

# **The State of Delaware Match Plan**

Financial Statements

December 31, 2013 and 2012

Report Issued: August 9, 2016

# The State of Delaware Match Plan

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*Independent Auditors' Report*

To the Deferred Compensation Council  
The State of Delaware Match Plan  
Dover, Delaware

***Report on the Financial Statements***

We have audited the accompanying financial statements of The State of Delaware Match Plan (“the Plan”), which comprise the statements of net position available for benefits as of December 31, 2013 and 2012, the related statements of changes in net position available for benefits for the years then ended, and the related notes to the financial statements.

***Management’s Responsibility for the Financial Statements***

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors’ Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

To the Deferred Compensation Council  
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significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position available for benefits of The State of Delaware Match Plan as of December 31, 2013 and 2012 and the changes in net position available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 be presented to supplement the basic financial statements. Such information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2016, on our consideration of The State of Delaware Match Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration of The State of Delaware Match Plan's internal control over financial reporting and compliance.

*Belfint, Lyons & Shuman, P.A.*

July 25, 2016  
Wilmington, Delaware

## **The State of Delaware Match Plan**

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### Management's Discussion and Analysis

December 31, 2013 and 2012

This discussion and analysis of The State of Delaware Match Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2013, 2012 and 2011. Please read this section in conjunction with the Plan's financial statements which follow this section.

#### **Financial Highlights**

- Net position available for plan benefits increased by \$2.6 million during 2013 from \$19.3 million at December 31, 2012 to \$21.9 million at December 31, 2013. This increase was primarily due to gains on investments, net of distributions made to participants during 2013. Net position available for plan benefits increased by \$1.3 million during 2012 from \$18.1 million at December 31, 2011 to \$19.3 million at December 31, 2012. This increase was primarily due to contributions made to the Plan as well as gains on investments of net distributions made to participants.
- There were no employer contributions for the years ended December 31, 2013, 2012 and 2011. There were approximately 12,000, 13,000 and 14,000 active participants as of December 31, 2013, 2012 and 2011, respectively.
- Rollovers were approximately \$35,000, \$237,000 and \$232,000 for the years ended December 31, 2013, 2012 and 2011, respectively. Changes in the amount of rollovers from year to year vary greatly and are the direct result of changes in the number of individuals performing these transactions.
- Net investment income increased to \$3.6 million in 2013 from \$2.1 million in 2012. Fluctuations in income are primarily due to changes in the funds offered by the Plan, changes in interest rates for fixed earnings investments as well as fluctuations in the financial market from year to year.
- Distributions paid to participants were \$1 million, \$1.1 million and \$1.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of retirees per year as well as the average distribution per retiree. There were approximately 800, 750 and 680 individuals who received a distribution from the Plan during the years ended December 31, 2013, 2012 and 2011, respectively.
- Administrative expenses and investment fees were approximately \$35,600, \$35,000 and \$34,000 for the years ended December 31, 2013, 2012 and 2011, respectively. Fluctuations in these fees directly relate to changes in amount of total investments and the allocation of investments amongst the Plan's various investment options.

## The State of Delaware Match Plan

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Management's Discussion and Analysis

December 31, 2013 and 2012

### Overview of the Financial Statements

This financial report consists of the Statements of Net Position Available for Plan Benefits and the Statements of Changes in Net Position Available for Plan Benefits. These statements provide information about the financial position and activities of the Plan as a whole. The notes to financial statements provide additional information that is essential to a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements.

The following analysis focuses on net position available for benefits (Table 1) and changes in net position available for benefits (Table 2):

**Table 1**  
**Net Position Available for Benefits**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Investments	<u>\$ 21,903,325</u>	<u>\$ 19,347,307</u>	<u>\$ 18,061,945</u>
Net Position Available for Benefits	<u><u>\$ 21,903,325</u></u>	<u><u>\$ 19,347,307</u></u>	<u><u>\$ 18,061,945</u></u>

**Table 2**  
**Changes in Net Position Available for Benefits**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Additions:			
Employer Contributions	\$ -	\$ -	\$ -
Transfers into Plan (Rollovers)	34,831	237,071	341,749
Net Investment Income (Loss)	3,553,163	2,149,284	(402,070)
Deductions:			
Distributions to Participants	996,412	1,066,213	1,051,771
Administrative and Investment Fees	<u>35,564</u>	<u>34,780</u>	<u>34,215</u>
Change in Net Position	<u><u>\$ 2,556,018</u></u>	<u><u>\$ 1,285,362</u></u>	<u><u>\$ (1,146,307)</u></u>

### Financial Contact

The Plan's financial statements are designed to present users with a general overview of the Plan's finances and to demonstrate the trustee's accountability. If you have questions about the report or need additional financial information, contact the Director of Defined Contribution Plans of The State of Delaware Match Plan at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

## The State of Delaware Match Plan

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Statements of Net Position Available for Benefits

December 31, 2013 and 2012

(See Independent Auditors' Report)

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Investments, at Fair Value	\$ 21,903,325	\$ 19,347,307
<b>Liabilities</b>	-	-
Net Position Available for Benefits	<u>\$ 21,903,325</u>	<u>\$ 19,347,307</u>

*The accompanying notes are an integral part of the financial statements*

## The State of Delaware Match Plan

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Statements of Changes in Net Position Available for Benefits

December 31, 2013 and 2012

(See Independent Auditors' Report)

<b>Additions</b>	<b>2013</b>	<b>2012</b>
Investment Income:		
Net Appreciation in Fair Value of Investments	\$ 2,731,866	\$ 1,705,611
Interest and Dividends	821,297	443,673
Net Investment Income	3,553,163	2,149,284
Contributions		
Rollovers	34,831	237,071
Total Additions	3,587,994	2,386,355
<b>Deductions</b>		
Benefits Paid to Participants	996,412	1,066,213
Administrative Expenses	35,564	34,780
Total Deductions	1,031,976	1,100,993
Net Increase	2,556,018	1,285,362
<b>Net Position</b>		
Beginning of Year	19,347,307	18,061,945
End of Year	\$ 21,903,325	\$ 19,347,307

*The accompanying notes are an integral part of the financial statements*

# **The State of Delaware Match Plan**

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Notes to Financial Statements

December 31, 2013 and 2012

(See Independent Auditors' Report)

## **1. Description of the Plan**

The following description of The State of Delaware Match Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

### **General**

The Plan is a defined contribution plan, under Section 401(a) of the Internal Revenue Code ("IRC"), covering all employees of the State of Delaware (the "State") excluding individuals hired on a temporary basis or as consultants. Under the Plan's provisions, employees of the State are eligible to participate in the Plan provided they are enrolled in the Deferred Compensation Plan and have made salary reduction contributions for six months. Title 29, Part V, Chapter 60A of the Delaware State Code (Code) covers deferred compensation for public officers and employees of the State. The Code gives authority to the Deferred Compensation Council, which is responsible for oversight of the Plan. Section 6060 of the Code authorizes the Deferred Compensation Council to establish the Plan pursuant to Section 401(a) of the IRC.

The Plan has evaluated subsequent events for recognition or disclosure through the date the financial statements were available to be issued.

### **Contributions**

Section 6061 of the Delaware Code establishes the employer contribution to participants. Commencing January 1, 2001, and each pay period thereafter, the State will contribute \$10 per pay period to each participant who makes a deferral into the Deferred Compensation Plan. Modifications of the matching contribution amount per pay period, formula to determine the match, number of pay periods per year to be matched, and other fiscal and operational aspects of the Plan are contingent upon funding by the State of Delaware General Assembly and may be administered through rules and regulations promulgated by the Deferred Compensation Council and pursuant to Code Section 401(a). Senate Bill No. 300 suspended funding by the State effective July 1, 2008. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Otherwise, participants do not make any contributions to the Plan.

Participants direct the investment of all contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

### **Participant Accounts**

Each participant's account is credited with the State's contribution and allocations of plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings, specific transactions, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## **The State of Delaware Match Plan**

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Notes to Financial Statements  
December 31, 2013 and 2012  
(See Independent Auditors' Report)

Employees electing to participate in the Plan may contribute to any of the following options:

- A stable value investment option administered by Fidelity Management Trust Company
- Variable earnings investments consisting of various publicly-traded mutual funds and a self-directed brokerage fund

### **Vesting**

Participants are immediately vested in the State's contributions plus actual earnings thereon.

### **Payment of Benefits**

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, periodic payments, or an annuity.

## **2. Summary of Significant Accounting Policies**

### **Basis of Accounting**

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting using the economic resources measurement focus.

### **Use of Estimates**

The preparation of 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 changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

### **Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment in the Fidelity Managed Income Portfolio is valued daily at its net asset value. The investment valuation includes contributions received plus investment income earned to date less applicable charges and amounts withdrawn. Investment contracts in this portfolio are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net position available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Portfolio is reported at contract value, which approximates fair value.

Variable earnings investments in publicly-traded mutual funds are presented at fair value based on published quotations.

Common stock is valued at the closing price of the common stock as reported on the archive market on which the securities are traded.

## **The State of Delaware Match Plan**

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Notes to Financial Statements  
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Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

### **Administration of Plan Assets**

The Plan is administered by the State of Delaware and the Deferred Compensation Council. The Plan's assets are administered under contract with Fidelity Management Trust Company, the trustee of the Plan. The trustee invests funds received from contributions, investment sales, interest, and dividend income and makes distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the State.

Participants may also select a Self-Directed brokerage account through Brokeragelink. The annual account fee for this account was waived for the years ending December 31, 2013 and 2012.

### **Payment of Benefits**

Benefits are recorded when paid.

### **Administrative Expenses**

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the State. Expenses paid by the State are excluded from these financial statements. Costs associated with participant-initiated transactions are paid by the respective participants' accounts. Some administrative expenses are paid from the annual operating expenses of the Plan's designated investment alternatives which are netted against the investment earnings for the relevant participant-directed investments.

## **3. Related-Party Transactions**

Certain members of the Deferred Compensation Council are participating or retired members of the Plan.

Certain investments of the Plan are managed by the trustee, and therefore, these transactions qualify as party-in-interest transactions.

Certain administrative functions of the Plan are performed by officers or employees of the State. No such officer or employee receives compensation from the Plan.

## **4. Plan Termination**

Although it has not expressed any intent to do so, the State has the right at any time to terminate the Plan.

## **The State of Delaware Match Plan**

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Notes to Financial Statements  
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(See Independent Auditors' Report)

### **5. Tax Status**

The Internal Revenue Service ("IRS") has determined and informed the State by a letter dated March 6, 2013, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The State believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax exempt.

### **6. Risks and Uncertainties**

The Plan invests 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 associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Position Available for Benefits.

Credit risk is the risk that the Plan will lose money because of the default of the security of the issuer or investment counterparty. The stable value option and the variable earnings mutual funds are unrated.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are managed by several fund managers. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Council. The investments that exceed 5% are identified in Note 7.

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan would not be able to recover the value of its deposits, investments, or collateral securities that were in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Plan and are held by either the counterparty or the counterparty's trust department or agent, but not in the Plan's name. Investments are held in a trust account for the benefit of the Plan. As a result, the investments of the Plan are not exposed to custodial credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The Plan invests in mutual funds, including debt-based mutual funds. Such funds are subject to interest rate risk; funds holding bonds with longer maturities are more subject to this risk than funds holding bonds with shorter maturities.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment. The Plan allows the option of investments in mutual funds of countries outside the United States that invest in securities not required to disclose the individual assets within the fund. The fair value of these investments was \$848,912 and \$803,190 as of December 31, 2013 and 2012, respectively. The individual funds are identified in Note 7.

## **The State of Delaware Match Plan**

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Notes to Financial Statements  
December 31, 2013 and 2012  
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### **7. Investments**

Delaware Code Title 29 Section 6057 outlines the types of allowable investments of the Plan. The Deferred Compensation Council has overall responsibility for ensuring the assets of the Plan are in compliance with all applicable laws governing the operation of the Plan and establishing the related investment guidelines and policies. These investments include the following:

1. Savings accounts in federally insured banking institutions
2. United States government bonds or debt instruments
3. Life insurance and annuity contracts, provided the companies offering such contracts are subject to regulation by the Insurance Commissioner of the State
4. Investment funds registered under the Investment Company Act of 1940
5. Securities which are traded on the New York Exchange National Association of Securities Dealers Automated Quotations (NASDAQ) and American Stock Exchange

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated in value by \$2,731,866 and \$1,705,611 during 2013 and 2012, respectively.

The fair or contract value of investments held by the Plan at December 31, 2013 and 2012 were as follows. Investments marked with an asterisk (\*) represent individual investment options, which exceed 5% of the net assets available for plan benefits as of December 31, 2013 and/or 2012. Investments marked with two asterisks (\*\*) represent international funds.

## The State of Delaware Match Plan

Notes to Financial Statements  
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(See Independent Auditors' Report)

	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
JANUS GLOBAL RESEARCH T	\$ 247,379 **	\$ 206,472 **
PIM TOTAL RT INST	399,104	465,144
DOMINI SOCIAL EQ INV	101,232	80,087
JANUS FORTY S	34,760	30,042
AM CENT ULTRA INV	1,272	-
ABF BALANCED INV	2,074	1,735
ABF INTL EQUITY INV	797 **	643 **
ABF SH TERM BOND INV	365	365
MSIF GROWTH I	2,453	1,680
TMPL FRGN SM CO A	3,467	2,848
MUTUAL GBL DISCVRY A	9,040 **	9,093 **
BARON GROWTH	55,201	41,845
BARON ASSET FUND	7,761	5,651
CALVERT BALANCED A	5,408	4,660
CALVERT EQUITY A	396	304
CALVERT CAP ACC A	739	1,903
CALVERT INTL EQ A	718 **	141 **
LOOMIS SM CAP VAL R	805	604
JH SMALL COMPANY A	-	442
FPA CRESCENT	16,482	17,576
RHJ MICRO CAP	2,816	1,912
MCKEE INTL EQ	2,173 **	1,844 **
ARIEL FUND	13,782	7,409
ARIEL APPRECIATION	4,148	3,173
NB CORE BOND INV	2,403	2,474
ALGER CAP APPREC I	80,042	59,256
ALGER MIDCAP GRTH I	17,965	11,416
ALGER SM CAP GR IS I	2,826	2,045
DREY MID-CAP GRTH F	1,166	853
FKLN SMMIDCAP GRTH A	9,163	6,619
HARBOR CAP APPR INST	7,679	5,433
INVS DYNAMICS INV	-	3,462
JANUS FLEXIBLE BD T	17,878	16,328
TEMPLETON FOREIGN A	14,105 **	15,009 **
MSIF CP FX INC A	61	61
MSIF MID CAP GRTH A	11,114	8,059
MSIF SM CO GRTH A	3,052	4,046
MSIF EMERGING MKTS A	2,773 **	3,263 **

## The State of Delaware Match Plan

Notes to Financial Statements  
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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
MUTUAL SHARES A	\$ 12,765	\$ 10,210
MANAGERS SPECIAL EQ	320	221
NB FOCUS TRUST	2,084	1,556
NB GENESIS - TR CL	49,003	41,403
NB MDCP GRTH TRUST	1,483	1,125
NB LG CAP VAL TR	296	867
NB SOCIALLY RESP TR	6,028	4,668
OAKMARK SELECT I	19,380	15,683
OAKMARK EQ & INC I	71,337	84,447
OAKMARK FUND I	8,823	5,386
MGRS/C CAP APPR SRV	1,404	1,427
MGRS/C MID CAP SRV	1,233	2,549
PIM GLBBND AD UNHDGD	14,545 **	25,988 **
PIMCO HIGH YIELD ADM	8,350	8,604
PIMCO LOW DUR ADM	10,708	15,686
PIMCO LT US GOVT ADM	21,282	35,699
LM CM VALUE I	131,430	103,883
WFA ULTRA ST INC INV	232	230
WFA SHRTTERM BND INV	471	467
WFA DISCOVERY INV	44	31
WFA GROWTH INV	37,421	27,261
WFA COMMON STOCK INV	761	1,956
WFA OPPORTUNITY INV	10,769	8,893
WFA LG CAP GRTH INV	5,697	4,242
WFA GOVT SECURTY INV	3,898	4,101
TEMPLETON DEV MKTS A	2,177 **	2,111 **
TEMPLETON GROWTH A	10,325	7,996
TMPL GLOBAL BOND A	34,229 **	42,829 **
TEMPLETON WORLD A	10,125 **	18,097 **
USAA CRNSTN MOD AGGR	222	200
USAA GOVT SEC	6,022	7,696
USAA INCOME FUND	12,953	12,165
USAA INCOME STOCK	855	653
USAA INTERNATIONAL	6,578 **	5,573 **
USAA GROWTH FUND	9,011	6,085
USAA EMERGING MKTS	3,039 **	3,064 **
INVS CONSTELLATION A	-	697
ARTISAN INTL	6,749 **	4,138 **

## The State of Delaware Match Plan

Notes to Financial Statements  
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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
MSIF INTL EQUITY A	\$ 1,251 **	\$ 1,041 **
ROYCE LOW PR STK IS	18,235	35,956
INVS SMCP GRTH INV	6,268	4,875
DREY STRATEGIC VAL I	15,898	12,800
DREY RESEARCH GRTH Z	1,371	1,011
INVS VALUE OPPTS A	4,672	3,570
TCHSTN FOCUSED Y	4,383	3,580
INVS AM FRANCHISE A	1,795	588
VANGUARD INST INDEX	991,772	777,915
INVS GLB SMMDCP GR A	9,187 **	8,136 **
MANAGERS BOND FUND	11,757	7,380
TCW SELECT EQUITY N	316	246
ABDN US EQUITY II A	-	858
LD ABT MID CAP STK A	5,362	4,468
ARTISAN MID CAP INV	4,223	20,066
TCHSTN INTL SMCAP Y	9,466 **	5,768 **
WFA SM CAP VAL INV	9,540	8,738
INVS GRTH & INC A	6,472	4,836
DWS EQUITY DIV A	2,100	1,654
VANG MORGAN GRTH ADM	76,837	58,448
INVS MID CAP GRTH A	4,746	-
INVS EQUITY & INC A	25,629	27,037
INVS MDCP CORE EQ A	167	129
PERKINS MID CP VAL T	16,499	13,831
WA CORE BOND FI	753	769
VANG WINDSOR ADM	156,539	120,784
ALZGI NFJ SMCPLV ADM	10,671	11,425
AF NEW PERSPECT R5	5,882	4,272
ABDN US EQUITY I A	5,816	3,172
ABF SM CAP VAL INV	1,451	1,039
AM CEN LG CO VAL INV	1,116	849
AM CENT SM COMP INV	5,784	4,039
ABF LG CAP VAL INST	22,081	14,812
CALVERT SMALL CAP A	4,341	834
INVS DIVRS DIVD INV	3,028	1,167
TCHSTN MDCP VAL OP Y	2,488	1,195

## The State of Delaware Match Plan

Notes to Financial Statements  
December 31, 2013 and 2012  
(See Independent Auditors' Report)

	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
JANUS BALANCED S	\$ 2,365	\$ 1,983
JANUS FLEXIBLE BD S	2,949	5,157
JANUS OVERSEAS S	6,208 **	8,445 **
JANUS S	581	344
JANUS GLB RESEARCH S	409 **	321 **
ABDN INTL EQ INST SV	4,732 **	4,038 **
MSIF GLB FRANCHISE A	5,769 **	5,429 **
DREY/BC S/MD CP GR A	3,021	2,172
DREY RESEARCH GRTH A	1,965	1,466
ABDN US EQUITY I IS	794	838
FID FIDELITY FUND	337,373	269,493
FID PURITAN	328,785	192,300
FID TREND	20,122	12,698
FID SEL COMPUTERS	40,993	35,536
FID SEL ELECTRONICS	48,601	36,690
FID SEL CONS STAPLES	11,571	8,996
FID VALUE STRAT	1,739	1,726
FID GNMA	43,445	53,286
FID MAGELLAN	5,407	4,052
FID CONTRAFUND	196,317	161,649
FID EQUITY INC	54,382	43,817
FID GROWTH COMPANY	174,687	133,187
FID INVST GR BD	24,890	26,805
FID GROWTH & INC	25,528	18,177
FID SEL SOFTWARE	35,229	25,920
FID INTERMED BOND	20,589	22,359
FID SEL AIR TRANSPRT	5,152	2,517
FID CAPITAL & INCOME	36,644	36,664
FID VALUE	50,179	42,390
FID MORTGAGE SEC	4,976	4,910
FID SEL GOLD	47,671	122,613
FID SEL BIOTECH	169,650	88,067
FID SEL ENERGY SVCS	21,388	16,997
FID SEL INSURANCE	1,387	978
FID SEL RETAILING	22,161	11,026
FID US GOVT RES	23,702	30,932
FIDELITY GOVT INCOME	35,164	40,120

## The State of Delaware Match Plan

Notes to Financial Statements  
 December 31, 2013 and 2012  
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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
FID CASH RESRVE	\$ 74,299	\$ 91,263
FID SEL ENERGY	51,324	38,221
FID SEL LEISURE	13,935	9,834
FID SEL HEALTHCARE	74,976	69,208
FID SEL TECHNOLOGY	113,423	96,205
FID SEL UTILITIES	9,261	10,267
FID SEL FINANCIAL	4,297	5,682
FID SEL DEFENSE	109,815	82,688
FID SEL BROKERAGE	10,303	6,949
FID SEL CHEMICALS	41,495	34,762
FID INDEPENDENCE	40,051	29,105
FID SEL MONEY MARKET	176,979	189,548
FID OTC PORTFOLIO	122,088	86,428
FID OVERSEAS	5,758 **	3,189 **
FID SEL TELECOMM	10,243	8,861
FID SEL CONSUMER FIN	2,742	1,574
FID LEVERGD CO STK 0	68,072	56,329
FID NEW MILLEN	7,997	3,447
FID EUROPE	3,963 **	2,945 **
FID PACIFIC BASIN	5,385 **	4,686 **
FID REAL ESTATE INVS	16,511	19,494
FID BALANCED	194,147	170,278
FID INTL DISCOVERY	76,055 **	66,959 **
FID CAPITAL APPREC	257,345	197,663
FID CONVERTIBLE SEC	6,876	5,577
FID CANADA	32,262 **	45,211 **
FID TELECOM & UTIL	3,454	3,094
FID BLUE CHIP GR	179,322	139,804
FID ASSET MGR 50%	72,198	60,133
FID DISCIPLND EQTY	9,496	6,606
FID LOW PRICED STK	224,431	170,268
FID WORLDWIDE	6,666 **	5,067 **
FID EQ DIV INCOME	332,209	271,245
FID STK SEL ALL CAP	6,568	2,367
FID ASSET MGR 70%	74,474	65,050
FID EMERGING MKTS	15,309 **	17,664 **
FID GROWTH STRAT	640,481	501,338
FID DIVERSIFD INTL	129,285 **	112,326 **

## The State of Delaware Match Plan

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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
FID ASSET MGR 20%	\$ 22,961	\$ 25,490
FID DIVIDEND GR	234,669	189,044
FID NEW MARKETS INC	16,159	30,243
FID EXPORT & MULTI	15,714	12,955
FID FOCUSED STOCK	17,598	7,389
FID GLOBAL BALANCED	12,646 **	20,877 **
FID INTL CAP APPREC	4,079 **	3,353 **
FID STK SEL SM CAP	5,007	4,208
FID MID CAP STOCK	268,915	201,377
FID LARGE CAP STOCK	20,365	14,639
FID GROWTH DISC	27,787	21,857
FID SMALL CAP STOCK	25,637	21,933
FID EUROPE CAP APP	2,965 **	2,690 **
FID NORDIC	14,772 **	7,563 **
FID ASSET MGR 85%	70,265	56,232
FID LATIN AMERICA	22,549 **	31,633 **
FID JAPAN	1,260 **	1,405 **
FID EMERGING ASIA	7,859 **	13,890 **
FID CHINA REGION	22,388 **	21,925 **
FID SEL IT SERVICES	12,316	3,249
FID SEL MED EQ & SYS	17,919	12,636
FID FOUR IN ONE IDX	7,662	6,340
FID JAPAN SMALL CO	12,377 **	4,334 **
FID MEGA CAP STOCK	19,553	13,926
FID STRATEGIC INCOME	25,643	28,272
FID FREEDOM INCOME	101,677	117,306
FID FREEDOM 2000	82,356	83,282
FID FREEDOM 2010	994,249	983,645 *
FID FREEDOM 2020	2,908,774 *	2,698,342 *
FID FREEDOM 2030	2,080,504 *	1,791,897 *
FID SM CAP DISCOVERY	49,994	22,986
FID TREASURY ONLY MM	4,431	3,605
FID SHORT TERM BOND	6,496	6,459
FID INTM GOVT INCOME	3,509	3,687
FID HIGH INCOME	14,142	16,093
FID FIFTY	16,904	15,357
FID SEL AUTOMOTIVE	4,117	6,727
FID SEL MULTIMEDIA	8,694	32,129

## The State of Delaware Match Plan

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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
FID SEL MEDICAL DEL	\$ 17,098	\$ 13,645
FID SEL BANKING	4,092	6,796
FID SEL MATERIALS	18,724	13,796
FID SEL INDUST EQUIP	1,135	878
FID SEL CONSTR/HOUSE	9,792	6,780
FID SEL TRANSPORT	5,247	3,481
FID SEL NATURAL GAS	40,334	35,829
FID SEL NATURAL RES	19,583	17,187
FID SEL INDUSTRIALS	3,752	1,766
FID SEL ENV ALT ENGY	3,457	1,086
FID SEL CONS DISCR	-	898
FID SEL COMM EQUIP	9,986	9,450
FID SEL PHARMACEUTCL	13,611	11,078
FID RETIRE MMKT	930,791	999,835 *
FID RET GOVT MM	20,699	26,617
MANAGED INCOME PORTFOLIO CL1	202,569	211,124
FID STKSEL LGCAP VAL	9,735	7,742
FID FREEDOM 2040	826,172	685,239
FID MID CAP VALUE	14,141	2,423
FID LARGE CAP GROWTH	-	2,621
FID MID CAP GROWTH	-	3,426
FID INFLAT PROT BOND	12,416	19,202
FID ULTRASHORT BOND	2,902	2,906
FID INTL SMALL CAP	34,913 **	23,665 **
FID TOTAL BOND	14,633	12,888
FID VALUE DISCOV	6,930	5,114
FID REAL ESTATE INC	3,143	3,909
FID SEL WIRELESS	31,818	28,046
FID BLUE CHIP VALUE	7,451	4,666
FID NASDAQ COMP INDX	3,333	2,385
FID FREEDOM 2005	34,851	40,451
FID FREEDOM 2015	964,320	920,524
FID FREEDOM 2025	1,778,555 *	1,541,116 *
FID FREEDOM 2035	752,151	620,637
FID STRAT DIV & INC	3,344	2,938
FID FOCUSED HIGH INC	45	43
FID INTL REAL ESTATE	9,849 **	9,744 **

## The State of Delaware Match Plan

Notes to Financial Statements  
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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
FID SMALL CAP GROWTH	\$ 3,291	\$ 2,212
FID SMALL CAP VALUE	12,506	7,851
FID INTL SM CAP OPP	8,509 **	7,062 **
FID STRAT REAL RET	104	660
SPTN TOT MKT IDX ADV	79,420	30,247
SPTN EXT MKT IDX ADV	21,522	17,445
SPTN INTL INDEX ADV	25,286 **	22,999 **
SPTN 500 INDEX ADV	152,659	117,487
SPTN ST TR IDX ADV	3,151	2,245
SPTN INT TR IDX ADV	13,261	16,327
SPTN LT TR IDX ADV	9,919	13,313
FID INTL VALUE	440 **	359 **
FID FREEDOM 2045	312,198	263,023
FID FREEDOM 2050	80,943	67,281
FID LC GRO ENH INDX	779	-
FID ASSET MGR 30%	2,474	-
FID INTL GROWTH	1,156 **	413 **
FID SM CAP ENH INDX	1,566	1,027
FID MID CAP ENH INDX	873	-
FID EMEA	782	771
FID GLB COMDTY STK	981 **	1,410 **
FID CORPORATE BOND	859	3,342
SPTN US BOND IDX ADV	33,791	35,923
FID FREEDOM 2055	866	1,259
SPTN REAL ES IDX ADV	5,399	5,327
FID EMERG MKTS DISC	115	-
FID GLOBAL EQ INCOME	751 **	378 **
FID STK SEL MID CAP	4,485	-
FID TREASURY MMKT	2,301	-

## The State of Delaware Match Plan

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Notes to Financial Statements  
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	Fair Value	
	2013	2012
<b>Fidelity Variable Earnings Investments:</b>		
EXTERNAL FUND	\$ 11,619	\$ -
COMMON STOCK	10,970	14,259
CASH	9,613	-
NON-INTEREST-BEARING CASH	900	667
UNIT	788	609
	<u>\$ 21,903,325</u>	<u>\$ 19,347,307</u>

\* Represents investments greater than 5% of net assets.

\*\* Represents investment in foreign securities.



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

To the Deferred Compensation Council  
The State of Delaware Match Plan  
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The State of Delaware Match Plan as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise The State of Delaware Match Plan's basic financial statements and have issued our report thereon dated July 25, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered The State of Delaware Match Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The State of Delaware Match Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of The State of Delaware Match Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Deferred Compensation Council  
The State of Delaware Match Plan  
Dover, Delaware

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether The State of Delaware Match Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Belfint, Lyons & Shuman, P.A.*

July 25, 2016  
Wilmington, Delaware