



# STATE OF DELAWARE DEFERRED COMPENSATION PLAN

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FINANCIAL STATEMENT AUDIT  
CALENDAR YEAR ENDED FOR YEAR END DEC. 31, 2024





# FINANCIAL STATEMENT AUDIT

## REPORT SUMMARY CALENDAR YEAR ENDED DEC. 31, 2024

### BACKGROUND

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The Office of Auditor of Accounts (AOA) performed a financial statement audit of the State of Delaware 457(b) plan for Calendar Year ended December 31, 2024.

This engagement was conducted in accordance with 29 Del. C. § 2722 (e)(7). This section of Delaware Code specifies that “The (Plans Management) Board shall arrange for an annual financial audit of each of the Plans, which shall be provided annually to the General Assembly. The Board shall enter into a memorandum of understanding with the Auditor of Accounts regarding each such audit...”

29 Del. C. § 2906, charges the Auditor of Accounts with the duty of conducting audits of all the financial transactions of all state agencies.

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### KEY INFORMATION AND FINDINGS

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The Plan is a defined contribution plan, under Section 457(b) of the Internal Revenue Code (“IRC”), covering all full-time and part-time employees of the State, including elected or appointed officials who receive compensation wholly or in part directly from the State Treasurer or from the Treasury through an agency within the State that is Wholly or in part supported by the State. The objective of the audit is to provide reasonable assurance that the statements are free from material misstatement and accurately reported.

For the year ended December 31, 2024

The Plan’s investments reported at fair value was \$1,016.7 million for 16,509 participants. The average balance per participant was \$61,586.

Participant contributions (\$49.3 million) and rollovers from other plans (\$4.5 million) totaled \$53.8 million. The average annual contribution per participant (10,657) was \$4,664.

Benefits paid to 2,224 participants were \$69.6 million. The average payment to each participant was \$31,287.

It is my pleasure to report this audit contains an unmodified opinion. An unmodified opinion is sometimes referred to as a “clean” opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity’s financial position, results of operations and cash flows in conformity with generally accepted accounting principles. The results of tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.



# FINANCIAL STATEMENT AUDIT

## REPORT SUMMARY CALENDAR YEAR ENDED DEC. 31, 2024

### KEY INFORMATION & FINDINGS:

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The performance of the Plan's investments over the past five years (average 7.3%) is shown in the following table:

	5 year average annual return on investments	2024	2023	2022	2021	2020
		\$ 44,489,518	\$ 28,930,345	\$ 28,771,049	\$ 52,772,038	\$ 30,465,922
Interest and Dividends	4.2%	4.6%	3.4%	3.3%	5.9%	3.9%
Net increase (decrease) in fair value of investments	3.3%	\$ 78,584,344	\$ 99,714,328	\$ (176,598,088)	\$ 63,890,316	\$ 78,067,701
Administrative Expenses	-0.2%	\$ (1,756,824)	\$ (1,407,658)	\$ (1,289,604)	\$ (1,616,064)	\$ (1,213,511)

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
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***Independent Auditor's Report***

To the Plans Management Board  
State of Delaware Deferred Compensation Plan  
Dover, Delaware

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the accompanying financial statements of State of Delaware Deferred Compensation Plan (Plan), which comprise the statements of fiduciary net position as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2024 and 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management***

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Plans Management Board  
State of Delaware Deferred Compensation Plan

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Plans Management Board  
State of Delaware Deferred Compensation Plan

***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 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2025, on our consideration of the Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration of the Plan's internal control over financial reporting and compliance.

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

December 2, 2025  
Wilmington, Delaware

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024, 2023, AND 2022**

This discussion and analysis of the State of Delaware Deferred Compensation Plan's (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2024, 2023, and 2022. 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 over \$106 million during 2024 from \$910.7 million at December 31, 2023, to \$1.02 billion at December 31, 2024. This increase was primarily due to contributions and earnings being more than distributions during 2024. Fiduciary net position restricted for pensions increased by \$118.3 million during 2023 from \$792.4 million at December 31, 2022, to \$910.7 million at December 31, 2023. This increase was primarily due to contributions and investments earnings being greater than distributions during 2023.
- Employee contributions were \$49.3 million, \$45.9 million, and \$45.1 million for the years ended December 31, 2024, 2023, and 2022, respectively. Changes in contributions are primarily due to fluctuations in the average contribution per participant and number of active plan participants. There were 16,509, 16,280, and 16,065 participants with account balances as of December 31, 2024, 2023, and 2022, respectively.
- Rollovers into the Plan were \$4.6 million, \$2.5 million, and \$3.1 million for the years ended December 31, 2024, 2023, and 2022, respectively. Changes in the amount of rollovers from year to year vary greatly, and are the direct result of changes in the number of individuals performing these transactions and the amount of the transactions.
- There was \$123.5 million net investment income in 2024 compared to \$128.6 million net investment income in 2023 and (\$147.8) million net investment loss in 2022. Fluctuations in net investment income (loss) 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 \$69.6 million, \$57.4 million, and \$55 million for the years ended December 31, 2024, 2023, and 2022, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of participants and beneficiaries receiving eligible distributions as well as the size of their account balances. There were approximately 2,200, 2,000, and 2,150 individuals who received a distribution from the Plan during the years ended December 31, 2024, 2023, and 2022, respectively.
- Administrative expenses were \$1.8 million, \$1.4 million, and \$1.3 million for the years ended December 31, 2024, 2023, and 2022, respectively. Fluctuations in these expenses are the result of different arrangements with the service providers, as well as assets held by the Plan, since these are asset-based fee charges, and the number of transactions charged directly to participant accounts.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**DECEMBER 31, 2024, 2023, AND 2022**

**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 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**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
Investments	\$ 1,016,722,852	\$ 910,706,627	\$ 792,436,170
<b>LIABILITIES</b>			
Accrued Expenses Payable	<u>25,000</u>	<u>25,000</u>	<u>21,900</u>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS</b>	<b><u>\$ 1,016,697,852</u></b>	<b><u>\$ 910,681,627</u></b>	<b><u>\$ 792,414,270</u></b>

**TABLE 2**  
**CHANGES IN FIDUCIARY NET POSITION**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>ADDITIONS</b>			
Participant Contributions	\$ 49,286,401	\$ 45,925,946	\$ 45,148,283
Rollovers	4,554,125	2,477,934	3,061,358
Net Investment Income (Loss)	123,514,167	128,644,673	(147,827,039)
<b>DEDUCTIONS</b>			
Benefits Paid to Participants	69,581,644	57,373,538	54,984,112
Administrative Expenses	<u>1,756,824</u>	<u>1,407,658</u>	<u>1,289,604</u>
<b>CHANGES IN FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS</b>	<b><u>\$ 106,016,225</u></b>	<b><u>\$ 118,267,357</u></b>	<b><u>\$ (155,891,114)</u></b>

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**DECEMBER 31, 2024, 2023, AND 2022**

**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 at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Investments, at Fair Value	\$ 995,642,720	\$ 889,089,229
Investments, at Contract Value	<u>21,080,132</u>	<u>21,617,398</u>
<b>TOTAL ASSETS</b>	<u>1,016,722,852</u>	<u>910,706,627</u>
<b>LIABILITIES</b>		
Accrued Expenses Payable	<u>25,000</u>	<u>25,000</u>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 1,016,697,852</u>	<u>\$ 910,681,627</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ADDITIONS</b>		
Investment Income		
Net Appreciation, in Fair Value of Investments	\$ 78,584,344	\$ 99,251,198
Interest and Dividends	44,489,518	28,930,345
Revenue Credits	<u>440,305</u>	<u>463,130</u>
Net Investment Income	<u>123,514,167</u>	<u>128,644,673</u>
Contributions		
Participants	49,286,401	45,925,946
Rollovers	<u>4,554,125</u>	<u>2,477,934</u>
Total Contributions	<u>53,840,526</u>	<u>48,403,880</u>
<b>TOTAL ADDITIONS</b>	<u>177,354,693</u>	<u>177,048,553</u>
<b>DEDUCTIONS</b>		
Benefits Paid to Participants	69,581,644	57,373,538
Administrative Expenses	<u>1,756,824</u>	<u>1,407,658</u>
<b>TOTAL DEDUCTIONS</b>	<u>71,338,468</u>	<u>58,781,196</u>
Net Change in Fiduciary Net Position	<u>106,016,225</u>	<u>118,267,357</u>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS - Beginning of Year</b>	<u>910,681,627</u>	<u>792,414,270</u>
<b>FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS - End of Year</b>	<u>\$ 1,016,697,852</u>	<u>\$ 910,681,627</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1: DESCRIPTION OF THE PLAN**

The following description of the State of Delaware Deferred Compensation 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 <https://treasurer.delaware.gov/deferred-compensation-plans/>.

**General** - Delaware Code Title 29, Part V, Chapter 60A (the “Code”) sets forth the requirements for deferred compensation programs for public officers and employees of the State of Delaware (the “State”). The purpose of the Code 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 with daily administration. The State General Assembly may amend the Code at any time. The Plans Management Board may modify the Plan pursuant to authority provided under the Code.

The Plan is a defined contribution plan, under Section 457(b) of the Internal Revenue Code (the “IRC”), covering all full-time and part-time employees of the State, including elected or appointed officials who receive compensation wholly or in part directly from the State Treasurer or from the Treasury through an agency within the State that is wholly or in part supported by the State. Under the Plan’s provisions, employees of the State who are otherwise eligible for the State’s employee benefit plans are eligible to participate in the Plan. The Plan excludes individuals hired on a temporary basis, including “casual/seasonal” employees, and consultants.

**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 also contribute after-tax Roth contributions. 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.

The Plan also allows special limitation (or Section 457 catch-up) for certain participants as follows:

- For one or more of the participant’s last three taxable years ending before the participant attains normal retirement age, notwithstanding the limits set above, the maximum amount that may be contributed shall be the lesser of:
  - Twice the dollar amount in effect (\$23,000 and \$22,500 for calendar years 2024 and 2023, respectively) (the “Basic Limitation”); or

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1: DESCRIPTION OF THE PLAN - CONTINUED**

***Contributions - Continued***

- The underutilized limitation. For such purposes, the underutilized amount is the sum of:
  - a) An amount equal to (i) the Basic Limitation identified on the previous page of the taxable year plus each calendar year beginning after December 31, 2001, during which the participant was an employee under the Plan reduced by (ii) the participant's annual deferrals under the Plan during such years, and
  - b) An amount equal to such limitation as established under Section 457(b)(2) of the IRC for each taxable year beginning after December 31, 1978, and before January 1, 2002, in which the participant was eligible to participate less the amount of the participant's annual deferrals to Pre-2002 Coordination Plans (as defined in the plan document) for such prior taxable year or years (disregarding any age 50 catch-up deferrals). In determining the underutilized limitation for taxable years prior to 2002, the special rules set forth in Treas. Reg § 1.457-4(c)(3)(iv) shall be applied.

***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 a group annuity contract offering administered by Voya Retirement Insurance and Annuity Company, various publicly traded mutual funds, and a self-directed brokerage account.

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

***Payment of Benefits*** - Upon termination of service due to death, disability, retirement, severance of employment, or other reasons, a participant may receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or periodic payments. A participant may retire when he or she reaches normal retirement age, as defined by the Plan, which is defined as the age designated by the participant that falls within the range of ages beginning at the earlier of age 65 or the age at which the participant has the right to retire and receive, under the State pension plan applicable to the participant, immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, and ending at age 70½. In addition, the Plan allows for distributions for unforeseeable emergencies.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1: DESCRIPTION OF THE PLAN - CONTINUED**

*Payment of Benefits - Continued*

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 all, or part, 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.

If a participant's account balance is less than \$5,000 at his or her severance from employment, the administrator may distribute such account to the participant or beneficiary, without the consent of the participant or beneficiary, in the form of a lump-sum payment, as soon as practicable after the participant's severance from employment. Notwithstanding anything in this Plan to the contrary, for the purposes of the foregoing \$5,000 threshold, a participant's account balance will be determined without regard to any separate account that holds rollover contributions permitted under Section 4.3. Any such distribution of small account balances made under this paragraph shall comply with the requirements of Section 401(a)(31)(B) of the Code relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of \$1,000. For purposes of the \$1,000 threshold, a participant's account balance shall be inclusive of any separate account that holds rollover contributions.

A participant may withdraw money for an unforeseeable emergency (hardship). Certain conditions must be present and followed, including the fact that the hardship cannot be relieved by other means, meeting the approved requirements to qualify for an unforeseeable emergency, and being limited to the need.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Financial Statement Presentation and Basis of Accounting*** - The Governmental Accounting Standards Board (the "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 ("GAAP") as prescribed by GASB. Any references to GAAP in the financial statements and the related disclosures refer 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.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Investment Valuation and Income Recognition*** - Investments are reported at fair value (except for the fully benefit-responsive investment contracts, which are reported at contract 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.

The Voya Fixed Plus Account III (the “Account”) investment is valued at the contract value of the owner’s account. The contract value of the 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. Contract value is the relevant measurement attribute for that portion of the fiduciary net position available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Account is reported at contract value, which approximates fair value.

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

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 during the year, and the unrealized gains and losses on investments held for the entire year.

***Administration of Plan Assets*** - The State’s Plans Management Board is responsible for the administration of the Plan. The daily operations of the Plan are administered by Delaware’s Office of the State Treasurer (“OST”).

Voya Institutional Trust Company (“Voya”) is the trustee and recordkeeper of the Plan. Voya invests funds received from contributions in accordance with participants’ elections, records investment sales, interest, and dividend income, and makes distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the State.

Participants may also select a self-directed brokerage account through Charles Schwab.

***Payment of Benefits*** - Benefits are recorded when paid.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***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. Fund expenses paid from the annual operating expenses of the Plan's designated investment alternatives, which are amounts netted against the investment earnings for the participant-directed investments, had a net fund expense ranging from 0.02% to 0.84%. Fund expenses include investment management fees, which are fees paid to the fund for investment advisory activities related to the selection and management of fund investments, and other expenses associated with maintenance of a fund, such as: accounting, audit, recordkeeping, prospectus delivery, proxy support, periodic fund reports, printing, and/or mailing, etc. Total revenue to Voya from the Account was approximately 0.29%, which represents the fees charged for recordkeeping and other administrative services being offset through a reduction in the rates of interest that would otherwise be credited. Assets held in the Plan's self-directed brokerage account paid 0.01% in service fees.

Voya charges the Plan a 0.065% asset-based fee to each participant for recordkeeping and administrative services. An additional asset-based fee of 0.05% (not to exceed \$200 annually) is charged to each participant account for the State of Delaware's oversight and for certain administrative functions that it performs. These fees are paid from participant accounts and deposited into a Recordkeeping Expense Account to be paid out to various vendors for retirement plan consulting, legal, accounting, OST administrative, and other fees. The 0.05% oversight fee is reviewed periodically by the OST and may be adjusted based on actual expense results. Revenue Credits of \$440,305 and \$463,130 for the years ended December 31, 2024 and 2023, respectively, represent oversight fees deposited into the Recordkeeping Expense Account.

The administrative expense paid from the Recordkeeping Expense Account for the years ended December 31, 2024 and 2023 totaled \$520,944 and \$343,200, respectively, and were as follows:

	<u>2024</u>	<u>2023</u>
Audit Services	\$ 27,136	\$ 26,434
Investment Consulting Services	63,452	84,525
Legal Services	3,645	128
Other Expenses	445	468
Staffing	<u>426,266</u>	<u>231,645</u>
 Total Administrative Expenses	 <u>\$ 520,944</u>	 <u>\$ 343,200</u>

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

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 3: RELATED-PARTY TRANSACTIONS**

Two State 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 trustee and; therefore, these transactions qualify as party-in-interest transactions. The contract value of the investment contract managed by the trustee as of December 31, 2024 and 2023, was \$21,080,132 and \$21,617,398, respectively. See Note 7 for more details.

Certain administrative functions of the Plan are performed by officers or employees of the State. Certain State employee salaries are paid out of plan assets. See the *Administrative Expenses* section of Note 2 for total salaries paid out of plan assets during the year.

**NOTE 4: PLAN TERMINATION**

Although it has not expressed any intent to do so, the State General Assembly may amend the Code to terminate the Plan or the Plans Management Board, through 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 with carrying out resolutions of the Plans Management Board.

**NOTE 5: TAX STATUS**

In the opinion of legal counsel, the Plan is an eligible deferred compensation plan as defined by Section 457 of the IRC. Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts so deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is distributed.

**NOTE 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 funds held by the Plan are unrated.

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6: RISKS AND UNCERTAINTIES - CONTINUED**

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 Charles Schwab self-directed brokerage account. The concentration of investments is determined by the participants' elections to invest in the available investment options as selected by the Plans Management Board. The investments that exceed 5% are identified in Note 7.

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

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment. The Plan allows the option of investments in mutual funds that invest in foreign securities. The fair value of these investments was \$21,980,597 and \$19,408,375 as of December 31, 2024 and 2023, respectively. The individual funds are identified in Note 7.

**NOTE 7: 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 and establishing the investment guidelines and policies for the assets of the Plan. These investments include the following:

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

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7: INVESTMENTS - CONTINUED**

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.

***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 gives 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.

	2024			
	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest-Bearing Cash	\$ 27,400,275	\$ 27,400,275	\$ -	\$ -
Registered Investment Companies	935,892,159	935,892,159	-	-
Self-Directed Brokerage Accounts	32,350,286	32,350,286	-	-
<b>Total Investments, at Fair Value</b>	<b>\$ 995,642,720</b>	<b>\$ 995,642,720</b>	<b>\$ -</b>	<b>\$ -</b>

  

	2023			
	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest-Bearing Cash	\$ 23,475,572	\$ 23,475,572	\$ -	\$ -
Registered Investment Companies	840,267,797	840,267,797	-	-
Self-Directed Brokerage Accounts	25,345,860	25,345,860	-	-
<b>Total Investments, at Fair Value</b>	<b>\$ 889,089,229</b>	<b>\$ 889,089,229</b>	<b>\$ -</b>	<b>\$ -</b>

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7: INVESTMENTS - CONTINUED**

***Fair Value Measurements - Continued***

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the entire year) appreciated in value by \$78,584,344 and \$99,251,198 during 2024 and 2023, respectively.

The following table presents the level of the Plan's investments reported at fair value as of December 31, 2024 and 2023:

	Fair or Contract Value	
	2024	2023
Voya Variable Earnings Investments		
American Funds 2010 Target Date - R-6	\$ 17,970,407	\$ 19,399,214
American Funds 2015 Target Date - R-6	31,480,923	32,826,104
American Funds 2020 Target Date - R-6	70,050,287 *	73,024,273 *
American Funds 2025 Target Date - R-6	94,364,287 *	93,696,636 *
American Funds 2030 Target Date - R-6	115,588,272 *	108,547,903 *
American Funds 2035 Target Date - R-6	128,792,898 *	116,643,572 *
American Funds 2040 Target Date - R-6	91,290,790 *	79,164,171 *
American Funds 2045 Target Date - R-6	65,194,371 *	54,509,122 *
American Funds 2050 Target Date - R-6	35,124,642	28,521,257
American Funds 2055 Target Date - R-6	17,743,909	13,260,134
American Funds 2060 Target Date - R-6	6,504,430	4,578,185
American Funds 2065 Target Date - R-6	2,140,816	1,258,451
American Funds 2065 Target Date - R-6	13,701	-
American Funds Washington Mutual - R-6	15,815,506	15,376,420
Champlain Mid-Cap Fund - Institutional	5,393,026	5,980,210
JP Morgan Large-Cap Growth Fund - R-6	53,104,359 *	38,147,144
JP Morgan U.S. Small Company - R-6	9,296,256	8,299,257
PIMCO Total Return - Institutional	7,520,696	7,661,081
T. Rowe Price Overseas Stock Fund - I	4,025,973 **	4,596,442 **
TIAA-CREF Real Estate Securities - Institutional	4,207,201	4,766,369
Vanguard Extended Market Index - Institutional	22,036,890	18,232,528
Vanguard Federal Money Market	27,400,275	23,475,572
Vanguard Institutional Index - Institutional	105,163,926 *	82,907,837 *
Vanguard Intermediate-Term Bond Index - Institutional	15,113,969	14,059,554
Vanguard Total International Stock Index - Institutional	17,954,624 **	14,811,933 **
Voya Fixed Plus Account III (Contract Value)	21,080,132	21,617,398
Charles Schwab Self-Directed Brokerage Account	32,350,286	25,345,860
	<hr style="border: 1px solid black; border-top: none; border-bottom: 1px solid black; margin-bottom: 5px;"/> \$ 1,016,722,852	<hr style="border: 1px solid black; border-top: none; border-bottom: 1px solid black; margin-bottom: 5px;"/> \$ 910,706,627

\* Represents Investments Greater than 5% of Net Position

\*\* Represents Investments in Foreign Securities

**STATE OF DELAWARE DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7: INVESTMENTS - CONTINUED**

***Fully Benefit-Responsive Investment Contracts*** - The Plan holds a traditional fully benefit-responsive investment contract with Voya Retirement Insurance and Annuity Company (“VRIAC”). VRIAC maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Because the investment contract meets the criteria to be considered fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. The investment contract is presented on the face of the statements of fiduciary net position at contract value. Contract value, as reported by VRIAC, 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. Transfers from the contract will be subject to either percentage limit restrictions or equity wash restrictions. Withdrawals are allowed to pay benefits to participants at any time.

The contract value of the investment contract as of December 31, 2024 and 2023, was \$21,080,132 and \$21,617,398, 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 but may not be less than 1%. Such interest rates are reviewed on an annual basis for resetting.

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, (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, or (d) the failure of the trust to qualify for exemption from federal income taxes.

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.

***Independent Auditor's 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 Deferred Compensation Plan  
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the State of Delaware Deferred Compensation Plan (Plan) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated December 2, 2025.

***Report on 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) as a basis for designing 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 State of Delaware Deferred Compensation 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 Deferred Compensation Plan

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

***Report on 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*.

***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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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.*

December 2, 2025  
Wilmington, Delaware