



State of Delaware

403(b) PLAN

**Financial Statement Audit for
Calendar Years 2019 & 2020**

Kathleen K. McGuinness, RPh, CFE
DELAWARE STATE AUDITOR



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State of Delaware
403(b) Plan

*Financial Statement Audit
For CYs 2019 and 2020*

What Was Performed? A financial statement audit of the State of Delaware 403(b) Plan for Calendar Years ended December 31, 2019 and 2020.

Why This Engagement? This engagement was conducted in accordance with 29 *Del. C.* §§ 2906, 6058 and 2722.

The 403(b) Plan is a voluntary plan available to most education employees that allows them to defer a portion of their paychecks to a retirement plan. This benefit is offered to help bridge the retirement income gap and lower participants' current taxes.

As of December 31, 2020, the 403(b) Plan had approximately 6,000 active participants and a net position of about \$505.7 million.

What Was Found? It is my pleasure to report this audit contained an unmodified opinion.¹

The 403(b) Plan Annual Report for Calendar Year ended December 31, 2019 and 2020, can be found on our website: auditor.delaware.gov.

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at Kathleen.Mcguinness@delaware.gov.

State of Delaware 403(b) Plan

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December 31, 2020 and 2019

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Independent Auditors' Report

To the Plans Management Board
State of Delaware 403(b) Plan
Dover, Delaware

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of State of Delaware 403(b) Plan (Plan), which comprise the statements of fiduciary net position as of December 31, 2020 and 2019, the related statements of changes in fiduciary net position 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 these 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. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Plan has not maintained sufficient accounting records and supporting documents relating to annuity and custodial accounts issued to current and former employees prior to January 1, 2009. These pre-2009 contracts are permissibly excluded by the Department of Labor's Field Assistance Bulletin No. 2010-01. Effective January 2009,

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the State of Delaware approved 13 vendors for participants of the Plan to select. Prior to this, participants' vendor options were dependent on the school district they worked for and not monitored by the plan administrator. These options included more than 100 vendors for the 19 school districts. Due to the volume of previously approved vendors, the amount of excluded annuity and custodial accounts and the related income and distributions were not determinable, which consequently rendered us unable to obtain sufficient audit evidence with respect to individual participant account balances accumulated from the inception of the Plan to test the completeness and accuracy of beginning account balances. Therefore, the fiduciary net position does not include permissibly excluded pre-2009 contracts held by any vendor. Plan assets held by the 13 approved vendors approved by the State of Delaware that were not permissibly excludible by the Department of Labor's Field Assistance Bulletin No. 2010-01 are included in the financial statements.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

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 4 and 5 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 October 21, 2021, on our consideration of the State of Delaware 403(b) Plan's internal control over financial reporting and our tests of its

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compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Delaware 403(b) Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration of the State of Delaware 403(b) Plan's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

October 21, 2021
Wilmington, Delaware

State of Delaware 403(b) Plan

Management's Discussion and Analysis
December 31, 2020, 2019, and 2018

This discussion and analysis of the State of Delaware 403(b) Plan's (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2020, 2019, and 2018. Please read this section in conjunction with the Plan's financial statements, which follow this section.

Financial Highlights

- Fiduciary net position restricted for pensions increased by approximately \$59.3 million during 2020 from \$446.4 million at December 31, 2019, to \$505.7 million at December 31, 2020. This increase was primarily due to contributions and gains on investments during 2020 being greater than distributions made to participants. Fiduciary net position restricted for pensions increased by approximately \$67.7 million during 2019 from \$378.7 million at December 31, 2018, to \$446.4 million at December 31, 2019. This increase was primarily due to contributions and gains on investments during 2019 being greater than distributions made to participants.
- Participant contributions were \$27.3 million, \$24.5 million, and \$22.3 million for the years ended December 31, 2020, 2019, and 2018, respectively. Changes in contributions are primarily due to fluctuations in the average contribution per participant and number of active plan participants. There were approximately 6,000, 5,700, and 5,400 active participants as of December 31, 2020, 2019, and 2018, respectively.
- Net transfers into (out of) the Plan were (\$34,177), \$96,200, and \$24,390 for the years ended December 31, 2020, 2019, and 2018, respectively. Changes in the amount of transfers into the Plan from year to year vary greatly and are the direct result of changes in the number of individuals performing these transactions or the average transfer amount.
- Net investment income decreased to a \$60.8 million gain in 2020 from a \$71.2 million gain in 2019. 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.
- Benefits paid to participants were \$27.9 million, \$27.3 million, and \$29.9 million for the years ended December 31, 2020, 2019, and 2018, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of separated, deceased, or retired participants and beneficiaries receiving eligible distributions per year as well as the size of their account balances. There were approximately 1,200 individuals who received a distribution from the Plan during each of the years ended December 31, 2020, 2019, and 2018, respectively.
- Administrative expenses were \$939,863, \$889,475, and \$781,173 for the years ended December 31, 2020, 2019, and 2018, respectively. Fluctuations in these fees are the result of different arrangements with the service providers and the number of transactions charged directly to participant accounts.

State of Delaware 403(b) Plan

Management's Discussion and Analysis
December 31, 2020, 2019, and 2018

Overview of the Financial Statements

This financial report consists of the statements of fiduciary net position and the statements of changes in fiduciary net position. These statements provide information about the financial position and activities of the Plan as a whole. The notes to the 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 fiduciary net position restricted for pensions (Table 1) and changes in fiduciary net position (Table 2):

Table 1
Fiduciary Net Position Restricted for Pensions

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Investments	\$ 505,684,268	\$ 445,920,480	\$ 378,156,705
Notes Receivable from Participants	<u>12,438</u>	<u>468,452</u>	<u>560,905</u>
 Fiduciary Net Position Restricted for Pensions	 <u>\$ 505,696,706</u>	 <u>\$ 446,388,932</u>	 <u>\$ 378,717,610</u>

Table 2
Changes in Fiduciary Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Additions			
Participant and Rollover Contributions	\$ 27,187,891	\$ 24,523,384	\$ 22,321,332
Recontribution of CARES Act Distributions	100,000	-	-
Corrective Contributions	-	-	114,868
Net Transfers into (out of) Plan	(34,177)	96,200	24,390
Net Investment Income (Loss)	60,769,950	71,200,789	(21,314,238)
Interest Income on Notes Receivable from Participants	863	1,950	2,597
Other Income	123,938	-	-
Deductions			
Benefits Paid to Participants	27,900,828	27,261,526	29,919,332
Administrative Expenses	<u>939,863</u>	<u>889,475</u>	<u>781,173</u>
 Change in Fiduciary Net Position	 <u>\$ 59,307,774</u>	 <u>\$ 67,671,322</u>	 <u>\$ (29,551,556)</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 Contributions and Plan Management of the State of Delaware 403(b) Plan at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

State of Delaware 403(b) Plan

Statements of Fiduciary Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Investments, at Fair Value	\$ 438,832,680	\$ 377,914,222
Investments, at Contract Value	<u>66,851,588</u>	<u>68,006,258</u>
Total Investments	505,684,268	445,920,480
Notes Receivable from Participants	<u>12,438</u>	<u>468,452</u>
Total Assets	505,696,706	446,388,932
Liabilities		
	<u>-</u>	<u>-</u>
Fiduciary Net Position Restricted for Pensions	<u><u>\$ 505,696,706</u></u>	<u><u>\$ 446,388,932</u></u>

The accompanying notes are an integral part of the financial statements

State of Delaware 403(b) Plan

Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Additions		
Investment Income		
Net Appreciation in Fair Value of Investments	\$ 52,939,767	\$ 64,339,246
Interest and Dividends	7,830,183	6,861,543
	<u>60,769,950</u>	<u>71,200,789</u>
Interest Income on Notes Receivable from Participants	<u>863</u>	<u>1,950</u>
Contributions		
Participant	24,728,633	22,084,198
Rollovers	2,459,258	2,439,186
Recontribution of CARES Act Distributions	100,000	-
	<u>27,287,891</u>	<u>24,523,384</u>
Other Income	<u>123,938</u>	<u>-</u>
Total Additions	<u>88,182,642</u>	<u>95,726,123</u>
Deductions		
Benefits Paid to Participants	27,900,828	27,261,526
Administrative Expenses	939,863	889,475
	<u>28,840,691</u>	<u>28,151,001</u>
Net Transfers into (out of) Plan	<u>(34,177)</u>	<u>96,200</u>
Net Increase	59,307,774	67,671,322
Net Position		
Beginning of Year	<u>446,388,932</u>	<u>378,717,610</u>
End of Year	<u>\$ 505,696,706</u>	<u>\$ 446,388,932</u>

The accompanying notes are an integral part of the financial statements

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

1. Description of the Plan

The following description of the State of Delaware 403(b) Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions. Participants may also find more information at <http://treasurer.delaware.gov/deferred-compensation-plans/>.

General

Delaware Code Title 29, Part V, Chapter 60A ("Code") sets forth the requirements for deferred compensation programs for public officers and eligible employees of the State of Delaware (the "State"). The purpose of Chapter 60A is to create a vehicle through which all eligible employees of the State may, on a voluntary basis, provide for additional retirement income security. The Code gives authority to the Plans Management Board, which is responsible for oversight of the Plan. The Plans Management Board has charged the Office of the State Treasurer (the "OST") with daily administration. The State of Delaware General Assembly may amend the Code at any time. The Plans Management Board may modify the Plan pursuant to authority provided under the Code.

A written plan document was made effective January 1, 2009, by the State Treasurer on behalf of the State of Delaware. The Plan was amended and restated effective January 1, 2017. The form of the Plan as written and administered is to be in compliance with Section 403(b) of the Internal Revenue Code ("IRC").

The Plan is a defined contribution plan covering each individual, whether hired, appointed or elected, who is a common law employee of the State of Delaware performing services for the State of Delaware for either 1) a school or 2) the State of Delaware Department of Education.

Contributions

Each year, participants may contribute up to 100% of pretax annual compensation, as defined by the plan document, up to the maximum limits of the IRC. Participants may designate all or a portion of their deferral contributions as after-tax contributions into a Roth account. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). The State does 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.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

1. Description of the Plan - Continued

Participant Accounts

Each participant's account is credited with the participant'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.

Employees electing to participate in the Plan may contribute to any of the following options: a group annuity contract offering administered by Voya Retirement Insurance and Annuity Company, a pooled separate account, various publicly traded mutual funds, and a self-directed brokerage account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon.

Notes Receivable from Participants

Prior to 2009, participants could borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The notes were secured by the balance in the participant's account. Interest rates were commensurate with local prevailing rates. Principal and interest are paid directly to the provider by the participant. Terms ranged from one to five years or greater for the purchase of a primary residence. Effective January 1, 2009, loans were no longer permitted.

The Plan was amended January 1, 2015 and January 1, 2017, to grandfather certain loans that were identified by the State that were processed by certain vendors during the period January 1, 2009 through December 31, 2014, and January 1, 2015 through December 31, 2016.

Payment of Benefits

Upon 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 his or her account, periodic payments, or an annuity. In addition, the Plan allows for hardship distributions if certain criteria are met.

A participant may elect, at such time as he or she is otherwise entitled to a distribution (other than on account of an unforeseeable emergency), to transfer part or all of the account to purchase service credit under a defined benefit plan maintained by the State that permits the acceptance of such plan-to-plan transfers.

As required under Section 401(a)(9) of the IRC, a participant must begin receiving minimum distributions from the Plan by April 1 of the calendar year following the later of (i) the calendar year following the year in which the participant reaches 70½ or 72 if the participant is not 70½ prior to January 1, 2020, or (ii) the calendar year in which the participant retires. See Notes 8 and 9 for further details.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies

Financial Statement Presentation and Basis of Accounting

The Governmental Accounting Standards Board (GASB) issues regulatory guidance defining generally accepted accounting principles for state and local governments in the United States. The accompanying financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP) as prescribed by GASB. Any reference to U.S. GAAP in the financial statements and the related disclosures refers to standards established by GASB.

The 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 for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

Fixed account investments are valued at the contract value of the owner's account. The contract owner's account equals the sum of contributions, plus guaranteed interest credited, minus withdrawals and fees. Stability of principal is the primary investment objective. The contract guarantees minimum rates of interest and may credit interest that exceeds the guaranteed minimum rates.

Variable earnings investments in publicly traded mutual funds are presented at fair value based on published daily net asset values.

Participants pay fixed premiums for the life of the policy based on the policy's coverage. New York Life applies part of the premium to the policy and invests the other portion, which builds up cash value. The value of the whole life insurance policy is the guaranteed value that grows according to the formula determined by New York Life within the contract.

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.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies - Continued

Notes Receivable from Participants

Effective January 1, 2009, the Plan no longer allows loans to participants. Effective January 1, 2015, the Plan was amended to grandfather certain loans that were identified by the State that were processed by certain vendors during the period January 1, 2009 through December 31, 2014. Additionally, effective January 1, 2019, the Plan was amended to grandfather additional loans identified by the State that were processed by certain vendors from January 1, 2015 through December 31, 2016. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are recorded as distributions based upon the terms of the plan document. Certain vendors issue a Form 1099-R for loans that are deemed to be in default, but if the loan is collateralized the vendors do not offset the deemed distributed loan balance against the participant account until the participant takes a full distribution. This accounting treatment does not result in a material misstatement of the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2020 and 2019.

Administration of Plan Assets

Under Delaware Code Title 29, the Plans Management Board is charged with governance of the Plan. The daily operations of the Plan are administered by Delaware's Office of the State Treasurer.

The Plan's assets are administered under contracts with the custodians and trustees of the Plan. The custodians and trustees invest funds received from contributions, investment sales, interest, and dividend income and make distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the State.

Participants may select a self-directed brokerage account through TD Ameritrade or through the Voya platform.

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 Plan.

Voya charges the Plan a .08% asset-based fee. The OST charges the Plan a .05% oversight fee for certain administrative functions that it performs. These fees from participant accounts are deposited in a Plan Expense Reimbursement Account and are used to pay consulting, legal, accounting, OST administrative, and other fees. The .05% oversight fee is reviewed periodically by the OST and may be adjusted based on actual expense results.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies - Continued

Administrative Expenses - Continued

Other income of \$123,938 for the year ended December 31, 2020, represents reimbursements from the Office of the Management and Budget for audit fees.

Subsequent Events

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

3. Related-Party Transactions

Two State of Delaware employees are required to serve on the Plans Management Board. One State employee representative must be eligible to participate in the Plan.

Certain investments of the Plan are managed by the custodians and trustees and, therefore, these transactions qualify as party-in-interest transactions. Additionally, the plan assets include loans to participants, which are secured by the participant's account balances. These transactions qualify as party-in-interest transactions.

On May 3, 2016, the State entered into a custodial agreement with Voya Institutional Trust Company. As part of this agreement, Voya has set up a Plan Expense Reimbursement Account (PERA) to accumulate amounts equal to fund revenue sharing and asset-based fees, including an administrative service fee, and pay reasonable plan expenses. During the years ended December 31, 2020 and 2019, \$69,410 and \$48,786, respectively, was allocated to the 403(b) Plan. During the years ended December 31, 2020 and 2019, \$58,110 and \$50,010, respectively, of the PERA was used to pay plan expenses.

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 of Delaware General Assembly may amend the Code to terminate the Plan. The Plans Management Board, through the authority given to it by the Code, has the right at any time to terminate the Plan. As described in Note 1 in the General section, the Plans Management Board has charged the OST with daily administration and to carry out resolutions of the Plans Management Board.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

5. Tax Status

In the opinion of legal counsel, the Plan has been designed to comply with Section 403(b) of the IRC and the regulations promulgated thereunder. Since the Plan is individually designed, it is not currently eligible to receive a determination letter from the Internal Revenue Service. The Plan is required to operate in conformity with the IRC and the regulations to maintain the tax deferred status of the participant deferrals under Section 403(b). Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts so deferred are includable in the gross income of the participant only for the taxable year in which such compensation or other income is paid to the participant or the participant's beneficiary. The plan administrator believes the Plan is operating in accordance with the applicable requirements of Section 403(b) of the IRC and, therefore, believes that the benefits are tax deferred and the related custodial accounts are not subject to income tax until distributed to the participants or their beneficiaries.

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 fiduciary net position.

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 held in custody by Voya Institutional Trust Company and TD Ameritrade self-directed brokerage account. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Board. The investments that exceed 5 percent are identified in Note 8.

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 that 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 investments in foreign securities. The Plan does not have any direct investment in foreign securities. The Plan's exposure to foreign currency risk derives from its investment in mutual funds with international holdings. The fair value of these investments was \$33,714,392 and \$30,914,208 as of December 31, 2020 and 2019, respectively. The individual funds are identified in Note 10.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

7. Plan Amendments

Effective January 1, 2019, the Plan was amended to eliminate the six-month suspension of elective deferrals to a participant's 403(b) account after receipt of a hardship withdrawal.

Effective January 1, 2019, the Plan was amended to grandfather certain loans processed by vendors during the period January 1, 2015 through December 31, 2016.

8. CARES Act Provisions

Effective April 23, 2020, the Plan adopted coronavirus-related distribution provisions up to the \$100,000 maximum of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Plan will be amended as required.

9. SECURE Act Provisions

On December 20, 2019, the Further Consolidated Appropriations Act (Act) was passed. Within this Act is the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE). The Act changed the required minimum distribution age from 70½ to 72. This change is effective for persons born after June 30, 1949. This provision is effective for plan years beginning after December 31, 2019. The Plan will be amended as required.

10. Investments

Delaware Code Title 29 Section 6057 outlines the types of allowable investments of the Plan. The Plans Management Board 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 that are traded on the New York Stock Exchange, National Association of Securities Dealers Automated Quotations ("NASDAQ"), and American Stock Exchange.

The Plans Management Board has overall responsibility for ensuring the assets of the Plan are in compliance with applicable laws governing the operation of the Plan and establishing the related investment guidelines and policies.

Effective September 5, 2018, the Plans Management Board approved an Investment Policy Statement to guide decision-making related to the selection, monitoring and removal of investment options and other matters.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

10. Investments - Continued

Fair Value Measurements

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements.)

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The following table presents the level of the Plan's investments reported at fair value as of December 31, 2020 and 2019:

	2020			
	December 31, 2020	Level 1	Level 2	Level 3
Interest-Bearing Cash	\$ 3,478,112	\$ 3,478,112	\$ -	\$ -
Registered Investment Companies	228,479,508	228,479,508	-	-
Variable Annuity Contracts	197,845,652	-	197,845,652	-
Whole Life Insurance Policies	639,381	-	-	639,381
Self-Directed Brokerage Accounts	8,390,027	8,390,027	-	-
Total Investments	<u>\$ 438,832,680</u>	<u>\$ 240,347,647</u>	<u>\$ 197,845,652</u>	<u>\$ 639,381</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

10. Investments - Continued

Fair Value Measurements - Continued

	2019*			
	December 31, 2019	Level 1	Level 2	Level 3
Interest-Bearing Cash	\$ 2,273,515	\$ 2,273,515	\$ -	\$ -
Registered Investment Companies	182,452,808	182,452,808	-	-
Variable Annuity Contracts	187,781,575	-	187,781,575	-
Whole Life Insurance Policies	596,109	-	-	596,109
Self-Directed Brokerage Accounts	4,810,215	4,810,215	-	-
Total Investments	<u>\$ 377,914,222</u>	<u>\$ 189,536,538</u>	<u>\$ 187,781,575</u>	<u>\$ 596,109</u>

*Certain amounts have been reclassified to conform with current year presentation.

There were no significant transfers between levels 1 and 2 and no transfers in or out of level 3 for the years ended December 31, 2020 and 2019. The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2020:

	<u>2020</u>
Balance - Beginning of Year	<u>\$ 596,109</u>
Net Investment Income	<u>9,515</u>
Purchases, Issuances, Sales, and Settlements	
Contributions, Rollovers, and Transfers In	35,841
Withdrawals, Distributions, Settlements, and Transfers Out	<u>(2,084)</u>
Total Purchases, Issuances, Sales, and Settlements, Net	<u>33,757</u>
Balance - End of Year	<u>\$ 639,381</u>

Investments at Contract Value

The Plan holds investment contracts with the various vendors approved by the State of Delaware. The vendors maintain the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contracts are presented on the face of the statements of fiduciary net position at contract value. Contract value, as reported by the vendors, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2020 and 2019

10. Investments - Continued

Investments at Contract Value - Continued

The contract value of the investment contract, as of December 31, 2020 and 2019, was \$66,851,588 and \$68,006,258, respectively. The investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula established by the contract issuer.

Certain events limit the Plan's ability to transact at contract value with the issuer. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, or (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan.

Furthermore, certain events would allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Examples of such events include (a) an uncured breach of the Plan's investment guidelines, (b) a material amendment to the contract without the issuer's consent, (c) a violation of a material obligation under the contract, or (d) a material misrepresentation.

The State does not believe that any events that would limit the Plan's ability to transact at contract value with the plan participants or the issuer are probable.

Value of Investments

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated in value by \$52,939,767 and \$64,339,246 during 2020 and 2019, respectively.

The value of investments held by the Plan at December 31, 2020 and 2019, were as follows. Investments marked with an asterisk (*) represent individual investment options that exceed 5% of fiduciary net position as of December 31, 2020 or 2019. Investments marked with two asterisks (**) represent international funds.

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Fixed Earnings Investments:		
Alternate Fixed Account	\$ -	\$ 25,154
AUL Fixed Account	14,026	26,881
AXA Guaranteed Interest Account	12,624,331	12,898,987
Delaware Government Cash Management - A (First Investors)	-	105,921
EQ/Money Market	53,667	55,379
Great American EquiLink Plus	33,889	32,900
Great American GreatFlex 6	979,986	969,216
Great American FlexMax Q	99,467	101,914
Great American FlexMax Q 2011	28,518	27,760
Great American FlexMax 14	-	46,440
Hartford General Account	165,797	163,060
Horace Mann 10 Year Guaranteed Period Account	7,729	240,237
Horace Mann 5 Year Guaranteed Period Account	5,744	38,395
Horace Mann 7 Year Guaranteed Period Account	26,484	25,992
Horace Mann Fixed Account	14,517,640	14,576,238
Horace Mann Loan Account	68,606	-
Invesco Government Money Market (Security Benefit)	118,035	95,107
JPMorgan US Government Money Market (Security Benefit)	114,012	47,013
Lincoln Stable Value (Kades Margolis)	29,824	-
MetLife Fixed Account	11,103,292	11,568,773
MetLife Fixed Rider	2,857,582	2,801,243
MetLife Fund 16B	23,275	22,507
MetLife Fund 16C	33,063	36,002
MetLife Fund 16D	102,868	104,294
MetLife T-Flex	3,737,066	3,698,920
New York Life Fixed Annuities	917,984	877,222
NVIT Money Market (Security Benefit)	-	12,018
Preference FP	50,040	111,578
Prime Cash Obligations Fund R (Kades Margolis)	10	10
QPA Series III	2,675,359	2,732,003
QPA Series III Plus	476,402	510,307
Security Benefit Fixed Account	2,768,141	2,716,279
Spinnaker Fixed Annuity Account	518,027	516,298
T. Rowe Price Government Money Market (PenServ)	53,025	-
VALIC Fixed Account Plus	6,599,933	6,652,427
VALIC Fixed Income (Kades Margolis)	-	318,513
VALIC Money Market I Fund	59,862	60,431
VALIC Money Market II Fund	3,415	3,330
VALIC Short Term Fixed	167,159	210,705
Vanguard Federal Money Market	3,048,562	1,865,306
Voya Fixed Account	2,288,848	2,397,168
Voya Fixed Plus Account	297,691	295,998
Voya Fixed Plus Account III	3,632,817	3,262,846
Voya Money Market Portfolio - Class I	27,524	29,001
Total Fixed Earnings Investments	<u>70,329,700</u>	<u>70,279,773</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments:		
AXA		
1290 VT DoubleLine Dynamic Allocation	\$ 61,005	\$ 15,991
1290 VT Equity Income	121,340	137,174
1290 VT GAMCO Mergers & Acquisitions	58,150	61,169
1290 VT GAMCO Small Company Value	1,902,583	1,898,818
1290 VT High Yield Bond	2,677	2,550
1290 VT Small Cap Value	629,548	639,693
1290 VT SmartBeta Equity	753,398	809,125
1290 VT Socially Responsible	55,486	46,921
American Funds Insurance Series Bond	15,177	14,530
AXA Large Cap Core Managed Volatility	166,667	147,536
AXA Large Cap Growth Managed Volatility	2,561,735	2,087,023
AXA Large Cap Value Managed Volatility	2,743,638	2,834,809
AXA Mid Cap Value Managed Volatility	2,170,128	2,287,446
Charter Multi-Sector Bond	-	101,105
Charter Small Cap Growth	-	168,305
EQ/2000 Managed Vol	377	322
EQ/400 Mangaed Vol	24,302	20,933
EQ/500 Managed Vol	32,782	31,434
EQ/Aggressive Allocation	851,456	835,887
EQ/Aggressive Growth Strategy	6,584	-
EQ/All Asset Growth Allocation	216,609	195,707
EQ/AllianceBernstein Small Cap Growth	2,185,125	1,755,478
EQ/American Century Mid Cap Value	88,098	66,785
EQ/BlackRock Basic Value Equity	1,974,323	2,050,580
EQ/Capital Group Research	3,354,546	2,976,050
EQ/ClearBridge Large Cap Growth	423,839	352,064
EQ/ClearBridge Select Equity Managed Volatility	518,107	459,416
EQ/Com Stock Index	2,432,659	2,195,705
EQ/Conservative Allocation	100,891	5,481
EQ/Conservative Growth Strategy	7,512	99,006
EQ/Conservative Strategy	522	493
EQ/Conservative-Plus Allocation	47,088	44,567
EQ/Core Bond Index	388,173	389,484
EQ/Core Plus Bond	113,959	-
EQ/Emerging Markets Equity Plus	3,669	3,265
EQ/Equity 500 Index	1,166,626	1,166,670
EQ/Fidelity Institutional AM Large Cap	947,233	854,896
EQ/Franklin Balanced Managed Volatility	164,605	183,021
EQ/Franklin Small Cap Value Managed Volatility	484,542	516,691
EQ/Franklin Templeton Allocation Managed Volatility	-	6,097
EQ/Global Bond Plus	42,101	41,115
EQ/Global Equity Managed Volatility	2,013,762	1,930,158

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
AXA - Continued		
EQ/Goldman Sachs Mid Cap Value	\$ 55,841	\$ 61,453
EQ/Intermediate Government Bond	283,922	291,343
EQ/International Core Managed Volatility	672,019	664,121
EQ/International Equity Index	712,147	713,085
EQ/International Managed Volatility	14,050	13,348
EQ/International Value Managed Volatility	1,171,023	1,248,500
EQ/Invesco Comstock	176,182	200,425
EQ/Invesco Global	476,098	410,477
EQ/Invesco Global Real Estate	50,574	74,870
EQ/Invesco International Growth	207,297	204,134
EQ/Ivy Energy	-	13,026
EQ/Ivy Mid Cap Growth	-	547,505
EQ/Janus Enterprise	683,415	518,915
EQ/JPMorgan Value Opportunities	563,766	552,250
EQ/Large Cap Growth Index	884,929	733,003
EQ/Large Cap Value Index	433,046	445,630
EQ/Lazard Emerging Markets Equity	148,056	178,506
EQ/Loomis Sayles Growth	351,924	272,517
EQ/MFS International Growth	270,073	272,157
EQ/MFS International Intrinsic Value	861,928	836,487
EQ/MFS Mid Cap Focused Growth	619,561	-
EQ/MFS Technology	478,570	368,564
EQ/MFS Utilities Series	59,893	65,716
EQ/Mid Cap Index	1,360,356	1,332,758
EQ/Moderate Allocation	1,562,748	1,480,473
EQ/Moderate Growth Strategy	10,837	9,843
EQ/Moderate-Plus Allocation	1,006,204	916,679
EQ/Morgan Stanley Small Cap Growth	292,976	-
EQ/PIMCO Global Real Return	4,040	3,715
EQ/PIMCO Ultra Short Bond	143,761	147,433
EQ/Quality Bond Plus	366,551	372,662
EQ/Small Company Index	561,301	540,780
EQ/T. Rowe Price Growth Stock	3,128,127	2,562,096
EQ/UBS Growth and Income	-	115,292
EQ/Wellington Energy	6,901	-
Fidelity VIP Equity Income	31,917	30,374
Fidelity VIP Mid Cap	167,433	152,656
Invesco Oppenheimer V.I. Main Street Fund	1,268	1,134
Invesco V.I. Diversified Dividend	7,113	7,219
Invesco V.I. High Yield	34,062	35,798
Invesco V.I. Mid Cap	13,185	14,035
Invesco V.I. Small Cap Equity	19,246	18,740

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
AXA - Continued		
Ivy VIP High Income	\$ 180,296	\$ 183,365
Ivy VIP Small Cap Growth	34,621	34,576
MFS Investors Trust	43,110	42,239
MFS Mass Investors Growth Stock	20,510	24,191
MSCI EAFE 1yr - 10% Buffer	4,410	1,251
Multimanager Aggressive Equity	511,015	432,327
Multimanager Core Bond	135,906	139,888
Multimanager Mid Cap Growth	-	107,023
Multimanager Mid Cap Value	-	30,122
Multimanager Technology	2,062,877	1,585,731
PIMCO VIT Commodity Real Return Strategy	4,491	4,504
Russell 2000 1yr - 10% Buffer	2,367	-
Russell 2000 3yr - 20% Buffer	12,416	11,652
S&P 500 Index 1yr - 10% Buffer	97,424	81,547
S&P 500 Index 3yr - 20% Buffer	25,700	24,235
S&P 500 Index 5yr - 20% Buffer	8,947	8,708
Target 2015 Allocation	10,994	10,116
Target 2025 Allocation	5,232	7,725
Target 2035 Allocation	34,566	30,845
Target 2045 Allocation	14,270	14,068
Target 2055 Allocation	-	51,725
Templeton Global Bond VIP	60,769	74,087
Van ECK VIP Global Hard Assets	9,536	7,211
Total Variable Earnings Investments at AXA	50,002,819	46,768,355
Voya		
American Funds EuroPacific Growth Fund - Class R-4	6,187	1,607
American Funds The Growth Fund of America - Class R-4	61,426	45,587
American Funds Washington Mutual Investors Fund - Class R-4	14	420
Ariel Fund - Investor Class	4,392	-
Delaware Small Cap Value Fund - A	4,319	-
Fidelity VIP Contrafund Portfolio - Initial Class	84,056	65,765
Fidelity VIP Equity-Income Portfolio - Initial Class	32,824	33,466
Fidelity VIP Growth Portfolio - Initial Class	10,067	2,939
Invesco Developing Markets Fund - A	11,695	10,104
Templeton Global Bond Fund - A	3,271	3,468
Voya Balanced Portfolio - Class I	108,124	98,778
Voya Baron Growth Portfolio - Service Class	4,168	3,170
Voya Columbia Contrarian Core Portfolio - Service Class	30,472	27,434
Voya Global High Dividend Low Volatility Portfolio - Class I	1,720	1,758
Voya Growth and Income Portfolio - Class I	644,366	804,846
Voya Index Plus Large Cap Portfolio - Class I	7,804	6,819
Voya Index Plus Mid Cap Portfolio - Class I	6,619	6,192

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Voya - Continued		
Voya Index Plus Small Cap Portfolio - Class I	\$ 5,884	\$ 5,653
Voya Index Solution 2025 Portfolio - Service Class	12,581	37,476
Voya Index Solution 2035 Portfolio - Service Class	20,266	17,758
Voya Index Solution 2045 Portfolio - Service Class	169,857	190,512
Voya Index Solution 2055 Portfolio - Service Class	65,440	160,029
Voya Index Solution Income Portfolio - Service Class	133,758	94,902
Voya Intermediate Bond Portfolio - Class I	34,802	33,507
Voya Invesco Growth and Income Portfolio - Service Class	5,848	5,757
Voya JPMorgan Emerging Markets Equity Portfolio - Service Class	3,129	2,396
Voya Large Cap Growth Portfolio - Institutional Class	7,166	5,544
Voya Large Cap Value Portfolio - Institutional Class	59,534	54,538
Voya Oppenheimer Global Portfolio - Initial Class	15,644	12,398
Voya Russell Large Cap Value Index Portfolio - Class S	36,381	39,309
Voya Solution 2025 Portfolio - Service Class	365,416	184,488
Voya Solution 2035 Portfolio - Service Class	304,989	268,670
Voya Solution 2045 Portfolio - Service Class	105,350	91,429
Voya Solution Income Portfolio - Service Class	396,686	356,758
Voya T. Rowe Price Capital Appreciation Portfolio - Service Class	20,247	18,635
Voya T. Rowe Price Diversified Mid Cap Growth - Initial Class	8,531	6,552
Voya T. Rowe Price Growth Equity Portfolio - Initial Class	3,491	2,592
Wanger Select	9,574	7,656
Wanger USA	4,670	3,810
Wells Fargo Adv Special Small Cap Value Fund - Class A	2,379	2,382
Total Variable Earnings Investments at Voya	2,813,147	2,715,104
Lincoln Investments		
AIM - Active - Conservative Growth & Income	19,920	18,431
AIM - Active - Total Return	93,809	82,086
Alger Capital Appreciation Fund - A	3,513	34,774
Alger Capital Appreciation Fund - Z	34,837	-
Alger Growth & Income Fund - A	-	2,182
Alger Growth & Income Fund - Z	2,516	-
Alger Spectra Fund - A	14,616	10,238
AllianceBernstein Sustainable International Thematic Fund - A	-	5,852
AllianceBernstein Sustainable International Thematic Fund - Adv	7,581	-
American Century Heritage Fund - I	41,204	-
American Century Heritage Fund - Inv	-	28,918
American Funds AMCAP Fund - A	31,310	25,918
American Funds AMCAP Fund - F1	21,444	17,672
American Funds American Balanced Fund - A	2,188	1,974
American Funds American Balanced Fund - F1	1,774	1,648
American Funds Capital World Growth and Income Fund - A	14,725	12,830
American Funds Capital World Growth and Income Fund - F1	39,386	34,504

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
American Funds EuroPacific Growth Fund - A	\$ 666	\$ 601
American Funds EuroPacific Growth Fund - F1	8,087	6,481
American Funds Growth Fund of America - F1	-	22,201
American Funds Investment Company of America - A	6,674	5,895
American Funds Investment Company of America - F1	21,736	19,150
American Funds New Perspective Fund - A	62	46
American Funds Small Cap World Fund - A	70	51
BlackRock Equity Dividend Fund - A	21,900	53,516
BlackRock Equity Dividend Fund - I	20,506	-
BlackRock Global Allocation Fund - A	3,708	3,070
Calvert Bond Portfolio - A	-	18,761
Calvert Bond Portfolio - I	20,162	-
CLS American Hybrid Strategy - Moderate Aggressive	29,534	26,849
Dividend Portfolios - Income (403B)	90,739	87,610
Dodge & Cox Balanced Fund	5,971	5,577
DoubleLine Total Return Bond Fund - I	3,529	-
DoubleLine Total Return Bond Fund - N	-	3,400
Eaton Vance Large Cap Value Fund - A	-	21,452
Eaton Vance Large Cap Value Fund - I	21,940	-
Federated Clover Small Value Fund	-	7,172
Federated International Leaders Fund	-	3,023
FederatedHermes Clover Small Value - IS	7,827	-
FederatedHermes International Leaders - IS	3,491	-
FederatedHermes Kaufmann Small Cap Fund - A	15,594	10,935
FederatedHermes Kaufmann Small Cap Fund - IS	1,278	948
FederatedHermes Prime Cash Obligations Fund - AS	5,059	5,253
Fidelity Advisor Emerging Markets Fund - A	-	3,176
Fidelity Advisor Focus Emerging Markets Fund - I	4,133	-
First Eagle Global Fund - A	1,301	29,264
First Eagle Global Fund - I	30,323	-
Franklin Gold and Precious Metals Fund - A	283	197
Franklin Income Fund - A1	42,878	71,415
Franklin Income Fund - Adv	22,739	-
Franklin Mutual Global Discovery Fund - A	37,726	54,845
Franklin Mutual Global Discovery Fund - Z	4,080	-
Franklin Natural Resources Fund - A	185	236
Franklin Rising Dividends Fund - A	118,938	138,581
Franklin Rising Dividends Fund - Adv	17,901	-
Franklin Small Cap Value Fund - A	12	1,777
Franklin Small Cap Value Fund - Adv	1,822	-
Franklin Utilities Fund	1,746	1,781
Goldman Sachs Short Duration Government Fund - A	22,001	21,244

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
Invesco Charter Fund - A	\$ 12,097	\$ 10,658
Invesco Developing Markets Fund - A	18,891	20,234
Invesco Developing Markets Fund - A	6,218	58,806
Invesco Developing Markets Fund - Y	58,451	-
Invesco Discovery Mid Cap Growth Fund - Y	4,524	-
Invesco Diversified Dividend Fund - A	2,085	12,260
Invesco Diversified Dividend Fund - Y	753	-
Invesco Emerging Markets All Cap Fund - Y	4,812	-
Invesco Endeavor Fund - A	-	2,590
Invesco Endeavor Fund - Y	2,582	-
Invesco Global Growth Fund - A	1,237	-
Invesco Global Small & Mid Cap Growth Fund - A	-	1,109
Invesco International Diversified Fund - A	7,299	8,316
Invesco International Diversified Fund - Y	2,670	-
Invesco MainStreet Mid Cap Fund - Y	12,128	-
Invesco Mid Cap Core Equity Fund - A	-	11,074
Invesco Mid Cap Growth Fund - A	-	3,379
Invesco Rising Dividends Fund - A	1,830	2,633
Invesco Small Cap Discovery Fund - A	-	25,650
Invesco Small Cap Growth Fund - A	954	-
Invesco Small Cap Growth Fund - Y	37,122	-
Ivy Asset Strategy Fund - A	3,676	3,307
Ivy Asset Strategy Fund - N	7,880	-
Ivy Asset Strategy Fund - Y	-	7,140
Ivy Energy Fund - Y	-	565
Janus Henderson Triton Fund - A	4,947	3,863
Janus Henderson Triton Fund - T	-	75,860
JanusHenderson Triton - I	96,266	-
JPMorgan Global Multi Asset - Moderate Growth	104,620	90,282
JPMorgan Small Cap Value Fund - A	-	2,176
JPMorgan Small Cap Value Fund - I	2,303	-
Meeder - Master Program - Moderate Growth	36,336	35,139
MFS Growth - I	8,111	-
MFS Growth Fund - A	-	6,317
PIMCO Investment Grade Credit Bond Fund - A	-	6,031
PIMCO Investment Grade Credit Bond Fund - I	6,459	-
PIMCO Real Return Fund - A	-	11,158
PIMCO Total Return Fund - A	24,014	41,431
PIMCO Total Return Fund - I	19,731	-
PRIMECAP Odyssey Growth Fund	6,415	5,585
Progressive Asset Management - Conservative 5	2,244	2,150
Progressive Asset Management - Moderate 12	100,026	89,635

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
Progressive Asset Management - Moderate 14	\$ 203,695	\$ 182,758
Progressive Asset Management - Moderate 5	31,881	48,826
Progressive Asset Management - Moderate 8	76,371	117,069
Progressive Asset Management - Moderate Aggressive 12	56,477	-
Progressive Asset Management - Moderate Aggressive 8	29,515	75,768
Putnam Dynamic Asset Allocation Growth Fund - A	-	325
Putnam Multi Cap Core Fund - A	-	316
T. Rowe Price Blue Chip Growth Fund - I	25,190	-
T. Rowe Price Blue Chip Growth Fund - Inv	-	19,255
T. Rowe Price Retirement 2025 Fund - Inv	563	522
T. Rowe Price Retirement 2030 Fund - I	1,554	-
T. Rowe Price Retirement 2030 Fund - Inv	-	1,457
Templeton Emerging Markets Small Cap Fund - A	2,665	2,429
Vanguard Balanced Index Fund - Admiral	14,368	12,482
Vanguard Dividend Growth Fund - Inv	21,224	19,073
Vanguard Energy Fund - Admiral	2,031	2,934
Vanguard Equity Income Fund - Admiral	1,709	1,674
Vanguard Growth and Income Fund - Admiral	6,715	5,687
Vanguard Small Cap Growth Index Fund - Admiral	3,696	2,765
Vanguard Target Retirement Fund 2020	21,608	20,079
Vanguard Target Retirement Fund 2030	294,640	260,589
Vanguard Wellesley Income Fund - Admiral	353	325
Wells Fargo Large Cap Core - I	14,102	-
Wells Fargo Large Cap Core Fund - Adm	-	13,178
Wells Fargo Premier Large Company Growth - Adm	-	18,435
Wells Fargo Premier Large Company Growth - I	25,050	-
Wells Fargo Special Small Cap Value Fund - Adm	-	559
Wells Fargo Special Small Cap Value Fund - I	566	-
	2,354,078	2,245,387
MetLife		
1919 Variable Socially Responsible Balanced	131,676	108,666
American Funds Balanced Allocation	314,426	298,808
American Funds Bond Fund	665,068	661,439
American Funds Global Small Cap Fund	2,941,988	2,835,178
American Funds Growth Allocation	35,397	30,624
American Funds Growth and Income Fund	638,054	625,002
American Funds Growth Fund	5,010,614	4,424,205
American Funds Moderate Allocation	573,429	548,903
Baillie International Stock	420,422	344,531
BlackRock Bond Income	118,589	172,929
BlackRock Bond Income - Class A	14,961	13,939
BlackRock Capital Appreciation	362,377	218,019

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
MetLife - Continued		
BlackRock High Yield	\$ 148,242	\$ 140,156
Brighthouse Asset All 100	2,502,794	2,332,538
Brighthouse Asset All 20	218,541	204,387
Brighthouse Asset All 40	1,309,521	1,236,820
Brighthouse Asset All 60	8,883,887	8,503,617
Brighthouse Asset All 80	17,145,145	16,450,123
Brighthouse Small Cap Value	121,748	123,572
Brighthouse/Artisan Mid Cap Value	40,995	59,077
Brighthouse/Franklin Low Duration Total Return	60,843	60,269
Brighthouse/Wellington Balanced Portfolio	801,012	792,280
Brighthouse/Wellington Core Equity Opportunities	240,092	253,263
Brighthouse/Wellington Large Cap Research	1,211,134	1,078,011
Calvert VP SRI Balanced	215,538	189,114
Clarion Global Real Estate	138,462	180,987
ClearBridge Aggressive II	1,542,880	1,301,780
ClearBridge Variable Aggressive Growth	532,134	456,754
ClearBridge Variable Appreciation	38,514	33,992
ClearBridge Variable Large Cap Growth	473,123	372,232
ClearBridge Variable Large Cap Value	25,069	24,186
ClearBridge Variable Small Cap Growth	94,574	67,691
Fidelity Contrafund - Service Class 2	330,255	267,580
Fidelity Growth	16,443	12,108
Fidelity High Income Portfolio - Initial Class	38,999	41,706
Fidelity Investment Growth Bond	6,714	6,503
Fidelity VIP Equity Income	64,532	69,872
Fidelity VIP Mid Cap Portfolio - Service Class 2	155,140	133,508
Flex Premium Adjustable Life - Universal Life	321,085	341,658
Franklin Small Cap Value VIP	11,598	7,575
Frontier Mid Cap Growth Portfolio	1,362,262	1,062,011
Harris Oakmark International	2,647,692	2,555,788
Invesco Comstock Portfolio	4,719	4,813
Invesco Mid Cap Value	191,066	227,911
Invesco Small Cap Growth	410,592	281,915
Janus Henderson Overseas Portfolio	63,977	61,494
Jennison Growth	972,592	589,586
JPMorgan Small Cap Value	1,049	1,001
Loomis Sayles Global Markets	873,056	738,909
Loomis Sayles Small Cap Growth	345,239	243,022
MetLife Aggregate Bond Index	650,683	652,869
MetLife Mid Cap Stock Index	475,840	436,520
MetLife MSCI EAFE Index	667,560	660,012
MetLife Russell 2000 Index	860,814	925,547

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
MetLife - Continued		
MetLife Stock Index Portfolio	\$ 3,602,373	\$ 3,290,446
MFS Research International	193,931	162,148
MFS Total Return	90,491	92,292
MFS Value Portfolio	427,951	470,947
Morgan Stanley Mid Cap Growth	1,476,014	655,846
Neuberger Berman Genesis	110,530	120,304
Oppenheimer Global Equity	787,547	770,581
PIMCO Inflation Protected Bond	197,526	384,444
PIMCO Total Return	772,117	828,440
SSgA Growth and Income ETF	834,102	876,065
SSgA Growth ETF Portfolio	830,700	853,007
Stock Index	2,995,644	2,735,830
T. Rowe Price Large Cap Growth	1,325,337	1,166,522
T. Rowe Price Large Cap Value	17,119	16,605
T. Rowe Price Mid Cap Growth	1,004,530	929,019
T. Rowe Price Small Cap Growth	1,592,906	1,412,318
Templeton Developing Markets VIP	2,456	2,126
Templeton Foreign VIP	9,052	8,342
Transamerica	65,864	68,241
Western Asset Management Strategy Bond Opportunities	473,850	546,252
Western Asset Management US Government	138,268	330,580
	74,391,464	69,185,355
Total Variable Earnings Investments at MetLife		
MassMutual		
Alger Capital Appreciation Institutional - I	118,253	63,300
Alger Mid Cap Growth Institutional - I	62,617	20,230
American Century Equity Income - A	86,107	167,786
American Funds Capital World Growth and Income - R3	783,249	712,229
American Funds Fundamental Investors - R3	873,378	857,902
American Funds Growth Fund - R3	509,447	450,930
BlackRock LifePath 2030 Investors - A	195,250	169,397
BlackRock LifePath 2040 Investors - A	116,864	105,193
BlackRock LifePath Retirement Investors - A	76,114	71,125
BNY Mellon Mid Cap Index - Inv	65,891	65,100
BNY Mellon Small Cap Stock Index - Inv	59,310	60,411
Columbia Small Mid Cap Value - Advisor	-	48,262
Columbia Select Mid Cap Value - Advisor	26,749	-
Eaton Vance Large Cap Value - A	27,310	131,414
Franklin Growth - A	69,377	52,019
Franklin Mutual Shares - A	254,057	234,103
Goldman Sachs Small Cap Value - A	101,173	93,353
Invesco Equity and Income - A	238,178	270,612
Janus Overseas - S	32,539	47,483

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
MassMutual - Continued		
Lord Abbett Value Opportunities - A	\$ 115,949	\$ 100,663
PIMCO Real Return - A	72,890	62,535
PIMCO Total Return - A	540,680	563,319
Pioneer Strategic Income - A	64,262	83,844
The Hartford Capital Appreciation - R5	674,042	589,214
The Hartford Small Company - R5	17,626	11,417
Total Variable Earnings Investments at MassMutual	5,181,312	5,031,841
VALIC		
Aggressive Growth Lifestyle	176,500	469,695
Ariel Appreciation Fund	5,888	4,657
Ariel Fund	58	53
Blue Chip Growth Fund	160,167	226,169
Systematic Value	44	45
Capital Conservation	8,011	7,862
Conservative Growth Lifestyle	459	417
Core Bond Fund	309,617	310,952
Core Equity Fund	184,196	179,828
Dividend Value	290,594	295,352
Emerging Economies	676,823	650,686
International Value Fund	371,793	360,865
Global Real Estate Fund	203,693	221,727
International Socially Responsible Fund	146,309	136,619
Global Strategy	45,763	44,191
Government Securities Fund	9,696	9,184
Systematic Core Fund	92,853	76,974
Growth Fund	265,685	192,218
Health Sciences Fund	27	124
High Yield Bond Fund	201,466	215,285
Inflation Protected Fund	216,534	213,682
International Equities Index Fund	772,268	694,485
International Growth Fund	54,411	40,971
International Government Bond	18,863	17,631
International Opportunities	496,561	502,295
Invesco Balanced Risk Commodity Strategy Fund	209,924	179,194
Large Cap Core	19,964	20,806
Large Cap Value Fund	39,684	53,621
Large Capital Growth	190,807	157,398
Mid Cap Growth Fund	19,539	19,996
Mid Cap Index Fund	982,839	991,334
Mid Cap Strategic Growth	8,418	6,334
Mid Cap Value Fund	487,345	486,193
Moderate Growth Lifestyle	57,001	51,170

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
VALIC - Continued		
NASDAQ-100 (R) Index Fund	\$ 4,067	\$ 2,902
Science & Technology Fund	387,938	267,275
Small Cap Aggressive Growth	6,441	4,799
Small Cap Fund	193,703	161,221
Small Cap Growth Fund	10,020	5,845
Small Cap Index Fund	308,715	293,098
Small Cap Special Value Fund	34	186
Small Cap Value Fund	233,395	203,589
US Socially Responsible Fund	632,621	670,065
Stock Index Fund	2,528,469	2,566,586
Strategic Bond Fund	819	761
Value Fund	50,327	51,727
Vanguard LifeStrategy Conservative	6,629	6,020
Vanguard LifeStrategy Growth	223,121	195,685
Vanguard LifeStrategy Moderate	1,612	14,733
Vanguard Long-Term Investment-Grade Fund	1,175	1,029
Vanguard Long-Term Treasury	-	43
Vanguard Wellington Fund	224,749	206,909
Vanguard Windsor II	618,236	586,292
	<u>12,155,871</u>	<u>12,076,778</u>
Total Variable Earnings Investments at VALIC		
Horace Mann		
American Funds Blue Chip Income & Growth	177,068	166,368
American Funds Insurance Series Growth	201,130	245,522
American Funds Insurance Series Managed Risk	69,615	62,539
American Funds Insurance Series New World	168,411	148,599
Calvert S&P Mid Cap 400 Index	1,590,724	1,479,943
ClearBridge Variable Small Cap Growth	556	385
Dreyfus Small Cap Stock Index	916,185	847,010
Fidelity Freedom 2015	2,216	1,995
Fidelity Freedom 2025	84,538	69,597
Fidelity Freedom 2035	10,644	7,571
Fidelity Freedom 2045	37,298	31,945
Fidelity Funds Manager 20%	12,714	11,877
Fidelity Funds Manager 50%	84,144	76,041
Fidelity Funds Manager 60%	406,429	347,078
Fidelity Funds Manager 70%	1,498,437	1,353,393
Fidelity Funds Manager 85%	226,173	195,078
Fidelity Real Estate Portfolio - Service Class 2	211,229	233,568
Fidelity VIP Index 500 - Service Class 2	5,939,532	5,443,220
Fidelity VIP Investment Grade Bond - Service Class 2	153,884	155,884
Fidelity VIP Overseas - Service Class 2	608,640	560,621
JPM US Equity	129,088	117,888

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Horace Mann - Continued		
JPMorgan Small Cap Value	\$ -	\$ 1,240
Lord Abbett Developing Growth	51,173	32,668
MFS Mid Cap Value Portfolio	18,284	17,777
MFS VIT International Growth Service	1,479	1,207
T. Rowe Price Prime Reserve	90,250	86,314
Templeton Global Bond Securities Fund	18,805	23,319
Wells Fargo Advantage Discovery	154,801	118,539
Wilshire Vi Balanced HM Shares	4,607,793	4,492,930
Total Variable Earnings Investments at Horace Mann	17,471,240	16,330,116
PenServ		
Delaware Equity Income - A	24,566	24,679
Delaware Fund for Income - A	9,465	8,896
Delaware Global - A	3,326	3,089
Delaware Growth and Income - A	124,686	125,042
Delaware Growth Equity - A	36,605	28,561
Delaware International - A	12,564	11,820
Delaware Investment Grade - A	27,883	25,036
Delaware Opportunity - A	42,804	42,852
Delaware Special Situations - A	20,180	20,727
Delaware Total Return - A	415,505	406,613
Total Variable Earnings Investments at PenServ	717,584	697,315
Symetra		
Resource B Deu International	31,072	30,801
Resource B DWS Global Income Builder VIP	6,174	5,873
Resource B Pioneer Bond - I	3,994	3,749
Resource B Pioneer Funds	584,583	698,024
Resource B Pioneer Mid Cap Value	55,714	56,620
Resource B Pioneer Select Mid Cap Growth - I	719,798	788,136
Spinnaker American Century VP Balanced	91,057	83,261
Spinnaker American Century VP Large Company Value - II	3,628	5,519
Spinnaker American Century VP International	18,216	14,737
Spinnaker American Century VP Value	2,407	2,510
Spinnaker Dreyfus IP Mid Cap Stock	74,563	70,533
Spinnaker Dreyfus IP Technology Growth	82,055	48,997
Spinnaker Dreyfus Stock Index	41,856	36,059
Spinnaker Dreyfus VIF Appreciaton	11,437	9,643
Spinnaker DWS Global Income Builder VIP	49,437	46,388
Spinnaker DWS International	15,402	15,396
Spinnaker Federated High Income Bond - II	2,626	2,522
Spinnaker Fidelity Income	27,269	25,074

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Symetra - Continued		
Spinnaker Fidelity VIP - II	\$ 2,619	\$ 2,680
Spinnaker Fidelity VIP Contrafund	185,753	148,842
Spinnaker Fidelity VIP Equity Income	36,307	36,006
Spinnaker Fidelity VIP Growth	94,983	66,967
Spinnaker Fidelity VIP Growth & Income	43,169	41,120
Spinnaker Fidelity VIP Mid Cap	12,503	10,843
Spinnaker Franklin Flex Cap	16,369	11,478
Spinnaker Franklin Mutual Shares Securities	23,431	25,123
Spinnaker Franklin Small Cap Value	15,970	17,108
Spinnaker Franklin Small Mid Class	43,985	30,039
Spinnaker Franklin US Government	3,760	3,842
Spinnaker Invesco VI American Franchise - I	11,942	8,536
Spinnaker Invesco VI Discovery Mid Cap Growth - II	5,480	-
Spinnaker Invesco VI Global Real Estate	39,567	46,344
Spinnaker Invesco VI International Growth - II	10,312	10,336
Spinnaker Invesco VI Mid Cap Growth - II	-	6,044
Spinnaker JPMorgan Mid Cap Value	52,744	53,290
Spinnaker JPMorgan US Equity	30,441	24,675
Spinnaker PIMCO VIT All Asset - Adv	2,040	1,917
Spinnaker PIMCO VIT Commodity Real Return - Adm	376	390
Spinnaker Pioneer Equity Income - II	32,069	32,607
Spinnaker Pioneer Fund	507,851	437,552
Spinnaker Pioneer High Yield	1,901	1,964
Spinnaker Pioneer Mid Cap Value	6,838	6,789
Spinnaker Pioneer Select Mid Cap Growth	910,354	691,368
Spinnaker Pioneer Strategic Income - II	24,805	23,490
Spinnaker Plus Pioneer Funds	2,319	1,890
Spinnaker Templeton Developing Markets	3,740	3,288
Spinnaker Templeton Global Bond	1,351	1,447
Spinnaker Templeton Growth Securities	27,012	25,891
	<hr/>	<hr/>
Total Variable Earnings Investments at Symetra	3,971,279	3,715,708
	<hr/>	<hr/>
New York Life		
New York Life Variable Annuities	1,182,522	1,293,695
Whole Life Insurance Policies	639,381	596,109
	<hr/>	<hr/>
Total Variable Earnings Investments at New York Life	1,821,903	1,889,804
	<hr/>	<hr/>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Kades Margolis		
AIG Focused Dividend Strategy - A	\$ 42,632	\$ 34,958
AllianceBernstein Global Bond - A	32,899	31,682
AllianceBernstein Large Cap Growth - A	35,842	9,386
AlphaSimplex Managed Futures Strategy - A	11,052	12,142
American Century Equity Income - A	58,009	60,239
American Century Heritage Fund - A	6,552	4,609
American Funds 2030 Target Date Retirement - R-4	46,904	40,885
American Funds 2045 Target Date Retirement - R-4	191	161
American Funds AMCAP - R-4	86,159	74,317
American Funds American Balanced - R-4	178,362	293,997
American Funds Capital Income Builder - R-4	73,832	71,512
American Funds Capital World Growth & Income - R-4	177,566	139,831
American Funds EuroPacific Growth - R-4	17,017	13,635
American Funds Fundamental Investor - R-4	14,179	12,343
American Funds Growth Fund of America - R-4	27,794	20,180
American Funds Income Fund of America - R-4	87,580	83,500
American Funds Investment Co of America - R-4	27,558	24,074
American Funds New Economy - R-4	86,679	65,109
American Funds New World - F-2	11,390	7,083
American Funds New World - R-4	31,170	25,174
American Funds US Government Securities - F-2	6,767	3,719
Calvert Equity - A	6,746	5,436
CCM Core Impact Equity Fund Advisor	43,406	36,566
Davenport Small Cap Focus	19,628	20,617
Delaware Diversified Income - A	4,817	4,360
Delaware Limited-Term Diversified Income	9,577	9,187
Delaware Smid Cap Growth - A	64,283	33,152
DoubleLine Core Fixed Income - N	13,990	12,320
Fidelity Advisor Freedom 2040 - A	8,752	7,491
Fidelity Advisor Small Cap - A	6,740	5,755
Fidelity Advisor Strategic Income - A	44,335	43,295
Franklin Income - A-1	24,074	23,293
Franklin Rising Dividends - A	95,639	82,236
Franklin Total Return - A	14,571	13,595
Franklin Utilities - A-1	24,751	25,242
Harbor Capital Appreciation - Inv	26,645	26,716
Hartford Balanced Income - A	77,028	53,051
Invesco American Value - A	26,930	-
Invesco Diversified Dividend - A	17,678	-
Invesco Energy - A	4,029	5,941
Invesco Equity and Income - A	5,980	5,441
Invesco Global - A	18,045	-

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Kades Margolis - Continued		
Invesco Global Opportunities - A	\$ 33,105	\$ 23,716
Invesco Health Care - A	2,625	2,295
Invesco Main Street Mid Cap - A	6,155	-
Invesco Mid Cap Core Equity - A	-	5,632
Invesco Oppenheimer International Growth - A	24,049	19,729
Invesco Small Cap Discovery - A	-	30,854
Invesco Small Cap Growth - A	47,745	-
Invesco Value Opportunities - A	4,367	4,148
Janus Henderson Balanced Fund - A	12,296	10,782
Janus Henderson Growth and Income Fund - A	26,055	23,679
Janus Henderson Triton - A	28,256	6,876
John Hancock Disciplined Value - A	33,369	32,915
John Hancock Disciplined Value Mid Cap - A	34,137	22,725
John Hancock International Growth - R-2	23,094	20,213
JP Morgan Government Bond	12,838	12,048
JP Morgan Small Cap Equity - A	19,654	16,775
JPMorgan US Equity - A	32,225	25,774
Oppenheimer Global - A	-	4,717
Oppenheimer Mid Cap Value - A	-	26,627
Parnassus Core Equity Investor	44,858	40,971
PIMCO All Asset - A	12,035	11,148
PIMCO Income - A	87,477	73,373
Pioneer Balanced ESG - A	16,829	14,971
Pioneer Fundamental Growth Fund - A	41,596	32,748
Pioneer Solutions Balanced - A	10,151	9,258
Victory Munder Multi-Cap - A	21,539	19,372
	<u>2,192,233</u>	<u>1,933,576</u>
Total Variable Earnings Investments at Kades Margolis		
Security Benefit: Annuities		
AllianceBernstein Small/Mid Cap Value	10	9
American Century VP Disciplined Core Value	51,347	-
American Century Heritage	48,293	34,274
American Century International Growth	3,288	2,650
American Century VP Balanced	78,145	79,231
American Century VP Income & Growth	-	63,640
American Century VP Mid Cap Value	79,534	39,978
American Century VP Ultra	986,444	783,914
American Century VP Value	7,682,027	7,293,951
American Funds Growth and Income	539,818	590,765
American Funds Insurance Series Asset Allocation	464,167	446,863
American Funds Insurance Series CapWorld Bond	1,624,356	1,532,846
American Funds Insurance Series Global Growth	165,715	111,417

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Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
American Funds Insurance Series Growth-Income	\$ 31,272	\$ 60,326
American Funds International	27,380	32,795
American Funds New World	200,071	135,972
Ariel Fund	6,870	6,313
Baron Asset	1,826	1,617
BlackRock Equity Dividend V.I.	57,434	76,237
BlackRock Global Allocation V.I.	98,259	50,589
BlackRock High Yield V.I.	632,211	642,045
BNY Mellon Appreciation	38,994	31,754
BNY Mellon IP Mid Cap Stock	97,702	69,615
BNY Mellon IP Small Cap Stock	65,730	63,975
BNY Mellon IP Tech Growth	1,419,719	1,013,704
BNY Mellon Opportunistic Mid Cap Value	23,410	19,913
BNY Mellon Stock	207,485	179,897
BNY Mellon Sustainable U.S. Equity Portfolio	257,773	246,535
BNY Mellon VIF Appreciation	2,468,976	30,667
BNY Mellon VIF Appreciation Portfolio	39,024	31,941
BNY Mellon VIF International Value	-	28,050
BNY Mellon VIF Opportunistic Small Cap	179,917	168,834
BNY Mellon VIF Quality Bond Portfolio	-	32,781
Calamos Growth	38,251	29,054
Calamos Growth & Income	44,688	37,196
ClearBridge Variable Aggressive Growth	241,242	3,729,101
ClearBridge Variable Small Cap Growth	195,445	101,574
Federated Hermes Corporate Bond	14,387	13,633
Federated Hermes Quality Bond Fund - II	1,921	1,797
Federated NVIT High Income Bond	14,737	14,084
Fidelity Advisor Value Strategies	5,498	5,195
Fidelity Contrafund	127,876	139,722
Fidelity VIP Equity Income Portfolio	269,961	305,853
Fidelity VIP Growth & Income Portfolio	339,396	330,702
Fidelity VIP Growth Opportunities Portfolio	5,416,967	394,320
Fidelity VIP Growth Portfolio	44,263	33,593
Fidelity VIP High Income Portfolio	79,813	88,181
Fidelity VIP Overseas	554	-
Franklin Income VIP Securities	262,790	317,624
Franklin Mutual Global Discovery VIP	39,800	42,504
Franklin Strategic Income VIP	3,770,558	3,079,154
Guggenheim High Yield	12,154	11,582
Guggenheim Large Cap Value	30,770	30,300
Guggenheim SMid Cap Value	40,578	39,618

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December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
Guggenheim StylePlus Mid Growth	\$ 30,724	\$ 23,557
Guggenheim US Investment Grade Bond	2,378	2,095
Guggenheim VIF All Cap Value	28,912	33,917
Guggenheim VIF Alpha Opportunity	2,641	2,666
Guggenheim VIF Global Managed Futures Strategy Fund	2,318	2,280
Guggenheim VIF High Yield	8,747	8,422
Guggenheim VIF Large Cap Value	7,749	7,673
Guggenheim VIF Long Short Equity Fund	261	255
Guggenheim VIF Managed Asset Allocation	7,801	7,013
Guggenheim VIF Mid Cap Value	-	40,657
Guggenheim VIF Small Cap Value	39,428	47,406
Guggenheim VIF SMid Cap Value	1,453,770	2,425,550
Guggenheim VIF StylePlus Large Cap Growth	12,742	9,357
Guggenheim VIF StylePlus Mid Cap Growth	42,317	37,513
Guggenheim VIF Total Return Bond	67,480	45,904
Guggenheim VT All Cap Value	1,298,433	1,452,772
Guggenheim VT High Yield	168,821	180,326
Guggenheim VT Large Cap Value	1,183,604	1,258,204
Guggenheim VT Managed Asset Allocation	868,520	843,133
Guggenheim VT Small Cap Value	3,545,406	4,289,852
Guggenheim VT StylePlus Large Core	243,732	206,140
Guggenheim VT StylePlus Large Growth	148,928	169,529
Guggenheim VT StylePlus Mid Cap Growth	754,370	654,198
Guggenheim VT StylePlus Small Cap Growth	29,412	22,535
Guggenheim VT Total Return Bd	1,961,460	140,428
Guggenheim VT World Equity Inc	74,220	70,397
Invesco American Franchise	1,600	1,144
Invesco Comstock	21,435	21,796
Invesco Equity and Income	18,653	16,672
Invesco Technology	5,436	3,763
Invesco Oppenheimer V.I. Capital Appreciation	24,697	27,075
Invesco Oppenheimer V.I. Discovery Mid Cap Growth	254,452	23,420
Invesco Oppenheimer V.I. Global Fund	4,181	10,726
Invesco Oppenheimer V.I. Main Street	1,259	1,121
Invesco Oppenheimer V.I. Main Street Small Cap	50,865	48,274
Invesco Oppenheimer V.I. Total Return Bond	223,577	1,477,875
Invesco V.I. American Fran	5,033	4,834
Invesco V.I. Comstock	592,174	5,976,894
Invesco V.I. Equity and Income	414,363	402,986
Invesco V.I. Global Real Estate	109,466	140,036
Invesco V.I. Government Securities	31,396	29,929
Invesco V.I. Health Care	1,000,968	1,001,085
Invesco V.I. International Growth	4,310,105	3,722,950

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December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
Invesco V.I. Mid Cap Core Equity	\$ 978,992	\$ -
Invesco V.I. Mid Cap Growth Fund	-	208,579
Invesco V.I. Value Opportunities	14,297	13,677
Janus Aspen Series Overseas	10,199	18,229
Janus Hend VIT Enterprise	1,333,350	1,412,458
Janus Hend VIT Research	79,766	61,096
Janus Overseas	1,667	1,448
JPMorgan Insurance Trust Core Bond	39,344	48,362
Lord Abbett Series Developing Growth	13,687	10,085
MFS VIT II Research International	34,308	21,369
MFS VIT Total Return	45,454	42,491
MFS VIT Utilities	968,822	1,040,206
Morgan Stanley VIF Emerging Markets	3,642	2,898
Morningstar Balanced ETF Allocation	138,864	129,997
Morningstar Growth ETF Allocation	16,093	14,738
Morningstar Income and Growth ETF Allocation	4,127	3,839
Neuberger Berman AMT Mid Cap Growth	135,932	100,729
Neuberger Berman AMT Sustainable Equity	1,193,955	1,217,257
Neuberger Berman Large Cap Value	12,083	10,691
Neuberger Berman NVIT Soc Resp	-	36,337
Neuberger Berman Sustainable Equity	12,547	10,625
NVIT Dynamic US Growth	29,486	25,105
NVIT Government Bond	-	31,762
NVIT Jacobs Levy Large Cap Growth	96	-
NVIT Mid Cap Index	21,678	19,377
NVIT Multi Sector Bond	-	20,826
NVIT Multi-Manager Large Cap Growth	-	75
NVIT Multi-Manager Mid Cap Growth	-	74,449
NVIT Multi-Manager Mid Cap Value	168,555	183,706
NVIT Multi-Manager Small Cap Value	5,123	4,930
NVIT Multi-Manager Small Company	26,470	21,871
NVIT Nationwide	102,243	101,797
NVIT Newton Sustainable US Equity	38,932	-
NVIT Wells Fargo Discovery	109,857	-
PIMCO Emerging Markets Bond Portfolio	9,699	9,172
PIMCO International Bond-Hedged	7,974	7,641
PIMCO Real Return	8,048	7,739
PIMCO Total Return	23,935	22,940
PIMCO Total Return Portfolio	71,815	49,238
PIMCO VIT All Asset	45,274	43,398
PIMCO VIT Commodity Real Return	17,146	16,043

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
PIMCO VIT International Bond-Hedged	\$ 10,512	\$ 12,850
PIMCO VIT Low Duration	12,236	12,023
PIMCO VIT Real Return Portfolio	205,837	215,530
Royce Micro-Cap	225,352	216,659
Templeton Developing Markets VIP	2,037	-
Templeton Foreign VIP	42,907	43,931
Templeton Global Bond VIP	16,451	17,484
TRP Health Sciences	309,947	339,398
Van Eck VIP Global Hard Assets	-	2,747
Victory RS Science and Technology	52,798	32,286
Victory RS Value	9,521	8,039
Wells Fargo Small Company Value	11,371	11,256
Western Asset Variable Global High Yield Bond	78,825	87,114
	<u>54,323,934</u>	<u>53,584,741</u>
Total Variable Earnings Investments at Security Benefit: Annuities		
Security Benefit: Mutual Funds		
American Beacon Small Cap Value	28,391	26,859
American Century Dividend Bond	277	262
American Century Heritage	52,779	37,434
American Century International Bond	-	70
American Century International Growth	589	479
American Century Select	12,172	9,187
American Century Sustainable Equity	4,330	-
American Century Ultra	26,069	22,260
American Century Value	85,780	77,380
American Funds American Mutual	1,125	-
American Funds EuroPacific Growth	171,496	207,179
American Funds New World	95,770	52,079
American Funds Washington Mutual	402,129	471,356
Ariel Fund	40,932	37,523
Baron Asset	166	127
BlackRock Global Allocation	157	133
BlackRock High Yield Bond	7,268	25,828
BlackRock International Dividend	-	356
BlackRock Mid Cap Dividend	3	3
BNY Mellon Appreciation	11,262	9,160
BNY Mellon Dynamic Value	10,232	9,956
BNY Mellon Mid Cap	67,157	174,001
BNY Mellon Natural Resources	1,803	9,036
BNY Mellon Opportunistic Mid Cap Value	12,049	10,228
BNY Mellon S&P 500	2,061,274	2,371,495
Calamos Global Equity	1	1
Calamos Growth	40,134	30,452

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Security Benefit: Mutual Funds - Continued		
Calamos Growth & Income	\$ 30,787	\$ 25,362
Calamos High Income	11,759	11,319
Federated Hermes Corporate Bond	505,142	393,592
Fidelity Advisor Mid Cap Value	-	143
Fidelity Advisor New Insights	10,673	8,728
Fidelity Advisor Real Estate	7,508	8,272
Fidelity Advisor Value Strategies	8,725	8,269
Franklin Growth Opportunities	12,991	9,011
Franklin Strategic Income Securities	41,767	42,854
Goldman Sachs Emerging Markets Equity	11,698	44,471
Guggenheim High Yield	12,959	12,448
Guggenheim Large Cap Value	16,584	17,074
Guggenheim Risk Managed Real Estate	100,029	142,162
Guggenheim Small Cap Value	7,661	8,010
Guggenheim SMid Cap Value	59,246	57,700
Guggenheim StylePlus Mid Growth	27,987	21,440
Guggenheim Total Return Bond	1,613,784	1,309,899
Guggenheim World Equity Income	7,223	6,863
Invesco Comstock	16,241	16,510
Invesco Developing Markets	302	-
Invesco Equity and Income	504,997	476,669
Invesco Global	643	514
Invesco Global Opportunities	1,243,875	980,222
Invesco Small Cap Growth	134,173	100,243
Invesco Technology	13,145	9,082
Janus Enterprise	813,859	328,219
Janus Hend US Managed Vol	630	572
Janus Triton	73,912	562,583
JPMorgan Equity Income	2,470,637	2,168,400
JPMorgan Large Cap Growth	3,191	2,114
JPMorgan Mid Cap Growth	38,949	29,465
JPMorgan US Small Company	2,344	2,011
Loomis Sayles Global Allocation	79,422	69,818
Natixis US Equity Opportunities	-	13,038
Neuberger Berman Large Cap Value	29,689	26,241
Neuberger Berman Sustainable Equity	21,024	17,787
Northern Large Cap Value	-	258
Nuance Mid Cap Value	7,978	6,390
Pax High Yield Bond	17,477	-
PGIM Global Total Return	74	-
PIMCO Commodity Real Return Strategy	111	113
PIMCO High Yield Spectrum	10,804	8,941

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Security Benefit: Mutual Funds - Continued		
PIMCO Income	\$ 20,902	\$ 36,324
PIMCO RAE Global ex-US	27,596	93,715
PIMCO Real Return	53,682	49,298
PIMCO Small Cap StocksPLUS AR	1,038,952	1,197,268
Pioneer Bond	30,602	69,817
Templeton Foreign	464	363
Templeton Global Bond	423,328	418,099
TRP Global Stock	615,307	446,710
TRP Growth Stock	1,807,384	1,762,837
TRP QM US Small Cap Growth Equity	36,938	48,453
TRP Retirement 2020	244,432	216,856
TRP Retirement 2025	15,520	13,686
TRP Retirement 2030	192,328	167,783
TRP Retirement 2035	206,834	51,233
TRP Retirement 2040	14,809	12,681
TRP Retirement 2050	5	254,631
TRP Retirement 2055	9,446	8,058
Vanguard 500 Index	5,887	-
Vanguard Developed Market	23,805	-
Vanguard Emerging Market	20,773	-
Vanguard Mid Cap	40,962	-
Vanguard Real Estate	38,588	-
Vanguard Small Cap	113,932	-
Vanguard Total Bond Market	99,531	-
Vanguard Total International Bond	3,699	-
Victory RS Global	332,821	63,376
Wells Fargo Opportunity	21,699	18,095
Wells Fargo Large Cap Core	21,540	44,289
Wells Fargo Small Company Value	23,721	23,225
Wells Fargo Special Mid Cap Value	199,092	194,204
Wells Fargo Special Small Cap Value	9,237	64,107
Total Variable Earnings Investments at Security Benefit: Mutual Funds	16,797,161	15,784,759
Voya-Omni Platform		
American Funds 2010 Target Date - R-6	1,281,808	1,062,376
American Funds 2015 Target Date - R-6	2,535,133	2,347,095
American Funds 2020 Target Date - R-6	14,691,953	13,787,880
American Funds 2025 Target Date - R-6	17,812,844	15,551,329
American Funds 2030 Target Date - R-6	21,691,572	16,528,738
American Funds 2035 Target Date - R-6	28,746,598	22,145,123
American Funds 2040 Target Date - R-6	21,634,919	15,204,559
American Funds 2045 Target Date - R-6	17,769,303	12,645,659
American Funds 2050 Target Date - R-6	10,084,872	6,611,694

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2020 and 2019

	Fair Value/Contract Value	
	2020	2019
Variable Earnings Investments - Continued:		
Voya-Omni Platform - Continued		
American Funds 2055 Target Date - R-6	\$ 5,874,339	\$ 3,688,734
American Funds 2060 Target Date - R-6	1,027,096	559,829
American Funds 2065 Target Date - R-6	27,121	-
American Funds Washington Mutual - R-6	2,146,125	1,731,396
Champlain Mid Cap Funds - Institutional	1,170,247	816,108
JPMorgan US Small Company Fund - R-6	1,287,175	801,494
Lazard International Equity Portfolio - R-6	751,488	593,411
PIMCO Total Return Fund - Institutional Class	1,465,783	798,312
T. Rowe Price Blue Chip Growth Fund - I	5,554,075	3,421,561
TD Ameritrade Self-Directed Brokerage Account	8,390,027	4,810,215
Templeton Global Bond Fund R-6	-	420,716
TIAA-CREF Real Estate Securities Fund - Institutional Class	634,420	534,557
Vanguard Total International Stock Index Fund - Admiral	3,447,542	-
Vanguard Extended Market Index Fund - Admiral	4,233,877	-
Vanguard Extended Market Index Fund - Institutional	-	2,627,115
Vanguard Institutional Index Fund - Institutional	12,791,913	9,359,244
Vanguard Intermediate-Term Bond Index Fund - Institutional	3,780,039	2,706,506
Vanguard Total International Stock Index Fund - Institutional	-	2,469,852
Total Variable Earnings Investments at Voya-Omni Platform	<u>188,830,269</u>	<u>141,223,503</u>
Great American		
Great American Flex(b)	<u>2,330,274</u>	<u>2,458,365</u>
Total Variable Earnings Investments at Great American	<u>2,330,274</u>	<u>2,458,365</u>
Total Variable Earnings Investments	<u>435,354,568</u>	<u>375,640,707</u>
Total Investments	<u>\$ 505,684,268</u>	<u>\$ 445,920,480</u>

* Represents Investments Greater than 5% of Net Position

** Represents Investments in Foreign Securities



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***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 Plans Management Board
State of Delaware 403(b) Plan
Dover, Delaware

We were engaged to audit, 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 State of Delaware 403(b) Plan (Plan) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated October 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

To the Plans Management Board
State of Delaware 403(b) Plan
Dover, Delaware

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

State of Delaware 403(b) Plan's Responses to Findings

The State of Delaware 403(b) Plan's responses to findings identified in our audit are described in the accompanying schedule of findings and recommendations. The State of Delaware 403(b) Plan's responses were not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

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.

October 21, 2021
Wilmington, Delaware

**STATE OF DELAWARE 403(b) PLAN
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2020**

FINANCIAL STATEMENT FINDINGS

Reference Number: 2020-001

Type of Finding: Material Weakness

Inappropriately Excluded Participant Accounts on Vendor Statements/Confirmation Responses

Condition: Security Benefit provided BLS with an audit package that consisted of a participant account balance report and a schedule of investments for the Plan. BLS identified 12 participant accounts totaling \$1,135,916 at December 31, 2019, that were not on the Security Benefit legacy vendor statements and confirmations for the plan year ending December 31, 2020.

Criteria: Plan statements provided by vendors should be complete and accurate, including all accounts that belong to the State of Delaware 403(b) Plan, but not IRA accounts that are not part of the plan.

Cause: Security Benefit personnel produce reports from individual contract statements and the computer system seems to be unable to identify all 403(b) plan-related contracts and only those 403(b) related contracts that belong to the State of DE 403(b) Plan.

Effect: If vendors cannot produce complete and accurate reports, it could lead to materially misstated financial statements.

Recommendation: We recommend that State of Delaware 403(b) Plan officials work with Security Benefit personnel to ensure complete and accurate confirmations and statements are issued to the State of Delaware plan officials and auditors.

Resolution: BLS obtained individual account statements for the participants that were missing on the account balance report and included the account balances and activity during the year in those accounts on the financial statements.

Views of Responsible Plan Officials and Planned Corrective Actions: All vendor accounts have been added to the State's TPA's recordkeeping platform, Plan with Ease. We will work with our TPA and the vendors to ensure all accounts are completely and accurately captured.

Responsible Positions: Promotions and Outreach Manager and Investments and Operations Manager

STATE OF DELAWARE 403(b) PLAN
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED DECEMBER 31, 2020

CURRENT STATUS OF PRIOR YEAR FINDINGS

Reference Number: 2019-001

Type of Finding: Material Weakness

Inappropriately Excluded Participant Accounts on Vendor Statements/Confirmation Responses

Condition: Security Benefit provided BLS with an audit package that consisted of a participant account balance report and a schedule of investments for the Plan. BLS identified 14 participant accounts totaling \$1,207,046.61 at December 31, 2018, that were not on the Security Benefit legacy vendor statements and confirmations for the plan year ending December 31, 2019.

Current Status: This finding has been corrected in the 2019 financial statements. In 2020, Security Benefit still did not provide statements for all plan participants. See current year finding 2020-001.