegreen USA Welcome Centers, LLC (Applegreen), and the SCA between DelDOT and HMS was transferred to Applegreen (the operator) with DelDOT's consent. All terms of the SCA remained in effect as a result of the transfer.

Under the SCA, DelDOT is entitled to a percentage of all sales from fuel and non-fuel items sold. Products and services in which DelDOT receives a percentage of the sales include: fuel sales, such as unleaded fuel products, diesel products, and other alternative fuels; and non-fuel items, such as convenience store sales, CabAire truck parking, ATM fees, sponsorships, and marketing. The SCA stipulates that the above variable payments should never be less than 85% of the previous year's actual payment or the minimum annual guarantee (MAG) of \$1.6 million. Payments are made monthly. In addition to the monthly payments, the operator must pay an annual payment of \$50,000, adjusted annually based on the consumer price index, to support the Motorist Assistance Patrol. At the end of the SCA, operation of the Center will be transferred to DelDOT in its enhanced condition.

DelDOT initially reported the Center as a capital asset with a carrying amount of \$22.1 million and a related deferred inflow of resources of \$22.1 million, which is being amortized over 35 years. Amortization expense was \$631,429 for the Fiscal Year Ended June 30, 2024. Deferred inflows of resources attributable to the SCA capital asset were \$13.3 million as of June 30, 2024.

DelDOT has also recorded an installment receivable and deferred inflows of resources for the fixed monthly and annual payments related to the SCA. Variable payments have not been included in the measurement of the installment receivable. As of June 30, 2024, there was \$22.7 million recorded as an installment receivable, which represents the net present value of the future fixed installment payments using a discount rate of 3.83%, DelDOT's incremental borrowing rate. Deferred inflows of resources, attributable to future payments under the SCA were \$22.0 million as of June 30, 2024. Revenues related to the SCA were as follows for the Fiscal Year Ended June 30, 2024:

Revenue	Amount
Installment Revenue	\$1,152,765
Interest Revenue	881,386
Variable Revenue	802,266
Total	\$2,836,417

Discretely Presented Component Units

Diamond State Port Corporation

Effective October 3, 2018, and amended February 10, 2020, the Corporation and GT entered into an Agreement to transfer to GT the right to commercially operate the Port of Wilmington with the Corporation becoming a landlord with certain oversight and consent rights. The term of the Agreement is referred to as a "concession," however, it does not meet the requirements of a concession arrangement under GASB Statement No. 60 - Accounting and Financial Reporting for Service Concession Arrangements. Based on the criteria under GASB Statement No. 60, it is required to be accounted for as a lease. Accordingly, the Corporation is recognizing the lease in accordance with GASB Statement No. 87 - Leases, which the Corporation adopted early in fiscal 2019. Effective July 1, 2022, the Corporation implemented the requirements of GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements.

In return for the right to commercially operate the Port, the Agreement required GT to invest \$580 million to redevelop the existing Port facilities and establish new Port facilities at Edgemoor and to pay the Corporation a concession fee. In return for the concession fee, the Corporation sold to GT its cranes, tools, vehicles, cargo handling equipment, furniture, furnishings, computers, telephones, telephone numbers, office supplies, software and other intellectual property and all other equipment and parts used in operations at the Port. Also, the Corporation leased to GT all of the land located at the existing Port and Edgemoor that is owned by the Corporation, together with all improvements, including all buildings, structures, piers, wharves, and utility infrastructure owned by the Corporation and all of the Corporation's easement rights.

The Agreement required GT to pay a minimum concession fee of \$3,000,000 per year for the first 10 years of the term, \$13,100,000 for the eleventh year, and up to \$12,017,560 per year during the remaining 39 years. The minimum concession fee is based on volume of services provided by GT. The minimum concession fee was to be adjusted every third year based on the change in consumer price index. Effective February 10, 2020, the per unit concession fee was

reduced 50% for the first 10 years of the Agreement. The Corporation received a fee of \$13,406,665 from GT as fee for the amendment to the Agreement.

In accordance with GASB Statement No. 87, the initially recognized lease and note receivable balances excluded any concession fees due for services that exceeded the minimum embodied in the Agreement or the change in the consumer price index. Upon the inception and subsequent 2020 amendment of the Agreement, for the assets leased, the Corporation recognized a lease receivable and deferred inflow of resources of \$119,762,395, which is equal to the present value of the fixed payment stream. The present value was calculated using a discount rate of 4.2%, in accordance with the requirements of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance. The Agreement requires the assets to be returned to the Corporation in a condition necessary for ongoing operations during the five years prior to the termination date. Similarly, upon the inception and subsequent 2020 amendment of the Agreement, for the assets sold, the Corporation recognized a note receivable of \$54,837,330 which was equal to the present value using the same discount rate of 4.2%.

Effective July 28, 2023, the Corporation executed a second amendment to the Agreement (Agreement with Enstructure). In conjunction with the second amendment and related agreements, GT transferred its interest in the Agreement to Enstructure Wilmington Holdings, LLC (Enstructure) and the Corporation granted GT a full release for all amounts due over the remaining 46 years of the Agreement. The Agreement with Enstructure extends the Agreement through October 1, 2078.

In return for the right to commercially operate the Port, the Agreement with Enstructure requires Enstructure to invest \$87 million to redevelop the existing Port facilities and to pay the Corporation a concession fee. Enstructure and the Corporation have agreed to collaborate on the development of the new Port facilities at Edgemoor. The Agreement with Enstructure will be amended, or another concession agreement will be executed when the new Port facilities at Edgemoor become operational.

Enstructure assumed the cranes, tools, vehicles, cargo handling equipment, furniture, furnishings, computers, telephones, telephone numbers, office supplies, software and other intellectual property and all other equipment and parts used in operations at the Port that were conveyed to GT at the start of the Agreement. Also, the Corporation will lease to Enstructure the land located at the existing Port. Enstructure is also allowed to utilize the land located at Edgemoor that is owned by the Corporation, together with all improvements, including all buildings, structures, piers, wharves, and utility infrastructure owned by the Corporation and all of the Corporation's easement rights.

The Agreement with Enstructure requires Enstructure to pay a minimum concession fee of \$1,000,000 per year for the first seven years of the term and a minimum of \$1,500,000 during the remaining 48 years. The minimum concession fee is adjusted annually based on the change in consumer price index.

Upon execution of the Agreement with Enstructure, Enstructure made an initial contribution of \$21,500,000 which will be allocated and utilized at the Corporation's discretion. The Corporation also received an option to acquire real property adjacent to the Edgemoor property

from Enstructure. At the time the report was issued, the Corporation had not exercised this option.

In accordance with GASB 87, the corporation remeasured the Agreement effective July 28, 2023, for the assets leased, the Corporation recognized a lease receivable and deferred inflow of resources of \$12,699,266, which is equal to the present value of the fixed payment stream. The present value was calculated using a discount rate of 6.8%, in accordance with the requirements of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance. The Agreement requires the assets to be returned to the Corporation in a condition necessary for ongoing operations during the five years prior to the termination date. During Fiscal Year 2024, the Corporation recognized lease revenue and interest income on the lease receivable from the Agreement with Enstructure of \$213,867 and \$845,590, respectively.

In accordance with GASB 87, the corporation remeasured the Agreement effective July 28, 2023, for the assets sold, the Corporation recognized a note receivable of \$5,814,795 which is equal to the present value using the same discount rate of 6.8%. During Fiscal Year 2024, the Corporation recognized interest income on the note receivable from the Agreement with Enstructure of \$387,183.

The Agreement with Enstructure resulted in a loss of \$97,315,270, recognized as of June 30, 2023, was based on the present value of the difference between the future payments expected to be received over the remaining 55-year period.

NOTE 13 OTHER LONG-TERM OBLIGATIONS

Compensated absences payable are reported in the government-wide financial statements and in the proprietary fund financial statements. They represent benefits accrued to State employees for vacation earned as of year-end and sick leave estimated to be paid out at retirement for services rendered as of June 30, 2024. Employees earn from 1.25 to 1.75 days of vacation leave per month depending on years of service. Employees or their estates are paid for unused vacation upon termination of employment with a maximum credit of 52 days unless prior approval to carryover days in excess of the maximum. Employees earn 1.25 days of sick leave per month. The State's obligation for sick leave credit is a maximum of 45 workdays. \$216.1 million has been accrued for the Governmental Activities and \$15.2 million in the Business-type Activities for the total compensated absences liability. The current portion of the long-term obligation for compensated absences is \$20.5 million in the Governmental Activities and \$2.5 million in the Business-type Activities. Approximately \$187.1 million (86.6%) of the long-term obligation for compensated absences will be liquidated by the General Fund. Of the remainder, approximately \$9.7 million (4.5%) and \$19.2 million (8.9%) will be paid with Federal Funds and Local School District Funds, respectively.

The State has recorded \$650.0 million relating to the accrual of the obligation for escheated (abandoned) property, of which \$130.0 million was recorded as the current portion.

The State has incurred obligations relating to scholarship and physician loan repayment programs, resulting in an additional long-term obligation of \$9.1 million, of which \$0.5 million was recorded as the current portion and is included in the governmental funds as other liabilities.

NOTE 14 CHANGES IN LONG-TERM OBLIGATIONS

The following table provides a summary of changes in long-term obligations of the primary government for the year ended June 30, 2024 (expressed in thousands):

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences (Note 13)	\$ 212,769	\$ 26,127	\$ (22,800)	\$ 216,096	\$ 20,512
Claims and Judgments (Notes 15 and 19)	200,421	153,285	(47,365)	306,341	150,498
Escheat Payable (Note 13)	770,000	—	(120,000)	650,000	130,000
Loans and Notes Payable (Note 10)	38,835	—	(1,454)	37,381	2,467
Pollution Remediation Obligations (Note 19)	23,038	11,662	—	34,700	6,034
Bonds Payable:					
General Obligation Bonds (Note 8)	2,414,230	359,300	(285,355)	2,488,175	215,895
Bond Issue Premium, Net of Accumulated Amortization (Notes 8 and 9)	343,565	37,916	(36,998)	344,483	33,147
Revenue Bonds (Note 9)	51,475	—	(3,330)	48,145	3,415
Physician and Scholarship Programs (Note 13)	8,770	822	(474)	9,118	474
Lease Liabilities	268,328	40,368	(29,237)	279,459	25,829
Subscription Liabilities	31,799	66,318	(20,054)	78,063	21,722
Governmental Activities Long-term Liabilities	\$ 4,363,230	\$ 695,798	\$ (567,067)	\$ 4,491,961	\$ 609,993
Business-type Activities:					
Compensated Absences (Note 13)	\$ 15,051	\$ 2,518	\$ (2,332)	\$ 15,237	\$ 2,476
Pollution Remediation Obligations (Note 19)	133	—	(109)	24	5
Liabilities Payable from Restricted Assets (Note 23)	2,523	23	—	2,546	—
Claims and Judgments (Note 15)	5,030	3,836	(4,328)	4,538	2,855
Loans and Notes Payable (Note 10)	243,447	—	—	243,447	—
Bonds Payable:					
Revenue Bonds (Note 9)	1,158,185	—	(66,055)	1,092,130	71,365
Bond Issue Premium, Net of Accumulated Amortization (Notes 8 and 9)	118,723	—	(24,511)	94,212	22,244
Lease Liabilities	1,053	108	(221)	940	176
Subscription Liabilities	776	5,319	(1,407)	4,688	1,385
Business-type Activities Long-term Liabilities	\$ 1,544,921	\$ 11,804	\$ (98,963)	\$ 1,457,762	\$ 100,506

NOTE 15 RISK MANAGEMENT

The State is exposed to various risks of losses related to workers' compensation, employee health-care and accident, automobile accident, police professional malpractice, and property and casualty claims. It is the policy of the State not to purchase commercial insurance to cover these risks. Instead, State management believes it is more economical to manage its risk internally and thus, covers all claim settlements and judgments out of its general fund. The State continues to carry commercial insurance for all other risks of loss, including general liability and the remainder of the property and casualty liability. There have been no significant reductions in insurance coverage from prior years. In the past three years of insured coverage, settled claims have not exceeded commercial coverage.

Claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process does not result in an exact amount. Claim liabilities are reevaluated annually to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

The management of the State estimates that the amount of actual or potential claims against the State at June 30, 2024 for workers' compensation, automobile accident and health-care claim liabilities is \$274.9 million. The claim liabilities relating to health-care totaling \$81.9 million have been recorded as accrued liabilities in governmental activities. The liability for workers' compensation and automobile accident liabilities totaling \$193.0 million has been recorded in governmental activities as claims and judgments. The current portion of these claims totals \$48.2 million. Other claim liabilities relating to police professional malpractice and property and casualty were not recorded at June 30, 2024 as the total of these liabilities were not material to the financial statements.

Changes in the balances of claim liabilities during fiscal years 2024 and 2023 were as follows:

Changes in Claim Liabilities (Expressed in Thousands)				
Fiscal Year	Beginning Balance July 1	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Balance June 30
2023	\$ 284,855	\$ 1,179,372	\$ (1,181,690)	\$ 282,537
2024	282,537	(1,277,400)	1,269,743	274,880

DelDOT – Delaware Transit Corporation

DTC maintains coverage for workers' compensation benefits. DTC manages the coverage through both the retention of risk and the purchase of commercial insurance. The payment of workers' compensation claims is processed through a third-party administrator. DTC is not

responsible for any costs other than the premium paid, thus no loss contingency reserves were established.

DTC also maintains auto insurance coverage through both the retention of risk and the purchase of commercial insurance. Auto loss reserves that are based upon actuarial reviews were established by DTC.

DTC has recorded \$4.5 million of claim liabilities as Insurance Loss Reserve. Of this amount, \$2.9 million has been recorded as current.

Changes in the balances of total claim liabilities during the fiscal years 2024 and 2023 were as follows (expressed in thousands):

Fiscal Year	Beginning Balance July 1	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Balance June 30
2023	\$ 6,228	\$ 1,360	\$ (2,558)	\$ 5,030
2024	5,030	2,664	(3,156)	4,538

NOTE 16 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

On July 1, 2007, the Delaware Other Postemployment Benefits Fund Trust (OPEB Trust) was established pursuant to Title 29, Sections 5202(b) and 5281. The OPEB Trust is administered by the DPERS Board pursuant to Title 29, Section 5282. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the State.

The OPEB Trust is a cost-sharing multiple-employer defined benefit plan. The OPEB Trust provides retirement medical coverage to pensioners and their eligible dependents in the State Employees', Judiciary, New State Police, 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 agencies which are part of the State Employees' pension plan. Those employers are Delaware State University, Delaware State Housing Authority, Delaware Charter Schools, University of Delaware, and Delaware Solid Waste Authority.

Substantially all State employees become eligible for post-retirement benefits if they reach retirement age while working for the State. The costs of providing these healthcare benefits for retirees and other eligible beneficiaries are shared between the State and the retired employee. A stand-alone financial report is issued for the OPEB Trust.

In June 2010, the Delaware Transit Corporation OPEB Fund Trust (DTC OPEB Trust) was established. The DTC OPEB Trust is administered by DTC. Policy for and management of the DTC OPEB Trust provided to retirees are the responsibility of DTC. The DTC OPEB Trust issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing DTC at 900 Public Safety Boulevard, Dover, Delaware 19901-4503.

The DTC OPEB Trust is a single-employer, defined benefit plan. The DTC OPEB Trust provides retirement medical insurance coverage to employees who retire and their eligible dependents. The costs of providing these healthcare benefits for retirees and other eligible beneficiaries are shared between DTC and the retired employee. DTC has elected to assume the DTC OPEB Trust liability on behalf of all of its employees.

At June 30, 2023, the following employees of DTC were covered by the DTC OPEB Trust benefit terms:

Retirees and beneficiaries receiving benefits	
Pre-65	60
Post-65	290
Total retirees and beneficiaries receiving benefits	350
Total active plan members	915
Total	1,265

Contributions

OPEB Trust

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. Those rates include an employer contribution based on a percentage of covered payroll, which is not actuarially determined. The State reported the following contributions for the OPEB Trust:

Schedule of Contributions
(Expressed in Thousands)

Contributions	2023
Statutorily determined contribution	\$ 335,879
Contributions in relation to the statutorily determined contribution	335,879
Contribution (excess)/deficiency	\$ —
Covered payroll	\$ 2,185,896
Contributions as a percentage of covered payroll	15.4 %

DTC OPEB Trust

DTC funds the DTC OPEB Trust on a pay-as-you-go basis with additional funding provided on an ad-hoc basis. Contributions to the DTC OPEB Trust are generally made at the same time and in the same amount as benefit payments and expenses becoming due. The only required contributions by retirees are their respective portion of current year premiums. DTC retains the authority to amend the requirements for retiree contributions at any time. DTC reported contributions of \$5.7 million to the DTC OPEB Trust, which resulted in an average contribution rate of 8.2% of covered payroll.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the State reported the following net OPEB liabilities (expressed in thousands):

Plan	Governmental Activities	Business-Type Activities
OPEB Trust	\$ 7,103,721	\$ 274,433
DTC OPEB Trust	—	164,350
	<u>\$ 7,103,721</u>	<u>\$ 438,783</u>

The proportionate share of collective net OPEB liability of the OPEB Trust was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of July 1, 2022 with update procedures used to roll forward the total OPEB liability to June 30, 2023. The State's proportionate share of the net OPEB liability of the OPEB Trust was based on a projection of the State's long-term share of contributions to the OPEB Trust relative to the projected contributions of all participating organizations, actuarially determined. At June 30, 2023, the State's proportionate share of the net OPEB liability of the OPEB Trust was 89.7%, which was a decrease of 0.5% from its proportion measured as of June 30, 2022.

The DTC OPEB Trust net OPEB liability and related information, measured as of June 30, 2023, is as follows:

	(Expressed in Thousands)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 164,937	\$ 5,317	\$ 159,620
Changes for the year:			
Service cost	7,965	—	7,965
Interest	6,009	—	6,009
Differences between expected and actual experience	1,546	—	1,546
Changes of assumptions	(4,607)	—	(4,607)
Contributions - employer	—	5,720	(5,720)
Net investment income	—	463	(463)
Benefit payments	(5,720)	(5,720)	—
Net changes	<u>5,193</u>	<u>463</u>	<u>4,730</u>
Balance at June 30, 2023	<u>\$ 170,130</u>	<u>\$ 5,780</u>	<u>\$ 164,350</u>

For the year ended June 30, 2024, the State recognized the following OPEB expense related to all the plans (expressed in thousands):

Plan	Governmental Activities	Business-Type Activities	Totals
OPEB Trust	\$ 280,784	\$ 7,828	\$ 288,612
DTC OPEB Trust	—	2,586	2,586
	<u>\$ 280,784</u>	<u>\$ 10,414</u>	<u>\$ 291,198</u>

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	State Employees'		DTC		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportionate share of contributions	\$ 18,216	\$ 62,733	\$ —	\$ —	\$ 18,216	\$ 62,733
Difference between expected and actual experience	133,129	715,791	3,413	30,726	136,542	746,517
Net difference between projected and actual earnings on OPEB plan investments	28,489	—	321	—	28,810	—
Change in assumptions	780,372	1,709,099	30,264	58,393	810,636	1,767,492
Contributions subsequent to the measurement date	477,229	—	3,923	—	481,152	—
	<u>\$ 1,437,435</u>	<u>\$ 2,487,623</u>	<u>\$ 37,921</u>	<u>\$ 89,119</u>	<u>\$ 1,475,356</u>	<u>\$ 2,576,742</u>

The State reported \$481.2 million as deferred outflows of resources related to OPEB resulting from State contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other 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):

Fiscal Year Ended June 30	State Employees'	DTC	Total
2024	\$ 215,823	\$ —	\$ 215,823
2025	120,207	11,303	131,510
2026	418,253	11,307	429,560
2027	350,903	11,107	362,010
2028	353,263	6,577	359,840
2029	—	8,173	8,173
thereafter	68,967	6,657	75,624
Total	<u>\$ 1,527,416</u>	<u>\$ 55,124</u>	<u>\$ 1,582,540</u>

Actuarial Assumptions

OPEB Trust

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, with roll forward procedures performed to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.25 percent (plus merit scale), including inflation
Investment rate of return	7.00 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Blended rate of 7.00% for 2022 decreasing to an ultimate rate of 3.94% for 2041

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 actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. Assumptions directly to health care elections, spousal coverage and health care trends are reviewed annually.

The long-term expected rate of return on the OPEB Trust 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Asset Allocation Range		Long-Term Expected Real Rate of Return	Percentage of Fiduciary Net Position
	Min	Max		
Equity	50 %	85 %		
Domestic Equity			5.7 %	22.7 %
International Equity			5.7 %	5.9 %
Fixed Income	15 %	50 %		
Domestic Fixed Income			2.0 %	8.1 %
Alternative Investments	0 %	20 %	7.8 %	18.1 %

DTC OPEB Trust

The actuarial funding method used in the June 30, 2023 actuarial valuation was the entry age normal method. The actuarial assumptions included 7.0% investment rate of return, 2.5% payroll growth rate, a 2.5% inflation rate, and a 5.8% healthcare cost trend rate based on the Society of Actuaries Long-Run Medical Cost Trend Model. Mortality rates were based on: Pri-2012 Blue Collar Dataset Employee Headcount-Weighted Mortality MP2020 for Contract Members; Pri-2012 White Collar Dataset Employee Headcount-Weighted Mortality for Non-Contract Members; Pri-2012 Blue Collar Dataset Retiree Headcount-Weighted Mortality for Retired Contract Members; Pri-2012 White Collar Dataset Retiree Headcount-Weighted Mortality for Retired Non-Contract Members; and Pri-2012 Total Dataset Disabled Headcount-Weighted Mortality for Disabled Members. All tables were projected using Scale MP-2020 and base year 2012.

DTC has appointed the DTC OPEB Trust Committee to administer the DTC OPEB Trust and to oversee policies and procedures related to the investment of the DTC OPEB Trust assets. The DTC OPEB Trust Committee adopted an Investment Policy Statement that sets the allowable ranges and target asset allocations for the DTC OPEB Trust. Diversification is achieved through providing a wide variety of investment classes in which to invest the funds. Long-term expected real rate of return and asset allocation for the DTC OPEB Trust's funds as of June 30, 2023 are as follows:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Growth Assets		
Domestic Equity	33.0%	5.7%
International Equity	13.3%	5.7%
Income Assets		
Fixed Income	25.9%	2.0%
Alternative Investments	22.1%	7.8%
Cash and equivalents	5.7%	—%
	<u>100.0%</u>	

Discount Rate

OPEB Trust

The discount rate used to measure the total OPEB liability was 3.54 percent at the beginning of the current measurement period and 3.9 percent at the end, based on the Bond Buyer GO 20-Bond Municipal Bond Index, an index satisfying the GASB requirement of an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from the State will continue to follow the pay-as-you-go contribution policy.

DTC OPEB Trust

The discount rate used to measure the total OPEB liability was 3.86 percent, based on the Bond Buyer GO 20-Bond Municipal Bond Index, an index satisfying the GASB requirement of an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as of June 30, 2023.

Sensitivity of the Net OPEB Liabilities to Changes in the Discount Rate

The following presents the net OPEB liabilities of the OPEB Trust and DTC OPEB Trust, as well as what the OPEB Trust's and DTC OPEB Trust's net OPEB liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (2.82 percent for OPEB Trust; 2.9 percent for DTC OPEB Trust) or 1-percentage-point higher (4.82 percent for OPEB

Trust; 4.9 percent for DTC OPEB Trust) than the current discount rate (dollar amounts in thousands):

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
OPEB Trust	\$ 8,763,990	\$ 7,378,153	\$ 6,277,711
DTC OPEB Trust	193,825	164,350	140,111

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

The following presents the net OPEB liabilities of the OPEB Trust and DTC OPEB Trust, as well as what the OPEB Trust's and DTC's OPEB Trust's net OPEB liabilities would be if they were calculated using healthcare cost trend rates that are 1-percentage-point lower (6 percent for the OPEB Trust; 4.8 percent for DTC OPEB Trust) or 1-percentage point higher (8 percent for the OPEB Trust; 6.8 percent for DTC OPEB Trust) than the current healthcare cost trend rates (dollar amounts in thousands):

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
OPEB Trust	\$ 6,286,143	\$ 7,378,153	\$ 8,686,287
DTC OPEB Trust	137,021	164,350	198,558

OPEB Trust fiduciary net position. Detailed information about the OPEB Trust's fiduciary net position is available in the separately issued financial report. The financial report may be obtained by writing to the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, Delaware 19904-2402 or online at <http://www.delawarepensions.com/Financials.shtml>.

Detailed information about the DTC OPEB Trust's fiduciary net position is available in the separately issued DTC financial reports. Those reports may be obtained by writing to the Delaware Transit Corporation, 900 Public Safety Boulevard, Dover, Delaware 19901.

NOTE 17 PENSIONS**General Information about the Defined Benefit Pension Plans**

The State Board of Pension Trustees (Board) administers the following plans/funds (the Plans) of DPERS as described below:

- State Employees' Pension Plan
- Special Fund
- New State Police Pension Plan
- Judiciary Pension Plans (Closed and Revised)
- County and Municipal Police and Firefighters' Pension Plans
- County and Municipal Other Employees' Pension Plan
- Delaware Volunteer Firemen's Fund
- Closed Diamond State Port Corporation Pension Plan
- Closed State Police Pension Plan

With the exception of the Closed Diamond State Port Corporation Pension Plan, the State's General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board. The Board of Directors for the Diamond State Port Corporation is responsible for setting benefits and contributions and amending the Closed Diamond State Port Corporation Pension Plan's provisions.

The Plans of DPERS are considered part of the State's financial reporting entity and are included in the accompanying financial statements as pension trust funds in the fiduciary funds. All of the investment assets of the plans and funds, with the exception of the Delaware Volunteer Firemen's Fund, are pooled and invested in a common DPERS Master Trust (Master Trust). Each of the plans or funds share in the Master Trust based on funds contributed and earnings or losses allocated. Individual investments in the Master Trust are not specifically identified to the various plans or funds.

Additionally, the following non-DPERS retirement funds/plans, described below, have been established under the custody of the Board for investment purposes only:

- County and Municipal Police and Firefighters' COLA Fund
- Post-Retirement Increase Fund
- Delaware Local Government Retirement Investment Pool

The Delaware Local Government Retirement Investment Pool (DELRIP) is presented separately as investment trust funds in the fiduciary funds statement of net position and statement of changes in net position. The remaining non-DPERS retirement funds/plans are included in the pension trust fund.

A description of the individual plans including eligibility provisions, types of benefits, and contribution requirements are set forth in general terms below and on the following pages.

Detailed information regarding these plans is available in the Delaware Code and in the Rules and Regulations of the Board.

The Delaware Transit Corporation (DTC) administers two single-employer pension plans which cover the noncollectively bargained employees and the collective bargained employees, the DTC Plan and Contributory Plan, respectively. The descriptions and requirements of both plans are included on the following pages. Both plans issue a publicly available financial report.

State Employees' Pension Plan

Plan Description and Eligibility:

The State Employees' Pension Plan is a cost-sharing multiple employer defined benefit plan that covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

There are two tiers within this plan:

- 1) Employees hired prior to January 1, 2012 (Pre-2012)
- 2) Employees hired on or after January 1, 2012 (Post-2011)

Service Benefits: Final average monthly compensation (excludes overtime for Post-2011 employees) multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, final average monthly compensation is the monthly average of the highest three periods of twelve consecutive months of compensation.

Vesting: Pre-2012 date of hire: 5 years of credited service.
Post-2011 date of hire: 10 years of credited service.

Retirement: Pre-2012 date of hire: age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire: age 65 with at least 10 years of credited service; age 60 with 20 years of credited service; or after 30 years of credited service at any age.

Disability Benefits: Pre-2012 date of hire: same as service benefits. Employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the members of this plan opted into a disability insurance program offered by the State effective January 1, 2006.
Post-2011 date of hire: in the disability insurance program.

<u>Survivor Benefits:</u>	If employee is receiving a pension, the eligible survivor receives 50% of pension (or 67.7% with 2% reduction of benefit, 75% with 3% reduction of benefit, or 100% with 6% reduction of benefit); if employee is active with at least 5 years of credited service, eligible survivor receives 75% of the benefit the employee would have received at age 62.
<u>Contributions:</u>	Employer: determined by Board of Pension Trustees based on the actuarially determined rate. Employer contributions were 11.71% of earnings for fiscal year 2024. Pre-2012 date of hire Member: 3% of earnings in excess of \$6,000. Post-2011 date of hire Member: 5% of earnings in excess of \$6,000. Correction Officers: additional 2% of earnings in excess of \$6,000.
<u>Burial Benefit:</u>	\$7,000 per member.

Special Fund

Plan Description and Eligibility:

The Special Fund is a single employer defined benefit plan that provides certain benefits granted to individuals through legislation passed by the General Assembly.

<u>Service Benefits:</u>	Defined by special legislation.
<u>Vesting:</u>	Defined by special legislation.
<u>Retirement:</u>	Defined by special legislation.
<u>Disability Benefits:</u>	Defined by special legislation.
<u>Survivor Benefits:</u>	Same as State Employees' Plan.
<u>Contributions:</u>	Employer contributions are actuarially determined and fully funded in advance by the General Assembly.
<u>Burial Benefit:</u>	\$7,000 per member.

New State Police Pension Plan

Plan Description and Eligibility:

The New State Police Pension Plan is a single-employer defined benefit plan that covers all State police officers appointed on or after July 1, 1980.

<u>Service Benefits:</u>	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.
<u>Vesting:</u>	10 years of credited service at age 62.
<u>Retirement:</u>	Age plus credited service (but not less than 10 years) equals 75; has 10 years of service and is retired due to age 55; or 20 years of credited service.
<u>Disability Benefits:</u>	Duty - Total Disability: 75% of final average monthly compensation plus 10% for each dependent not to exceed 25% for all dependents. Partial Disability: calculated the same as service benefits, subject to minimum 50% of final average monthly compensation. Non-Duty: same as service benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% for each dependent not to exceed 20% for all dependents. Partial disability to a minimum of 30% of final average monthly compensation.
<u>Survivor Benefits:</u>	If employee is receiving a pension, the eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension. If member is killed in the line of duty, eligible survivor receives 75% of compensation.
<u>Contributions:</u>	Employer: determined by Board of Pension Trustees based on the actuarially determined rate. Employer contributions were 27.86% of earnings for fiscal year 2024. Member: 7% of compensation.
<u>Burial Benefit:</u>	\$7,000 per member.

Judiciary Pension Plans (Closed and Revised)

Plan Description and Eligibility:

The Closed Judiciary Pension Plan is a single-employer defined benefit plan that covers members of State Judiciary appointed before July 1, 1980.

The Revised Judiciary Pension Plan is a single-employer defined benefit plan that covers members of State Judiciary appointed on or after July 1, 1980 or members appointed before July 1, 1980 who accept the provisions of this Plan.

Assets of one plan can be used to satisfy the liabilities of the other plan.

<u>Service Benefits:</u>	Revised: 1/24th of final average monthly compensation multiplied by years of service up to 12 years, plus 1/48th of final average monthly compensation, multiplied by years of service from 13 to 24 years, subject to maximum limitations. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation.
<u>Vesting:</u>	12 years of credited service.
<u>Retirement:</u>	Revised: Age 62 with 12 years of credited service, or any age with 24 years of credited service.
<u>Disability Benefits:</u>	Same as service benefits.
<u>Survivor Benefits:</u>	Closed: If employee is receiving a pension, the eligible survivor receives 2/3 of pension; if employee is active with 12 years of credited service, the eligible survivor receives 2/3 of pension the employee would have been eligible to receive. Revised: If employee is receiving a pension, the eligible survivor receives a minimum of 50% of pension (or 66.67% with 2% reduction of benefit, 75% with 3% reduction of benefit, or 100% with 6% reduction in benefit); if employee is active, eligible survivor receives 2/3 of the benefit the judge would have been eligible to receive and computed on the basis of actual service of 12 year, whichever is greater.
<u>Contributions:</u>	Employer: determined by Board of Pension Trustees based on the actuarially determined rate. Employer contributions were 11.13% of earnings for fiscal year 2024. Closed Member: \$500 per year for the first 25 years of service. Revised Member: 3% of earnings that exceed \$6,000 per year, plus 2% of earnings that exceed the Social Security Wage Base for the first 24 years of service.
<u>Burial Benefit:</u>	Not applicable.

Closed State Police Pension Plan**Plan Description and Eligibility:**

The Closed State Police Pension Plan is a single-employer defined benefit plan that covers all State police officers appointed before July 1, 1980. The Plan was closed to new entrants beginning July 1, 1980.

Survivor Benefits: If employee is active or is receiving a service or service-related disability pension, the eligible survivor receives 75% of pension; if employee is receiving a non-service related disability pension, eligible survivor receives 50% of pension.

Contributions: Employer: funded on a pay-as-you-go basis.

Burial Benefit: \$7,000 per member.

Closed Diamond State Port Corporation Pension Plan**Plan Description and Eligibility:**

The Closed Diamond State Port Corporation Pension Plan is a single-employer defined benefit plan which covers all employees of the Diamond State Port Corporation. The plan was frozen as of October 3, 2018.

Service Benefits: 1.75% of final average monthly compensation multiplied by the years of credited service (not to exceed 30 years). For this plan, final average monthly compensation is the monthly average of the highest consecutive five years of compensation within the last ten years of employment.

Vesting: 5 years of credited service.

Retirement: Age 65 with 5 years of credited service, or age (not less than 55 years) plus credited service equals 90.

Disability Benefits: Same as service benefits. Employee must have 15 years of credited service.

Survivor Benefits: If employee is receiving a pension, the eligible survivor receives 50% of pension; if employee is active with at least 15 years of credited service, the eligible survivor receives 50% of pension the employee would have received at age 65.

Contributions: Employer: determined by Board of Pension Trustees at the actuarially determined amount. Employer contributions were \$0 for fiscal year 2024.
Member: Not applicable

Burial Benefit: Not applicable.

County and Municipal Police and Firefighters' Pension Plan

Plan Description and Eligibility:

County and Municipal Police and Firefighters' Pension Plan is a cost-sharing multiple-employer defined benefit plan that cover police officers and firefighters employed by a county or municipality of the State which has become part of the Plan.

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).

Vesting: 5 years of credited service.

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.

Disability Benefits: Duty - Total Disability: 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.
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 of 50% of final average monthly compensation plus 5% for each dependent not to exceed 20% for all dependents.
Partial Disability: subject to a minimum of 30% of final average monthly compensation.

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.

Contributions: Employer: determined by Board of Pension Trustees at the actuarially determined rate. Employer contributions were 12.74% of earnings for fiscal year 2024.
Member: 7% of compensation.

Burial Benefit: \$7,000 per active member.

County and Municipal Other Employees' Pension Plan

Plan Description and Eligibility:

County and Municipal Other Employees' Pension Plan is a cost-sharing multiple employer defined benefit plan that covers employees of counties or municipalities which have become part of the Plan.

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.

Vesting: 5 years of credited service.

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

Disability Benefits: Same as service benefits. Employee must have 5 years of credited service.

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

Contributions: Employer: determined by Board of Pension Trustees at the actuarially determined rate. Employer contributions were 5.59% of earnings for fiscal year 2024.
Member: 3% of earnings in excess of \$6,000.

Burial Benefit: Not applicable.

Delaware Volunteer Firemen's FundPlan Description and Eligibility:

The Delaware Volunteer Firemen's Fund is a cost-sharing multiple employer defined benefit pension plan that covers all actively participating volunteers of fire departments, ladies auxiliaries, or ambulance organizations within the State.

Service Benefits:	\$10 multiplied by years of credited service (not to exceed 25 years) per month.
Vesting:	10 years of credited service.
Retirement:	Age 60 with 10 years credited service.
Disability Benefits:	Not applicable.
Survivor Benefits:	Not applicable.
<u>Contributions:</u>	Employer: determined by Board of Pension Trustees at the actuarially determined rate. Employer contributions were \$447.35 per member for fiscal year 2024. Member: \$60 per member per calendar year.
Burial Benefit:	Not applicable.

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms for each plan:

	State Employees	Special	New State Police	Judiciary	Closed State Police
Inactive plan members or beneficiaries currently receiving benefits	31,242	5	427	66	445
Inactive plan members entitled to but not yet receiving benefits	4,472	—	12	1	—
Active plan members	39,412	—	715	59	—
Total plan members	<u>75,126</u>	<u>5</u>	<u>1,154</u>	<u>126</u>	<u>445</u>

The June 30, 2023 valuation is the most recent available to record the net pension liability and for consistency, all schedules are utilized from this valuation.

Non-DPERS Fund Descriptions and Contributions***County and Municipal Police and Firefighters' COLA Fund***

During 1990, the State established a mechanism for funding post-retirement increases granted by employers who participate in the County & Municipal Police and Firefighters' Pension Plan and manage a non-DPERS system "closed" pension plan for former employees.

Closed pension groups pertain to employees, for whom the employer elected not to become a part of the system when their employers joined the DPERS. Currently, six employers maintain such closed groups. They include the City of Newark, City of Dover, Town of Elsmere, City of New Castle, City of Wilmington and New Castle County.

The COLA Fund is financed through a 0.25% tax on the value of certain homeowners' insurance premiums written within the State. The proceeds of the tax are directed into the COLA Fund on a semi-annual basis and managed by the Board for investment purposes. Unused amounts revert to the State General Fund after a period of 10 years per Section 419, Title 80 of the Delaware Code. Each participating employer receives an allocation of these contributions, earnings on investments of the COLA Fund, and expenses attributed to the COLA Fund based on the headcount of retired members of its police force.

Any new employer, with a closed police pension plan, that joins the system is eligible to receive money from the COLA Fund. In accordance with Section 708(c), Title 18 of the Delaware Code, when a participating employer grants a post-retirement increase for a closed plan outside of the DPERS County and Municipal Police and Firefighters' Pension Plan, funds are transferred from the COLA Fund to the trust account(s) of the closed pension group maintained by the employer. However, the entity must first provide 25% of the cost estimated by an actuary while the COLA Fund provides the remaining 75% of the cost.

These increases are not the responsibility of DPERS. Each employer entity is solely responsible for any post-retirement increase granted even if the actuarial cost calculated at the onset of the increase exceeds the employer's share of the COLA Fund's balance. There is no joint liability amongst existing employers.

Post-Retirement Increase Fund (PRI)

The State passed legislation which established a mechanism for funding ad hoc post-retirement increases granted by the General Assembly to members retired under the State Employees' Plan, the New State Police Plan, and the Judiciary Plans (Closed and Revised) beginning in fiscal year 1994. The mechanism allows the State to appropriate actuarially determined employer contributions to a separate PRI fund managed by the Board. With the exception of the Closed State Police Plan, 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 changes and the consistency in the amounts of the changes. The actuary uses the current actuarial assumptions, methods, and population data to calculate the estimated additional liability resulting from granted ad hoc benefit increases. When the Legislature grants an ad hoc post-

retirement adjustment, outstanding liabilities are funded by the State and transferred to the appropriate plans either as a lump sum or in incremental amounts based on a five-year actuarial funding schedule.

The County Municipal Police & Firefighters' Plan is entitled to receive the same amount of postretirement increase granted to the State Employees' Plan per Title 11, Chapter 88 of the Delaware code. This plan however is ineligible to use the PRI Fund as a funding mechanism. As such, the increase is provided to participating employers in the plan in the form of an adjustment to actuarially determined contributions. For the fiscal year ended June 30, 2024, \$150.2 million was transferred to the appropriate plans in DPERS.

As of June 30, 2024, there are no liabilities attributed to recently granted postretirement increases.

The Board adopts actuarially determined funding for the Post-Retirement Increase Fund. Funding for fiscal year 2023 was 1% of covered payroll. Funding for fiscal year 2024 will be 1% of covered payroll.

Local Government Retirement Investment Pool (DEL RIP)

In June 1996, the State established DEL RIP in the custody of the Board to allow local governments within the State the option to pool their pension assets with DPERS for investment purposes. The DEL RIP is an external investment pool that allows local governments to potentially maximize their rate of return and reduce administrative expenses related to the investment of funds. Participation in the pool is voluntary. There was one participating entity in DEL RIP as of June 30, 2024, which comprise the pool in its entirety: Town of Elsmere.

DEL RIP is subject to the oversight of DPERS's Investment Committee and not subject to the regulatory oversight of the Securities and Exchange Commission (SEC). DPERS has not provided or obtained any legally binding guarantees during the year to support the value of shares. The fair value of the pool is determined in the same manner as the value of the Master Trust shares. Since this pool is a portion of the total DPERS, the same accounting and investment policies apply.

Delaware Transit Corporation Pension Plan

Plan Description and Eligibility:

The DTC Pension Plan (DTC Plan) is a single-employer defined benefit plan that covers limited and full-time, nonunion salaried employees.

Service Benefits:	1.35% of the highest 36-month average earnings plus 1.25% of the average earnings above the Integration Amount for the calendar year in which the participant retires multiplied by years of service, up to a maximum of 25 years.
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Vesting:	100% after 5 years of service
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Retirement:	Age 55 with at least 10 years of continuous service or 25 years of credited service at any age or upon reaching age 62.
Disability Benefits:	Employee must have 5 years of credited service. Determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction
Survivor Benefits:	If employee dies while employed after completing at least 5 years of service, the eligible survivor receives 75% of accrued benefit that would have been payable at age 65; for a former employee who dies after completing 5 years of service, eligible survivor receives 50% of the accrued benefit that would have been payable at age 65.
Contributions:	Employer: determined by DTC Pension Board Trustees based on the actuarially determined rate. Employer contributions were 7.62% of earnings for fiscal year 2024. Employee: 3% of earnings in excess of \$6,000.

Delaware Transit Corporation Contributory Plan

Plan Description and Eligibility:

The DTC Contributory Plan (Contributory Plan) is a single-employer defined benefit plan that covers all full-time employees of Local 842, Amalgamated Transit Union and Local 32, Office and Professional Employee International Union.

Service Benefits:	\$65 per month (\$68 per month after January 1, 2016; \$68.50 per month after January 1, 2017; \$70.50 per month after January 1, 2018; \$72.50 per month after January 1, 2019; \$74.00 per month after January 1, 2020; \$76 per month after January 1, 2021) per year of service or refund of contributions with interest before becoming eligible or choosing not to elect
Vesting:	Completion of 10 years of service
Retirement:	Employees with 10 years of credited service are eligible to receive pension benefits at age 65. All employees may retire at any age after 25 years of credited service or upon reaching the age of 65 with a minimum of five years of continuous service.

Disability Benefits:	Employee must have 15 years of credited service. Equal to normal retirement benefit during the period of disability.
Survivor Benefits:	A lump-sum payment will be made comprised of the aggregate of the participant's contributions that exceed the aggregate of the payments that have been made to the participant.
Contributions:	Employer: 5% of regular hourly wages worked up to a maximum of 2,080 hours per year. Employer contributions were 3.91% of earnings for calendar year 2023. Employee: 5% of regular hourly wages worked up to a maximum of 2,080 hours per year.

Employees covered by benefit terms. The following employees were covered by the benefit terms for each plan:

	DTC (at June 30, 2023)	Contributory (at June 30, 2023)
Inactive members or beneficiaries currently receiving benefits	141	280
Terminated, vested members	138	187
Active plan members	353	628
Total plan members	632	1,095

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the State reported the following net pension liabilities (assets) (expressed in thousands):

Plan	Governmental Activities		Business-Type Activities	
	Asset	Liability	Asset	Liability
State Employees'	\$ —	\$ 1,347,877	\$ —	\$ 54,036
Special Fund	73	—	—	—
New State Police	—	81,599	—	—
Judiciary	11,276	—	—	—
Closed State Police	—	306,773	—	—
DTC	—	—	—	4,060
Contributory	—	—	—	14,655
	<u>\$ 11,349</u>	<u>\$ 1,736,249</u>	<u>\$ —</u>	<u>\$ 72,751</u>

The net pension asset and liability were measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial

valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The State's proportion of the net pension liability of the State Employees' Plan was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating organizations, actuarially determined. At June 30, 2023, the State's proportion of the net pension asset/liability of the State Employees' Plan was 89.5%, which was a decrease of 0.2% from its proportion measured as of June 30, 2022. The State's pension liability and related information for the single-employer plans is as follows:

Changes in Single Employer Plans' Net Pension Liability and Related Ratios
State of Delaware - DPERS
(Expressed in Thousands)

	Measurement Date 2023			
	Special	New State Police	Judiciary	Closed State Police
Total Pension Liability				
Service Cost	\$ —	\$ 20,264	\$ 2,712	\$ —
Interest	5	50,349	6,216	11,154
Changes in Benefit Terms	3	127	17	—
Differences between expected and actual experience	11	4,471	(421)	(2,425)
Changes of Assumptions	—	—	—	(3,249)
Benefit payments, including refunds of member contributions	(21)	(31,762)	(6,672)	(23,174)
Net change in total pension liability	(2)	43,449	1,852	(17,694)
Total pension liability - beginning	65	710,096	89,782	328,998
Total pension liability - ending (a)	<u>\$ 63</u>	<u>\$ 753,545</u>	<u>\$ 91,634</u>	<u>\$ 311,304</u>
Plan fiduciary net position				
Contributions - employer	\$ 3	\$ 19,969	\$ 1,346	\$ 23,334
Contributions - nonemployer	—	5,630	989	—
Contributions - member	—	5,349	391	—
Net investment income	7	32,616	5,077	(8)
Benefit payments, including refunds of member contributions	(21)	(31,762)	(6,672)	(23,174)
Administrative expense	—	(116)	(25)	(42)
Net change in plan fiduciary net position	(11)	31,686	1,106	110
Plan fiduciary net position - beginning	147	640,260	101,804	4,421
Plan fiduciary net position - ending (b)	<u>\$ 136</u>	<u>\$ 671,946</u>	<u>\$ 102,910</u>	<u>\$ 4,531</u>
State's net pension liability (asset) - ending (a)-(b)	<u>\$ (73)</u>	<u>\$ 81,599</u>	<u>\$ (11,276)</u>	<u>\$ 306,773</u>
Plan fiduciary net position as a percentage of total pension liability	216 %	89 %	112 %	1 %
Covered payroll	N/A	\$ 73,056	\$ 11,848	N/A
State's net pension liability (asset) as a percentage of covered payroll	N/A	111.7 %	(95.2)%	N/A

The State's pension liability and related information for the Delaware Transit Corporation plans is as follows:

DelDOT- Delaware Transit Corporation
Changes in DTC's Net Pension Liability and Related Ratios
(Expressed in Thousands)

	Measurement Date 2023	
	DTC Plan	Contributory Plan
Total Pension Liability		
Service Cost	\$ 1,674	\$ 2,106
Interest	2,860	5,244
Change in Benefit Terms	—	—
Differences between expected and actual experience	(469)	528
Changes of Assumptions	(132)	—
Benefit payments, including refunds of member contributions	(1,607)	(4,115)
Net change in total pension liability	2,326	3,763
Total pension liability - beginning	41,655	74,825
Total pension liability - ending (a)	<u>\$ 43,981</u>	<u>\$ 78,588</u>
Plan fiduciary net position		
Contributions - employer	\$ 1,646	\$ 1,357
Contributions - member	325	1,714
Net investment income	3,344	4,862
Benefit payments, including refunds of member contributions	(1,607)	(4,115)
Administrative expense	(276)	(110)
Other	—	—
Net change in plan fiduciary net position	3,432	3,708
Plan fiduciary net position - beginning	36,489	60,225
Plan fiduciary net position - ending (b)	<u>\$ 39,921</u>	<u>\$ 63,933</u>
Corporation's net pension liability (asset) - ending (a)-(b)	<u>\$ 4,060</u>	<u>\$ 14,655</u>
Plan fiduciary net position as a percentage of total pension liability	91 %	81 %
Covered payroll	\$ 19,111	\$ 34,685
State's net pension liability (asset) as a percentage of covered payroll	21 %	42 %

For the year ended June 30, 2024, the State recognized the following pension expense to related to all the plans (expressed in thousands):

Plan	Governmental Activities	Business-Type Activities	Totals
State Employees'	\$ 310,777	\$ 12,231	\$ 323,008
Special Fund	8	—	8
New State Police	26,240	—	26,240
Judiciary	613	—	613
Closed State Police	4,784	—	4,784
DTC	—	2,412	2,412
Contributory	—	2,412	2,412
	<u>\$ 342,422</u>	<u>\$ 17,055</u>	<u>\$ 359,477</u>

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	State Employees'	Special Fund	New State Police	Judiciary	Closed State Police	DTC	Contributory	Totals
Deferred Outflows of Resources								
Changes in proportionate share of contributions	\$ 1,740	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,740
Difference between expected and actual experience	184,376	—	—	—	—	505	674	185,555
Net difference between projected and actual earnings on pension	447,503	5	45,495	4,297	—	2,082	6,061	505,443
Change in assumptions	99,245	—	15,591	423	—	746	716	116,721
Contributions subsequent to the measurement date	275,172	—	20,559	1,376	25,365	1,525	1,421	325,418
	<u>\$ 1,008,036</u>	<u>\$ 5</u>	<u>\$ 81,645</u>	<u>\$ 6,096</u>	<u>\$ 25,365</u>	<u>\$ 4,858</u>	<u>\$ 8,872</u>	<u>\$ 1,134,877</u>

	State Employees'	Special Fund	New State Police	Judiciary	Closed State Police	DTC	Contributory	Totals
Deferred Inflows of Resources								
Changes in proportionate share of contributions	\$ 3,552	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,552
Difference between expected and actual experience	—	—	—	—	—	1,102	768	1,870
Net difference between projected and actual earnings on pension	—	—	—	—	783	—	—	783
Change in assumptions	—	—	—	—	—	116	—	116
	<u>\$ 3,552</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 783</u>	<u>\$ 1,218</u>	<u>\$ 768</u>	<u>\$ 6,321</u>

The State reported \$325.4 million as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as

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

Fiscal Years Ending June 30:	State Employees'	Special Fund	New State Police	Judiciary	Closed State Police	DTC	Contributory	Total
2024	\$ 28,434	\$ (2)	\$ 3,806	\$ (825)	\$ (546)	\$ —	\$ —	\$ 30,867
2025	57,366	(1)	6,550	(32)	(457)	537	826	64,789
2026	562,079	8	37,703	5,279	187	333	1,806	607,395
2027	60,105	1	7,091	298	33	1,646	2,532	71,706
2028	21,329	—	4,691	—	—	(144)	1,427	27,303
2029	—	—	1,246	—	—	(76)	92	1,262
Thereafter	—	—	—	—	—	(181)	—	(181)
Total	<u>\$ 729,313</u>	<u>\$ 6</u>	<u>\$ 61,087</u>	<u>\$ 4,720</u>	<u>\$ (783)</u>	<u>\$ 2,115</u>	<u>\$ 6,683</u>	<u>\$ 803,141</u>

Contributions. The State reported the following contributions for the DPERS Plan:

Schedule of Contributions
(Expressed in thousands)

Contributions	2023
Contractually required contribution	241,266
Contributions in relation to the contractually required contribution	241,266
Contribution excess	—
Covered payroll	2,163,820
Contributions as a percentage of covered payroll	11.2 %

Actuarial assumptions. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	State Employees'	Special	New State Police	Judiciary	Closed State Police
Investment Rate of Return/Discount Rate (1)	7.0%	7.0%	7.0%	7.0%	7.0%
Projected Salary Increases (1)	2.5% + Merit	N/A	2.5% + Merit	0.025%	N/A
Cost of Living Adjustments	—%	—%	—%	—%	2.5%

(1) - Inflation is included at 2.5%

	DTC	Contributory
Investment Rate of Return/Discount Rate (1)	7.0%	7.0%
Projected Salary Increases (1)	2.5%	2.5%

(1) - Inflation is included at 2.0%

The total pension liabilities are measured based on assumptions pertaining to 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 for the DPERS Plans were based on the Pub-2010 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2010 mortality improvement scale on a fully generational basis. Mortality rates for the DTC Plan were based on the RP-2014 Mortality with generational projection using scale MP-2017 and the rates for the Contributory Plan were based on the sex distinct RP-2014 Blue Collar Table, fully generational with scale MP-2018.

With the exception of the Closed State Police Pension Plan, projected benefit payments do not include the effect 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 weighting 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 DPERS's current and expected asset allocation as of June 30, 2023, DTC's current and expected asset allocation as of July 1, 2023, and Contributory's current and expected asset allocation as of January 1, 2024 are summarized in the following table:

Asset Class	Asset Allocation %	Long-Term Expected Real Rate of Return %
DPERS		
Domestic Equity	33.6	5.7
International Equity	13.9	5.7
Fixed Income	25.3	2.0
Alternative Investments	21.7	7.8
Cash & Equivalents	5.5	—
	<u>100.0</u>	
DTC		
Domestic Equity	42.0	5.6
International Equity	16.0	5.1
Emerging Equity	7.0	5.5
Core Fixed Income	35.0	2.7
	<u>100.0</u>	
Contributory		
Domestic Equity	39.0	8.0
International Equity	21.0	7.0
Fixed Income	39.0	5.0
Cash & Equivalents	1.0	3.0
	<u>100.0</u>	

Discount rate. The discount rate for all plans, except the Closed State Police Pension Plan, 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 and DTC Pension Plan Committees, 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.

The Closed State Police Pension Plan used a discount rate of 3.65%, which represents the 20-year AA Municipal Bond rate since the plan is pay as you go.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the State's proportionate share of the net pension liability of the State Employees' Plan (cost sharing) and the net pension liability (asset) of the other Plans (single employer), calculated using the discount rate of 7.0% (3.65% for the Closed State Police Pension Plan) as well as what the State's proportionate share for the cost sharing and the single employer Plans' net pension

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 (expressed in thousands):

	1 % Decrease	Current Discount Rate	1 % Increase
State Employees'	\$ 2,733,482	\$ 1,401,914	\$ 285,020
Special Fund	(70)	(73)	(75)
New State Police	178,218	81,599	1,419
Judiciary	(2,920)	(11,276)	(18,520)
Closed State Police	338,587	306,773	279,697
DTC	9,599	4,060	(570)
Contributory	23,778	14,655	6,947
Total	<u>\$ 3,280,674</u>	<u>\$ 1,797,652</u>	<u>\$ 553,918</u>

Pension plan fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued DPERS financial report. The financial report may be obtained by writing to the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, Delaware 19904-2402 or online at <http://www.delawarepensions.com/Financials.shtml>.

Detailed information about the DTC and Contributory pension plans' fiduciary net position is available in separately issued financial reports. Those reports may be obtained by writing to the Delaware Transit Corporation, 900 Public Safety Boulevard, Dover, Delaware 19901.

Deferred Compensation Plans

The State offers all of its employees, who are otherwise eligible for the State's employee benefit plans, a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The Plan, available to all State of Delaware employees, permits them to defer a portion of their salary to future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The State offers its employees of the State's Public (Local) School Districts, the State of Delaware Department of Education, Delaware Technical and Community College, and Delaware State University, which is a component unit of the State, a deferred compensation plan designed to qualify under Section 403(b) of the Internal Revenue Code. The Plan permits those employees to defer a portion of their salary to future years. Participation in the Plan is optional. On termination of service due to death, disability, retirement, or other reasons, a participant will receive either a lump-sum amount equal to the value of the participant's vested interest in their account or periodic payments. In addition, the Plan allows for hardship distributions if certain criteria are met.

NOTE 18 COMMITMENTS

The State has entered into various contractual commitments for services and for construction of various highway, capital and lottery projects. Commitments of the proprietary fund include \$833.9 million for DelDOT.

Encumbrances which represent commitments related to unperformed contracts for goods or services are included in restricted, committed, or assigned fund balance as appropriate. Encumbrances lapse at the end of the applicable appropriation, unless re-appropriated by the Legislature. Encumbrances outstanding against continuing appropriations at the end of fiscal year 2024 are as follows: general fund \$663.1 million, federal funds \$426.5 million, local school funds \$45.0 million, and capital project funds \$247.4 million.

NOTE 19 CONTINGENCIES

Various parties have made claims against the State. For those cases in which it is possible that a loss will be incurred and in which the amount of the potential judgment can be reasonably estimated, the State estimates the liability to be \$11.0 million. The State recognized \$1.7 million in governmental activities as claims and judgments liabilities for pending litigation settlements estimated to be probable as of June 30, 2024. \$102.3 million is recorded in governmental funds as other liabilities reflecting settlements paid subsequent to the end of the fiscal year. In the opinion of the Attorney General of the State, the remaining cases are either subject to a valid defense or are not expected to result in an impairment of the State's financial position. Management believes the settlement in aggregate of claims outstanding will not result in amounts material to the financial statements of the State.

The State receives significant financial assistance from the federal government in the form of grants and entitlements. The right to these resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowance as a result of these audits become a liability of the State. The State does not believe there are any liabilities that will result from such audits for periods through June 30, 2024 that would have a material effect on its financial position or the results of operations.

Site investigation, planning and design, cleanup, and site monitoring are typical pollution remediation activities underway across the State. Several State organizations have dedicated programs, rules and regulations that routinely deal with remediation related issues; others become aware of pollution conditions in the fulfillment of their missions. The State has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. The State calculates pollution remediation liabilities using the expected cash flow technique. Where the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability; however, the State has not identified any of these situations.

The pollution remediation obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations, and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the State's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

At June 30, 2024, the State had a total pollution remediation liability of \$34.7 million. Of this amount, \$13.2 million is for various lead remediation projects where the properties are either owned by the State or a local government or the properties have been abandoned by the owners, \$21.1 million are for federally designated environmental hazards where the State is working with the Environmental Protection Agency to remediate, and the remaining \$0.3 million are for remediation to properties that have been acquired by the State.

NOTE 20 GOVERNMENTAL FUND BALANCES

The State's Governmental Fund balances are classified according to the relative constraints that control how amounts can be spent. Classifications include:

- **Nonspendable:** Balances include items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable and interfund receivables, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact.
- **Restricted:** Balances have constraints placed upon the use of the resources either by constitutional provisions, enabling legislation such as the enforcement of locally raised real estate taxes and other revenues for the Local School District Fund, external resource providers such as creditors and grantors, or imposed by law or regulations of other governments.
- **Committed:** Balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the State's Legislature, the State's highest level of decision-making authority. This formal action is the passage of law by the legislature, or by other parties by the State's legislature, creating, modifying, or rescinding an appropriation.
- **Assigned:** Balances include amounts that are constrained by the State's intent, as approved by the State's legislature, to be used for a specific purpose, but are neither restricted nor committed. For the General Fund, amounts constrained for the intent to be used for specific purpose by a governing board or a body or official that has been delegated authority by the State's legislature to assign amounts based on budgetary appropriations. Also, for the General Fund, the amounts assigned for Education are due largely to the policies set by the Board of Delaware Technical and Community College (DTCC) for tuition and fees of DTCC.
- **Unassigned:** Balance is the residual amount of the General Fund not included in the other four categories. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

The State spends restricted resources first and uses unrestricted resources for purposes for which restricted resources are not available.

When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the State considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the State has provided otherwise in its commitment or assignment actions.

A summary of governmental fund balances at June 30, 2024, is as follows (expressed in thousands):

	General	Federal	Local School District	Capital Projects	Total Governmental Funds
Nonspendable					
Receivables	\$ 50,573	\$ —	\$ —	\$ —	\$ 50,573
Inventory	8,255	—	—	—	8,255
Total Nonspendable	58,828	—	—	—	58,828
Restricted:					
Health and Children's Services	119,020	115,728	—	1,784	236,532
Judicial and Public Safety	10,645	—	—	3,864	14,509
Natural Resources and Environmental Control	301,221	241,673	—	8,861	551,755
Agriculture	1,042	—	—	—	1,042
Labor	16,093	—	—	—	16,093
Education	14,765	—	487,505	208,361	710,631
Economic Development	6,084	—	—	—	6,084
General Government	271,949	—	—	224,225	496,174
Total Restricted	740,819	357,401	487,505	447,095	2,032,820
Committed					
Health and Children's Services	27,057	—	—	—	27,057
Judicial and Public Safety	8,473	—	—	—	8,473
Natural Resources and Environmental Control	52,361	—	—	—	52,361
Agriculture	12,800	—	—	—	12,800
Labor	19,838	—	—	—	19,838
Education	15,377	—	—	—	15,377
Economic Development	747	—	—	—	747
General Government	709,879	—	—	—	709,879
Total Committed	846,532	—	—	—	846,532
Assigned					
Health and Children's Services	1,536	—	—	—	1,536
Judicial and Public Safety	27,002	—	—	—	27,002
Natural Resources and Environmental Control	4,917	—	—	—	4,917
Agriculture	5,717	—	—	—	5,717
Education	111,372	—	—	—	111,372
General Government	32,621	—	—	—	32,621
Total Assigned	183,165	—	—	—	183,165
Unassigned	2,935,038	—	—	—	2,935,038
Total Fund Balance	\$ 4,764,382	\$ 357,401	\$ 487,505	\$ 447,095	\$ 6,056,383

Fund Balances Restricted by Enabling Legislation

The restricted fund balance for the Local School Districts Fund are funds that are used to account for activities relating to Delaware's 19 local school districts, which are funded by locally raised real estate taxes and other revenues.

The restricted fund balance for the Capital Projects Fund are funds that are used to account for activities relating to Delaware's construction projects mainly for the local school districts and projects overseen by the Office of Management and Budget, which are funded by proceeds from the issuance of bonds.

NOTE 21 TAX ABATEMENTS

As of June 30, 2024, the State of Delaware provides tax abatements through two programs: Bank Franchise Tax Job Creation Credit and Historic Preservation Credit.

- The Bank Franchise Tax Job Creation Credit (Delaware Code, Title 5, Chapter 11, §1105(h) & (i)) allows a credit against the annual franchise tax imposed upon a banking organization or trust company. Application for certification as a qualified employer or qualified retained employer must be made to the Secretary of Finance with a copy to the Director of the Division of Small Business which will be reviewed annually prior to the allowance of credits in accordance with Title 30, Chapter 20, Subchapter IX. A credit against the tax of \$1,250 for each new qualified employee above the bank's employees in the base year is allowed only if the new qualified employees are at least 200 above the number during the base year and the taxpayer has made new investments (land, land improvement, machinery and equipment) of at least \$15,000 per qualified employee in excess of the number of employees during the base year.
- The Historic Preservation Credit (Delaware Code Title 30, Chapter 18, §1811–§1817) entitles a person incurring qualified expenditures, as identified in Title 30, for preservation and repair of historic structures to a credit against bank franchise or incomes taxes subject to limitations. The building must qualify as a Certified Historic Property, and the taxpayer must submit an application for Certification of Rehabilitation along with a Request for Award Credit.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated (in thousands)</u>
Bank Franchise Tax Job Creation Credit	\$4,909
Historic Preservation Credit	2,635

NOTE 22 NO COMMITMENT DEBT (NOT INCLUDED IN FINANCIAL STATEMENTS)

The State, by action of the General Assembly, created various authorities for the express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. The bonds of the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements. These bonds are issued through the Delaware Economic Development Authority. The principal amount of bonds outstanding at June 30, 2024 for this entity amounted to \$907.6 million.

NOTE 23 AFFILIATED ORGANIZATIONS**State Lottery - Multi-State Lottery Association**

The State Lottery is a member of the Multi-State Lottery Association (MUSL), which operates online games on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the member's share of the estimated grand prize liability. Each MUSL member pays lesser prizes directly to the winners. The MUSL operates the Powerball game, the Mega Millions game, and the Lotto America game. Participating lotteries are required to maintain deposits with MUSL for contingency reserves to protect MUSL from unforeseen prize liabilities. The money in this reserve fund is refundable to MUSL members if the MUSL disbands or if a member leaves the MUSL Board.

The amount the Lottery had on deposit with the MUSL as of June 30, 2024 was \$2.5 million. This amount is also reported as a liability on the Lottery's statement of net position because they represent the amount to be paid to the State upon separation from the MUSL if the MUSL is not required to use a portion of the Lottery's reserves held by the MUSL.

Complete separate financial statements for the MUSL may be obtained at the Multi-State Lottery Association, 4400 NW Urbandale Drive, Urbandale, IA 50322.

Note 24 ACCOUNTING CHANGES AND ERROR CORRECTIONS**Correction of an Error in Previously Issued Financial Statements (Column A)***Unemployment Insurance Trust Fund - part of Business-type Activities*

During the year ended June 30, 2024, the Unemployment Insurance Trust Fund recorded a prior period adjustment of \$34.2 million dollars, due primarily to understated employer overpayment accounts.

Delaware State Housing Authority - Discretely Presented Component Unit

During the year ended June 30, 2024, Delaware State Housing Authority determined a loan of \$1.0 billion from the ARPA Program in the Federal Programs Fund was recorded as grant expense.

Changes to or within the Financial Reporting Unit (Column B)*Change in Discretely Presented Component Unit Presentation*

During the year ended June 30, 2024, EastSide Charter School included two blended component units, First Community Foundation and EastSide STEM Hub, in the financial statements which had previously been excluded from the School's financial statements. The effect of that change to the financial reporting resulted in adjustments to and restatements of beginning net position and fund net position.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, changes to or within the financial reporting entity and an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows (amounts in thousands):

	As Previously reported 6/30/2023	Error Correction (A)	Change to or within the Financial Reporting Unit (B)	As Restated 6/30/2023
Government-Wide				
Governmental Activities	\$ (2,736,866)	\$ —	\$ —	\$ (2,736,866)
Business-Type Activities	4,340,074	(34,194)	—	4,305,880
Total Primary Government	\$ 1,603,208	\$ (34,194)	\$ —	\$ 1,569,014
Governmental Funds				
Major Funds:				
General Fund	\$ 6,047,661	\$ —	\$ —	\$ 6,047,661
Federal Fund	1,313,774	—	—	1,313,774
Local School District	580,962	—	—	580,962
Capital	412,910	—	—	412,910
Total Governmental Funds	\$ 8,355,307	\$ —	\$ —	\$ 8,355,307
Proprietary Funds				
Major Funds:				
Unemployment	\$ 357,259	\$ (34,194)	\$ —	\$ 323,065
Lottery	1,000	—	—	1,000
DelDOT	3,981,815	—	—	3,981,815
Non-Major Funds:				
Total Proprietary Funds	\$ 4,340,074	\$ (34,194)	\$ —	\$ 4,305,880
Fiduciary Funds				
Pension & OPEB Trust Funds	\$ 13,394,314	\$ —	\$ —	\$ 13,394,314
Discretely Presented Component Units				
Delaware State Housing Authority	\$ 644,978	\$ 1,040	\$ —	\$ 646,018
Diamond State Port Authority	200,418	—	—	200,418
Riverfront Development Corporation	130,390	—	—	130,390
Delaware State University	(85)	—	—	(85)
Delaware Charter Schools	(336,051)	—	14,923	(321,128)
Delaware Agricultural Lands Preservation Foundation	319,425	—	—	319,425
Total Discretely Presented Component Units	\$ 959,075	\$ 1,040	\$ 14,923	\$ 975,038

NOTE 25 SUBSEQUENT EVENTS**Discretely Presented Component Units***Delaware State Housing Authority (DSHA)*

On August 13, 2024, DSHA issued \$100,000,000 of Single Family Mortgage Revenue Bonds, 2024 Series C. The proceeds from this issuance are designated for the financing of single-family loans to qualified borrowers and for the financing of second mortgage loans to qualifying borrowers for the purchase of single-family residential housing.

State of Delaware Annual Comprehensive Financial Report

Required Supplementary Information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

BUDGETARY BASIS VS. GAAP

While GAAP requires the use of the fund structure described in Note 1(b), the State's budget system uses only a general fund and a special fund, each of which uses the basis of accounting described below. Additionally, the activities of the Delaware State Housing Authority and Delaware State University, both component units of the State, which are not substantially supported by tax revenues, are not included in the budget data. Reconciliation of the accrual adjustments necessary to convert budgetary basis information to GAAP basis is presented as Required Supplementary Information.

The State Constitution requires the Governor to prepare and submit to the General Assembly a State budget for the ensuing year. The State budgets and controls its financial activities on the cash basis of accounting. In compliance with State law, the State records its financial transactions in either of two major categories – the general fund or the special fund. References to these two funds in this document include the terms “budgetary” or “budgetary basis” to differentiate them from the GAAP funds of the same name which encompass different funding categories. The General Assembly enacts the budget through the passage of specific line-item appropriations by department, the legal level of budgetary control, the sum of which must not exceed 98 percent of the estimated revenues and available unencumbered cash balance from the prior year pursuant to the State Constitution. The Governor has the power to approve or veto each appropriation passed by the General Assembly. The General Assembly may also enact supplemental appropriation or special appropriation bills after it completes action on the State's budget.

The budgetary general fund provides for the cost of the State's general operations and is credited with all tax and other revenue of the State not dedicated to budgetary special funds. Certain special funds are subject to appropriation, referred to herein as budgetary or appropriated special funds. Unexpended appropriations at year-end are available for subsequent expenditure to the extent that they have been encumbered at that date or legislatively extended for another year. Budget data represents original appropriations modified by interdepartmental transfers, supplemental, continuing, and carried-over encumbered appropriations. Subsequent modifications to the budget require the approval of the Controller General and the Budget Director. Additional detailed information regarding compliance with the legal level on control can be obtained by contacting the Office of Management and Budget at (302) 739-4206. Summary information regarding department budgets and the compliance with the legal level of budgetary control is presented on the following pages.

Encumbrance accounting is employed in budgetary funds. Encumbrances (e.g., purchase orders) outstanding at year-end do not constitute expenditures or liabilities and are reported as reservations of fund balances because the commitments will be honored during the subsequent year.

The budget schedules in Required Supplemental Information a) reflect the adjustments made to increase the special fund's excess of revenues over expenditures for certain revenue sources not previously recognized; b) eliminates the net activity of certain operations that are accounted for within both the special fund and also in the separate accounts of certain component units or custodial funds that are not principally accounted for within the special fund; and c) presents the accrual adjustments necessary to convert budgetary basis information to GAAP basis.

Statutory/Budgetary Presentation

The Budgetary Comparison Schedule – Budget to Actual (Non-GAAP Budgetary Basis) presented on the following pages provides a comparison of the original and final legally adopted budget with actual data on a budgetary basis.

The original budget and related estimated revenues represent the spending authority enacted into law by the appropriations bill as of June 30, 2024, and do not include encumbrances and multi-year projects budgetary carry-forwards from the prior fiscal year. GAAP requires that the final legal budget be reflected in the “final budget” column; therefore, updated revenue estimates available for appropriations as of the last Delaware Economic and Financial Advisory Council (DEFAC) meeting in June 2024, as well as the amounts shown in the original budget, are reported. The final legal budget also reflects encumbrances and multi-year projects budgetary carry-forwards from the prior fiscal year.

The tables on the following page represent the Budgetary Statements of Revenues, Expenditures and Changes in Fund Balance – General and Special Funds. Also included is a schedule showing the budgetary fund balance designations for the General Fund. Of the \$3,157.6 million budgetary general fund balance at June 30, 2024, \$348.7 million is reserved for the budgetary reserve account, \$469.2 million is reserved for the budget stabilization fund, \$1,864.6 million is designated as continuing and encumbered appropriations and \$475.1 million is classified as undesignated fund balance. The undesignated fund balance is subjected to Legislative review and changes.

Budgetary Comparison Schedule-General and Special Fund

Budget to Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended June 30, 2024

(Expressed in Millions)

	General Fund				Special Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final			Original	Final		
Revenues								
Personal Income Taxes	\$ 2,089.1	\$ 2,233.0	\$ 2,216.9	\$ (16.1)	\$ —	\$ —	\$ —	\$ —
Business Taxes	2,528.3	2,662.5	2,716.1	53.6	—	—	—	—
Other Taxes	487.3	526.3	525.5	(0.8)	—	—	—	—
License, Permits, Fines and Fees	529.9	497.3	423.3	(74.0)	—	—	—	—
Lottery Sales	236.2	245.9	245.9	—	—	—	—	—
Interest Earnings	115.6	133.8	133.7	(0.1)	—	—	—	—
Other	53.0	70.7	87.5	16.8	1,219.4	1,219.4	1,352.9	(133.5)
Total Revenues	6,039.4	6,369.5	6,348.9	(20.6)	1,219.4	1,219.4	1,352.9	(133.5)
Expenditures								
General Government	793.9	2,065.2	1,037.0	1,028.2	879.0	879.0	843.7	35.3
Health and Children's Services	1,706.5	1,924.2	1,772.5	151.7	150.9	150.9	104.6	46.3
Judicial and Public Safety	785.3	943.3	863.9	79.4	60.3	60.3	46.8	13.5
Natural Resources and Environmental Control	46.4	236.4	95.0	141.4	106.7	106.7	73.2	33.5
Labor	12.5	32.4	16.0	16.4	17.0	17.0	13.1	3.9
Education	2,262.1	2,895.2	2,447.7	447.5	5.5	5.5	4.2	1.3
Total Expenditures	5,606.7	8,096.7	6,232.1	1,864.6	1,219.4	1,219.4	1,085.6	133.8
Excess (Deficiency) of Revenues over (under) Expenditures	432.7	(1,727.2)	116.8	(1,885.2)	—	—	267.3	(267.3)
Budgetary Fund Balance, Beginning of Year	2,032.0	(268.8)	3,040.8	(2,612.1)	3,104.4	3,104.4	3,710.2	(605.8)
Budgetary Fund Balance, End of Year	<u>\$ 2,464.7</u>	<u>\$ (1,996.0)</u>	<u>\$ 3,157.6</u>	<u>\$ (4,497.3)</u>	<u>\$ 3,104.4</u>	<u>\$ 3,104.4</u>	<u>\$ 3,977.5</u>	<u>\$ (873.1)</u>
Budgetary Fund Balance								
Designated:								
Budget Reserve Account			\$ 348.7					
Budget Stabilization Fund			469.2					
Continuing and Encumbered Appropriations			1,864.6					
Undesignated			475.1					
Total			<u>\$ 3,157.6</u>					

(See Budgetary Basis vs. GAAP in Notes to Required Supplementary Information) The State's budget system uses only a general fund and a special fund and both are included in the general fund.

Statutory/Budgetary Reconciliations

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation is required of resulting basis, perspective and entity differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations.

The following two schedules represent the accrual adjustments necessary to convert budgetary basis information to GAAP basis.

Budgetary vs. GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024
(Expressed in Millions)

Budgetary Basis Revenues

General	\$ 6,348.9	
Special	<u>1,352.9</u>	
Total Budgetary Basis General and Special Fund Revenues for Fiscal Year 2024		\$ 7,701.8
Adjustments:		
The financial reporting revenues do not include amounts that are part of the budgetary revenues (appropriated special funds)	(786.6)	
Non-budgetary revenues reclassified to the general and special funds	1,241.9	
Basis of accounting differences in revenues, other financing sources, and related receivables and deferred inflows of resources	<u>(1,011.6)</u>	
Total GAAP Basis Adjustments to General and Special Funds Revenues for Fiscal Year 2024 Included in the General Fund		(556.3)
Federal Fund Revenues	4,078.5	
Local School Districts Fund Revenues	<u>919.5</u>	
		<u>4,998.0</u>
Total GAAP Basis Governmental Funds Revenue for Fiscal Year 2024		<u>\$ 12,143.5</u>

Budgetary Basis Expenditures

General	\$ 6,232.1	
Special	<u>1,085.6</u>	
Total Budgetary Basis General and Special Fund Expenditures for Fiscal Year 2024		\$ 7,317.7
Adjustments:		
The financial reporting expenditures do not include amounts that are part of the budgetary expenditures (appropriated special funds)	428.2	
Non-budgetary expenditures reclassified to the general and special funds	1,072.9	
Basis of accounting differences in expenditures, other financing uses, and related accounts payables and accrued liabilities	<u>(1,546.5)</u>	
Total GAAP Basis Adjustments to General and Special Funds Expenditures for Fiscal Year 2024 Included in the General Fund		(45.4)
Federal Fund Expenditures	3,887.2	
Local School Districts Fund Expenditures	901.6	
Capital Projects Fund Expenditures	<u>259.4</u>	
		<u>5,048.2</u>
Total GAAP Basis Governmental Funds Expenditures for Fiscal Year 2024		<u>\$ 12,320.5</u>

Required Supplementary Information

Information About Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 4,382 centerline miles and 840 bridges that the State is responsible to maintain.

The condition of the State’s road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0 for poor pavement to 5 for pavement in excellent condition.

The condition of bridges is measured using the “Bridge Condition Rating” (BCR) which is based on the Federal Highway Administration (FHWA) Coding Guide, “Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation’s Bridges.” The BCR uses a measurement scale that is based on a condition index ranging from 0 to 9, 0 to 4 for substandard bridges and 9 for bridges in perfect condition. For reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges were taken as those with ratings of between 6 and 9. A rating of 5 is considered fair. This information is taken from past “Bridge Inventory Status” reports.

It is the State’s policy to maintain at least 85% of its highways at a fair or better condition level and 95% of its national bridge inventory at a fair or better condition level. Condition assessments of eligible infrastructure assets are performed at least every three years.

State of Delaware
Department of Transportation
Supplementary Information For Governments That Use the
Modified Approach for Infrastructure Assets
Structural Rating Numbers and Percentages for Bridges
Calendar Year Ended December 31

		2024		2023		2022	
	BCR Condition Rating	Number	Percent	Number	Percent	Number	Percent
Good	6-9	729	86.7	699	83.0	681	81.0
Fair	5	103	12.3	135	16.0	149	17.7
Poor	0-4	8	1.0	8	1.0	11	1.3
Total		840	100.0	842	100.0	841	100.0

Deck Rating Numbers and Percentages for Bridges
Calendar Year Ended December 31

		2024		2023		2022	
	OPC Condition Rating	Square Feet	Percent	Square Feet	Percent	Square Feet	Percent
Good	6-9	6,474,318	77.1	6,193,971	73.7	5,561,990	62.4
Fair	5	1,871,434	22.3	2,154,148	25.7	3,286,416	36.8
Poor	0-4	49,165	0.6	49,165	0.6	74,779	0.8
Total		8,394,917	100.0	8,397,284	100.0	8,923,185	100.0

Center-Line Mile Numbers and Percentages for Road Pavement
Calendar Year Ended December 31

		2024		2023		2022	
	OPC Condition Rating	Center-Line Miles	Percent	Center-Line Miles	Percent	Center-Line Miles	Percent
Good	3.0 - 5.0	3,519	80.3	3,647	83.1	3,665	83.4
Fair	2.5-3.0	432	9.9	376	8.6	374	8.5
Poor	Below 2.5	431	9.8	362	8.2	352	8.0
Unrated		—	—	6	0.1	3	0.1
Total		4,382	100.0	4,391	100.0	4,394	100.0

Comparison of Estimated-to-Actual Maintenance/Preservation*
(Expressed In Thousands)
Fiscal Year ended June 30

	2024	2023	2022	2021	2020
Estimated	\$ 830,200	\$ 427,355	\$ 433,562	\$ 398,914	\$ 353,738
Actual	365,536	382,309	506,342	470,702	493,144

*The estimated expenditures represent annual Bond Bill authorization. The actual expenditures represent the current year spending, which includes cumulative authorization.

Required Supplementary Information – Pension

The following tables present additional information related to funding status and progress. It is intended to help readers assess the individual plans' funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due.

**State of Delaware-DPERS
State Employees' Plan
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years *
(Dollar amounts in thousands)**

Proportionate Share of Net Pension Liability	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability	89.5 %	89.7 %	90.0 %	89.8 %	89.8 %	89.7 %	90.2 %	90.5 %	90.4 %	90.9 %
Proportion of the Net Pension (Asset)/ Liability - dollar value	\$1,401,914	\$1,227,339	\$(1,096,656)	\$1,262,722	\$1,398,023	\$1,159,032	\$1,321,870	\$1,363,377	\$ 601,705	\$ 334,720
Covered Payroll	\$2,418,635	\$2,069,201	\$1,966,763	\$1,936,497	\$1,863,303	\$1,781,668	\$1,756,537	\$1,725,473	\$1,686,806	\$1,673,099
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	58.0 %	59.3 %	(55.8)%	65.2 %	75.0 %	65.1 %	75.3 %	79.0 %	35.7 %	20.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.6 %	88.8 %	110.5 %	87.3 %	85.4 %	87.5 %	85.4 %	84.5 %	92.1 %	95.8 %

State of Delaware-DPERS
Changes in Single Employer Plans' Net Pension Liability and Related Ratios
Last 10 Fiscal Years *
(Dollar amounts in thousands)

Special Fund	Measurement Date									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	\$ 4	\$ 5	\$ 5	\$ 7	\$ 7	\$ 8	\$ 9	\$ 10	\$ 14	\$ 14
Change in Benefit Terms	—	3	3	—	—	—	—	—	—	—
Differences between Expected and Actual Experience	12	11	(13)	10	13	9	11	(31)	24	18
Changes of Assumptions	—	—	—	1	—	—	—	1	4	—
Benefit Payments, Including Refunds of Member Contributions	(26)	(21)	(20)	(29)	(23)	(34)	(33)	(27)	(47)	(46)
Net Change in Total Pension Liability	(10)	(2)	(25)	(11)	(3)	(17)	(13)	(47)	(5)	(14)
Total Pension Liability - Beginning	63	65	90	101	104	121	134	181	186	200
Total Pension Liability - Ending (a)	<u>\$ 53</u>	<u>\$ 63</u>	<u>\$ 65</u>	<u>\$ 90</u>	<u>\$ 101</u>	<u>\$ 104</u>	<u>\$ 121</u>	<u>\$ 134</u>	<u>\$ 181</u>	<u>\$ 186</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ —	\$ 3	\$ 3	\$ —	\$ —	\$ 3	\$ —	\$ —	\$ —	\$ —
Net Investment Income	12	7	(24)	57	15	9	21	22	(5)	10
Benefit Payments, Including Refunds of Member Contributions	(26)	(21)	(20)	(29)	(23)	(35)	(33)	(27)	(47)	(46)
Administrative Expense	(1)	—	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Net Change in Plan Fiduciary Net Position	(15)	(11)	(42)	27	(9)	(24)	(13)	(6)	(53)	(37)
Plan Fiduciary Net Position - Beginning	136	147	189	162	171	195	208	214	267	304
Plan Fiduciary Net Position - Ending (b)	<u>\$ 121</u>	<u>\$ 136</u>	<u>\$ 147</u>	<u>\$ 189</u>	<u>\$ 162</u>	<u>\$ 171</u>	<u>\$ 195</u>	<u>\$ 208</u>	<u>\$ 214</u>	<u>\$ 267</u>
State's Net Pension Asset - Ending (a)-(b)	<u>\$ (68)</u>	<u>\$ (73)</u>	<u>\$ (82)</u>	<u>\$ (99)</u>	<u>\$ (61)</u>	<u>\$ (67)</u>	<u>\$ (74)</u>	<u>\$ (74)</u>	<u>\$ (33)</u>	<u>\$ (81)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	228 %	216 %	226 %	210 %	160 %	164 %	161 %	155 %	118 %	144 %
Covered Payroll	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State's Net Pension Asset as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Notes to Schedule										
Benefit Changes: None										
Changes of Assumptions: None										

State of Delaware - DPERS
Changes in Single Employer Plans' Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	Measurement Date									
New State Police	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 21,109	\$ 20,264	\$ 19,285	\$ 19,206	\$ 15,183	\$ 15,203	\$ 14,833	\$ 13,671	\$ 13,493	\$ 12,686
Interest	53,805	50,349	47,122	44,316	39,888	37,362	35,226	33,038	30,376	28,395
Change in Benefit Terms	2,585	127	6,074	—	—	—	105	—	—	1,154
Differences between Expected and Actual Experience	11,165	4,471	1,023	7,645	4,998	(305)	2,054	8,657	(3,098)	(3,520)
Changes of Assumptions	—	—	—	19,943	—	—	—	12,092	2,199	—
Benefit Payments, Including Refunds of Member Contributions	(34,958)	(31,762)	(28,205)	(24,801)	(22,080)	(20,865)	(18,595)	(16,714)	(14,804)	(12,188)
Net Change in Total Pension Liability	53,706	43,449	45,299	66,309	37,989	31,395	33,623	50,744	28,166	26,527
Total Pension Liability - Beginning	753,545	710,096	664,797	598,488	560,499	529,104	495,481	444,737	416,571	390,044
Total Pension Liability - Ending (a)	<u>\$ 807,251</u>	<u>\$ 753,545</u>	<u>\$ 710,096</u>	<u>\$ 664,797</u>	<u>\$ 598,488</u>	<u>\$ 560,499</u>	<u>\$ 529,104</u>	<u>\$ 495,481</u>	<u>\$ 444,737</u>	<u>\$ 416,571</u>
Plan Fiduciary Net Position										
Contributions - Employer	20,559	\$ 19,969	\$ 18,490	\$ 17,441	\$ 16,571	\$ 15,870	\$ 13,202	\$ 11,096	\$ 11,001	\$ 10,730
Contributions - Nonemployer	28	5,641	428	—	150	290	316	649	797	639
Contributions - Member	5,152	5,338	5,062	5,140	4,800	4,565	4,329	4,233	4,146	4,121
Net Investment Income	67,814	32,616	(99,950)	204,710	48,316	22,578	44,454	42,584	(5,965)	13,741
Benefit Payments, Including Refunds of Member Contributions	(34,958)	(31,762)	(28,206)	(24,801)	(22,080)	(20,866)	(18,595)	(16,714)	(14,803)	(12,188)
Administrative Expense	(138)	(116)	(100)	(95)	(118)	(106)	(100)	(88)	(91)	(113)
Net Change in Plan Fiduciary Net Position	58,457	31,686	(104,276)	202,395	47,639	22,331	43,606	41,760	(4,915)	16,930
Plan Fiduciary Net Position - Beginning	671,946	640,260	744,536	542,140	494,501	472,170	428,564	386,804	391,719	374,789
Plan Fiduciary Net Position - Ending (b)	<u>730,403</u>	<u>671,946</u>	<u>640,260</u>	<u>744,536</u>	<u>542,140</u>	<u>494,501</u>	<u>472,170</u>	<u>428,564</u>	<u>386,804</u>	<u>391,719</u>
State's Net Pension Liability - Ending (a)-(b)	<u>\$ 76,848</u>	<u>\$ 81,599</u>	<u>\$ 69,836</u>	<u>\$ (79,739)</u>	<u>\$ 56,348</u>	<u>\$ 65,998</u>	<u>\$ 56,934</u>	<u>\$ 66,917</u>	<u>\$ 57,933</u>	<u>\$ 24,852</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90 %	89 %	90 %	112 %	91 %	88 %	89 %	86 %	87 %	94 %
Covered Payroll	\$ 73,795	\$ 73,056	\$ 72,697	\$ 70,241	\$ 68,704	\$ 65,214	\$ 62,360	\$ 61,002	\$ 59,144	\$ 57,973
State's Net Pension Liability as a Percentage of Covered Payroll	104 %	112 %	96 %	(114)%	82 %	101 %	91 %	110 %	98 %	43 %
Notes to Schedule										
Benefit Changes: None										
Changes of Assumptions: None										

State of Delaware - DPERS
Changes in Single Employer Plans' Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	Measurement Date									
Judiciary	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 2,893	\$ 2,712	\$ 2,484	\$ 2,482	\$ 2,851	\$ 2,866	\$ 2,909	\$ 2,802	\$ 2,759	\$ 2,568
Interest	6,482	6,216	6,039	5,822	5,573	5,465	5,410	5,378	5,266	5,147
Change in Benefit Terms	387	17	1,054	—	—	—	21	—	—	263
Differences between Expected and Actual Experience	1,434	(421)	551	(22)	(1,678)	(2,624)	(2,254)	(2,018)	(156)	(1,361)
Changes of Assumptions	—	—	—	1,058	—	—	—	1,344	(1,953)	—
Benefit Payments, Including Refunds of Member Contributions	(6,854)	(6,672)	(6,386)	(5,837)	(5,211)	(4,989)	(4,795)	(4,752)	(4,277)	(3,985)
Net Change in Total Pension Liability	4,342	1,852	3,742	3,503	1,535	718	1,291	2,754	1,639	2,632
Total Pension Liability - Beginning	91,634	89,782	86,040	82,537	81,002	80,284	78,993	76,239	74,600	71,968
Total Pension Liability - Ending (a)	<u>\$95,976</u>	<u>\$91,634</u>	<u>\$89,782</u>	<u>\$86,040</u>	<u>\$ 82,537</u>	<u>\$ 81,002</u>	<u>\$ 80,284</u>	<u>\$ 78,993</u>	<u>\$ 76,239</u>	<u>\$ 74,600</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,376	\$ 1,346	\$ 2,071	\$ 1,985	\$ 2,066	\$ 2,222	\$ 2,112	\$ 2,347	\$ 2,237	\$ 2,640
Contributions - Nonemployer	—	989	75	—	34	66	64	186	236	200
Contributions - Member	397	391	373	357	348	354	354	355	339	327
Net Investment Income	10,141	5,077	(15,969)	33,859	8,205	3,950	8,052	7,898	(1,173)	2,659
Benefit Payments, Including Refunds of Member Contributions	(6,854)	(6,672)	(6,386)	(5,837)	(5,211)	(4,989)	(4,795)	(4,752)	(4,277)	(3,985)
Administrative Expense	(15)	(25)	(15)	(14)	(16)	(19)	(13)	(11)	(14)	(15)
Net Change in Plan Fiduciary Net Position	5,045	1,106	(19,851)	30,350	5,426	1,584	5,774	6,023	(2,652)	1,826
Plan Fiduciary Net Position - Beginning	102,910	101,804	121,655	91,306	85,880	84,296	78,522	72,499	75,151	73,325
Plan Fiduciary Net Position - Ending (b)	<u>\$107,955</u>	<u>\$102,910</u>	<u>\$101,804</u>	<u>\$121,656</u>	<u>\$ 91,306</u>	<u>\$ 85,880</u>	<u>\$ 84,296</u>	<u>\$ 78,522</u>	<u>\$ 72,499</u>	<u>\$ 75,151</u>
State's Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ (11,979)</u>	<u>\$ (11,276)</u>	<u>\$ (12,022)</u>	<u>\$ (35,616)</u>	<u>\$ (8,769)</u>	<u>\$ (4,878)</u>	<u>\$ (4,012)</u>	<u>\$ 471</u>	<u>\$ 3,740</u>	<u>\$ (551)</u>
Plan fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	112 %	112 %	113 %	141 %	111 %	106 %	105 %	99 %	95 %	101 %
Covered Payroll	\$12,361	\$11,848	\$11,202	\$11,133	\$ 10,872	\$ 10,725	\$ 10,629	\$ 10,604	\$ 10,400	\$ 9,988
State's Net Pension Liability (Asset) as a Percentage of Covered Payroll	(97)%	(95)%	(107)%	(320)%	(81)%	(45)%	(38)%	4 %	36 %	(6)%
Notes to Schedule										
Benefit Changes: None										
Changes of Assumptions: None										

State of Delaware - DPERS
Changes in Single Employer Plans' Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	Measurement Date									
Closed State Police	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	\$ 11,266	\$ 11,154	\$ 8,250	\$ 8,646	\$ 12,221	\$ 13,519	\$ 14,023	\$ 12,238	\$ 12,512	\$ 16,173
Change in Benefit Terms	—	—	—	—	—	—	—	—	—	—
Differences between Expected and Actual Experience	9,550	(2,425)	(3,541)	97	(4,581)	(17,126)	6,599	860	717	18,518
Changes of Assumptions	(7,698)	(3,249)	(49,958)	8,125	52,535	13,648	(16,687)	(33,784)	45,205	23,078
Benefit Payments, Including Refunds of Member Contributions	(24,647)	(23,174)	(22,358)	(22,652)	(22,899)	(22,555)	(22,641)	(22,895)	(23,098)	(23,125)
Net Change in Total Pension Liability	(11,529)	(17,694)	(67,607)	(5,784)	37,276	(12,514)	(18,706)	(43,581)	35,336	34,644
Total Pension Liability - Beginning	311,304	328,998	396,605	402,389	365,113	377,627	396,333	439,914	404,578	369,934
Total Pension Liability - Ending (a)	<u>\$ 299,775</u>	<u>\$ 311,304</u>	<u>\$ 328,998</u>	<u>\$ 396,605</u>	<u>\$ 402,389</u>	<u>\$ 365,113</u>	<u>\$ 377,627</u>	<u>\$ 396,333</u>	<u>\$ 439,914</u>	<u>\$ 404,578</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 25,365	\$ 23,334	\$ 23,225	\$ 23,175	\$ 20,333	\$ 20,235	\$ 22,750	\$ 23,067	\$ 23,300	\$ 23,473
Net Investment Income	1,110	(8)	(667)	3,238	473	305	1,292	1,268	(840)	364
Benefit Payments, Including Refunds of Member Contributions	(24,647)	(23,174)	(22,358)	(22,652)	(22,899)	(22,555)	(22,641)	(22,896)	(23,098)	(23,125)
Administrative Expense	(47)	(42)	(38)	(37)	(40)	(44)	(40)	(42)	(48)	(60)
Net Change in Plan Fiduciary Net Position	1,781	110	162	3,724	(2,133)	(2,059)	1,361	1,397	(686)	652
Plan Fiduciary Net Position - Beginning	4,530	4,420	4,258	534	2,667	4,726	3,365	1,968	2,654	2,002
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,311</u>	<u>\$ 4,530</u>	<u>\$ 4,420</u>	<u>\$ 4,258</u>	<u>\$ 534</u>	<u>\$ 2,667</u>	<u>\$ 4,726</u>	<u>\$ 3,365</u>	<u>\$ 1,968</u>	<u>\$ 2,654</u>
State's Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 293,464</u>	<u>\$ 306,774</u>	<u>\$ 324,578</u>	<u>\$ 392,347</u>	<u>\$ 401,855</u>	<u>\$ 362,446</u>	<u>\$ 372,901</u>	<u>\$ 392,968</u>	<u>\$ 437,946</u>	<u>\$ 401,924</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	2 %	1 %	1 %	1 %	— %	1 %	1 %	1 %	— %	1 %
Covered Payroll	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Notes to Schedule										
Benefit Changes: None										
Changes of Assumptions: None										

DPERS - State Employees' Plan
Schedule of Contributions
Last 10 Fiscal Years
(Dollar amounts in thousands)

Contributions	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 275,172	\$ 241,266	\$ 257,444	\$ 242,326	\$ 231,433	\$ 220,248	\$ 185,484	\$ 168,276	\$ 165,301	\$ 161,259
Contributions in Relation to the Contractually Required Contribution	275,172	241,266	257,444	242,326	231,433	220,248	185,484	168,276	165,301	161,259
Contribution Excess	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered Payroll	\$2,630,597	\$2,163,820	\$2,069,201	\$1,966,763	\$1,936,497	\$1,863,303	\$1,781,668	\$1,756,537	\$1,725,473	\$1,686,806
Contributions as a Percentage of Covered Payroll	10.5 %	11.2 %	12.4 %	12.3 %	12.0 %	11.8 %	10.4 %	9.6 %	9.6 %	9.6 %

* The total FY24 contributions are estimated since the Net Pension Liability for each applicable employer was not calculated.

DPERS' Pension Plans
Schedule of Contributions
Last 10 Fiscal Years
(Dollar amounts in thousands)

Special

No contributions were made to the plan for the past ten years.

New State Police	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Determined Contributions	\$ 20,559	\$ 19,842	\$ 18,378	\$ 17,441	\$ 16,571	\$ 15,801	\$ 13,202	\$ 11,096	\$ 11,001	\$ 10,730
Contributions in Relation to the Actuarial Determined Contribution	20,559	19,969	18,490	17,441	16,571	15,870	13,202	11,096	11,001	10,730
Contribution Deficiency (Excess)	\$ —	\$ (127)	\$ (112)	\$ —	\$ —	\$ (69)	\$ —	\$ —	\$ —	\$ —
Covered Payroll	\$ 73,795	\$ 73,056	\$ 72,697	\$ 70,241	\$ 68,704	\$ 65,214	\$ 62,360	\$ 61,002	\$ 59,144	\$ 57,973
Contribution as a Percentage of Covered Payroll	28 %	27 %	25 %	25 %	24 %	24 %	21 %	18 %	19 %	19 %
Judiciary	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Determined Contributions	\$ 1,376	\$ 1,329	\$ 2,055	\$ 1,985	\$ 2,055	\$ 2,211	\$ 2,112	\$ 2,347	\$ 2,237	\$ 2,640
Contributions in Relation to the Actuarial Determined Contribution	1,376	1,346	2,071	1,985	2,066	2,222	2,112	2,347	2,237	2,640
Contribution Deficiency (Excess)	\$ —	\$ (17)	\$ (16)	\$ —	\$ (11)	\$ (11)	\$ —	\$ —	\$ —	\$ —
Covered Payroll	\$ 12,361	\$ 11,848	\$ 11,202	\$ 11,133	\$ 10,872	\$ 10,725	\$ 10,629	\$ 10,604	\$ 10,400	\$ 9,988
Contribution as a Percentage of Covered Payroll	11 %	11 %	18 %	18 %	19 %	21 %	20 %	22 %	22 %	26 %
Closed State Police	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Determined Contributions	\$ 25,199	\$ 25,199	\$ 26,030	\$ 26,020	\$ 25,527	\$ 25,066	\$ 25,552	\$ 25,978	\$ 23,300	\$ 26,310
Contributions in Relation to the Actuarial Determined Contribution	25,365	23,334	23,225	23,175	20,333	20,235	22,750	23,067	23,300	23,473
Contribution Deficiency (Excess)	\$ (166)	\$ 1,865	\$ 2,805	\$ 2,845	\$ 5,194	\$ 4,831	\$ 2,802	\$ 2,911	\$ —	\$ 2,837
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Actuarial determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported, with exceptions of Special and Closed State Police plans whose contributions are calculated one year prior to the end of the fiscal year.

	Special	New State Police	Judiciary	Closed State Police
Valuation Date:	June 30, 2023	June 30, 2022	June 30, 2022	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Closed Level Percent of Payroll Layers	Open 20-Year Level Percent of Payroll	Open 15-Year Level Dollar Amortization
Period	N/A	15.4 years	20 years	15 years
Asset Valuation Method	5-year Smoothed Fair Value	5-year Smoothed Fair Value	5-year Smoothed Fair Value	Fair Value
Inflation	2.5%	2.5%	2.5%	2.5%
Amortization Growth Rate	N/A	2.5%	2.5%	N/A
Discount Rate	0.07%	0.07%	0.07%	7.0%
Retirement Age	In the 2016 actuarial experience study, expected retirement ages of general employees were adjusted to more closely reflect actual experience.			
Mortality	In the 2016 actuarial experience study, mortality rates were 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.			

DelDOT- Delaware Transit Corporation
Changes in DTC Plan Net Pension Liability and Related Ratios
Last 10 Fiscal Years *
(Dollar amounts in thousands)

Measurement Date

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 1,673	\$ 1,698	\$ 1,643	\$ 1,465	\$ 1,289	\$ 1,137	\$ 1,060	\$ 873	\$ 843	\$ 840
Interest	2,860	2,679	2,474	2,252	2,077	1,920	1,691	1,724	1,612	1,483
Changes of Benefit Terms	—	—	—	—	209	—	—	—	—	—
Differences between Expected and Actual Experience	(469)	(245)	237	712	(1,095)	(294)	(192)	(693)	(297)	—
Changes of Assumptions	(132)	—	—	—	1,154	489	1,530	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(1,607)	(1,500)	(1,351)	(1,169)	(1,103)	(899)	(753)	(705)	(629)	(569)
Net Change in Total Pension Liability	2,325	2,632	3,003	3,260	2,531	2,353	3,336	1,199	1,529	1,754
Total Pension Liability - Beginning	41,655	39,023	36,020	32,760	30,229	27,876	24,540	23,341	21,812	20,058
Total Pension Liability - Ending (a)	<u>\$43,980</u>	<u>\$41,655</u>	<u>\$39,023</u>	<u>\$36,020</u>	<u>\$32,760</u>	<u>\$30,229</u>	<u>\$27,876</u>	<u>\$24,540</u>	<u>\$23,341</u>	<u>\$21,812</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,646	\$ 1,826	\$ 1,648	\$ 1,493	\$ 1,343	\$ 1,255	\$ 1,104	\$ 1,104	\$ 1,176	\$ 1,158
Contributions - Member	325	298	265	217	186	145	116	81	57	30
Net Investment Income	3,344	(5,962)	8,980	1,945	1,805	2,261	2,529	405	555	2,443
Benefit Payments, Including Refunds of Member Contributions	(1,607)	(1,500)	(1,351)	(1,169)	(1,103)	(899)	(753)	(705)	(629)	(569)
Administrative Expense	(276)	(132)	(77)	(208)	(149)	(134)	(161)	(166)	(94)	(116)
Other	—	—	—	—	—	3	—	—	—	—
Net Change in Plan Fiduciary Net Position	3,432	(5,470)	9,465	2,278	2,082	2,631	2,835	719	1,065	2,946
Plan Fiduciary Net Position - Beginning	36,489	41,959	32,494	30,216	28,134	25,503	22,668	21,949	20,884	17,938
Plan Fiduciary Net Position - Ending (b)	<u>\$39,921</u>	<u>\$36,489</u>	<u>\$41,959</u>	<u>\$32,494</u>	<u>\$30,216</u>	<u>\$28,134</u>	<u>\$25,503</u>	<u>\$22,668</u>	<u>\$21,949</u>	<u>\$20,884</u>
Corporation's Net Pension Liability - Ending (a)-(b)	<u>\$ 4,059</u>	<u>\$ 5,166</u>	<u>\$ (2,936)</u>	<u>\$ 3,526</u>	<u>\$ 2,544</u>	<u>\$ 2,095</u>	<u>\$ 2,373</u>	<u>\$ 1,872</u>	<u>\$ 1,392</u>	<u>\$ 928</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91 %	88 %	108 %	90 %	92 %	93 %	91 %	92 %	94 %	96 %
Covered Payroll	\$19,111	\$19,246	\$18,215	\$16,552	\$15,099	\$14,985	\$14,161	\$13,142	\$12,261	\$12,371
State's Net Pension Liability as a Percentage of Covered Payroll	21 %	27 %	(16)%	21 %	17 %	14 %	17 %	14 %	11 %	8 %

Notes to Schedule

Benefit Changes: None

Changes of Assumptions: None

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

DeIDOT- Delaware Transit Corporation
Changes in DTC - Contributory Plan Net Pension Liability and Related Ratios
Last 10 Fiscal Years *
(Dollar amounts in thousands)

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 2,106	\$ 1,092	\$ 2,216	\$ 2,184	\$ 2,081	\$ 2,194	\$ 2,098	\$ 2,048	\$ 1,976	\$ 1,766
Interest	5,243	2,519	4,834	4,472	4,168	3,680	3,406	3,209	2,925	2,675
Change in Benefit Terms	—	—	1,789	1,492	1,160	1,238	1,042	197	1,473	1,030
Differences between Expected and Actual Experience	528	43	(847)	405	(137)	(647)	(121)	(217)	(112)	4
Changes of Assumptions	—	—	—	—	—	3,340	—	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(4,115)	(1,852)	(3,567)	(3,269)	(2,793)	(2,674)	(2,531)	(2,411)	(2,134)	(2,103)
Net Change in Total Pension Liability	3,762	1,802	4,425	5,284	4,479	7,131	3,894	2,826	4,128	3,372
Total Pension Liability - Beginning	74,825	73,023	68,598	63,314	58,834	51,703	47,809	44,983	40,855	37,483
Total Pension Liability - Ending (a)	<u>\$78,587</u>	<u>\$74,825</u>	<u>\$73,023</u>	<u>\$68,598</u>	<u>\$63,313</u>	<u>\$58,834</u>	<u>\$51,703</u>	<u>\$47,809</u>	<u>\$44,983</u>	<u>\$40,855</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,357	\$ 574	\$ 1,190	\$ 1,347	\$ 1,400	\$ 1,213	\$ 1,048	\$ 1,080	\$ 1,253	\$ 909
Contributions - Member	1,714	819	1,517	1,596	1,584	1,499	1,344	1,360	1,387	1,263
Net Investment \Income	4,862	(12,590)	8,073	9,377	9,507	(2,786)	6,743	2,550	(869)	2,606
Benefit Payments, Including Refunds of Member Contributions	(4,115)	(1,852)	(3,567)	(3,269)	(2,793)	(2,674)	(2,531)	(2,411)	(2,134)	(2,103)
Administrative Expense	(110)	(105)	(98)	(94)	(109)	(91)	(106)	(94)	(99)	(134)
Net change in Plan Fiduciary Net Position	3,708	(13,154)	7,115	8,957	9,589	(2,839)	6,498	2,485	(462)	2,541
Plan Fiduciary Net Position - Beginning	60,225	73,379	66,264	57,307	47,718	50,557	44,059	41,574	42,036	39,495
Plan Fiduciary Net Position - Ending (b)	<u>\$63,933</u>	<u>\$60,225</u>	<u>\$73,379</u>	<u>\$66,264</u>	<u>\$57,307</u>	<u>\$47,718</u>	<u>\$50,557</u>	<u>\$44,059</u>	<u>\$41,574</u>	<u>\$42,036</u>
Corporation's Net Pension Liability (Asset) - ending (a)-(b)	<u>\$14,654</u>	<u>\$14,600</u>	<u>\$ (356)</u>	<u>\$ 2,334</u>	<u>\$ 6,006</u>	<u>\$11,116</u>	<u>\$ 1,146</u>	<u>\$ 3,750</u>	<u>\$ 3,409</u>	<u>\$ (1,181)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81 %	80 %	100 %	97 %	91 %	81 %	98 %	92 %	92 %	103 %
Covered Payroll	\$34,685	\$16,317	\$32,633	\$33,162	\$32,277	\$31,684	\$27,383	\$27,472	\$28,203	\$27,627
State's Net Pension Liability (Asset) as a Percentage of Covered Payroll	42 %	89 %	(1)%	7 %	19 %	35 %	4 %	14 %	12 %	(4)%
Notes to Schedule										

Benefit Changes: Effective January 1, 2022, the multiplier for employees who retire after December 31, 2020, was increased to a monthly benefit per year of service of \$79.00

Changes of Assumptions: None

Change in measurement date: Effective June 30, 2022, the DART Plan's fiscal year end changed to June 30. The changes in net pension liability (asset) reported under Fiscal Year 2022 reflects the six-month period from January 1, 2022 through June 30, 2022. Fiscal Years 2021 and prior reflect changes in net pension liability (asset) from January 1 through December 31.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

DelDOT - Delaware Transit Corporation
Schedule of Contributions
Last 10 Fiscal Years

(Dollar amounts in thousands)

DTC Plan (as of June 30)	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 1,517	\$ 1,645	\$ 1,826	\$ 1,648	\$ 1,493	\$ 1,343	\$ 1,255	\$ 980	\$ 1,104	\$ 1,176
Contributions in Relation to the Actuarially Determined Contribution	<u>1,517</u>	<u>1,645</u>	<u>1,826</u>	<u>1,648</u>	<u>1,493</u>	<u>1,343</u>	<u>1,141</u>	<u>1,104</u>	<u>1,104</u>	<u>1,176</u>
Contribution Deficiency (Excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 114</u>	<u>\$ (124)</u>	<u>\$ —</u>	<u>\$ —</u>
Covered Payroll	\$ 19,899	\$ 19,111	\$ 19,246	\$ 18,215	\$ 16,552	\$ 15,099	\$ 14,985	\$ 14,161	\$ 13,142	\$ 12,261
Contribution as a Percentage of Covered Payroll	8 %	9 %	9 %	9 %	9 %	9 %	8 %	8 %	8 %	10 %
Contributory Plan (as of June 30)	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 1,711	\$ 1,735	\$ 520	\$ 1,251	\$ 1,531	\$ 1,465	\$ 1,063	\$ 1,027	\$ 1,012	\$ 857
Contributions in Relation to the Actuarially Determined Contribution	<u>1,421</u>	<u>1,426</u>	<u>574</u>	<u>1,190</u>	<u>1,347</u>	<u>1,400</u>	<u>1,213</u>	<u>1,048</u>	<u>1,080</u>	<u>1,253</u>
Contribution Deficiency (Excess)	<u>\$ 290</u>	<u>\$ 309</u>	<u>\$ (54)</u>	<u>\$ 61</u>	<u>\$ 184</u>	<u>\$ 65</u>	<u>\$ (150)</u>	<u>\$ (21)</u>	<u>\$ (68)</u>	<u>\$ (396)</u>
Covered Payroll	\$ 33,500	\$ 31,976	\$ 16,317	\$ 32,633	\$ 33,162	\$ 32,277	\$ 31,684	\$ 27,383	\$ 27,472	\$ 28,203
Contribution as a Percentage of Covered Payroll	4 %	4 %	4 %	4 %	4 %	4 %	4 %	4 %	4 %	4 %

Notes to Schedule

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the plan year (July 1 for the DTC Plan and DART Plan for Fiscal Year 2022; January 1 for the DART Plan for Fiscal Years 2021 and prior) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Dart Plan year: The DART Plan activity reported under Fiscal Year 2022 reflects the six-month period from January 1, 2022 through June 30, 2022. The DART Plan activity for Fiscal Years 2021 and prior reflect activity from January 1 through December 31.

Notes to Schedule

Valuation data:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year.

DTC Plan Methods and Assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed), Increasing 2% per Year
Remaining Amortization Period	Range from 8 to 18 Years
Asset Valuation Method	Five-year Market Smoothed
Inflation	2 percent
Salary Increases	5 percent for 0-4 years of service, 3.5 percent for 5-9 years, and 2.5 percent for 10 or more years
Investment Rate of Return	7.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Rates vary by participant age and service
Mortality	Pub-2010 general tables with generational projection using scale MP-2021

Valuation data:

Actuarially determined contribution amounts are calculated as of the beginning of the plan year (January 1).

Contributory Plan Methods and Assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	15 years rolling
Asset Valuation Method	Five-year Market Smoothed
Inflation	2.5 percent
Salary Increases	2.5 percent including inflation
Investment Rate of Return	7.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Rates vary by participant age and service
Mortality	Sex distinct RP-2014 Blue Collar Mortality, Fully Generational, using Scale MP-2018

State of Delaware - OPEB Trust
Schedule of Proportionate Share of the Net OPEB Liability
Last 10 Fiscal Years *
(Dollar amounts in thousands)

Proportionate Share of Net OPEB Liability	Measurement Date							
	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability	89.7 %	90.2 %	90.4 %	90.2 %	89.9 %	90.2 %	90.4 %	90.7 %
Proportion of the Net OPEB Liability - dollar value	\$7,378,154	\$7,648,745	\$9,114,866	\$9,389,866	\$7,168,125	\$7,407,028	\$7,463,708	\$8,240,222
Covered Payroll	\$2,185,896	\$2,091,047	\$2,064,173	\$1,993,577	\$1,883,250	\$2,052,135	\$2,052,135	\$2,035,244
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	337.53 %	365.79 %	441.57 %	471.01 %	380.63 %	360.94 %	363.70 %	404.88 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.71 %	6.4 %	6.1 %	4.3 %	4.9 %	4.9 %	4.4 %	4.1 %

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

State of Delaware - OPEB Trust
Schedule of Contributions
Last 10 Fiscal Years *
(Dollar amounts in thousands)

	**								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Determined Contributions (a)	\$ 476,506	\$ 335,879	\$ 246,562	\$ 241,345	\$ 249,208	\$ 226,053	\$ 202,652	\$ 214,465	\$ 197,438
Contributions in Relation to the Statutorily Determined Contribution	476,506	335,879	246,562	241,345	249,208	226,053	202,652	214,465	197,438
Contribution Deficiency (Excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered Payroll	\$ 2,491,932	\$ 2,185,896	\$ 2,091,047	\$ 2,064,173	\$ 1,993,577	\$ 1,883,250	\$ 1,851,399	\$ 1,855,280	\$ 1,846,178
Contributions as a Percentage of Covered Payroll	19.1 %	15.4 %	11.8 %	11.7 %	12.5 %	12.0 %	10.9 %	11.6 %	10.7 %

(a) The Plan is not currently being pre-funded, so there is no actuarially determined contribution. The State operates on a pay-as-you-go basis; therefore, the participating employers base their calculations into the OPEB Trust on the expected benefit payments.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

** The total FY24 contributions are estimated since the Net OPEB Liability for each applicable employer was not calculated.

Notes to Schedule

Benefit Changes: None

Changes of Assumptions: None

Delaware Transit Corporation - OPEB Trust

State of Delaware - DTC OPEB Trust Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years *

(Dollar amounts in thousands)

	Measurement Date						
	2023	2022	2021	2020	2019	2018	2017
Total DTC OPEB Liability							
Service Cost	\$ 7,965	\$ 12,867	\$ 10,690	\$ 12,581	\$ 10,497	\$ 11,454	\$ 13,166
Interest	6,009	4,006	4,358	5,696	5,571	5,786	4,801
Differences between Expected and Actual Experience	1,546	4,551	(674)	(37,630)	(955)	(23,812)	(1,365)
Changes of Assumptions	(4,607)	(63,936)	19,483	18,030	15,478	1,137	(21,367)
Benefit Payments, Including Refunds of Member Contributions	(5,720)	(3,127)	(2,962)	(2,703)	(2,516)	(2,280)	(2,072)
Net Change in Total Pension Liability	5,193	(45,639)	30,895	(4,026)	28,075	(7,715)	(6,837)
Total DTC OPEB Liability - Beginning	164,937	210,576	179,681	183,707	155,632	163,347	170,184
Total DTC OPEB Liability - Ending (a)	<u>\$170,130</u>	<u>\$164,937</u>	<u>\$210,576</u>	<u>\$179,681</u>	<u>\$183,707</u>	<u>\$155,632</u>	<u>\$163,347</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 5,720	\$ 3,127	\$ 2,962	\$ 2,703	\$ 2,516	\$ 2,280	\$ 3,572
Net Investment Income	463	(882)	1,342	282	261	589	(20)
Benefit Payments, Including Refunds of Member Contributions	(5,720)	(3,127)	(2,962)	(2,703)	(2,516)	(2,280)	(2,072)
Administrative Expense	—	—	—	(11)	—	—	—
Net Change in Plan Fiduciary Net Position	463	(882)	1,342	271	261	589	1,480
Plan Fiduciary Net Position - Beginning	5,317	6,199	4,857	4,586	4,325	3,736	2,256
Plan Fiduciary Net Position - Ending (b)	<u>5,780</u>	<u>5,317</u>	<u>6,199</u>	<u>4,857</u>	<u>4,586</u>	<u>4,325</u>	<u>3,736</u>
DTC OPEB Trust's Net OPEB Liability - Ending (a)-(b)	<u>\$164,350</u>	<u>\$159,620</u>	<u>\$204,377</u>	<u>\$174,824</u>	<u>\$179,121</u>	<u>\$151,307</u>	<u>\$159,611</u>
Plan Fiduciary Net Position as a Percentage of Total DTC OPEB Liability	3 %	3 %	3 %	3 %	2 %	3 %	2 %
Covered Payroll	\$ 70,038	\$ 65,425	\$ 59,855	\$ 58,119	\$ 53,654	\$ 52,732	\$ 50,228
DTC's Net OPEB Liability as a Percentage of Covered Payroll	235 %	244 %	341 %	301 %	334 %	287 %	318 %

Notes to Schedule

Benefit Changes: None

Changes of Assumptions: The discount rate was changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**State of Delaware
Annual Comprehensive
Financial Report**

**Supplementary
Information —
Combining Statements**

STATE OF DELAWARE
COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2024

(Expressed in Thousands)

	Pension Trust													
	State Employees' Pension Plan	Special Fund	New State Police Plan	Judiciary Pension Plans	County and Municipal Police and Firefighters' Plans	County and Municipal Other Employees' Plan	Delaware Volunteer Fireman's Fund	Closed Diamond State Port Corporation Plan	County and Municipal Police and Firefighters' COLA Fund	DPERS Post Retirement Increase Fund	Closed State Police Plan	Pension Trust Totals	OPEB Trust	Total Pension and OPEB Trusts
Assets														
Cash, Cash Equivalents and Pooled Investments	\$ 438,489	\$ 5	\$ 27,134	\$ 4,021	\$ 23,891	\$ 3,937	\$ 1,339	\$ 1,292	\$ 1,154	\$ 3,521	\$ 237	\$ 505,020	\$110,119	\$ 615,139
Receivables:														
Accrued Investment Income	14,621	—	907	134	799	132	197	43	39	115	8	16,995	1,103	18,098
Pending Trade Sales	10,814	—	670	99	591	98	—	32	29	85	6	12,424	816	13,240
Employer Contributions	13,847	—	902	66	765	271	4	—	—	—	—	15,855	12,162	28,017
Member Contributions	4,686	—	213	15	416	142	1	—	—	—	—	5,473	—	5,473
Total Receivables	43,968	—	2,692	314	2,571	643	202	75	68	200	14	50,747	14,081	64,828
Investments at Fair Value:														
Domestic Fixed Income	834,215	9	51,751	7,657	45,583	7,527	—	2,462	2,201	6,563	450	958,418	62,939	1,021,357
Domestic Equities	2,894,649	30	179,572	26,570	158,171	26,116	—	8,545	7,636	22,773	1,560	3,325,622	218,393	3,544,015
Pooled Equity and Fixed Income	4,781,979	49	296,653	43,895	261,300	43,145	74,443	14,116	12,614	37,621	2,578	5,568,393	360,786	5,929,179
Alternative Investments	1,834,714	19	113,817	16,841	100,255	16,553	—	5,416	4,840	14,434	989	2,107,878	138,424	2,246,302
Foreign Fixed Income	70,850	1	4,395	650	3,871	639	—	209	187	557	39	81,398	5,345	86,743
Foreign Equities	914,086	10	56,705	8,391	49,948	8,247	—	2,698	2,411	7,191	493	1,050,180	68,965	1,119,145
Total Investments	11,330,493	118	702,893	104,004	619,128	102,227	74,443	33,446	29,889	89,139	6,109	13,091,889	854,852	13,946,741
Total Assets	11,812,950	123	732,719	108,339	645,590	106,807	75,984	34,813	31,111	92,860	6,360	13,647,656	979,052	14,626,708
Liabilities														
Pending Purchases Payable	30,704	—	1,905	281	1,678	277	189	91	81	242	17	35,465	2,316	37,781
Benefits Payable	1,641	2	82	54	106	40	28	—	—	—	25	1,978	18,841	20,819
Accrued Investment Expenses	5,274	—	324	48	286	48	3	15	14	40	4	6,056	395	6,451
Accrued Administrative Expenses	299	—	5	1	7	6	—	1	—	—	2	321	—	321
Total Liabilities	37,918	2	2,316	384	2,077	371	220	107	95	282	48	43,820	21,552	65,372
Net Position Restricted for Pension/OPEB	\$11,775,032	\$ 121	\$ 730,403	\$107,955	\$ 643,513	\$ 106,436	\$ 75,764	\$ 34,706	\$ 31,016	\$ 92,578	\$ 6,312	\$13,603,836	\$957,500	\$14,561,336

STATE OF DELAWARE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	Pension Trust													
	State Employees' Pension Plan	Special Fund	New State Police Plan	Judiciary Pension Plans	County and Municipal Police and Firefighters' Plans	County and Municipal Other Employees' Plan	Delaware Volunteer Fireman's Fund	Closed Diamond State Port Corporation Plan	County and Municipal Police and Firefighters' COLA Fund	DPERS Post Retirement Increase Fund	Closed State Police Plan	Pension Trust Totals	OPEB Trust	Total Pension & OPEB Trusts
Additions														
Contributions:														
Employer Contributions	\$ 308,052	\$ —	\$ 20,559	\$ 1,376	\$ 15,308	\$ 4,054	\$ 6,349	\$ —	\$ —	\$ 25,952	\$25,365	\$ 407,015	\$522,095	\$ 929,110
Transfer of Contributions from Post-Retirement Increase Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer of Assets from Outside the System	—	—	—	—	—	—	—	—	5,563	—	—	5,563	151	5,714
Member Contributions	102,141	—	5,152	397	8,808	1,930	123	—	—	—	—	118,551	—	118,551
Miscellaneous Receipts	—	—	28	—	—	—	—	—	—	—	—	28	—	28
Total Contributions	410,193	—	25,739	1,773	24,116	5,984	6,472	—	5,563	25,952	25,365	531,157	522,246	1,053,403
Investments:														
Investment Earnings	168,481	2	10,337	1,557	9,000	1,471	1,794	509	387	1,097	269	194,904	11,893	206,797
Net Change in Fair Value	963,620	10	59,467	8,881	52,019	8,548	7,767	2,878	2,218	6,933	893	1,113,234	75,396	1,188,630
Total Investment Earnings	1,132,101	12	69,804	10,438	61,019	10,019	9,561	3,387	2,605	8,030	1,162	1,308,138	87,289	1,395,427
Less Investment Manager/Advisor/Custody Fees	(32,491)	—	(2,003)	(300)	(1,753)	(290)	(36)	(97)	(77)	(228)	(48)	(37,323)	(2,393)	(39,716)
Less Investment Administrative Expenses	(833)	—	(13)	(1)	(20)	(16)	—	(3)	—	—	(5)	(891)	—	(891)
Net Investment Earnings	1,098,777	12	67,788	10,137	59,246	9,713	9,525	3,287	2,528	7,802	1,109	1,269,924	84,896	1,354,820
Securities Lending Income	489	—	31	5	26	4	—	1	1	3	1	561	34	595
Less Bank Fees	(73)	—	(5)	(1)	(4)	(1)	—	—	—	—	—	(84)	(5)	(89)
Net Securities Lending Income	416	—	26	4	22	3	—	1	1	3	1	477	29	506
Total Additions	1,509,386	12	93,553	11,914	83,384	15,700	15,997	3,288	8,092	33,757	26,475	1,801,558	607,171	2,408,729
Deductions:														
Transfer of Assets from Post-Retirement Increase Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer of Assets Outside the System	—	—	—	—	—	—	—	—	3,432	—	—	3,432	—	3,432
Pension & OPEB Benefit Payments	778,342	12	34,860	6,854	19,218	2,758	5,222	2,701	—	—	24,450	874,417	336,484	1,210,901
Refunds of Contributions to Members	9,797	—	77	—	782	293	90	43	—	—	—	11,082	—	11,082
Burial Benefit Payments	7,311	14	21	—	—	—	—	—	—	—	197	7,543	—	7,543
Administrative Expenses	7,894	1	138	15	219	170	80	31	—	1	47	8,596	153	8,749
Total Deductions	803,344	27	35,096	6,869	20,219	3,221	5,392	2,775	3,432	1	24,694	905,070	336,637	1,241,707
Change in Net Position	706,042	(15)	58,457	5,045	63,165	12,479	10,605	513	4,660	33,756	1,781	896,488	270,534	1,167,022
Net Position Restricted for Pension/OPEB:														
Net Position-Beginning	11,068,990	136	671,946	102,910	580,348	93,957	65,159	34,193	26,356	58,822	4,531	12,707,348	686,966	13,394,314
Net Position-Ending	\$11,775,032	\$ 121	\$730,403	\$107,955	\$ 643,513	\$ 106,436	\$ 75,764	\$ 34,706	\$ 31,016	\$ 92,578	\$ 6,312	\$13,603,836	\$957,500	\$14,561,336

STATE OF DELAWARE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
JUNE 30, 2024

(Expressed in Thousands)

	Delaware Local Government Retirement Investment Pool	Delaware Local Government OPEB Investment Trust	Total Investment Trust Funds
Assets:			
Cash and Cash Equivalents	\$ 67	\$ 1,224	\$ 1,291
Receivables:			
Accrued Investment Income	2	41	43
Pending Trade Sales	2	30	32
Investments, at Fair Value:			
Domestic Fixed Income	128	2,334	2,462
Domestic Equities	446	8,099	8,545
Pooled Equity and Fixed Income	736	13,380	14,116
Alternative Investments	282	5,133	5,415
Foreign Fixed Income	12	199	211
Foreign Equities	141	2,558	2,699
Total Assets	1,816	32,998	34,814
Liabilities:			
Pending Purchases Payable	5	86	91
Accrued Investment Expense	1	14	15
Total Liabilities	6	100	106
Net Position:			
Net Position Held in Trust for Pool Participants	<u>\$ 1,810</u>	<u>\$ 32,898</u>	<u>\$ 34,708</u>

STATE OF DELAWARE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

(Expressed in Thousands)

	Delaware Local Government Retirement Investment Trust Funds	Delaware Local Government OPEB Investment Trust	Total Investment Trust Funds
Additions:			
Contributions:			
Transfer of Assets from Outside the Trust	\$ —	\$ 2,521	\$ 2,521
Total Contributions	—	2,521	2,521
Investments:			
Investment Earnings	29	451	480
Net Change in Fair Value of Investments	162	2,618	2,780
Total Investment Earnings (Loss)	191	3,069	3,260
Less Investment Manager/Advisor/Custody Fees	(5)	(88)	(93)
Net Investment Earnings	186	2,981	3,167
Net Securities Lending Income	—	2	2
Total Additions	186	5,504	5,690
Deductions:			
Transfer of Assets Outside the Trust	492	1,990	2,482
Administrative Expenses	—	2	2
Total Deductions	492	1,992	2,484
Change in Net Position	(306)	3,512	3,206
Net Position - Beginning	2,116	29,386	31,502
Net Position - Ending	\$ 1,810	\$ 32,898	\$ 34,708

STATE OF DELAWARE
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

(Expressed in Thousands)

	Child Support Collection	Court Fines and Restitution	All Other Custodial Funds	Total Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 6,508	\$ 19,191	\$ 6,446	\$ 32,145
Pooled Cash and Investments	418	48,227	69,739	118,384
Receivables:	597	2,425	—	3,022
Other Receivables				
Pending Trade Sales	—	—	—	—
Investments, at Fair Value:				
Short Term Investments	14	—	478	492
Total Assets	7,537	69,843	76,663	154,043
Net Position:				
Net Position Restricted for Other Governments and Individuals	\$ 7,537	\$ 69,843	\$ 76,663	\$ 154,043

STATE OF DELAWARE
COMBINING STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

(Expressed in Thousands)

	Child Support Collection	Court Fines and Restitution	All Other Custodial Funds	Total Custodial Funds
Additions:				
Contributions:				
Collection of Child Support	\$ 263,579	\$ —	\$ —	\$ 263,579
Other Contributions	—	64,710	30,764	95,474
Total Contributions	263,579	64,710	30,764	359,053
Total Additions	263,579	64,710	30,764	359,053
Deductions:				
Distribution of Child Support	\$ 262,874	\$ —	\$ —	\$ 262,874
Fines and Restitution Payments	—	92,545	—	92,545
Support for Individuals	—	—	28,954	28,954
Administrative Expenses	—	—	—	—
Total Deductions	262,874	92,545	28,954	384,373
Change in Net Position	705	(27,835)	1,810	(25,320)
Net Position - Beginning	6,832	97,678	74,853	179,363
Net Position - Ending	\$ 7,537	\$ 69,843	\$ 76,663	\$ 154,043

STATE OF DELAWARE
COMBINING BALANCE SHEET
LOCAL SCHOOL DISTRICT FUNDS
JUNE 30, 2024

(Expressed in Thousands)

	Appoquinimink	Brandywine	Caesar Rodney	Cape Henlopen	Capital	Christina	Colonial	Delmar	Indian River	Lake Forest
Assets										
Cash and Cash Equivalents	\$ 1,609	\$ 1,176	\$ 1,237	\$ 34	\$ 1,130	\$ 22	\$ 1,309	\$ 303	\$ 137	\$ 87
Pooled Cash and Investments	5,240	31,443	33,642	63,283	24,236	73,535	39,246	3,576	39,678	14,473
Investments	—	—	246	—	—	—	—	—	—	—
Lease Receivable	—	—	—	—	—	—	—	—	—	—
Accounts Receivable, Net	—	—	—	86	—	—	—	—	—	—
Taxes Receivable, Net	2,670	5,135	2,018	1,412	2,747	10,764	6,194	464	2,395	1,508
Total Assets	<u>\$ 9,519</u>	<u>\$ 37,754</u>	<u>\$ 37,143</u>	<u>\$ 64,815</u>	<u>\$ 28,113</u>	<u>\$ 84,321</u>	<u>\$ 46,749</u>	<u>\$ 4,343</u>	<u>\$ 42,210</u>	<u>\$ 16,068</u>
Liabilities										
Accounts Payable	\$ 4,563	\$ 3,331	\$ 1,516	\$ 8,877	\$ 2,120	\$ 5,245	\$ 4,066	\$ 121	\$ 2,449	\$ 453
Total Liabilities	<u>4,563</u>	<u>3,331</u>	<u>1,516</u>	<u>8,877</u>	<u>2,120</u>	<u>5,245</u>	<u>4,066</u>	<u>121</u>	<u>2,449</u>	<u>453</u>
Deferred Inflows of Resources	<u>2,478</u>	<u>4,780</u>	<u>1,988</u>	<u>1,314</u>	<u>2,677</u>	<u>10,295</u>	<u>6,001</u>	<u>451</u>	<u>2,232</u>	<u>1,483</u>
Fund Balances										
Restricted Fund Balance	2,478	29,643	33,639	54,624	23,316	68,781	36,682	3,771	37,529	14,132
Total Fund Balances	<u>2,478</u>	<u>29,643</u>	<u>33,639</u>	<u>54,624</u>	<u>23,316</u>	<u>68,781</u>	<u>36,682</u>	<u>3,771</u>	<u>37,529</u>	<u>14,132</u>
Total Liabilities, Deferred Inflow, and Fund Balances	<u>\$ 9,519</u>	<u>\$ 37,754</u>	<u>\$ 37,143</u>	<u>\$ 64,815</u>	<u>\$ 28,113</u>	<u>\$ 84,321</u>	<u>\$ 46,749</u>	<u>\$ 4,343</u>	<u>\$ 42,210</u>	<u>\$ 16,068</u>

STATE OF DELAWARE
COMBINING BALANCE SHEET
LOCAL SCHOOL DISTRICT FUNDS
JUNE 30, 2024
(Expressed in Thousands)

	Laurel	Milford	NCC Vo-Tech	Polytech	Red Clay	Seaford	Smyrna	Sussex Co Vo-Tech	Woodbridge	DOE Administration	Totals
Assets											
Cash and Cash Equivalents	\$ 193	\$ 346	\$ 1,103	\$ 13	\$ 5,501	\$ 400	\$ 495	\$ 443	\$ 372	\$ —	\$ 15,910
Pooled Cash and Investments	10,395	37,278	11,071	9,189	51,066	14,407	14,623	30,927	8,324	85	515,717
Investments	—	—	—	—	—	—	28	—	—	—	274
Lease Receivable	—	—	—	—	—	—	—	—	—	123	123
Accounts Receivable, Net	—	—	—	—	—	—	—	130	—	—	216
Taxes Receivable, Net	665	851	2,545	707	7,981	1,173	1,213	724	1,026	—	52,192
Total Assets	\$ 11,253	\$ 38,475	\$ 14,719	\$ 9,909	\$ 64,548	\$ 15,980	\$ 16,359	\$ 32,224	\$ 9,722	\$ 208	\$ 584,432
Liabilities											
Accounts Payable	\$ 275	\$ 363	\$ 1,383	\$ 304	\$ 9,623	\$ 257	\$ 710	\$ 415	\$ 754	\$ —	\$ 46,825
Total Liabilities	275	363	1,383	304	9,623	257	710	415	754	—	46,825
Deferred Inflows of Resources	618	788	2,429	692	7,701	1,090	1,198	804	972	111	50,102
Fund Balances											
Restricted Fund Balance	10,360	37,324	10,907	8,913	47,224	14,633	14,451	31,005	7,996	97	487,505
Total Fund Balances	10,360	37,324	10,907	8,913	47,224	14,633	14,451	31,005	7,996	97	487,505
Total Liabilities, Deferred Inflow, and Fund Balances	\$ 11,253	\$ 38,475	\$ 14,719	\$ 9,909	\$ 64,548	\$ 15,980	\$ 16,359	\$ 32,224	\$ 9,722	\$ 208	\$ 584,432

STATE OF DELAWARE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
LOCAL SCHOOL DISTRICT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	Appoquinimink	Brandywine	Caesar Rodney	Cape Henlopen	Capital	Christina	Colonial	Delmar	Indian River	Lake Forest
Revenues										
Real Estate Taxes	\$ 71,988	\$ 88,881	\$ 18,137	\$ 62,487	\$ 33,399	\$ 179,205	\$ 63,870	\$ 2,671	\$ 63,515	\$ 9,987
Licenses, Fees, Permits and Fines	1	30	336	61	—	12	2	—	48	308
Rentals and Sales	3,502	3,150	106	1,849	302	1,270	775	251	7,038	380
Federal Government	504	41	149	96	—	586	—	14	192	852
Interest & Other Investment Income	2,138	2,041	1,305	3,017	1,470	4,184	2,187	165	3,609	619
Other	—	(2,773)	10,197	—	—	—	821	6	—	1,847
Total Revenues	78,133	91,370	30,230	67,510	35,171	185,257	67,655	3,107	74,402	13,993
Expenditures										
Education	73,314	83,675	21,481	60,803	24,162	144,906	63,937	2,478	67,742	9,435
Unrestricted Payments to Component Unit - Education	2,902	5,631	(957)	(3,818)	2,512	42,426	14,657	430	4,110	1,400
Capital Outlay	—	—	—	—	—	—	—	—	—	—
Total Expenditures	76,216	89,306	20,524	56,985	26,674	187,332	78,594	2,908	71,852	10,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,917	2,064	9,706	10,525	8,497	(2,075)	(10,939)	199	2,550	3,158
Other Sources (Uses) of Financial Resources										
Transfers In	2,094	3,104	46	3,211	69	4,387	2,137	119	3,413	47
Transfers Out	(10,778)	(5,969)	(2,117)	(7,650)	(7,841)	(4,441)	(2,725)	(105)	(6,309)	(378)
Lease and IT Proceeds	—	—	—	—	—	—	—	—	—	—
Total Other Sources (Uses) of Financial Resources	(8,684)	(2,865)	(2,071)	(4,439)	(7,772)	(54)	(588)	14	(2,896)	(331)
Net Change in Fund Balances	(6,767)	(801)	7,635	6,086	725	(2,129)	(11,527)	213	(346)	2,827
Fund Balances - Beginning	9,245	30,444	26,003	48,538	22,591	70,909	48,209	3,559	37,875	11,305
Fund Balances - Ending	\$ 2,478	\$ 29,643	\$ 33,638	\$ 54,624	\$ 23,316	\$ 68,780	\$ 36,682	\$ 3,772	\$ 37,529	\$ 14,132

STATE OF DELAWARE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
LOCAL SCHOOL DISTRICT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Expressed in Thousands)

	Laurel	Milford	NCC Vo-Tech	Polytech	Red Clay	Seaford	Smyrna	Sussex Co Vo-Tech	Woodbridge	DOE Administration	Totals
Revenues											
Real Estate Taxes	\$ 6,915	\$ 13,717	\$ 35,685	\$ 6,518	\$ 118,989	\$ 9,332	\$ 17,898	\$ 19,156	\$ 7,989	\$ —	\$ 830,339
Licenses, Fees, Permits and Fines	—	94	98	—	—	—	397	2	18	—	1,407
Rentals and Sales	130	154	1,937	1,666	13,817	354	1,377	833	244	—	39,135
Federal Government	1	76	1,944	—	197	144	112	70	40	—	5,018
Interest & Other Investment Income	400	1,736	1,732	404	3,063	587	1,002	2,110	330	—	32,099
Other	(139)	—	470	107	—	—	22	954	—	—	11,512
Total Revenues	7,307	15,777	41,866	8,695	136,066	10,417	20,808	23,125	8,621	—	919,510
Expenditures											
Education	3,809	8,613	48,542	9,861	131,021	7,041	15,150	11,789	6,296	24,352	818,407
Unrestricted Payments to Component Unit - Education	1,162	2,033	(1,185)	—	8,107	1,308	2,532	157	(482)	1	82,926
Capital Outlay	—	—	—	—	—	—	—	—	—	271	271
Total Expenditures	4,971	10,646	47,357	9,861	139,128	8,349	17,682	11,946	5,814	24,624	901,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,336	5,131	(5,491)	(1,166)	(3,062)	2,068	3,126	11,179	2,807	(24,624)	17,906
Other Sources (Uses) of Financial Resources											
Transfers In	324	619	97	1,585	4,285	607	134	303	413	25,727	52,721
Transfers Out	(1,827)	(2,152)	(5,356)	(1,466)	(7,243)	(796)	(2,392)	(2,116)	(999)	(1,376)	(74,036)
Lease and IT Proceeds	—	—	—	—	—	—	—	—	—	271	271
Total Other Sources (Uses) of Financial Resources	(1,503)	(1,533)	(5,259)	119	(2,958)	(189)	(2,258)	(1,813)	(586)	24,622	(21,044)
Net Change in Fund Balances	833	3,598	(10,750)	(1,047)	(6,020)	1,879	868	9,366	2,221	(2)	(3,138)
Fund Balances - Beginning	9,527	33,726	21,657	9,960	53,244	12,754	13,583	21,639	5,775	100	490,643
Fund Balances - Ending	\$ 10,360	\$ 37,324	\$ 10,907	\$ 8,913	\$ 47,224	\$ 14,633	\$ 14,451	\$ 31,005	\$ 7,996	\$ 98	\$ 487,505

Statistical Section Index

The statistical section of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information of the primary government says about the State's overall financial health.

Contents

Page

Financial Trends Information

These schedules contain trend information to assist the reader in understanding and assessing how the State's financial position has changed over time.

Government-wide Perspective	
Net Position by Component	197
Changes in Net Position	198
Fund Perspective	
Changes in Fund Balances, Governmental Funds	200
Fund Balances, Governmental Funds	202

Revenue Capacity Information

These schedules contain information to assist the reader in understanding and assessing the factors affecting the State's ability to generate its own-source revenues.

Personal Income by Industry	203
Personal Income Tax Rates	204
Personal Income Tax Filers and Liability by Income Level	205
Franchise Taxes	206

Debt Capacity Information

These schedules present information to assist the reader in understanding and assessing the State's debt burden and its ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	207
Debt Limits	208
General Obligation Debt Support	209
Pledged Revenue Coverage	210

Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the State's financial activities take place.

Demographic and Economic Statistics	211
Principal Employers by Industry	212
State Employees by Function	213

Operating Information

These schedules contain information to assist the reader in understanding how the financial information relates to the services the State provides and the activities it performs.

Operating Indicators by Function	214
Capital Asset Statistics by Function	215
Capital Asset Balances by Function	216

Sources: Unless otherwise noted, the information in these schedules is derived from the State's Annual Comprehensive Financial Report for the relevant fiscal year.

STATE OF DELAWARE
Net Position by Component
Last Ten Fiscal Years

(Accrual Basis of Accounting, Expressed in Thousands)

	2015*	2016	2017	2018**	2019	2020	2021***	2022	2023	2024****
Governmental Activities										
Net Investment in Capital Assets	\$ 1,764,526	\$ 1,534,319	\$ 1,476,850	\$ 1,298,089	\$ 1,212,698	\$ 1,112,434	\$ 1,044,571	\$ 1,015,665	\$ 1,434,819	\$ 1,752,144
Restricted	745,852	937,764	970,545	1,044,556	1,077,843	1,213,827	1,364,108	1,491,048	1,676,555	2,044,171
Unrestricted (Deficit)**	(2,360,730)	(2,834,000)	(3,622,572)	(8,475,290)	(8,203,266)	(7,945,333)	(7,976,326)	(6,539,914)	(5,848,240)	(5,344,354)
Total Governmental Activities Net Position	<u>\$ 149,648</u>	<u>\$ (361,917)</u>	<u>\$ (1,175,177)</u>	<u>\$ (6,132,645)</u>	<u>\$ (5,912,725)</u>	<u>\$ (5,619,072)</u>	<u>\$ (5,567,647)</u>	<u>\$ (4,033,201)</u>	<u>\$ (2,736,866)</u>	<u>\$ (1,548,039)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 3,445,879	\$ 3,505,882	\$ 3,619,968	\$ 3,766,560	\$ 3,972,588	\$ 3,982,683	\$ 3,990,855	\$ 4,107,966	\$ 4,091,883	\$ 4,374,164
Restricted	212,681	306,057	320,957	380,463	359,207	221,693	363,147	536,908	487,633	431,182
Unrestricted (Deficit)	(157,324)	(157,917)	(137,578)	(404,490)	(461,583)	(474,819)	(411,009)	(410,705)	(254,027)	(399,011)
Total Business-type Activities Net Position	<u>\$ 3,501,236</u>	<u>\$ 3,654,022</u>	<u>\$ 3,803,347</u>	<u>\$ 3,742,533</u>	<u>\$ 3,870,212</u>	<u>\$ 3,729,557</u>	<u>\$ 3,942,993</u>	<u>\$ 4,234,169</u>	<u>\$ 4,325,489</u>	<u>\$ 4,406,335</u>
Primary Government										
Net Investment in Capital Assets	\$ 5,210,405	\$ 5,040,201	\$ 5,096,818	\$ 5,064,649	\$ 5,185,286	\$ 5,095,117	\$ 5,035,426	\$ 5,123,631	\$ 5,526,702	\$ 6,126,308
Restricted	958,533	1,243,821	1,291,502	1,425,019	1,437,050	1,435,520	1,727,255	2,027,956	2,164,188	2,475,353
Unrestricted (Deficit)**	(2,518,054)	(2,991,917)	(3,760,150)	(8,879,780)	(8,664,849)	(8,420,152)	(8,387,335)	(6,950,619)	(6,102,267)	(5,743,365)
Total Primary Government Net Position	<u>\$ 3,650,884</u>	<u>\$ 3,292,105</u>	<u>\$ 2,628,170</u>	<u>\$ (2,390,112)</u>	<u>\$ (2,042,513)</u>	<u>\$ (1,889,515)</u>	<u>\$ (1,624,654)</u>	<u>\$ 200,968</u>	<u>\$ 1,588,623</u>	<u>\$ 2,858,296</u>

Source:

Statement of Net Position, as presented in the State's Annual Comprehensive Financial Report for the applicable fiscal year.

Notes:

*The State implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, during fiscal year 2015. The provisions of GASB Statement No. 68 require the State to record its net position liability (asset) at July 1, 2014; therefore, the State's ending net position for fiscal year 2014 has been restated.

**The State implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The provisions of GASB Statement No. 75 require the State to record its net position liability (asset) at July 1, 2017; therefore, the State's ending net position for fiscal year 2017 has been restated.

***The State implemented GASB Statement No. 84, Fiduciary Activities, during fiscal year 2021. The provisions of GASB Statement No.84 require the State to record its agency funds as custodial funds and agency funds not meeting that criteria were reclassified to governmental activities at July 1, 2020; therefore, the State's ending net position for fiscal year 2020 has been restated.

**** The Unemployment Insurance Trust Fund recorded prior period adjustments related to an error in employer overpayment liabilities for the year ended June 30, 2023, therefore, the Business-type Activities for those years have been restated.

STATE OF DELAWARE

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting, Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Expenses										
Governmental Activities:										
General Government	\$ 572,708	\$ 906,593	\$ 1,167,143	\$ 725,609	\$ 859,261	\$ 754,815	\$ 2,180,526	\$ 435,484	\$ 1,214,705	\$ 999,570
Health and Children's Services	3,007,367	3,087,138	3,259,908	3,459,649	3,355,780	3,577,581	4,289,808	4,515,068	4,777,304	4,857,865
Judicial and Public Safety	718,645	714,932	753,778	723,807	772,871	833,999	984,606	1,050,981	917,173	1,074,515
Natural Resources and Environmental Control	172,886	160,059	164,879	147,578	182,155	189,739	213,458	172,589	210,828	263,977
Labor	73,155	74,766	93,510	65,780	62,624	63,738	242,916	111,981	87,917	95,631
Education	2,612,590	2,722,666	2,799,115	2,622,988	2,784,951	2,873,159	3,235,440	3,575,499	3,559,644	3,869,081
Interest	60,557	91,894	62,815	87,693	57,736	68,320	55,926	63,423	73,839	128,594
Total Governmental Activities Expenses	7,217,908	7,758,048	8,301,148	7,833,104	8,075,378	8,361,351	11,202,680	9,925,025	10,841,410	11,289,233
Business-type Activities:										
Lottery	358,907	382,424	383,270	390,901	524,025	427,655	508,411	540,591	518,374	593,683
DelDOT	624,452	682,364	671,765	712,290	739,732	921,105	866,416	868,491	876,727	913,144
Unemployment	68,699	64,629	62,249	61,137	59,181	633,266	726,263	121,300	79,048	90,072
Total Business-type Activities Expenses	1,052,058	1,129,417	1,117,284	1,164,328	1,322,938	1,982,026	2,101,090	1,530,382	1,474,149	1,596,899
Total Primary Government Expenses	8,269,966	8,887,465	9,418,432	8,997,432	9,398,316	10,343,377	13,303,770	11,455,407	12,315,559	12,886,132
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	273,905	301,172	366,922	319,829	359,528	343,332	452,943	432,374	493,531	419,729
Health and Children's Services	70,532	70,435	91,413	71,010	49,114	81,830	85,827	79,861	62,426	153,093
Judicial and Public Safety	59,551	75,887	77,344	71,777	80,579	79,175	76,289	81,751	90,128	87,742
Natural Resources and Environmental Control	56,364	58,790	63,920	69,363	81,587	75,534	240,355	29,643	48,358	121,879
Labor	7,228	7,319	28,010	8,382	7,805	7,930	7,645	8,186	11,687	12,540
Education	66,666	33,372	28,982	34,961	42,205	25,397	30,640	21,430	70,175	88,775
Operating Grants and Contributions	2,076,241	2,196,373	2,201,933	2,377,841	2,343,756	2,650,059	4,067,061	3,915,902	3,964,406	4,043,140
Total Governmental Activities Program Revenues	\$ 2,610,487	\$ 2,743,348	\$ 2,858,524	\$ 2,953,163	\$ 2,964,574	\$ 3,263,257	\$ 4,960,760	\$ 4,569,147	\$ 4,740,711	\$ 4,926,898

STATE OF DELAWARE
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting, Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Business-type Activities:										
Charges for Services:										
Lottery	\$ 601,869	\$ 635,289	\$ 627,984	\$ 645,722	\$ 782,717	\$ 641,994	\$ 770,651	\$ 825,218	\$ 812,600	\$ 891,069
DelDOT	512,471	574,057	581,222	592,285	642,904	584,117	617,203	645,504	680,485	692,242
Unemployment	131,195	112,053	93,129	76,907	70,400	65,538	92,570	168,664	75,454	36,896
Operating Grants and Contributions	234,092	202,900	207,338	236,688	212,604	753,438	1,103,290	473,593	327,743	345,799
Capital Grants and Contributions	—	—	—	—	—	—	—	—	—	—
Total Business-type Activities Program Revenues	<u>1,479,627</u>	<u>1,524,299</u>	<u>1,509,673</u>	<u>1,551,602</u>	<u>1,708,625</u>	<u>2,045,087</u>	<u>2,583,714</u>	<u>2,112,979</u>	<u>1,896,282</u>	<u>1,966,006</u>
Total Primary Government Program Revenues	<u>4,090,114</u>	<u>4,267,647</u>	<u>4,368,197</u>	<u>4,504,765</u>	<u>4,673,199</u>	<u>5,308,344</u>	<u>7,544,474</u>	<u>6,682,126</u>	<u>6,636,993</u>	<u>6,892,904</u>
Net (Expenses) Revenue										
Governmental Activities	(4,607,421)	(5,014,700)	(5,442,624)	(4,879,941)	(5,110,804)	(5,098,094)	(6,241,920)	(5,355,878)	(6,100,699)	(6,362,335)
Business-type Activities	<u>427,569</u>	<u>394,882</u>	<u>392,389</u>	<u>387,274</u>	<u>385,687</u>	<u>63,061</u>	<u>482,624</u>	<u>582,597</u>	<u>422,133</u>	<u>369,107</u>
Total Primary Government Net Expense	<u>(4,179,852)</u>	<u>(4,619,818)</u>	<u>(5,050,235)</u>	<u>(4,492,667)</u>	<u>(4,725,117)</u>	<u>(5,035,033)</u>	<u>(5,759,296)</u>	<u>(4,773,281)</u>	<u>(5,678,566)</u>	<u>(5,993,228)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Personal Income	1,140,248	1,112,368	1,180,975	1,309,214	1,349,476	1,328,807	1,710,881	1,945,182	2,164,548	2,237,948
Business	2,291,067	2,294,173	2,281,220	2,490,985	2,595,385	2,668,350	3,000,195	3,318,517	4,035,248	3,915,897
Real Estate	552,215	573,968	625,903	661,856	687,858	715,666	759,944	787,242	812,240	826,002
Other	224,842	244,526	256,998	309,194	355,350	350,947	425,325	502,224	89	119
Investment Earnings	10,511	12,584	18,237	23,255	47,355	84,082	86,606	26,044	62,229	241,306
Miscellaneous	13,654	16,694	20,109	30,033	27,539	30,001	26,482	25,064	16,736	24,570
Transfers	249,896	248,822	245,922	250,778	267,761	213,894	272,469	289,894	305,944	305,320
Total Governmental Activities	<u>4,482,433</u>	<u>4,503,135</u>	<u>4,629,364</u>	<u>5,075,315</u>	<u>5,330,724</u>	<u>5,391,747</u>	<u>6,281,902</u>	<u>6,894,167</u>	<u>7,397,034</u>	<u>7,551,162</u>
Business-type Activities:										
Investment Earnings	2,213	6,726	2,858	9,908	9,753	10,178	3,281	(901)	23,836	31,771
Gain (Loss) on Sale of Assets	—	—	—	—	—	—	—	(626)	5,430	4,897
Miscellaneous	—	—	—	—	—	—	—	—	—	—
Transfers	(249,896)	(248,822)	(245,922)	(250,778)	(267,761)	(213,894)	(272,469)	(289,894)	(305,944)	(305,320)
Total Business-type Activities	<u>(247,683)</u>	<u>(242,096)</u>	<u>(243,064)</u>	<u>(240,870)</u>	<u>(258,008)</u>	<u>(203,716)</u>	<u>(269,188)</u>	<u>(291,421)</u>	<u>(276,678)</u>	<u>(268,652)</u>
Change in Net Position										
Governmental Activities	(124,988)	(511,565)	(813,260)	195,374	219,920	293,653	39,982	1,538,289	1,296,335	1,188,827
Business-type Activities	<u>179,886</u>	<u>152,786</u>	<u>149,325</u>	<u>146,404</u>	<u>127,679</u>	<u>(140,655)</u>	<u>213,436</u>	<u>291,176</u>	<u>145,455</u>	<u>100,455</u>
Total Primary Government	<u>\$ 54,898</u>	<u>\$ (358,779)</u>	<u>\$ (663,935)</u>	<u>\$ 341,778</u>	<u>\$ 347,599</u>	<u>\$ 152,998</u>	<u>\$ 253,418</u>	<u>\$ 1,829,465</u>	<u>\$ 1,441,790</u>	<u>\$ 1,289,282</u>

Source:

Statement of Activities, as presented in the State's Annual Comprehensive Financial Report for the applicable fiscal year.

Note:

* The Unemployment Insurance Trust Fund recorded prior period adjustments related to an error in employer overpayment liabilities for the year ended June 30, 2023, therefore, the Business-type Activities for those years have been restated.

STATE OF DELAWARE
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting, Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes (1)	\$ 4,208,372	\$ 4,225,034	\$ 4,345,095	\$ 4,771,249	\$ 4,988,069	\$ 5,022,266	\$ 5,896,346	\$ 6,553,166	\$ 7,012,122	\$ 6,979,966
Licenses, Fees, Permits and Fines	374,554	374,952	415,013	419,344	456,106	440,326	520,098	564,170	542,808	550,491
Rentals and Sales	119,743	127,771	124,877	117,382	117,602	107,309	106,628	98,834	103,396	122,260
Federal Government	2,076,443	2,196,434	2,203,207	2,375,609	2,354,876	2,704,216	4,134,168	3,862,012	3,968,910	4,112,759
Interest and Other Investment Income	10,462	12,556	18,164	23,238	47,352	84,036	86,415	24,475	56,856	213,454
Other Revenues	165,800	169,569	261,794	163,980	160,842	155,278	217,317	171,866	115,901	164,580
Total Revenues	6,955,374	7,106,316	7,368,150	7,870,802	8,124,847	8,513,431	10,960,972	11,274,523	11,799,993	12,143,510
Expenditures										
General Government (2)	617,220	873,234	980,662	524,999	754,886	570,921	1,634,489	704,286	1,331,430	825,925
Health and Children's Services (3)	3,030,064	3,142,133	3,242,306	3,390,655	3,318,956	3,545,520	4,260,457	4,497,767	4,787,855	4,919,100
Judicial and Public Safety (4)	674,179	670,640	682,774	713,839	757,040	839,268	959,345	1,047,238	901,797	1,168,424
Natural Resources and Environmental Control	164,662	157,184	162,794	146,908	187,851	193,422	203,399	169,505	212,251	286,144
Labor	72,057	72,032	89,480	65,856	63,951	65,842	243,896	113,919	83,622	87,773
Education (5)	2,230,063	2,335,129	2,330,212	2,343,518	2,465,524	2,573,389	2,886,977	3,222,139	3,217,346	3,942,898
Payment to Component Unit:										
Education	164,108	186,000	202,447	216,014	228,032	236,566	249,803	275,158	312,267	346,046
Capital Outlay	200,087	231,863	264,475	250,874	273,828	250,333	259,435	301,175	363,331	368,830
Debt Service:										
Principal	170,068	172,771	176,559	181,417	172,536	168,908	166,202	207,464	226,489	254,802
Interest	80,318	86,905	82,291	83,267	90,126	88,015	94,132	103,136	110,934	119,586
Costs of Issuance of Debt	598	881	973	764	1,202	1,734	254	158	188	988
Total Expenditures	7,403,424	7,928,772	8,214,973	7,918,111	8,313,932	8,533,918	10,958,389	10,641,945	11,547,510	12,320,516
Revenues Over (Under) Expenditures	\$ (448,050)	\$ (822,456)	\$ (846,823)	\$ (47,309)	\$ (189,085)	\$ (20,487)	\$ 2,583	\$ 632,578	\$ 252,483	\$ (177,006)

STATE OF DELAWARE
Fund Balances, Governmental Funds (Continued)
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting, Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses)										
Transfer In	\$ 600,793	\$ 603,138	\$ 512,256	\$ 626,689	\$ 436,173	\$ 551,882	\$ 569,516	\$ 454,725	\$ 695,640	\$ 783,635
Transfer Out	(350,897)	(354,316)	(266,334)	(375,911)	(168,412)	(337,988)	(297,047)	(164,831)	(389,682)	(478,315)
Other Financing Sources	—	—	—	—	—	—	—	—	—	—
Issuance of General Obligation										
Bonds	306,870	321,530	225,000	352,235	246,000	437,675	290,765	222,485	344,480	323,675
Issuance of Revenue Bonds	—	—	—	—	18,650	—	—	—	—	—
Premium on Bond Sales	53,159	51,957	24,108	65,988	28,532	72,680	51,139	46,821	47,759	37,916
Issuance of Refunding Debt	—	—	—	—	—	—	—	—	35,620	35,620
Payment to Bond Refunding Agent	(98,915)	(147,740)	—	(140,802)	—	(168,364)	(77,033)	(41,589)	(35,951)	(78,327)
Lease and IT Proceeds	—	—	—	—	—	—	—	43,547	106,586	109,478
Issuance of Advanced Refundings	—	—	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	<u>511,010</u>	<u>474,569</u>	<u>495,030</u>	<u>528,199</u>	<u>560,943</u>	<u>555,885</u>	<u>537,340</u>	<u>561,158</u>	<u>804,452</u>	<u>733,682</u>
Net Change in Fund Balance	<u>\$ 62,960</u>	<u>\$ (347,887)</u>	<u>\$ (351,793)</u>	<u>\$ 480,890</u>	<u>\$ 371,858</u>	<u>\$ 535,398</u>	<u>\$ 539,923</u>	<u>\$ 1,193,736</u>	<u>\$ 1,056,935</u>	<u>\$ 556,676</u>
Debt Service as a Percentage of Non-capital Expenditures	3.44 %	3.37 %	3.22 %	3.40 %	3.25 %	3.12 %	2.43 %	2.71 %	2.86 %	3.05 %

Source:

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits), as presented in the State's Annual Comprehensive Financial Report for the applicable fiscal year.

Notes:

- (1) Taxes include personal income taxes and business taxes.
- (2) General government summarizes the expenditures of the following General Government Departments: Legislative, Executive, Technology and Information, Other Elective Offices, State, Finance, Office of Management and Budget, Agriculture, Elections, the Advisory Council for Exceptional Citizens, and Human Resources.
- (3) Health and Children's Services summarizes the expenditures of the Departments of Health and Social Services, and Services for Children Youth and Their Families.
- (4) Judicial and Public Safety summarizes the expenditures of the following Departments: Judicial, Legal, Corrections, Safety and Homeland Security, Fire Prevention and the Delaware National Guard.
- (5) Education summarizes the expenditures of the Departments of Higher Education and Public Education.

STATE OF DELAWARE
Fund Balances, Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting, Expressed in Thousands)

	2015*	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable Fund Balance	\$ 5,306	\$ 32,115	\$ 27,729	\$ 28,665	\$ 37,820	\$ 47,466	\$ 47,444	\$ 45,198	\$ 42,347	\$ 58,828
Restricted Fund Balance	184,079	209,535	229,797	233,054	250,694	256,303	289,202	376,752	436,944	740,819
Committed Fund Balance	192,970	183,294	152,451	158,677	300,246	334,329	422,867	452,590	901,243	846,532
Assigned Fund Balance	83,002	83,559	113,197	99,917	109,702	156,545	142,952	159,589	179,240	183,165
Unassigned (Deficit)	763,249	390,386	11,403	424,400	602,462	911,304	1,237,466	2,294,348	2,709,221	2,935,038
Total General Fund	\$ 1,228,606	\$ 898,889	\$ 534,577	\$ 944,713	\$ 1,300,924	\$ 1,705,947	\$ 2,139,931	\$ 3,328,477	\$ 4,268,995	\$ 4,764,382
All Other Governmental Funds:										
Unreserved, Reported In:										
Federal Fund	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted Fund Balance										
Federal Fund	277,348	281,689	292,842	318,110	319,819	326,826	358,584	342,356	339,987	357,401
Local School District Fund	284,425	268,772	286,508	306,350	323,080	355,829	436,826	499,905	490,643	487,505
Capital Projects Fund	184,626	177,768	161,398	187,042	184,250	274,869	279,496	272,035	400,082	447,095
Total All Other Governmental Funds	\$ 746,399	\$ 728,229	\$ 740,748	\$ 811,502	\$ 827,149	\$ 957,524	\$ 1,074,906	\$ 1,114,296	\$ 1,230,712	\$ 1,292,001

Source:

Combined Balance Sheet, as presented in the State's Annual Comprehensive Financial Report for the applicable fiscal year.

Notes

* The State implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, during fiscal year 2014. The provisions of GASB Statement No. 65 require the State to reevaluate assets in the governmental fund statements that are not available as revenue in the current fiscal year, therefore the State's fund balance in the federal fund for fiscal year 2013 has been restated.

STATE OF DELAWARE
Personal Income by Industry
Last Ten Calendar Years
(Expressed in Millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Earnings by Industry										
<u>Farm Earnings</u>										
Farm	\$ 262	\$ 608	\$ 325	\$ 413	\$ 544	\$ 425	\$ 291	\$ 329	\$ 792	\$ 459
<u>Non-farm Earnings</u>										
Private Earnings:										
Accommodation and Food Services	\$ 888	\$ 1,002	\$ 1,078	\$ 1,109	\$ 1,224	\$ 1,307	\$ 1,031	\$ 1,399	\$ 1,531	\$ 1,688
Administrative and Waste Services	1,209	1,331	1,292	1,434	1,586	1,652	1,729	1,892	2,307	2,222
Arts, Entertainment, and Recreation	368	387	340	349	312	337	263	327	352	563
Construction	1,786	1,917	2,080	2,297	2,324	2,459	2,597	2,764	2,945	2,986
Educational Services	396	367	364	379	381	390	393	406	405	452
Finance and Insurance	4,609	4,901	4,679	5,213	5,397	5,544	5,270	5,484	6,073	6,104
Forestry, Fishing, and Related Activities	—	—	—	—	—	—	31	26	28	38
Health Care and Social Assistance	4,185	4,486	4,691	4,904	5,075	5,333	5,383	5,622	5,727	6,495
Information	1,054	1,264	438	410	388	399	438	461	512	517
Management of Companies and Enterprises	901	538	1,215	1,416	1,335	1,378	(226)	(306)	(166)	(1,093)
Manufacturing, Durable and Non-durable	1,961	2,316	2,049	2,067	2,272	2,389	2,131	2,317	2,557	2,565
Mining	—	—	—	—	—	—	78	36	43	57
Professional, Scientific, and Technical Services	3,904	3,944	3,419	3,756	3,911	4,127	4,082	4,320	4,665	5,103
Real Estate and Rental and Leasing	957	864	1,144	741	850	891	2,441	2,540	2,510	5,280
Trade, Retail	1,970	2,060	2,031	2,061	2,097	2,137	2,207	2,482	2,679	2,623
Trade, Wholesale	1,275	1,213	1,199	990	1,009	1,057	1,112	1,227	1,488	1,475
Transportation and Warehousing	862	917	968	960	964	1,056	1,147	1,300	1,669	1,762
Utilities	288	319	340	348	354	365	373	357	375	421
Other Services, Except Public Administration	1,012	997	1,058	1,099	1,128	1,190	1,108	1,166	1,252	1,388
Total Private Earnings	\$ 27,625	\$ 28,823	\$ 28,385	\$ 29,533	\$ 30,607	\$ 32,011	\$ 31,588	\$ 33,820	\$ 36,952	\$ 40,646
Government and Government Enterprises:										
Federal, Civilian	\$ 527	\$ 576	\$ 561	\$ 597	\$ 614	\$ 631	\$ 663	\$ 688	\$ 715	\$ 839
Military	457	438	448	450	475	497	539	575	584	597
State and Local Government	4,362	4,271	4,447	4,437	4,527	4,706	5,179	5,508	5,620	5,452
Total Government Enterprises	\$ 5,346	\$ 5,285	\$ 5,456	\$ 5,484	\$ 5,616	\$ 5,834	\$ 6,381	\$ 6,771	\$ 6,919	\$ 6,888
Total Non-farm Earnings	\$ 32,971	\$ 34,108	\$ 33,841	\$ 35,017	\$ 36,223	\$ 37,845	\$ 37,969	\$ 40,591	\$ 43,871	\$ 47,534
Total Earnings by Industry	\$ 33,233	\$ 34,716	\$ 34,166	\$ 35,430	\$ 36,767	\$ 38,270	\$ 38,260	\$ 40,920	\$ 44,663	\$ 47,993
Less: Contributions for Government Social Insurance (1)	\$ (3,618)	\$ (3,757)	\$ (3,916)	\$ (3,983)	\$ (4,180)	\$ (4,390)	\$ (4,495)	\$ (4,768)	\$ (5,234)	\$ (5,694)
Plus: Adjustment for Residence (2)	(2,545)	(2,371)	(2,247)	(2,504)	(2,097)	(2,242)	(2,232)	(2,108)	(2,362)	(2,324)
Plus: Dividends, Interest and Rent (3)	7,521	7,546	8,152	8,816	9,782	9,982	9,964	10,984	11,592	12,218
Plus: Personal Current Transfer Receipts	8,393	8,898	9,312	9,941	10,464	11,169	13,861	15,140	13,857	15,287
Total Personal Income	\$ 42,984	\$ 45,032	\$ 45,467	\$ 47,700	\$ 50,736	\$ 52,789	\$ 55,358	\$ 60,168	\$ 62,516	\$ 67,480

Source:

Personal income by major source and earnings by industry is provided by the Bureau of Economic Analysis, U.S. Department of Commerce (www.bea.gov/regional) through estimates released September 2024.

Notes:

(1) Contributions for government social insurance are included in earnings by type and industry, but they are excluded from personal income.

(2) The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies.

(3) Rental income of persons includes the capital consumption adjustment.

STATE OF DELAWARE
Personal Income Tax Rates
Last Ten Fiscal Years
(Expressed in Millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Personal Income Tax Revenue (1)	\$ 1,040.3	\$ 1,140.2	\$ 1,112.4	\$ 1,181.0	\$ 1,309.2	\$ 1,349.5	\$ 1,292.9	\$ 1,710.9	\$ 1,945.2	\$ 2,164.5
Personal Income (2)	42,984.0	45,032.0	45,467.0	47,700.0	50,736.0	52,789.0	55,358.0	60,168.0	62,516.0	67,478.0
Average Effective Rate (3)	2.42 %	2.53 %	2.45 %	2.48 %	2.58 %	2.56 %	2.34 %	2.84 %	3.11 %	3.21 %

Personal Income Tax Rates (4)

Tax Year	Taxable Income	Tax Liability	Plus	On Taxable Income Over
2012-2013	\$60,000 and higher	\$ 2,943.00	6.75 %	\$ 60,000
	\$25,000 - \$59,999	1,001.00	5.55 %	25,000
	\$20,000 - \$24,999	741.00	5.20 %	20,000
	\$10,000 - \$19,999	261.00	4.80 %	10,000
	\$5,000 - \$9,999	66.00	3.90 %	5,000
	\$2,000 - \$4,999	0.00	2.20 %	2,000
	\$1,999 and lower	0.00	0.00 %	0

Tax Year	Taxable Income	Tax Liability	Plus	On Taxable Income Over
2014-2023	\$60,000 and higher	\$ 2,943.00	6.60 %	\$ 60,000
	\$25,000 - \$59,999	1,001.00	5.55 %	25,000
	\$20,000 - \$24,999	741.00	5.20 %	20,000
	\$10,000 - \$19,999	261.00	4.80 %	10,000
	\$5,000 - \$9,999	66.00	3.90 %	5,000
	\$2,000 - \$4,999	0.00	2.20 %	2,000
	\$1,999 and lower	0.00	0.00 %	0

As an example, for tax year 2013, a taxable income over \$60,000, pays a tax of \$2,943.50 plus 6.75% of the taxable income in excess of \$60,000.

Sources:
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits), as presented in the State's Annual Comprehensive Financial Report for the applicable fiscal year. Personal income is provided by the Bureau of Economic Analysis, U.S. Department of Commerce (www.bea.gov/regional) through estimates released September 2024.

Notes:

- (1) Personal income tax revenue is net of refunds, on a cash basis, for the fiscal year.
- (2) Personal income is reported on a calendar basis and includes estimates for items not included to avoid disclosure of confidential information.
- (3) The total direct rate for personal income is not available. Average effective rate equals personal income tax revenue divided by personal income.
- (4) The tax rate table is used to determine gross liability. Amounts shown are for all filing status returns.

STATE OF DELAWARE
Personal Income Tax Filers and Liability by Income Level
Calendar Year 2022 and Ten Years Prior

Tax Year 2012							Tax Year 2022				
Delaware AGI Taxpayer Percentile	Number of Filers	Delaware AGI		Liability Net of Credits		Number of Filers	Delaware AGI		Liability Net of Credits		
		Average DE AGI	Percentage of Total (1)	Total Liability	Percentage of Total (1)		Average DE AGI	Percentage of Total (1)	Total Liability	Percentage of Total (1)	
From:	To:										
0	10	49,453	4,240	0.8 %	116,722	— %	58,865	3,322	0.7 %	4,136,921	0.2 %
10	20	49,454	11,092	2.0 %	2,215,066	0.2 %	58,866	11,938	1.8 %	10,375,285	0.5 %
20	30	49,453	17,512	3.1 %	8,829,703	0.9 %	58,866	20,206	3.0 %	27,970,223	1.5 %
30	40	49,454	24,094	4.3 %	18,505,235	1.8 %	58,866	29,131	4.2 %	49,597,409	2.6 %
40	50	49,455	31,181	5.6 %	33,368,335	3.3 %	58,865	37,801	5.3 %	74,790,833	3.9 %
50	60	49,453	39,280	7.0 %	52,793,001	5.2 %	58,866	47,600	6.7 %	102,806,218	5.4 %
60	70	49,454	49,129	8.8 %	74,492,820	7.3 %	58,866	59,819	8.4 %	139,317,495	7.3 %
70	80	49,453	62,349	11.2 %	102,162,812	10.0 %	58,866	76,165	10.7 %	193,490,191	10.2 %
80	90	49,454	83,685	15.0 %	151,244,895	14.8 %	58,865	103,352	14.6 %	287,923,445	15.1 %
90	95	24,727	119,511	10.7 %	121,852,930	11.9 %	29,433	148,354	10.5 %	224,488,263	11.8 %
95	99	19,781	205,152	14.7 %	196,249,040	19.2 %	23,547	256,774	14.7 %	343,189,712	18.0 %
99	100	4,946	945,054	16.9 %	260,815,817	25.5 %	5,887	1,336,287	19.4 %	445,896,083	23.4 %

Source: Delaware Division of Revenue

Notes: The number of filers is equal for each 10 percentile.

(1) Percentage of total is each respective income range's share of total AGI or Net Liability.

STATE OF DELAWARE

Franchise Taxes

Last Ten Fiscal Years

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Franchise Tax (In Millions)	\$ 677.0	\$ 703.3	\$ 717.2	\$ 837.0	\$ 890.9	\$ 944.2	\$ 1,060.2	\$ 1,274.1	\$ 1,363.2	\$ 1,288.0
Number of Filers	230,558.0	236,779.0	240,341.0	245,718.0	251,879.0	259,332.0	274,324.0	289,921.0	302,731.0	309,911.0
Average Amount per Filer	\$ 2,936.0	\$ 2,970.3	\$ 2,984.0	\$ 3,406.0	\$ 3,537.0	\$ 3,641.0	\$ 3,865.0	\$ 4,395.0	\$ 4,503.0	\$ 4,156.0

Corporations - Authorized Share Method	Tax Year 2009-2014	Tax Year 2015-2016
3,000 shares or less, Minimum Tax	\$ 75.00	\$ 175.00
5,001-10,000 shares	150.00	250.00
Each additional 10,000 shares, add	75.00	75.00
Maximum Yearly Tax	180,000.00	180,000.00

Corporations - Authorized Share Method	Tax Year 2017	Tax Year 2018-2024
5,000 shares or less, Minimum Tax	\$ 175.00	\$ 175.00
5,001-10,000 - shares	250.00	250.00
Each additional 10,000 shares or portion thereof add	75.00	85.00
Maximum Annual Tax	200,000.00	200,000.00

<u>Limited Liability Companies;</u> <u>Limited Partnerships</u>	Tax Year 2009-2014	Tax Year 2015-2024
Yearly Tax	\$ 250.00	\$ 300.00

Assumed Par Value Capital Method

- (1) Calculate "assumed par" by dividing total gross assets by total issued shares carrying the decimal to six places.
- (2) Multiply the assumed par by the number of authorized shares having a par value less than the assumed par.
- (3) Multiply the number of authorized shares with a par value greater than the assumed par value by their respective value.
- (4) Add the results of #2 and #3 above. The result is your assumed par value capital.
- (5) Calculate the tax by dividing the assumed par value capital, rounded up to the next million if it is over \$1,000,000 and multiply by \$200.00 for tax years 2000-2002. For tax years 2003 to 2008, the multiplier is \$250. Beginning tax year 2009, the multiplier increased from \$250 to \$400 Beginning tax year 2009, the multiplier increased from \$250 to \$400
- (6) The minimum tax for the Assumed Par Value Capital Method of calculation is \$400.00.

Sources:

Delaware Economic and Financial Advisory Council (DEFAC) Revenue Forecast
Delaware Secretary of State, Division of Corporations
Delaware Department of Finance Fiscal Notebook

STATE OF DELAWARE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
General Obligation Bonds	\$ 2,067,323	\$ 2,118,548	\$ 2,177,005	\$ 2,257,868	\$ 2,340,318	\$ 2,484,088	\$ 2,551,378	\$ 2,593,009	\$ 2,756,777	\$ 2,831,705
Revenue Bonds	56,837	53,596	50,486	47,235	64,804	62,624	59,039	55,794	52,493	49,098
Notes Payable	27,277	25,939	24,503	22,999	21,422	19,772	32,574	30,170	38,835	37,381
Total Governmental Activities	2,151,437	2,198,083	2,251,994	2,328,102	2,426,544	2,566,484	2,642,991	2,678,973	2,848,105	2,918,184
Business-type Activities										
General Obligation Bonds	—	—	—	—	—	—	—	—	—	—
Loans Payable	—	—	—	106,905	191,937	223,047	229,644	236,445	243,447	243,447
Revenue Bonds	906,878	1,073,365	1,062,055	975,800	886,606	956,260	1,284,195	1,258,188	1,276,907	1,186,943
Total Business-type Activities	906,878	1,073,365	1,062,055	1,082,705	1,078,543	1,179,307	1,513,839	1,494,633	1,520,354	1,430,390
Total Primary Government	\$ 3,058,315	\$ 3,271,448	\$ 3,314,049	\$ 3,410,807	\$ 3,505,087	\$ 3,745,791	\$ 4,156,830	\$ 4,173,606	\$ 4,368,459	\$ 4,348,574
Personal Income	45,031,693	45,466,783	47,699,849	50,736,300	52,789,870	55,357,375	55,475,494	60,759,786	61,150,198	68,276,190 [*]
Debt as a Percentage of Personal Income	6.79 %	7.20 %	6.95 %	6.72 %	6.64 %	6.77 %	7.49 %	6.87 %	7.14 %	6.37 %
Population	946	953	962	969	975	980	985	1,000	1,015	1,029
Amount of Debt per Capita	\$ 3,233	\$ 3,433	\$ 3,445	\$ 3,520	\$ 3,595	\$ 3,822	\$ 4,220	\$ 4,174	\$ 4,304	\$ 4,226

Sources:

Personal income and population is provided by the Bureau of Economic Analysis, U.S. Department of Commerce (www.bea.gov/regional) through estimates released September 2020.

Notes:

Details regarding the State's outstanding debt can be found in the long-term liabilities note to the financial statements.

All personal income and per capita amounts are updated to reflect revised U.S. Bureau of Economic Analysis estimates.

* - Average for first two quarters of calendar year 2024

STATE OF DELAWARE

Debt Limits

Last Ten Fiscal Years

(Expressed in Millions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Estimated General										
Fund Revenue	\$ 3,908.5	\$ 3,939.2	\$ 4,048.4	\$ 4,145.8	\$ 4,363.9	\$ 4,617.3	\$ 4,550.4	\$ 5,120.4	\$ 5,812.7	\$ 6,035.1
Projected New Tax-										
Supported Debt										
Authorizations (5%)	\$ 193.9	\$ 196.9	\$ 202.4	\$ 207.2	\$ 218.2	\$ 230.9	\$ 227.5	\$ 256.0	\$ 290.6	\$ 301.7

Source:

Delaware General Assembly

Notes:

There is no constitutional debt limit for the State

The General Assembly passed legislation to have a three-part debt limit, as follows:

- 1 The aggregate principal amount of new "tax-supported obligations of the State" may not exceed 5% of the estimated budgetary general fund revenue for that fiscal year.
- 2 No "tax-supported obligations of the State" and no "Transportation Trust Fund debt obligations" of the Delaware Transportation Authority may be incurred if the aggregate maximum annual payments on all such outstanding obligations exceed 15% of the estimated budgetary general fund revenue plus Transportation Trust Fund revenue for the fiscal year following the fiscal year in which such obligations is incurred (the 15% test).
- 3 No general obligation debt (with certain exceptions) may be incurred if the maximum annual debt service payable in any fiscal year on all such outstanding obligations will exceed the estimated cumulative cash balances (including all reserves) for the fiscal year following the fiscal year in which the obligation is incurred.

STATE OF DELAWARE
General Obligation Debt Support
Last Ten Fiscal Years
(Expressed in Millions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Obligation Debt Supported by Budgetary General Fund Revenue										
State Facilities	\$ 663.9	\$ 747.4	\$ 777.8	\$ 847.0	\$ 840.9	\$ 952.7	\$ 967.6	\$ 735.3	\$ 782.2	\$ 683.2
School Facilities (State Share)	677.9	638.1	681.3	655.3	737.7	749.7	757.8	816.5	971.2	1,067.5
Bond Issue Premium	191.9	215.7	221.2	254.2	259.4	298.2	313.6	327.4	342.5	343.5
Subtotal	1,533.7	1,601.2	1,680.3	1,756.5	1,838.0	2,000.6	2,039.0	1,879.2	2,095.9	2,094.2
General Obligation Debt Supported by Budgetary Special Fund Revenue										
Highway and Other Transportation Improvements	—	—	—	—	—	—	—	—	—	—
School Facilities (Local Share)	533.5	517.4	496.6	501.2	502.3	483.5	512.4	713.8	660.8	737.5
Subtotal	533.5	517.4	496.6	501.2	502.3	483.5	512.4	713.8	660.8	737.5
Total General Obligation Debt Outstanding	\$ 2,067	\$ 2,119	\$ 2,177	\$ 2,258	\$ 2,340	\$ 2,484	\$ 2,551	\$ 2,593	\$ 2,757	\$ 2,832
Population (In Thousands)	946.0	953.0	962.0	969.0	975.0	980.0	985.0	1,000.0	1,015.0	1,028.8 *
Debt Per Capita (In Thousands)	2.18	2.22	2.26	2.33	2.40	2.53	2.59	2.59	2.72	2.75

Source:

Delaware Office of the State Treasurer

Notes:

This table reflects the portion of general obligation debt supported by budgetary general fund and budgetary special fund revenue

The schedule has been updated to report the Bond Issue Premium.

* - Average for first two quarters of calendar year 2024

STATE OF DELAWARE
Pledged Revenue Coverage
Last Ten Fiscal Years
(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue Bonds - DelDOT										
Revenue - Turnpike and Motor Vehicles	\$ 412,850	\$ 457,169	\$ 479,285	\$ 477,725	\$ 505,350	\$ 487,535	\$ 514,324	\$ 536,455	\$ 562,757	\$ 557,349
Debt Service:										
Principal	\$ 77,655	\$ 72,580	\$ 70,595	\$ 69,880	\$ 74,770	\$ 75,440	\$ 78,740	\$ 77,345	\$ 75,030	\$ 71,365
Interest	41,467	39,768	44,581	42,885	40,917	37,234	40,880	50,481	46,709	48,040
Debt Service Requirements	\$ 119,122	\$ 112,348	\$ 115,176	\$ 112,765	\$ 115,687	\$ 112,674	\$ 119,620	\$ 127,826	\$ 121,739	\$ 119,405
Coverage	3.47	4.07	4.16	4.24	4.37	4.33	4.30	4.20	4.62	4.67
Revenue Bonds - DSU										
Revenue - Student Tuition and Fees	\$ 70,500	\$ 81,622	\$ 76,255	\$ 85,128	\$ 88,463	\$ 84,172	\$ 84,277	\$ 101,002	\$ 111,928	\$ 136,845
Less: Operating Expenses	(57,281)	(59,212)	(66,367)	(70,922)	(73,900)	(77,165)	(74,674)	(77,252)	(132,943)	(75,551)
Net Available Revenue	\$ 13,219	\$ 22,410	\$ 9,888	\$ 14,206	\$ 14,563	\$ 7,007	\$ 9,603	\$ 23,750	\$ (21,015)	\$ 61,294
Debt Service:										
Principal	\$ 2,942	\$ 2,895	\$ 3,156	\$ 3,413	\$ 3,591	\$ 3,074	\$ 3,993	\$ 3,875	\$ 4,080	\$ 4,245
Interest *	5,457	5,379	5,265	4,768	4,478	4,640	3,862	3,960	3,795	3,628
Debt Service Requirements	\$ 8,399	\$ 8,274	\$ 8,421	\$ 8,181	\$ 8,069	\$ 7,714	\$ 7,855	\$ 7,835	\$ 7,875	\$ 7,873
Coverage	1.57	2.71	1.17	1.74	1.80	0.91	1.22	3.03	-2.67	7.79
Revenue Bonds - DSHA										
Gross Revenues	\$ 112,651	\$ 93,643	\$ 75,769	\$ 60,893	\$ 60,404	\$ 35,895	\$ 108,057	\$ 19,160	\$ 4,456	\$ 81,066
Less: Operating Expenses	(264)	(295)	(214)	(150)	(89)	(59)	(193)	14	23	23
Net Available Revenue	\$ 112,387	\$ 93,348	\$ 75,555	\$ 60,743	\$ 60,315	\$ 35,836	\$ 107,864	\$ 19,174	\$ 4,479	\$ 81,089
Debt Service:										
Principal	\$ 94,073	\$ 79,036	\$ 63,388	\$ 48,548	\$ 53,584	\$ 25,445	\$ 74,098	\$ 29,393	\$ 2,113	\$ 2,083
Interest	17,099	13,138	10,219	7,471	5,679	4,388	810	630	652	597
Debt Service Requirements	\$ 111,172	\$ 92,174	\$ 73,607	\$ 56,019	\$ 59,263	\$ 29,833	\$ 74,908	\$ 30,023	\$ 2,765	\$ 2,680
Coverage	1.01	1.01	1.03	1.08	1.02	1.20	1.44	0.64	1.62	30.26

Sources:
Delaware Department of Transportation
Delaware State University
Delaware State Housing Authority

Notes:

Gross revenues represent mortgage principal repayment, mortgage insurance claims received, unused bond proceeds and excess reserves. Expenses do not include interest or amortization.

Abbreviations: Delaware Department of Transportation (DelDOT), Delaware State University (DSU), Delaware State Housing Authority (DSHA)

Debt service for Delaware State University includes Delaware State University Student Housing Foundation beginning in years 2004-2014.

*Interest on Delaware State University Student Housing Foundation is a variable rate.

STATE OF DELAWARE
Demographic and Economic Statistics
Last Ten Calendar Years

(Expressed in Thousands, Unless Otherwise Stated)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population										
State	936	946	953	962	969	975	980	1,003	1,018	1,032
Percentage Change	1.1 %	1.1 %	0.6 %	1.1 %	0.5 %	0.6 %	0.5 %	0.5 %	0.5 %	1.4 %
National	318,857	321,467	323,127	325,719	327,167	328,240	329,484	331,894	333,288	334,915
Percentage Change	0.9 %	0.8 %	0.5 %	0.8 %	0.4 %	0.3 %	0.4 %	0.7 %	0.4 %	0.5 %
Total Personal Income										
State (In Millions)	\$ 42,984	\$ 45,032	\$ 45,467	\$ 47,700	\$ 50,736	\$ 52,789	\$ 55,358	\$ 60,134	\$ 62,516	\$ 64,478
Percentage Change	3.6 %	4.9 %	1.0 %	5.0 %	6.3 %	4.0 %	4.9 %	8.6 %	4.0 %	3.1 %
National (In Billions)	\$ 14,709	\$ 15,324	\$ 15,913	\$ 16,820	\$ 17,813	\$ 18,599	\$ 19,607	\$ 21,289	\$ 21,805	\$ 23,380
Percentage Change	3.9 %	4.2 %	3.8 %	5.7 %	5.9 %	4.4 %	5.4 %	8.6 %	2.4 %	7.2 %
Per Capita Personal Income										
State	\$ 45,942	\$ 47,662	\$ 47,869	\$ 49,673	\$ 52,507	\$ 54,264	\$ 56,097	\$ 59,931	\$ 61,387	\$ 65,392
Percentage Change	2.5 %	3.7 %	0.4 %	3.8 %	5.7 %	3.3 %	3.4 %	6.8 %	2.4 %	6.5 %
National	\$ 46,129	\$ 47,669	\$ 49,246	\$ 51,640	\$ 54,446	\$ 56,663	\$ 59,510	\$ 64,143	\$ 65,423	\$ 69,810
Percentage Change	3.0 %	3.3 %	3.3 %	4.9 %	5.4 %	4.1 %	5.0 %	7.8 %	2.0 %	6.7 %
Resident Civilian Labor Force and Employment (in units)										
Civilian Labor Force	452	483	477	483	488	473	487	500	500	506
Employed	426	462	455	464	473	398	458	478	479	486
Unemployed	26	20	22	20	16	75	29	23	21	20
Unemployment Rate	5.7 %	4.2 %	4.7 %	4.0 %	3.2 %	15.8 %	5.9 %	4.5 %	4.2 %	3.9 %

Sources:

Population and personal income is provided by the Bureau of Economic Analysis, U.S. Department of Commerce (www.bea.gov/regional) SA05N through estimates released September 2024.
Delaware Department of Labor, Office of Occupational and Labor Market Information.

Notes:

Total personal income is comprised of earned income, dividends, interest and rents, and government transfer payments.

Per Capita income is calculated by dividing personal income by population; amounts may not be exact due to rounding.

STATE OF DELAWARE
Principal Employers by Industry
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Non-farm Employment</u>										
Private Employment:										
Accommodation and Food Services	38,400	39,900	40,900	41,600	42,600	43,200	33,600	37,800	41,400	43,000
Administrative and Waste Services	25,400	26,500	26,800	28,000	28,800	29,500	27,900	29,200	30,900	29,600
Arts, Entertainment, and Recreation	8,600	8,700	8,500	8,800	9,200	9,900	7,500	7,900	8,600	9,200
Construction	17,700	18,100	18,200	18,700	19,600	20,300	19,700	20,400	20,800	21,100
Educational Services	13,800	13,900	14,000	14,300	14,600	14,600	14,000	14,300	15,000	15,700
Finance and Insurance	39,700	41,300	41,600	42,500	42,200	42,200	41,900	41,800	42,900	44,300
Forestry, Fishing, and Related Activities	—	—	—	—	—	—	—	—	—	—
Health Care and Social Assistance	64,600	67,300	68,900	70,200	72,000	73,500	70,900	70,900	72,300	75,400
Information	4,900	4,700	4,600	4,500	4,100	3,900	3,600	3,600	3,800	3,600
Management of Companies and Enterprises	8,600	8,900	9,100	8,300	8,100	8,400	8,400	8,400	8,100	7,700
Manufacturing, Durable and Nondurable	25,400	25,800	26,100	26,300	27,100	27,300	25,500	25,000	26,100	27,300
Mining	—	—	—	—	—	—	—	—	—	—
Professional, Scientific, and Technical Services	26,000	25,600	25,700	25,800	26,600	26,200	25,400	25,600	26,900	27,600
Real Estate and Rental and Leasing	5,300	5,300	5,500	5,500	5,600	5,700	5,500	5,700	6,000	6,200
Trade, Retail	52,500	53,000	53,700	53,500	53,200	51,900	47,800	49,800	50,400	51,200
Trade, Wholesale	11,800	11,500	11,000	10,600	10,800	10,900	11,000	11,700	12,300	12,600
Transportation and Warehousing	15,300	16,800	17,100	16,800	16,800	18,000	18,800	20,400	24,600	26,100
Utilities	—	—	—	—	—	—	—	—	—	—
Other Services, Except Public Administration	18,600	18,600	18,700	18,700	18,500	18,700	17,500	18,300	18,600	18,900
Total Private Employment	376,600	385,900	390,400	394,100	399,800	404,200	379,000	390,800	408,700	419,500
Governmental and Governmental Enterprises:										
Federal, Civilian	5,500	5,600	5,700	5,700	5,700	5,700	6,000	5,900	6,000	6,300
Military	—	—	—	—	—	—	—	—	—	—
State Governmental	32,800	32,900	32,800	33,000	33,100	33,300	32,300	32,500	32,600	33,600
Local Governmental	26,500	26,800	27,100	27,300	27,400	27,900	27,300	27,900	29,100	29,600
Total Governmental Employment	64,800	65,300	65,600	66,000	66,200	66,900	65,600	66,300	67,700	69,500
Total Non-farm Employment	441,400	451,200	456,000	460,100	466,000	471,100	444,600	457,100	476,400	489,000
Total Employment	441,400	451,200	456,000	460,100	466,000	471,100	444,600	457,100	476,400	489,000

Source:

*Effective September 27, 2024, State table SAEMP25N - Total full-time and part time employment by industry was discontinued according to the www.bea.gov website. Delaware is currently reporting Employment Statistics provided by Delaware Department of Labor.

Notes:

Due to statutory requirements (confidentiality provisions), the State can not disclose the number employed by the ten largest employers. As an alternative comparison, this schedule presents the number employed by nonfarm related industries. The ten largest employers are nonfarm related; therefore, the number employed by those employers could be expected to fall within this schedule.

STATE OF DELAWARE
State Employees by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Full-Time Employees										
General Government	2,014	2,039	2,004	1,975	2,127	2,163	2,120	2,068	2,163	2,223
Health and Children's Services	4,826	4,718	4,738	4,626	4,499	4,493	4,463	4,168	4,136	4,243
Judicial and Public Safety	5,561	5,556	5,465	5,481	5,555	5,635	5,562	5,432	5,434	5,642
Natural Resources and Environmental Control	683	683	671	634	648	678	667	661	656	678
Transportation	1,662	1,666	1,653	1,642	1,640	1,664	1,701	1,629	1,583	1,605
Labor	422	412	415	411	381	355	369	353	372	387
Education	17,697	17,780	18,181	18,319	18,981	19,611	19,713	20,346	21,151	21,807
State Total	32,865	32,854	33,127	33,088	33,831	34,599	34,595	34,657	35,495	36,585

Source:
Delaware Payroll Human Resources Statewide Technology System

Note:
Includes employees of Local School Districts, but not those of Charter Schools

STATE OF DELAWARE
Operating Indicators by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Children, Youth and Their Families										
Number of Youths in Care	23,155	21,875	23,443	23,337	23,324	23,037	20,340	23,070	23,438	21,156
Corrections										
Average Daily Inmate Population	6,824	6,559	6,386	6,221	5,614	4,966	4,321	4,530	4,704	4,650
Natural Resources and Environmental Control										
Number of Visitors to State Parks	5,481,315	5,548,398	5,838,582	5,892,564	6,026,697	6,237,844	7,925,295	7,980,538	8,201,219	7,425,014
Education										
Public School Enrollment, Grades K-12	134,932	136,027	137,217	137,873	139,144	140,849	138,414	139,799	141,299	141,718
Delaware State University - Students Enrolled	5,015	4,600	4,600	4,648	5,506	5,503	5,240	5,804	5,770	5,718
Delaware Technical & Community College - Enrolled	19,165	19,065	19,516	19,538	19,602	18,608	17,479	16,579	16,564	17,844
Health and Social Services										
Medicaid Eligibles	224,198	228,045	227,209	234,936	236,113	236,590	260,604	287,593	312,754	290,632
Prescription Assistance Program	5,640	5,373	5,463	—	1,801	2,082	2,263	2,232	2,230	2,157
Childcare Caseloads	14,303	15,120	15,890	16,416	739,732	14,486	11,966	11,542	11,839	11,971
Client Visits to Service Centers	636,473	633,932	616,407	664,890	647,765	569,603	698,892	73,503	50,403	51,264
Judicial										
Court of Common Pleas - Filings	134,713	135,733	248,608	243,376	230,546	110,037	81,132	94,978	105,878	93,793
Superior Court - Filings	18,520	18,292	43,092	18,132	16,211	14,375	12,566	13,198	15,271	12,842
Labor										
Workers' Compensations Petitions Filed	7,035	7,472	7,759	7,087	7,579	6,614	6,198	5,816	5,599	5,728
Safety and Homeland Security										
Number of Criminal Histories Requested	53,964	60,240	57,499	63,650	79,641	68,218	57,584	57,679	64,130	68,743
Calls to 911 Centers	333,282	576,629	602,247	549,990	565,068	576,186	535,731	353,030	564,273	478,304
Transportation										
Licensed Drivers	737,952	750,601	721,561	786,504	801,086	725,952	824,123	850,424	773,270	782,479
Registered Motor Vehicles	879,071	901,256	921,850	928,927	934,615	922,221	961,501	997,839	1,007,749	1,013,201
Bus ridership - Fixed Routes	10,257,127	8,401,294	7,512,218	7,170,180	7,162,659	6,010,461	3,993,936	4,110,318	5,017,921	5,394,405
Train Ridership	1,273,590	1,240,830	1,128,094	1,160,079	1,196,630	840,692	211,975	404,032	499,837	663,683

Sources:

Delaware Department of Services for Children Youth & Their Families
Delaware Department of Correction
Delaware Department of Education
Delaware State University
Delaware Technical & Community College
Delaware Department of Health & Social Services
Delaware Judicial Department
Delaware Department of Labor
Delaware State Police
Delaware Department of Transportation

Notes:

Licensed drivers and registered motor vehicles are tracked on a calendar year.
Program No longer exists

STATE OF DELAWARE
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Acres of Farmland Permanently Preserved	1,066	2,245	3,039	3,526	9,275	5,299	3,695	3,827	3,927	2,262
Health and Children's Services										
Hospitals and State Operated 24/7 Facilities	5	4	4	4	4	4	3	3	3	3
Service Centers	15	15	15	15	15	15	15	15	15	15
Natural Resources and Environmental Control										
Acres of Wildlife Habitat Actively Managed	8,400	8,200	8,200	7,464	8,500	8,500	7,950	10,000	10,000	10,000
Transportation										
Centerline Miles	4,448	4,452	4,452	4,455	4,455	4,394	4,587	4,394	4,391	4,382
Centerline Miles Rated Good	4,032	3,960	3,960	3,623	3,623	3,359	3,551	3,665	3,647	3,519
Number of Bridges	1,626	1,674	843	825	847	851	844	841	842	840
Structural Rating of Good	1,211	1,238	582	575	645	683	687	681	699	729
Square Feet of Bridge Deck	8,049,340	8,039,759	7,853,193	7,885,958	8,315,420	8,372,725	8,916,909	8,923,185	8,397,284	8,394,917
Square Feet of Bridge Deck Rated Good	5,979,029	5,697,809	4,788,784	4,518,306	5,332,466	5,794,649	5,671,539	5,561,990	6,193,971	6,474,318
National Guard										
Number of Armory Facilities	11	11	11	11	10	10	10	10	10	10
Education										
Local School Districts										
Number of Elementary Schools	107	106	105	109	109	109	111	114	116	116
Number of Middle Schools	36	35	36	42	42	42	32	33	34	35
Number of High Schools	32	32	32	36	36	36	33	34	34	34
Number of Special Schools	12	12	17	19	19	17	20	22	18	18
Number of Administration Buildings	25	25	20	20	21	21	24	19	22	21

Source:

Delaware Department of Agriculture
Delaware Office of Management and Budget
Delaware Department of Transportation
Delaware National Guard
Department of Education

Notes:

N/A - Data is not available at this time.

*The State updated its reporting of bridges to coincide with the Federal Highway Administration's definition of bridges, which have specific length requirements.

STATE OF DELAWARE
Capital Asset Balances by Function
Last Ten Fiscal Years
(Expressed in Thousands)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Buildings										
General Government	\$ 554,355	\$ 567,467	\$ 568,714	\$ 570,625	\$ 577,974	\$ 599,364	\$ 581,948	\$ 636,489	\$ 664,686	\$ 683,381
Health and Children's Services	190,798	189,738	189,738	176,660	175,573	179,824	182,322	265,928	271,087	274,761
Judicial and Public Safety	430,857	436,495	436,617	437,649	448,928	449,663	504,599	578,900	590,344	635,431
Natural Resources and Environmental Control	45,100	47,612	48,841	49,125	50,183	51,952	52,383	68,335	69,208	68,111
Transportation	159,631	167,691	185,138	190,130	208,460	219,808	235,767	248,124	256,377	390,588
Labor	—	—	—	—	—	—	—	35,503	—	—
Education	2,806,521	2,810,884	2,808,316	2,830,366	2,962,998	3,055,589	3,221,059	3,341,580	3,416,601	3,575,751
Total Buildings	<u>\$ 4,187,262</u>	<u>\$ 4,219,887</u>	<u>\$ 4,237,364</u>	<u>\$ 4,254,555</u>	<u>\$ 4,424,116</u>	<u>\$ 4,556,200</u>	<u>\$ 4,778,078</u>	<u>\$ 5,174,859</u>	<u>\$ 5,268,303</u>	<u>\$ 5,628,023</u>
Land and Land Improvements										
General Government	\$ 133,499	\$ 136,150	\$ 137,973	\$ 142,635	\$ 146,684	\$ 148,430	\$ 147,944	\$ 147,943	\$ 153,984	\$ 161,401
Health and Children's Services	13,518	13,518	13,650	13,202	10,624	10,732	10,917	12,273	12,823	12,824
Judicial and Public Safety	84,133	84,363	84,363	86,061	86,166	83,842	89,143	93,393	94,723	101,310
Natural Resources and Environmental Control	402,858	418,464	423,116	429,239	449,821	459,283	466,085	472,274	481,275	512,321
Transportation	298,948	306,704	310,298	326,165	364,872	374,572	384,470	411,277	435,847	460,174
Education	194,740	205,161	206,990	216,907	216,086	228,940	245,981	253,141	266,952	275,199
Total Land and Land Improvements	<u>\$ 1,127,696</u>	<u>\$ 1,164,360</u>	<u>\$ 1,176,390</u>	<u>\$ 1,214,209</u>	<u>\$ 1,274,253</u>	<u>\$ 1,305,799</u>	<u>\$ 1,344,540</u>	<u>\$ 1,390,301</u>	<u>\$ 1,445,604</u>	<u>\$ 1,523,229</u>
Equipment and Vehicles										
General Government	31,829	32,256	30,095	29,646	26,296	16,584	16,729	16,466	20,958	24,529
Health and Children's Services	15,980	9,930	9,883	9,269	10,355	9,834	11,675	13,022	13,741	14,480
Judicial and Public Safety	41,804	44,519	47,222	51,428	52,170	71,905	72,962	82,315	91,274	101,922
Natural Resources and Environmental Control	26,693	27,366	26,107	26,997	27,930	29,709	31,827	32,177	34,571	37,008
Transportation	294,328	308,635	309,593	322,756	343,714	371,424	400,637	404,896	396,822	403,930
Labor	1,023	1,023	1,023	1,023	1,023	993	993	993	705	705
Education	86,079	88,766	90,609	94,700	97,905	103,552	104,507	109,835	125,224	136,646
Total Equipment and Vehicles	<u>\$ 497,736</u>	<u>\$ 512,495</u>	<u>\$ 514,532</u>	<u>\$ 535,819</u>	<u>\$ 559,393</u>	<u>\$ 604,001</u>	<u>\$ 639,330</u>	<u>\$ 659,704</u>	<u>\$ 683,295</u>	<u>\$ 719,220</u>
Infrastructure										
Transportation	<u>\$ 3,760,135</u>	<u>\$ 3,823,201</u>	<u>\$ 4,005,063</u>	<u>\$ 4,185,972</u>	<u>\$ 4,301,367</u>	<u>\$ 4,355,333</u>	<u>\$ 4,466,280</u>	<u>\$ 4,514,306</u>	<u>\$ 4,596,802</u>	<u>\$ 4,800,357</u>

Source:

Delaware Department of Finance

Notes:

Information regarding Infrastructure can be found in the Required Supplementary Information contained on page 140. Information is given as to the number of bridges and their condition as well as the center-lane miles and their condition for the past three years. The State preserves farmland under the Department of Agriculture which is part of General Government. In addition, land is preserved as park land under the Department of Natural Resources and Environmental Control. Other land is used for functional purposes of the department, including housing building to perform the Department's function.

* The State implemented GASB Statement No. 96 Subscription-Based IT Arrangements during fiscal year 2023 which requires the inclusion of Right-to-Use Subscription Assets