

# **The State of Delaware Match Plan**

Financial Statements

December 31, 2015 and 2014

Report Issued: June 13, 2017

# The State of Delaware Match Plan

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***Independent Auditors' Report***

To the Plans Management Board  
The State of Delaware Match Plan  
Dover, Delaware

***Report on the Financial Statements***

We have audited the accompanying financial statements of The State of Delaware Match Plan (Plan), which comprise the statements of net position available for plan benefits as of December 31, 2015 and 2014, the related statements of changes in net position available for plan benefits for the years then ended, and the related notes to the financial statements.

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

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

***Auditors' Responsibility***

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

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

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

To the Plans Management Board  
The State of Delaware Match Plan  
Dover, Delaware

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position available for benefits of The State of Delaware Match Plan as of December 31, 2015 and 2014, and the changes in net position available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 and 4 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 June 5, 2017, on our consideration of The State of Delaware Match Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration of The State of Delaware Match Plan's internal control over financial reporting and compliance.

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

June 5, 2017  
Wilmington, Delaware

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

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### Management's Discussion and Analysis

December 31, 2015, 2014, and 2013

This discussion and analysis of The State of Delaware Match Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2015, 2014 and 2013. Please read this section in conjunction with the Plan's financial statements which follow this section.

### **Financial Highlights**

- Net position available for plan benefits decreased by \$1 million during 2015 from \$22.3 million at December 31, 2014 to \$21.3 million at December 31, 2015. This decrease was primarily due to distributions made to participants being greater than contributions and income into the Plan during 2015. Net position available for plan benefits increased by \$400,000 during 2014 from \$21.9 million at December 31, 2013 to \$22.3 million at December 31, 2014. This increase was primarily due to contributions to the Plan as well as gains on investments, net of distributions made to participants during 2014.
- There were no employer contributions for the years ended December 31, 2015, 2014, and 2013. There were approximately 9,100, 12,000, and 12,000 active participants as of December 31, 2015, 2014, and 2013, respectively.
- Rollover contributions were approximately \$22,300, \$146,700, and \$35,000 for the years ended December 31, 2015, 2014, and 2013, respectively. Changes in the amount of rollovers from year to year vary greatly and are the direct result of changes in the number of individuals performing these transactions.
- Net investment income decreased to \$76,700 in 2015 from \$1.5 million in 2014. Fluctuations in income are primarily due to changes in the funds offered by the Plan, changes in interest rates for fixed earnings investments, as well as fluctuations in the financial market from year to year.
- Distributions paid to participants were \$1.1 million, \$1.2 million, and \$1 million for the years ended December 31, 2015, 2014, and 2013, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of retirees per year as well as the average distribution per retiree. There were approximately 775, 725, and 800 individuals who received a distribution from the Plan during the years ended December 31, 2015, 2014, and 2013, respectively.
- Administrative expenses and investment fees were approximately \$0, \$15,200, and \$35,600 for the years ended December 31, 2015, 2014, and 2013, respectively. Fluctuations in these fees directly relate to changes in amount of total investments and the allocation of investments amongst the Plan's various investment options.

# The State of Delaware Match Plan

## Management's Discussion and Analysis

December 31, 2015, 2014, and 2013

### Overview of the Financial Statements

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

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Investments	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>	<u>\$ 21,903,325</u>
Net Position Available for Plan Benefits	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>	<u>\$ 21,903,325</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Additions:			
Employer Contributions	\$ -	\$ -	\$ -
Transfers into Plan (Rollovers)	22,349	146,747	34,831
Net Investment Income	76,662	1,493,165	3,553,163
Deductions:			
Distributions to Participants	1,118,749	1,190,925	996,412
Administrative and Investment Fees	-	15,204	35,564
Changes in Net Position	<u>\$ (1,019,738)</u>	<u>\$ 433,783</u>	<u>\$ 2,556,018</u>

### Financial Contact

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

## The State of Delaware Match Plan

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Statements of Net Position Available for Plan Benefits

December 31, 2015 and 2014

(See Independent Auditors' Report)

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Investments, at Fair Value	\$ 21,317,370	\$ 22,337,108
<b>Liabilities</b>	<u>-</u>	<u>-</u>
Net Position Available for Benefits	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>

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

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

Statements of Changes in Net Position Available for Plan Benefits

December 31, 2015 and 2014

(See Independent Auditors' Report)

	<u>2015</u>	<u>2014</u>
<b>Additions</b>		
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ (1,033,700)	\$ 175,049
Interest and Dividends	1,094,489	1,318,116
Other Income	15,873	-
Net Investment Income	76,662	1,493,165
Contributions		
Rollovers	22,349	146,747
Total Additions	<u>99,011</u>	<u>1,639,912</u>
<b>Deductions</b>		
Benefits Paid to Participants	1,118,749	1,190,925
Administrative Expenses	-	15,204
Total Deductions	<u>1,118,749</u>	<u>1,206,129</u>
Net Increase (Decrease)	<u>(1,019,738)</u>	<u>433,783</u>
<b>Net Position</b>		
Beginning of Year	<u>22,337,108</u>	<u>21,903,325</u>
End of Year	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>

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

# **The State of Delaware Match Plan**

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Notes to the Financial Statements  
December 31, 2015 and 2014  
(See Independent Auditors' Report)

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

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

### **General**

Delaware Code Title 29, Part V, Chapter 60A (Code) sets forth the requirements for deferred compensation programs for public officers and employees of the State of Delaware ("State"). The purpose of Chapter 60A is to create a vehicle through which all employees of the State may, on a voluntary basis, provide for additional retirement income security. The Code gives authority to the Deferred Compensation Council/Plans Management Board, which is responsible for oversight of the Plan. Section 6060 of the Code authorizes the Deferred Compensation Council to establish the Plan pursuant to Section 401(a) of the Internal Revenue Code ("IRC").

The Plan is a defined contribution plan, under Section 401(a) of the IRC, covering any individual who is employed the State, including elected or appointed officials, and who received compensation wholly or in part directly from the State Treasury or from the Treasury through an agency within the State that is wholly or in part supported by the State. The Plan does not cover individuals hired on a temporary basis or as consultants. Under the Plan's provisions, employees of the State are eligible to participate in the Plan provided they are enrolled in the Deferred Compensation Plan and have made salary reduction contributions for six months.

### **Contributions**

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

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

### **Participant Accounts**

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

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

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Notes to the Financial Statements  
December 31, 2015 and 2014  
(See Independent Auditors' Report)

### **Participant Accounts - Continued**

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

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

### **Vesting**

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

### **Payment of Benefits**

On termination of service due to death, disability, retirement, or other reasons, a participant will receive either a lump-sum amount equal to the value of the participant's vested interest in their account, periodic payments, or an annuity.

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

### **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 to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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Notes to the Financial Statements  
December 31, 2015 and 2014  
(See Independent Auditors' Report)

### **Investment Valuation and Income Recognition - Continued**

Investment in the Fidelity Managed Income Portfolio is valued daily at its net asset value. The investment valuation includes contributions received plus investment income earned to date less applicable charges and amounts withdrawn. Investment contracts in this portfolio are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net position available for 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 Portfolio is reported at contract value, which approximates fair value.

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

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

Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis.

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

### **Administration of Plan Assets**

Until July 1, 2016, the State of Delaware's Deferred Compensation Council was responsible for the administration of the State of Delaware Match Plan. As reported in the Subsequent Events section below, the Plans Management Board became responsible for administration of the Plan effective July 1, 2016. The daily operations of the Plan are administered by Delaware's Office of the State Treasurer.

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

Participants may also select a self-directed brokerage account through Brokeragelink. The annual account fee for this account was waived for the years ended December 31, 2015 and 2014.

### **Payment of Benefits**

Benefits are recorded when paid.

### **Administrative Expenses**

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the State. Expenses paid by the State are excluded from these financial statements. Costs associated with participant-initiated transactions are paid by the respective participants' accounts. Some administrative expenses are paid from the annual operating expenses of the Plan's designated

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

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Notes to the Financial Statements  
December 31, 2015 and 2014  
(See Independent Auditors' Report)

### **Administrative Expenses - Continued**

investment alternatives, which are netted against the investment earnings for the relevant participant-directed investments.

### **Subsequent Events**

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

Effective July 1, 2016, Delaware House of Representatives Bill Number 358 amended Delaware Code Title 29 to consolidate the governing boards of the Deferred Compensation Plan, the Achieving a Better Life Experience (ABLE) Program, and the Delaware College Investment Plan to one common board - the Plans Management Board.

On May 3, 2016, the State Treasurer acting on behalf of the Deferred Compensation Council executed a Master Trust agreement with Voya Institutional Trust Company (Voya) as trustee of the assets.

On September 14, 2016, all assets with Fidelity Investments were transferred to Voya.

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

Two State of Delaware employees are required to serve on the Deferred Compensation Council/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.

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

### **4. Plan Termination**

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

### **5. Tax Status**

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

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

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment

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

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Notes to the Financial Statements  
December 31, 2015 and 2014  
(See Independent Auditors' Report)

### **6. Risks and Uncertainties - Continued**

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

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

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

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

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment. The Plan allows the option of investments in mutual funds of countries outside the United States that invest in securities not required to disclose the individual assets within the fund. The fair value of these investments was \$742,424 and \$790,853 as of December 31, 2015 and 2014, respectively. The individual funds are identified in Note 7.

### **7. Investments**

Delaware Code Title 29 Section 6057 outlines the types of allowable investments of the Plan. The Deferred Compensation Council/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:

- 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.

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

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Notes to the Financial Statements  
December 31, 2015 and 2014  
(See Independent Auditors' Report)

### **7. Investments - Continued**

- Securities which are traded on the New York Exchange National Association of Securities Dealers Automated Quotations (NASDAQ) and American Stock Exchange.

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated (depreciated) in value by \$(1,033,700) and \$175,049 during 2015 and 2014, respectively.

The fair or contract value of investments held by the Plan at December 31, 2015 and 2014 were as follows. Investments marked with an asterisk (\*) represent individual investment options, which exceed 5% of the net positions available for plan benefits as of December 31, 2015 and 2014. Investments marked with two asterisks (\*\*) represent international funds.

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
WF COMMON STOCK A	\$ 789	\$ -
WF DISCOVERY A	2	-
WF GOVT SECS A	4,052	-
WF GROWTH A	38,180	-
WF OPPORTUNITY A	8,938	-
WF SHORT-TERM BND A	478	-
JANUS GLB RESEARCH T	214,014 **	249,865 **
PIM TOTAL RT INST	355,167	396,737
DOMINI SOCIAL EQ INV	89,848	103,343
JANUS FORTY S	39,658	35,538
AM CENT ULTRA INV	1,484	1,398
ABF BALANCED INV	2,111	4,082
ABF INTL EQUITY INV	723 **	738 **
ABF SH TERM BOND INV	-	365
MSIF GROWTH I	3,739	2,590
TMPL FRGN SM CO A	630 **	1,036 **
MUTUAL GBL DISCVRY A	7,761 **	9,493 **
BARON GROWTH	31,741	45,655
BARON ASSET FUND	5,667	8,058
CALVERT BALANCED A	5,087	5,236
CALVERT EQUITY A	454	437
CALVERT CAP ACC A	754	783
CALVERT INTL EQ A	664 **	666 **
LOOMIS SM CAP VAL R	444	438
FPA CRESCENT	11,268	17,779
RHJ MICRO CAP	2,649	2,771
MCKEE INTL EQ	2,003 **	2,037 **
ARIEL FUND	10,545	10,726
ARIEL APPRECIATION	2,715	2,895
NB CORE BOND INV	2,517	2,520
ALGER CAP APPREC I	85,802	81,708
ALGER MIDCAP GRTH I	15,686	22,415
ALGER SM CAP GR IS I	770	3,121
DREY MID-CAP GRTH F	1,212	1,241
FKLN SMMIDCAP GRTH A	9,753	10,117
HARBOR CAP APPR INST	19,505	7,565
JANUS FLEXIBLE BD T	17,593	18,690
TEMPLETON FOREIGN A	14,411 **	13,453 **
MSIF CP FX INC A	330	66
MSIF MID CAP GRTH A	6,780	8,624
MSIF SM CO GRTH A	1,659	2,738
MSIF EMERGING MKTS A	786 **	1,354 **
MUTUAL SHARES A	8,245	9,655
MANAGERS SPECIAL EQ	322	324
NB FOCUS TRUST	2,287	2,287

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
NB GENESIS - TR CL	\$ 43,979	\$ 44,034
NB MDCP GRTH TRUST	772	1,597
NB LG CAP VAL TR	287	328
NB SOCIALLY RESP TR	2,514	2,501
OAKMARK SELECT I	20,828	25,689
OAKMARK EQ & INC I	84,467	78,826
OAKMARK FUND I	6,257	7,102
MGRS/C CAP APPR SRV	711	687
MGRS/C MID CAP SRV	1,362	1,377
PIM GLBBND AD UNHDGD	15,038 **	12,648 **
PIMCO HIGH YIELD ADM	7,055	8,888
PIMCO LOW DUR ADM	10,345	14,012
PIMCO LT US GOVT ADM	18,779	26,246
LM CM VALUE I	127,929	147,612
WFA ULTRA ST INC INV	-	232
WFA SHRTERM BND INV	-	476
WFA DISCOVERY INV	-	2
WFA GROWTH INV	-	38,140
WFA COMMON STOCK INV	-	806
WFA OPPORTUNITY INV	-	11,802
WFA LG CAP GRTH INV	-	1,936
WFA GOVT SECURITY INV	-	4,038
TEMPLETON DEV MKTS A	1,337 **	2,094 **
TEMPLETON GROWTH A	8,242	10,357
TMPL GLOBAL BOND A	19,643 **	27,656 **
TEMPLETON WORLD A	7,275 **	7,750 **
USAA CRNSTN MOD AGGR	223	233
USAA GOVT SEC	3,465	3,297
USAA INCOME FUND	14,514	13,613
USAA INCOME STOCK	517	535
USAA INTERNATIONAL	6,144 **	6,110 **
USAA GROWTH FUND	12,794	11,038
USAA EMERGING MKTS	2,413 **	2,812 **
ARTISAN INTL	6,738 **	22,222 **
MSIF INTL EQUITY A	1,170 **	1,170 **
WF SM CAP VALUE A	8,524	-
ROYCE LOW PR STK IS	12,149	17,458
INVS SMCP GRTH INV	6,882	7,010
DREY STRATEGIC VAL I	15,431	17,512
DREY RESEARCH GRTH Z	1,581	1,520
INVS VALUE OPPTS A	2,373	4,272
TCHSTN FOCUSED Y	2,515	3,362
INVS AM FRANCHISE A	2,040	1,944
VANGUARD INST INDEX	992,274	1,038,077
INVS GLB SMMDCP GR A	9,354 **	9,593 **

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
MANAGERS BOND FUND	\$ 10,833	\$ 8,093
TCW SELECT EQUITY N	380	339
LD ABT MID CAP STK A	4,441	4,949
ARTISAN MID CAP INV	3,498	4,223
TCHSTN INTL SMCAP Y	8,199 **	7,432 **
WFA SM CAP VAL INV	-	9,629
INVS GRTH & INC A	5,052	5,217
DWS EQUITY DIV A	1,907	2,304
VANG MORGAN GRTH ADM	88,323	81,988
INVS MID CAP GRTH A	5,181	5,122
INVS EQUITY & INC A	21,407	25,267
INVS MDCP CORE EQ A	167	175
PERKINS MID CP VAL T	10,745	17,215
WA CORE BOND FI	965	803
VANG WINDSOR ADM	155,357	167,858
ALZGI NFJ SMCPLV ADM	8,452	10,243
TCHSTN MID CAP VAL Y	1,002	1,040
AF NEW PERSPECT R5	6,146	6,030
ABDN US EQUITY I A	4,943	5,852
ABF SM CAP VAL INV	730	771
AM CEN LG CO VAL INV	1,319	1,521
AM CENT SM COMP INV	5,768	5,985
ABF LG CAP VAL INST	18,554	23,800
CALVERT SMALL CAP A	440	2,325
INVS DIVRS DIVD INV	3,455	3,394
JANUS BALANCED S	2,563	2,557
JANUS FLEXIBLE BD S	2,001	3,084
JANUS OVERSEAS S	4,396 **	4,920 **
JANUS S	424	404
JANUS GLB RESEARCH S	452 **	437 **
ABDN INTL EQ INST SV	2,969 **	3,626 **
MSIF GLB FRANCHISE A	6,105 **	6,025 **
DREY/BC S/MD CP GR A	2,655	2,793
WF LARGE CAP GRTH A	2,019	-
DREY RESEARCH GRTH A	2,243	2,111
WF ULTRA ST INC A	232	-
ABDN US EQUITY I IS	320	333
FID FIDELITY FUND	318,681	347,599
FID PURITAN	236,309	255,440
FID TREND	18,588	22,630
FID SEL COMPUTERS	33,694	44,271
FID SEL ELECTRONICS	56,867	61,022
FID SEL CONS STAPLES	11,558	11,907
FID VALUE STRAT	2,027	1,306
FID GNMA	35,852	41,419

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
FID MAGELLAN	\$ 7,490	\$ 8,386
FID CONTRAFUND	201,697	191,453
FID EQUITY INC	54,997	57,495
FID GROWTH COMPANY	205,848	191,800
FID INVST GR BD	19,872	21,649
FID GROWTH & INC	21,649	27,733
FID SEL SOFTWARE	38,337	37,189
FID INTERMED BOND	19,731	20,484
FID SEL AIR TRANSPRT	12,108	11,221
FID CAPITAL & INCOME	42,899	42,316
FID VALUE	51,358	56,966
FID MORTGAGE SEC	4,665	5,292
FID SEL GOLD	24,642	33,175
FID SEL BIOTECH	293,722	241,011
FID SEL ENERGY SVCS	6,899	10,003
FID SEL INSURANCE	1,577	1,524
FID SEL RETAILING	23,671	12,728
FID US GOVT RES	-	30,273
FIDELITY GOVT INCOME	28,384	32,660
FID CASH RESRVE	67,102	81,494
FID SEL ENERGY	34,044	41,368
FID SEL LEISURE	15,382	13,725
FID SEL HEALTHCARE	154,853	138,986
FID SEL TECHNOLOGY	122,998	116,070
FID SEL UTILITIES	7,937	13,895
FID SEL FINANCIAL	2,654	4,583
FID SEL DEFENSE	116,976	113,498
FID SEL BROKERAGE	7,739	8,604
FID SEL CHEMICALS	10,667	38,659
FID INDEPENDENCE	41,657	48,407
FID SEL MONEY MARKET	-	155,964
FID OTC PORTFOLIO	159,738	143,624
FID OVERSEAS	8,689 **	5,154 **
FID SEL TELECOMM	9,433	9,369
FID SEL CONSUMER FIN	1,086	2,936
FID LEVERGD CO STK 0	57,768	70,084
FID NEW MILLEN	6,617	8,925
FID EUROPE	7,914 **	5,463 **
FID PACIFIC BASIN	3,087 **	2,741 **
FID REAL ESTATE INVS	16,471	27,378
FID BALANCED	193,302	214,803
FID INTL DISCOVERY	91,448 **	70,465 **
FID CAPITAL APPREC	235,684	249,716
FID CONVERTIBLE SEC	7,756	3,715
FID CANADA	19,745 **	31,099 **

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
FID TELECOM & UTIL	\$ 6,733	\$ 7,339
FID BLUE CHIP GR	209,085	200,939
FID ASSET MGR 50%	89,529	102,046
FID DISCIPLND EQTY	10,167	10,155
FID LOW PRICED STK	213,281	229,026
FID WORLDWIDE	6,652 **	5,706 **
FID EQ DIV INCOME	291,156	354,964
FID STK SEL ALL CAP	5,822	6,586
FID ASSET MGR 70%	72,033	69,614
FID EMERGING MKTS	9,523 **	11,692 **
FID GROWTH STRAT	658,007	687,357
FID DIVERSIFD INTL	107,200 **	112,652 **
FID ASSET MGR 20%	21,189	21,298
FID DIVIDEND GR	216,546	236,599
FID NEW MARKETS INC	14,937	17,406
FID EXPORT & MULTI	15,793	15,927
FID FOCUSED STOCK	58,813	17,860
FID GLOBAL BALANCED	23,020 **	12,935 **
FID INTL CAP APPREC	5,292 **	4,200 **
FID STK SEL SM CAP	5,786	5,180
FID MID CAP STOCK	260,608	273,459
FID LARGE CAP STOCK	25,024	33,552
FID GROWTH DISC	32,488	30,871
FID SMALL CAP STOCK	19,162	18,931
FID NORDIC	14,222 **	12,933 **
FID ASSET MGR 85%	54,856	62,763
FID LATIN AMERICA	8,923 **	17,705 **
FID JAPAN	854 **	1,024 **
FID EMERGING ASIA	4,893 **	5,772 **
FID CHINA REGION	15,014 **	16,531 **
FID SEL IT SERVICES	12,283	10,787
FID SEL MED EQ & SYS	21,205	15,833
FID FOUR IN ONE IDX	21,383	27,387
FID JAPAN SMALL CO	6,426 **	5,872 **
FID MEGA CAP STOCK	24,820	24,935
FID STRATEGIC INCOME	26,831	22,779
FID FREEDOM INCOME	182,268	179,280
FID FREEDOM 2010	818,666	920,008
FID FREEDOM 2020	2,843,705 *	2,971,884 *
FID FREEDOM 2030	2,087,483 *	2,160,874 *
FID SM CAP DISCOVERY	21,411	25,267
FID TREASURY ONLY MM	12,939	20,319
FID SHORT TERM BOND	11,653	7,008
FID INTM GOVT INCOME	3,051	3,448

## The State of Delaware Match Plan

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
FID HIGH INCOME	\$ 6,508	\$ 10,665
FID FIFTY	-	53,470
FID SEL AUTOMOTIVE	3,061	3,331
FID SEL MULTIMEDIA	20,205	13,450
FID SEL MEDICAL DEL	28,933	26,768
FID SEL BANKING	6,597	4,301
FID SEL MATERIALS	9,626	17,622
FID SEL INDUST EQUIP	1,169	1,141
FID SEL CONSTR/HOUSE	11,952	11,322
FID SEL TRANSPORT	11,811	17,746
FID SEL NATURAL GAS	20,066	33,701
FID SEL NATURAL RES	12,810	16,804
FID SEL INDUSTRIALS	3,197	3,261
FID SEL ENV ALT ENGY	3,533	4,554
FID SEL CONS DISCR	52	-
FID SEL COMM EQUIP	5,710	6,982
FID SEL PHARMACEUTCL	36,235	26,842
FID RETIRE MMKT	776,414	840,145
FID RET GOVT MM	43,453	27,495
MANAGED INCOME PORTFOLIO CL1	183,546	190,035
FID STKSEL LGCAP VAL	9,641	10,730
FID FREEDOM 2040	778,367	799,011
FID MID CAP VALUE	8,543	6,714
FID INFLAT PROT BOND	9,461	11,712
FID INTL SMALL CAP	28,020 **	29,328 **
FID TOTAL BOND	40,745	37,859
FID VALUE DISCOV	6,310	7,955
FID REAL ESTATE INC	3,291	3,276
FID SEL WIRELESS	26,640	30,518
FID BLUE CHIP VALUE	10,463	10,551
FID NASDAQ COMP INDX	5,677	3,832
FID FREEDOM 2005	38,429	37,891
FID FREEDOM 2015	861,291	934,377
FID FREEDOM 2025	1,884,122 *	1,852,427 *
FID FREEDOM 2035	770,115	777,724
FID FREEDOM 2060	506	-
FID STRAT DIV & INC	6,518	10,570
FID FOCUSED HIGH INC	45	46
FID INTL REAL ESTATE	10,239 **	10,256 **
FID SMALL CAP GROWTH	4,679	3,354
FID SMALL CAP VALUE	10,584	12,640
FID INTL SM CAP OPP	9,495 **	7,899 **
FID STRAT REAL RET	102	113
SPTN TOT MKT IDX ADV	51,612	54,169
SPTN EXT MKT IDX ADV	23,876	23,744

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
SPTN INTL INDEX ADV	\$ 23,243 **	\$ 24,132 **
SPTN 500 INDEX ADV	160,212	166,621
SPTN ST TR IDX ADV	2,843	3,180
SPTN INT TR IDX ADV	12,640	12,900
SPTN LT TR IDX ADV	12,466	12,768
SPTN MID CAP INDX ADV	1,407	-
SPTN SM CAP INDX ADV	61	-
SPTN INFL PR INDX ADV	4,452	-
FID INTL VALUE	610 **	406 **
FID FREEDOM 2045	312,521	324,371
FID FREEDOM 2050	104,037	104,491
FID LC CORE ENH INDX	89	90
FID LC VAL ENH INDX	738	15
FID LC GRO ENH INDX	916	887
FID ASSET MGR 30%	2,586	2,593
FID INTL GROWTH	3,389 **	1,120 **
FID INTL ENH INDX	3 **	- **
FID SM CAP ENH INDX	1,664	1,695
FID MID CAP ENH INDX	4,648	4,564
FID EMEA	587	697
FID GLB COMDTY STK	451 **	629 **
FID CORPORATE BOND	1,175	594
SPTN US BOND IDX ADV	28,551	32,833
FID FREEDOM 2055	2,986	291
SPTN EM MKTS IDX ADV	29 **	- **
SPTN GLB XUS IDX ADV	36 **	38 **
SPTN REAL ES IDX ADV	7,419	8,294
FID EMERG MKTS DISC	100 **	110 **
SA INCOME OPPTY FOF	78	-
SA CORE INCOME MULTI	355	-
SA MULTI MGR 2010	3,603	3,636
SA MULTI MGR 2015	737	-
SA VALUE MULTI MGR	1,517	1,553
FID GLOBAL EQ INCOME	595 **	797 **
FID STK SEL MID CAP	4,603	4,882
FID INTL BOND	981 **	1,057 **
FID TOTAL EMERG MKTS	106 **	- **
FID MONEY MARKET PRM	117,694	-
FID GOVT MMRK PRM	16,652	-
FID TREAS MM	201	-

**The State of Delaware Match Plan**

Notes to the Financial Statements

December 31, 2015 and 2014

	Fair Value	
	2015	2014
<b>Fidelity Variable Earnings Investments:</b>		
EXTERNAL FUND	\$ 21,829	\$ 18,504
COMMON STOCK	17,086	17,166
CASH	6,617	5,060
NON-INTEREST-BEARING CASH	-	800
UNIT	4,925	600
FIDELITY FUND	895	-
	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>

\* Represents Investments Greater than 5% of Net Assets.

\*\* Represents Investments in Foreign Securities.



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

To the Plans Management Board  
The State of Delaware Match Plan  
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The State of Delaware Match Plan as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise The State of Delaware Match Plan's basic financial statements, and have issued our report thereon dated June 5, 2017.

***Internal Control Over Financial Reporting***

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

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

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

To the Plans Management Board  
The State of Delaware Match Plan  
Dover, Delaware

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

June 5, 2017  
Wilmington, Delaware