

State of Delaware 403(b) Plan

Financial Statements

December 31, 2014 and 2013

Report Issued: June 13, 2017

State of Delaware 403(b) Plan

Table of Contents

December 31, 2014 and 2013

	<u>Page</u>
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis	4
Financial Statements	
Statements of Net Position Available for Plan Benefits	6
Statements of Changes in Net Position Available for Plan Benefits	7
Notes to Financial Statements	8
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 <i>Government Auditing Standards</i>	48



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Independent Auditors' Report

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of State of Delaware 403(b) Plan, which comprise the statements of net position available for plan benefits as of December 31, 2014 and 2013, 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 these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Plan has not maintained sufficient accounting records and supporting documents relating to annuity and custodial accounts issued to current and former employees prior to January 1, 2009. These pre-2009 contracts are permissibly excluded by the Department of Labor's Field Assistance Bulletin No. 2010-01. Effective January 1, 2009, the State of Delaware approved 13 vendors for participants of the Plan to select. Prior to this, participants' vendor options were dependent on the school district they worked for and not monitored by the plan administrator.

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

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

Disclaimer of Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2017, on our consideration of the State of Delaware 403(b) 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

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

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 403(b) Plan's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

June 5, 2017
Wilmington, Delaware

State of Delaware 403(b) Plan

Management's Discussion and Analysis
December 31, 2014, 2013, and 2012

This discussion and analysis of the State of Delaware 403(b) Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2014, 2013, and 2012. Please read this section in conjunction with the Plan's financial statements, which follow this section.

Financial Highlights

- Net position available for plan benefits increased by approximately \$13.1 million during 2014 from \$330 million at December 31, 2013 to \$343 million at December 31, 2014. This increase was primarily due to contributions made to the Plan as well as gains on investments being greater than distributions made to participants during 2014. Net position available for plan benefits increased by approximately \$51.3 million during 2013 from \$278.7 million at December 31, 2012 to \$330 million at December 31, 2013. This increase was primarily due to contributions made to the Plan as well as gains on investments being greater than distributions made to participants during 2013.
- Participant contributions were \$22.9, \$22.0, and \$21.2 million for the years ended December 31, 2014, 2013, and 2012, respectively. Changes in contributions are primarily due to fluctuations in the average contribution per participant and number of active plan participants. There were approximately 5,300, 4,700 and 4,600 active participants as of December 31, 2014, 2013 and 2012, respectively.
- Net transfers in (out of) the Plan were (\$526,934), \$1.7, and \$1.9 million for the years ended December 31, 2014, 2013, and 2012, respectively. Changes in the amount of transfers in (out of) the Plan 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 \$19.2 million in 2014 from \$51.7 million in 2013. 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 \$27.7, \$23.9, and \$21.2 million for the years ended December 31, 2014, 2013, and 2012 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 500, 900, and 800 individuals who received a distribution from the Plan during the years ended December 31, 2014, 2013, and 2012, respectively.
- Administrative expenses and investment fees were \$814,366, \$256,595, and \$270,234 for the years ended December 31, 2014, 2013, and 2012, 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.

State of Delaware 403(b) Plan

Management's Discussion and Analysis
December 31, 2014, 2013, and 2012

Overview of the Financial Statements

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

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

Table 1
Net Position Available for Benefits

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Investments	\$ 342,120,017	\$ 328,989,903	\$ 277,649,866
Notes receivable from participants	930,730	976,920	1,021,516
Net position available for benefits	<u>\$ 343,050,747</u>	<u>\$ 329,966,823</u>	<u>\$ 278,671,382</u>

Table 2
Changes in Net Position Available for Benefits

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Additions			
Participant contributions	\$ 22,933,815	\$ 22,037,265	\$ 21,156,920
Net transfers in (out of) Plan	(526,934)	1,685,606	1,905,871
Net investment income	19,194,152	51,675,929	29,230,173
Interest income on notes receivable from participants	9,373	24,558	16,926
Deductions			
Benefits paid to participants	27,712,116	23,871,322	21,236,111
Administrative and investment fees	814,366	256,595	270,234
Change in plan net position	<u>\$ 13,083,924</u>	<u>\$ 51,295,441</u>	<u>\$ 30,803,545</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 Deferred Compensation Plan at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

State of Delaware 403(b) Plan

Statements of Net Position Available for Plan Benefits

December 31, 2014 and 2013

(See Independent Auditors' Report)

	<u>2014</u>	<u>2013</u>
Assets		
Investments, at fair value	\$ 342,120,017	\$ 328,989,903
Notes receivable from participants	930,730	976,920
	<u>343,050,747</u>	<u>329,966,823</u>
Total assets	343,050,747	329,966,823
Liabilities	<u>-</u>	<u>-</u>
	<u>\$ 343,050,747</u>	<u>\$ 329,966,823</u>

The accompanying notes are an integral part of the financial statements

State of Delaware 403(b) Plan

Statements of Changes in Net Position Available for Plan Benefits

Years Ended December 31, 2014 and 2013

(See Independent Auditors' Report)

	<u>2014</u>	<u>2013</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 16,256,379	\$ 49,581,797
Interest and dividends	<u>2,937,773</u>	<u>2,094,132</u>
Net investment income	<u>19,194,152</u>	<u>51,675,929</u>
Interest income on notes receivable from participants	<u>9,373</u>	<u>24,558</u>
Contributions		
Participant	20,894,230	20,405,030
Rollovers	<u>2,039,585</u>	<u>1,632,235</u>
Total contributions	<u>22,933,815</u>	<u>22,037,265</u>
Total additions	<u>42,137,340</u>	<u>73,737,752</u>
Deductions		
Benefits paid to participants	27,712,116	23,871,322
Administrative expenses	<u>814,366</u>	<u>256,595</u>
Total deductions	<u>28,526,482</u>	<u>24,127,917</u>
Net transfers in (out of) Plan	<u>(526,934)</u>	<u>1,685,606</u>
Net increase	13,083,924	51,295,441
Net Assets		
Beginning of year	<u>329,966,823</u>	<u>278,671,382</u>
End of year	<u>\$ 343,050,747</u>	<u>\$ 329,966,823</u>

The accompanying notes are an integral part of the financial statements

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2014 and 2013
(See Independent Auditors' Report)

1. Description of the Plan

The following description of the State of Delaware 403(b) Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

Delaware Code Title 29, Part V, Chapter 60A sets forth the requirements for deferred compensation programs for public officers and employees of the 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.

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

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

Contributions

Each year, participants may contribute up to 100% of pretax annual compensation, as defined by the plan document, up to the maximum limits of the Internal Revenue Code ("IRC"). Participants may designate all or a portion of their deferral contributions as after-tax contributions into a Roth account. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). The State does not make any contributions to the Plan.

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

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.

Vesting

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

Notes Receivable from Participants

Prior to 2009, participants could borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The notes were secured by the

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2014 and 2013
(See Independent Auditors' Report)

Notes Receivable from Participants - Continued

balance in the participant's account. Interest rates were commensurate with local prevailing rates. Principal and interest are paid directly to the provider by the participant. Terms ranged from one to five years or greater for the purchase of a primary residence.

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 or periodic payments. In addition, the Plan allows for hardship distributions if certain criteria are met.

2. Summary of Significant Accounting Policies

Basis of Accounting

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.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Investments in the fixed earnings options are valued based on the fixed earnings rates as reported by the investment carriers or manager. The investment valuation includes contributions received plus investment income earned to date less applicable charges and amounts withdrawn. The fixed earnings investments are 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.

Assets held for annuity payout reserves are actually valued as reported by AXA and Security Benefit Corporation.

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

Interest income is recorded on the accrual basis.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2014 and 2013
(See Independent Auditors' Report)

Investment Valuation and Income Recognition - Continued

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.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are recorded as distributions based upon the terms of the plan document. Certain vendors issue a Form 1099-R for loans that are deemed to be in default, but if the loan is collateralized they do not offset the deemed distributed loan balance against the participant account until the participant takes a full distribution. This accounting treatment does not result in a material misstatement of the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2014 and 2013.

Administration of Plan Assets

Until July 1, 2016, the State of Delaware's Deferred Compensation Council was responsible for the administration of the State's 403(b) 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 contracts with the custodians and trustees of the Plan. The custodians and trustees invest funds received from contributions, investment sales, interest, and dividend income and make distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the State. Some administrative expenses are paid from the annual operating expenses of the Plan's designated investment alternatives, which are netted against investment earnings for the relevant participant-directed investments.

Payment of Benefits

Benefits are recorded when paid.

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.

Effective January 1, 2015, the plan document was amended to grandfather certain loans that were made after the plan document was amended to disallow the loan provisions of the Plan. These grandfathered loans may continue to be repaid in accordance with the terms of the loan. The Plan engaged legal counsel to submit to the IRS a Voluntary Compliance Program Application for such loans that were made outside the terms of the plan document in effect and to get approval for the noted corrections.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2014 and 2013
(See Independent Auditors' Report)

Subsequent Events - Continued

In 2015, the Deferred Compensation Council agreed to engage Cammack Retirement as plan consultant. Additionally, the Deferred Compensation Council resolved to move to a single vendor that would receive all current participant contributions. Participants could keep assets invested with the previously approved 13 vendors; however, all future contributions would go to the approved vendor, Voya Retirement Insurance and Annuity Company (Voya).

Effective August 15, 2016, all assets with Fidelity Investments were transferred into Voya Retirement Insurance and Annuity Company (Voya). All other assets remained with the respective providers unless the participant chose to transfer their assets 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 custodians and trustees and, therefore, these transactions qualify as party-in-interest transactions. Additionally, the plan assets include loans to participants, which are secured by the participant's account balances. These transactions qualify as party-in-interest transactions.

The Plan participates in a Revenue Credit Program with Fidelity Management Trust Company, which can be used to offset administrative expenses or allocated to participants. The revenue credit received for 2014 of \$10,542 was used to reduce participant-related administrative expenses.

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

4. Plan Termination

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

5. Tax Status

In the opinion of legal counsel, the Plan has been designed to qualify under Section 403(b) of the Internal Revenue Code (IRC) and therefore, it is not currently eligible to receive a determination letter from the Internal Revenue Service. The Plan is required to operate in conformity with the IRC to maintain its qualification under Section 403(b). 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 paid to the participant or their beneficiary. The plan administrator believes the Plan is operating in accordance with the applicable requirements of Section 403(b) of the IRC and therefore believes the Plan is qualified and the related custodial accounts are tax exempt.

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Position Available for Plan Benefits.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2014 and 2013
(See Independent Auditors' Report)

6. Risks and Uncertainties - Continued

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are managed by several fund managers. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Council. The investments that exceed 5 percent 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 that will adversely offset 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 \$33,622,749 and \$33,059,586 as of December 31, 2014 and 2013, 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:

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

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated in value by \$16,256,379 and \$49,581,797 during 2014 and 2013, respectively.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2014 and 2013
(See Independent Auditors' Report)

7. Investments - Continued

The fair or contract value of investments held by the Plan at December 31, 2014 and 2013 were as follows. Investments marked with an asterisk (*) represent individual investment options, that exceed 5% of net assets available for benefits as of December 31, 2014 and 2013. Investments marked with two asterisks (**) represent international funds.

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Fixed Earnings Investments:		
Alternate Fixed Account	\$ 23,672	\$ 22,983
American Century Prime Mny Mkt	118,809	215,063
AUL Fixed Account	25,378	24,638
AXA Guaranteed Interest Account	15,247,865	15,982,305
BlackRock MM Port-CI A	1,083	1,097
Dreyfus Gen Money Market	9,629	31,732
Dreyfus General Money Market	37,669	8,826
EQ/Money Market	113,414	130,159
Fid Cash Resrve	938,385	803,780
Fid Govt MMkt	56,978	53,857
Fid Money Market	73,529	30,638
Fid Ret Govt MM	40,276	39,093
Fid Retire MMKT	149,183	162,136
Fid Sel Money Market	373,164	325,955
Fid US Govt Res	32,063	6,297
Fid US Trea MM	200,153	170,736
Great American Equity Index - Flex	26,456	24,535
Great American Flex 6	936,298	903,209
Great American Flex Max	135,411	120,265
Great American Flex(b)	2,021,239	1,678,860
Great American FlexMax 14	39,737	38,030
Guggenheim VT Money Market	325,878	38,853
Hartford General Account	366,296	282,882
Horace Mann 10 Year Guaranteed Period Account	81,537	48,130
Horace Mann 5 Year Guaranteed Period Account	37,208	36,984
Horace Mann 7 Year Guaranteed Period Account	23,670	-
Horace Mann Fixed Account	14,588,443	13,632,892
Lincoln Financial Stable Value	642,006	593,361
MetLife Fixed Account	12,073,287	13,335,564
MetLife Fixed Rider	2,963,513	3,476,046
MetLife Fund 16B	133,169	137,725
MetLife Fund 16D	109,435	110,468
MetLife T Flex	3,797,232	3,558,960
MetLifeFund 16C	53,360	55,822
Money Market IFund	67,169	62,655
Money Market II Fund	615	463

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Fixed Earnings Investments:		
New York Life Fixed Annuities	\$ 824,787	\$ 688,334
Preference FP	83,209	89,754
QPA Series III	3,773,518	3,893,483
QPA Series III Plus	511,862	508,106
Security Benefit Fixed Account	2,224,247	1,621,741
Solutions Money Market	330	-
Special DCA account	34,149	-
Special DCA 3 Month	11,044	-
Spinnaker Fixed Annuity Account	507,845	527,020
Spinnaker Plus Fixed Annuity Account	58,523	54,946
VALIC Fixed Account Plus	7,434,823	7,297,892
VALIC Fixed Income (Kades Margolis)	20,221	9,631
VALIC Short Term Fixed	108,251	96,496
Voya Fixed Account	2,680,617	2,661,599
Voya Fixed Account Plus	315,483	320,111
Voya Guaranteed Accumulation Account	41,626	60,023
Voya Money Market Portfolio - Class I	204,068	219,589
	<hr/>	<hr/>
Total Fixed Earnings	74,697,812	74,193,724
Variable Earnings Investments:		
AXA		
American Funds Insurance Srs Bnd	4,571	-
AXA Aggressive Allocation	774,453	697,268
AXA Balanced Strategy	2,542	927
AXA Conserv- Allocation	14,772	26,337
AXA Conservative Growth Strategy	925	79
AXA Conservative Strategy	228	90
AXA Conserv-Plus Allocation	186,151	194,769
AXA Frnkln Blncc:I Managed	525,096	-
AXA Fr Rmp Alloc Managed Vol	4,776	-
AXA Gib Eqty Managed Vol	2,662,550	- **
AXA International Managed Vol	17,861	- **
AXA International Core Managed Vol	774,650	- **
AXA International Value Managed Vol	2,103,131	- **
AXA Lg Cap Core Managed Vol	182,765	-
AXA Lg Cap Grw Managed Vol	1,768,167	-
AXA Lg Cap Val Managed Vol	3,501,873	-

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
AXA - Continued		
AXA Loomis Sayles Growth	\$ 236,126	\$ -
AXA Mid Cap Val Managed Vol	3,540,612	-
AXA Moderate Allocation	1,452,625	1,487,545
AXA Moderate-Plus Allocation	877,589	976,769
AXA Moderate Growth Strategy	296	-
AXA Tactical ManagerInt.	-	17,218
AXA Tactical Manager 400	36,053	65,071
AXA Tactical Manager 500	8,581	32,247
AXA Tactical Manager 2000	2,504	2,650
AXA Tmp Gib Eqty Managed	1,703,121	- **
American Cntry VP Mid Cap Val	45,627	33,259
All Asset Allocation	-	124,168
All Asset Growth Alt 15	1,250	-
All Asset Growth Alt 20	131,406	-
Charter Multi-Sector Bond	154,122	-
Charter Small Cap Growth	180,034	-
Charter Small Cap Value	709,704	-
EQ/AllianceBemstein SM CP	1,836,190	2,502,008
EQ/AXA Franklin Sml Cp Val Cor	-	1,617,985
EQ/AXA Franklin Sml Cp Val Managed Vol	825,057	-
EQ/AXA Mutual Shares Core	-	2,112,619
EQ/AXA Mutual Shares Managed Vol	1,132,698	-
EQ/BlackRock Basic Value Equity	2,396,757	3,058,255
EQ/Boston Advisors Eqty Income	171,928	295,425
EQ/Calvert Socially Resp	73,723	79,865
EQ/Capital Guardian Research	3,864,015	5,714,976
EQ/Com StckIndex	2,373,546	2,869,499
EQ/Core Bond Index	494,728	553,307
EQ/Davis New York Venture	-	212,856
EQ/Emerging Markets Eqty Plus	2,164	1,869
EQ/Equity 500 Index	655,181	609,108
EQ/Equity Growth Plus	-	1,542,420
EQ/Franklin Core Balanced	-	1,034,957
EQ/Franklin Templeton Alloc	-	3,258

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
AXA - Continued		
EQ/GAMCO Mergers & Acquisition	\$ 137,365	\$ 192,929
EQ/GAMCO Small Company Value	2,376,822	3,300,323
EQ/Global Bond Plus	138,624	261,169 **
EQ/Global Multi-Sector Equity	-	4,066,513 **
EQ/High Yield Bond	82	16
EQ/International Core Plus	-	815,893 **
EQ/International Equity Index	822,286	1,183,680 **
EQ/Intermediate Government BND	447,680	616,856
EQ/Invesco Comstock	252,076	-
EQ/JPMorgan Val Opportunities	744,040	1,058,156
EQ/Large Cap Core Plus	-	162,468
EQ/Large Cap Growth Index	500,140	636,616
EQ/Large Cap Growth Plus	-	405,879
EQ/Large Cap Value Index	406,320	415,176
EQ/Large Cap Value PLUS	-	4,264,568
EQ/Lord Abbett Large Cap Core	-	25,145
EQ/MFS International Growth	227,420	347,959 **
EQ/Mid Cap Index	1,372,448	1,634,165
EQ/Mid Cap Value Plus	-	5,115,333
EQ/Montag & Caldwell Growth	-	484,537
EQ/Morgan Stanley Mid Cap GR	708,799	1,221,676
EQ/Oppenheimer Global	336,351	396,777 **
EQ/PIMCO Global Real Return	2,617	- **
EQ/PIMCO Ultra Short Bond	335,798	441,212
EQ/Small Company Index	579,456	870,489
EQIT Rowe Price Growth Stock	2,846,319	4,062,070
EQ/Templeton Global Equity	-	3,099,436 **
EQ/UBS Growth and Income	73,579	87,781
EQ/Van Kampen Comstock	-	90,591
EQ/Wells Fargo Omega Growth	363,301	328,946
Fidelity VIP Contrafund	811,695	690,235
Fidelity VIP Equity Income	28,152	19,368
Fidelity VIP Mid Cap	-	73,327
EQ/Quality Bond Plus	670,073	1,063,140

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
AXA - Continued		
Goldman Sachs VIT Mid Cap Val	\$ 55,571	\$ 65,240
International Value Plus	-	3,550,160 **
Invesco V.I. Diversified Div	3,198	-
Invesco V.I. Financial Services Fund	-	175
Invesco V.I. Glbl Real Estate	8,305	18,542 **
Invesco V.I. High Yield	16,536	23,589
Invesco V.I. International GR	190,601	103,987 **
Invesco V.I. Mid Cap	85,238	-
Invesco V.I. Mid Cap Core Equity	78,257	120,181
Invesco V.I. Small Cap Equity	19,673	28,023
Ivy Funds VIP Energy	62,796	118,447
Ivy Funds VIP Mid Cap Growth	544,719	672,831
Ivy Funds VIP High Income	179,294	290,053
Ivy Funds VIP Small Cap Growth	28,627	67,888
Lazard Retirement EMG Mrkts Eqty	268,429	511,209
MFS International Value	705,663	616,065 **
MFS Investors Gr Stock	13,202	16,597
MFS Investors Trust	67,573	96,707
MFS Technology	321,935	514,851
MFS Utilities	40,790	32,186
Mutlimanager Aggressive Equity	488,975	933,470
Multimanager Mid Cap Growth	84,508	118,607
Multimanager Mid Cap Value	42,107	70,947
Multimanager Core Bond	262,316	285,379
MultimanagerInternational EQT	-	206,699 **
Multimanager LG Cp Core Eqty	-	7,995
Multimanager Large Cap Value	-	60,453
Multimanager Multi-Sedor Bond	-	199,313
Multimanager Small Cap Growth	-	317,455
Multimanager Technology	1,593,786	2,304,352
Oppenheimer Main Strt FundNA	14,512	16,126
PIMCO VIT CmmddyRealTetrm Stgy	9,163	11,167
S&P 500 Index 1yr-10% Buffer	54,887	31,555
S&P 500 Index 3yr-20% Buffer	7,659	41
S&P 500 Index 5yr-20% Buffer	5,690	87

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value		
	2014	2013	
Variable Earnings Investments - Continued:			
AXA - Continued			
Multimanager Small Cap Value	\$ -	\$ 932,437	
Target 2015 Allocation	8,025	5,378	
Target 2025 Allocation	1,854	403	
Target 2035 Allocation	7,929	5,971	
Target 2045 Allocation	20,157	15,261	
Templeton Global Bond	69,559	69,510	**
Van ECK VIP Global Hard Assets	9,156	16,731	**
	54,982,281	75,755,301	
Voya			
American Funds EuroPacific Growth Fund - Class R-4	17,831	8,754	**
American Funds Fundamental Investors SM - Class R-4	15,766	14,662	
American Funds New Perspective Fund - Class R-4	-	2,437	
American Funds The Growth Fund of America - Class R-4	45,259	104,383	
American Funds Washington Mutual Investors Fund SM - R-4	270	246	
Ariel Fund Inv	9,964	-	
Dlwr Small Cap Value Fund A	9,431	-	
Fidelity VIP Contrafund Portfolio - Initial Class	71,185	145,256	
Fidelity VIP Equity-Income Portfolio - Initial Class	39,843	38,561	
Fidelity VIP Growth Portfolio - Initial Class	20,401	6,126	
Oppenheimer Developing Markets Fund A	23,557	-	
Templeton Global Bond Fund A	4,520	-	**
Voya Aggregate Bond Portfolio Srv	7,611	-	
Voya Balanced Portfolio - Class I	78,966	92,947	
Voya Baron Growth Portfolio - Service Class	5,192	4,526	
Voya Clarion Global Real Estate Portfolio - Institutional	2,955	2,623	**
VY Columbia Contrarian Core Portfolio - Service Class	24,875	23,662	
Voya Global Bond Portfolio - Initial Class	974	633	**
Voya Global Resources Portfolio - Service Class	2,319	2,311	**
Voya Growth and Income Portfolio - Class I	796,463	838,710	
Voya Index Plus LargeCap Portfolio - Class I	25,175	88,978	
Voya Index Plus MidCap Portfolio - Class I	3,986	3,684	
Voya Index Plus SmallCap Portfolio - Class I	3,608	5,864	
Voya Index Solution 2015 Portfolio - Service Class	137,369	181,535	
Voya Index Solution 2025 Portfolio - Service Class	62,891	16,045	

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Voya - Continued		
Voya Index Solution 2035 Portfolio - Service Class	\$ 106,031	\$ 75,913
Voya Index Solution 2045 Portfolio - Service Class	83,395	59,302
Voya Index Solution 2055 Portfolio - Service Class	85,007	67,054
Voya Index Solution Income Portfolio - Service Class	4,890	2,319
Voya Intermediate Bond Portfolio - Class I	47,080	44,735
Voya Invesco Comstock Portfolio - Service Class	-	1,037
Voya Invesco Growth and Income Portfolio - Service	4,299	3,950
Voya JPMorgan EmergVoya Markets Equity Portfolio - Service	21,175	22,421 **
Voya JPMorgan Mid Cap Value Portfolio - Service Class	1,804	1,112
Voya Large Cap Growth Portfolio - Institutional Class	3,144	2,802
Voya Large Cap Value Portfolio - Institutional Class	80,681	67,174
Voya Loan Collateral	-	1,140
Voya Oppenheimer Global Portfolio - Initial Class	37,469	107,190 **
Voya PIMCO Total Return Portfolio - Service Class	-	8,911
Voya Pioneer High Yield Portfolio - Initial Class	12,643	12,760
Voya Russell Large Cap ValueIndex Portfolio - Class S	29,005	27,737
Voya Solution 2015 Portfolio - Service Class	399,940	643,659
Voya Solution 2025 Portfolio - Service Class	149,325	128,320
Voya Solution 2035 Portfolio - Service Class	203,907	162,090
Voya Solution 2045 Portfolio - Service Class	94,252	75,704
Voya Solution Income Portfolio - Service Class	65,921	60,856
Voya T. Rowe Price Capital Appreciation Portfolio - Service	14,506	13,799
Voya T. Rowe Price Diversified Mid Cap Growth Port - Initial	3,419	2,844
Voya T. Rowe Price Growth Equity Portfolio - Initial Class	7,819	8,719
Voya Templeton Foreign Equity Portfolio -Initial Class	1,675	1,236 **
Lord Abbett Series Fund - Mid Cap Stock Portfolio - CI VC	-	664
Oppenheimer Developing Markets Fund - Class A	-	22,477
PIMCO VIT Real Return Portfolio - Administrative Class	-	1,036
Pioneer Emerging Markets VCT Portfolio - Class I	2,670	2,000 **
Pioneer High Yield VCT Portfolio - Class IShares	-	3,739
Templeton Global Bond Fund - Class A	-	4,146 **
Wanger Select	7,444	6,537
Wanger USA	2,334	2,253
Wells Fargo Adv Special Sm Cap Value Fund - Class A	11,646	10,859
	<u>2,891,892</u>	<u>3,238,438</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Lincoln Financial		
Janus Balance	\$ 114,529	\$ 95,865
PIMCO Total	80,427	56,870
AMFDS GRT	111,112	70,149
ETN VNC VA	91,595	64,713
AM FDS EUR	93,442	62,099 **
Dreyfus Bon	64,555	44,157
Pioneer FU	45,124	23,879
Dryfus S&P	24,832	21,568
Janus Perk	28,670	21,311
Baron Grow	40,614	21,376
Allnzi NF	29,939	15,800
Investec MI	28,956	14,548
JPM Small	32,448	12,895
Mngers CAD	16,471	10,897
	802,714	536,127
Lincoln Investments		
Alger Capital Appreciation Fund-A	15,606	13,377
Alliance Bernstein Intl Growth Fund-A	3,669	3,208 **
American Century Heritage Fund-A	15,353	12,711
American Funds American Balanced Fund - A	539	-
American Funds American Balanced Fund - F1	4,468	4,107
American Funds AMCAP Fund-A	13,719	9,929
American Funds AMCAP Fund-F1	4,189	1,056
American Funds Capital World Bond Fund - F1	-	20
American Funds Capital World Growth Inc Fund-A	7,684	6,639 **
American Funds Capital World Growth Inc Fund - F1	49,077	42,998 **
American Funds EuroPacific Growth Fund-A	614	630 **
American Funds EuroPacific Growth Fund-F1	11,145	8,430 **
American Funds Fundamental Investors Fund-A	59,315	53,562
American Funds Growth Fund of America- A	471	-
American Funds Growth Fund of America- F1	11,981	9,911
American Funds Income Fund of America- A	3,069	2,071
American Funds Investment Company of America-A	3,948	3,557
American Funds Investment Company of America-B	6,744	6,062

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
American Funds Investment Company of America-F1	\$ 9,491	\$ 7,380
American Funds New Perspective Fund	994	237
American Funds New World Fund-F1	1,482	1,265
American Funds SmallCap World Fund	981	234
American Funds Washington Mutual Investors-A	56,667	50,051
Ave Maria Rising Dividend Fund	-	387
AMG Yacktman Focused Fund	11,473	6,837
BlackRock Equity Dividend Fund-A	38,485	22,369
BlackRock Global Allocation Fund-A	4,150	3,308 **
BlackRock Global Dividend Portfolio - A	9,251	- **
BlackRock Multi Asset Income Portfolio - A	63,746	-
BlackRock World Income Fund	7,454	3,808 **
Calvert Bond Portfolio-A	14,483	12,725
DWS Small Cap Value Fund-A	1,561	1,314
Eaton Vance Global Macro Absolute Return Fund	5,657	1,865
Eaton Vance Large Cap Value Fund-A	12,927	10,910
Federate Bond Fund	300	283
Federate Clover Small Value Fund	2,086	522
Federate International Leaders Fund	929	185 **
Federated Kaufmann Large Cap Fund-A	1,009	-
Federated Kaufmann Small Cap Fund-A	4,595	3,773
Fidelity Advisor Emerging Markets Fund-A	1,763	1,490 **
Fidelity Advisor Floating Rate High Income Fund	6,242	2,625
First Eagle Global Fund-A	14,462	5,220 **
First Eagle Global Fund	4,037	4,137 **
Franklin Gold and Precious Metals Fund-A	159	177
Franklin Growth Fund-A	-	2,514
Franklin Income Fund-A	212,735	96,335
Franklin Income Fund-C	2,047	1,624
Franklin India Growth Fund-A	7,540	3,502 **
Franklin Mutual Global Discovery Fund - A	17,879	15,711 **
Franklin Natural Resources Fund-A	989	1,034
Franklin Rising Dividends Fund -A	87,907	52,641
Franklin Small Cap Value Fund-A	288	308
Goldman Sachs Short Duration Government Fund-A	15,701	12,934

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
Guggenheim Mid Cap Value Fund-A	\$ 1,550	\$ 1,541
Invesco Asis Pacific Growth Fund-A	16,472	10,955 **
Invesco Charter Fund- A	4,683	3,117
Invesco Developing Markets Fund-A	23,979	20,565 **
Invesco Diversified Dividend Fund-A	1,694	-
Invesco Endeavor Fund	157	146
Invesco Equity and Income Fund	5,703	4,326
Invesco Global Health Care Fund	6,313	3,236 **
Invesco Global Real Estate Fund- A	22,935	11,068 **
Invesco Global Real Estate Income Fund	522	393 **
Invesco Global Small & Mid Cap Growth Fund	500	413 **
Invesco Mid Cap Core Equity Fund-A	5,232	3,374
Invesco Small Cap Discovery Fund- A	14,317	13,130
Ivy Asset Strategy Fund-A	43,275	54,628
Ivy Energy Fund -A	14,438	11,869
Ivy mid Cap Growth Fund-A	1,387	1,099
Ivy Real Estate Securities Fund-A	18,721	10,376
Janus Triton Fund-A	22,358	12,831
John Hancock Disciplined Value Fund	1,036	-
JPMorgan Small Cap Value Fund	674	124
JPMorgan US Equity Fund	334	294
MFS Global Total Return Fund -A	3,096	3,067 **
Oppenheimer Developing Markets Fund- A	48,060	29,295 **
Oppenheimer International Diversified Fund-A	3,139	1,486 **
Oppenheimer Real Estate Fund- A	751	571
Oppenheimer Rising Dividends Fund Inc- A	1,904	1,594
Putman International Equity Fund- A	6,320	6,783 **
Putman Investors Fund- A	16,683	14,697
Putman US Government Income Trust Fund- A	7,080	6,711
PIMCO All Assets All Authority Fund- D	6,902	4,607
PIMCO Investment Grade Corporate Bond Fund	1,936	358
PIMCO Real Return Fund- D	14,305	12,641
PIMCO Total Return Fund- D	82,402	77,206
RidgeWorth Conservative Allocation Strategy - A	-	10,837
RidgeWorth Mid Cap Value Equity Fund - A	247	-

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value		
	2014	2013	
Variable Earnings Investments - Continued:			
Lincoln Investments - Continued			
Templeton Emerging Markets Small Cap Fund	\$ 853	\$ 113	**
Templeton Global Bond Fund -A	41,910	33,662	**
Thornburg International Value Fund -A	1,108	976	**
Thornburg Investment Income Builder Fund- A	1,641	1,309	
T. Rowe Price Blue Chip Growth Fund	346	-	
T. Rowe Price Growth Stock Fund	6,176	4,886	
Vanguard Dividend Growth Fund	43,874	33,459	
Vanguard Short Term Federal Fund- Inv		24,974	
Vanguard Short Term Federal Fund- Admiral	26,825	-	
Vanguard Health Care Fund - Admiral	5,525	-	
Vanguard Health Care Fund - Investor	-	4,298	
Vanguard International Explorer Fund - Investor	245	-	**
Vanguard Mid Cap Index Fund - Admiral	550	-	
Vanguard Small Cap Index Fund - Admiral	272	-	
Vanguard Target Retirement Fund 2020	17,829	17,027	
Vanguard Target Retirement Fund 2030	184,979	197,163	
Vanguard Total Bond Market Index Fund - Admiral	654	-	
Vanguard Total Stock Market Index Fund - Admiral	7,932	-	
Vanguard Total Stock Market Index Fund - Investor	-	6,255	
Vanguard Wellesley Income Fund- Admiral	38,192	-	
Vanguard Wellesley Income Fund- Investor	-	32,491	
Vanguard 500 Index Fund - Admiral	957	-	
Wells Fargo Adv Premier Large Company Growth	6,275	1,390	
Dividend Income (403B)	112,920	-	
Meeder- Master Program- Conservative	16,909	16,391	
Progressive Asset Management - Aggressive 5	15,577	13,051	
Progressive Asset Management - Moderate Aggressive 8	39,026	38,725	
Progressive Asset Management - Moderate 12	201,633	198,003	
Progressive Asset Management Moderate 5	66,798	56,869	
Progressive Asset Management - Moderate 8	28,148	27,796	
	<u>2,097,320</u>	<u>1,548,149</u>	
MetLife			
American Funds Balanced Allocation	174,737	163,817	
American Funds Bond Fund	974,957	770,062	
American Funds Global SC Fund	2,922,798	2,580,027	**

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
MetLife - Continued		
American Funds Growth Allocation	\$ 240,137	\$ 180,057
American Funds Growth Fund	4,809,991	4,393,251
American Funds Grt-Inc Fund	650,761	514,893
American Funds Moderate Allocation	390,671	165,906
Baillie International Stock	362,997	386,778 **
Barclays CapAggBond Index	1,037,660	665,360
Barclays Capital Aggressive Bond	-	404,218
BlackRock Aggressive Growth	-	1,449,369
BlackRock Bnd Inc-CI A	13,265	21,762
BlackRock Bond Income	181,316	163,358
WMC Balanced Portfolio	1,067,503	969,211
BlackRock High Yield	230,942	527,516
BlackRock Large Cap Value	73,018	64,845
WMC Large Cap Research	1,963,657	1,816,874
BlackRock Capital Appreciation	241,562	219,543
Calvert VP SRI Balanced	181,429	157,185
Clearbrdige Aggressive II	-	227,974
Clarion Global Real Estate	332,829	288,020 **
Fid VIP Mid Cap Port SC	148,262	183,059
Fidelity ContraFund - SC2	353,128	344,075
Fidelity Growth	15,896	14,747
Fidelity High Inc Port IC	50,102	69,298
Fidelity Inv Growth Bond	6,691	6,387
Fidelity VIP Eqty Income	201,662	224,463
Frank Sm-Mid Cap Gro Sec	4,722	4,134
Frontier Mid Cap Growth Portfolio	1,495,345	-
Harris Oakmark International	2,692,818	2,462,454 **
Invesco Comstock Port	10,245	-
Invesco Small Cap Growth	116,257	103,626
Invesco MCV	356,572	310,856
JanusAspenSeries Overseas	140,512	189,001 **
Jennison Growth	588,553	587,196
JP Morgan Small Cap Value	1,980	1,919

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
MetLife - Continued		
Legg Mason ClrBr Aggressive Growth	\$ 1,243,202	\$ 88,009
Legg Mason Clear Bridge Aggressive Growth II	-	776,039
Lgg Mason ClearBr Var App	32,094	29,294
Lgg Msn ClrBrg Var Agg Gr	303,746	246,196
LggMsn ClrB Var Lrg Cp Gr	45,269	67,742
LggMsn ClrBr Var Sm Cp Gr	41,112	39,861
LggMsn Inv Cns Var Sc Awr	90,070	87,209
LggMsnClrBr Var Fun Val	-	148,576
LggMsnClrBr Var LgCap Val	33,113	33,101
Loan Collateral Account	-	426,138
Loomis Sayles Global Mids	320,618	310,224 **
Loomis Sayles Small Cap	13,154	-
Loomis Sayles Small Cap Growth	334,631	295,795
LMSS Small Cap Growth	-	10,559
Lord Abbett Bond Debenture	439,613	519,237
MetLife Asset All 20	516,516	537,593
MetLife Asset All 40	1,282,613	1,115,605
MetLife Asset All 60	9,542,618	9,924,877
MetLife Asset All 80	18,589,120	17,239,996 *
MetLife Asset All 100	3,016,108	3,229,813
Met/Artisan Mid Cap Value	236,184	268,447
Met/Franklin LowDur TotRtm	688	599
MetLife Mid Cap Stock Index	161,801	130,122
MetLife Stock Index Portfolio	3,305,702	3,249,278
MFS Research International	208,625	187,168 **
MFS Total Return	149,014	100,552
MFS Value	421,720	312,053
Morgan Stanley Mid Cap Growth	589,746	586,434
MSCI EAFE Index	728,304	822,304
Neuberger Berman Genesis	232,289	229,934
Oppenheimer Global Equity	592,906	587,182 **
PIMCO Inflation Protected Bond	280,323	306,864
PIMCO Total Return	1,501,658	1,194,101
Pioneer Fund Portfolio	9,194	8,381
Pioneer Strategic Income	12,561	12,515

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
MetLife - Continued		
Russell 2000 Index	\$ 867,860	\$ 884,869
SSgA Growth and Income ETF	918,651	1,015,030
SSgA Growth ETF Portfolio	959,947	981,537
SSgA Growth Income ETF	31,584	42,623
Stock Index	3,541,585	3,152,441
T Rowe Price Lg Cap Val	69,995	37,099
T. Rowe Price Lg Cap Gro Port	522,452	34,453
T. Rowe Price Small CapGr	74,370	80,993
Temp Foreign Sec Fnd Cl 2	47,768	63,641
Templeton Developing Mkts	10,318	33,521
Third Ave Small Cap Value	174,431	155,511
TRP Large Cap Growth	-	415,684
TRP Mid Cap Growth	382,370	265,512
TRP Small Cap Growth	918,141	863,244
Invesco Comstock Port	-	9,504
Western Asset Management Strategy Bond	805,883	772,157
Western Asset Management Strategy Bond Opp	5,872	5,641
Western Asset Management US Gov	223,373	271,195
WMC Core EQ Opp	485,122	430,286
Flex Premium Adj Life UL	366,367	351,985
Transamerica	80,135	80,615
	76,793,511	73,700,580
Fidelity		
Fid Asset MGR 40%	6,989	12,458
Fid Asset MGR 60%	23,644	19,236
Fid Asset MGR 70%	125,213	71,501
Fidelity Asset Mgr 85%	32,699	881
Fid Balanced	677,659	689,131
Fid Blue Chip Gr	557,678	364,237
Fid Blue Chip Value	28,595	16,472
Fid Canada	45,757	65,672 **
Fid Capital & Income	409,412	328,512
Fid Capital Apprec	177,076	150,253
Fid China Region	39,076	39,191 **
Fid Contrafund	1,802,964	1,859,670
Fid Asset MGR 50%	96,099	130,072

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Fidelity - Continued		
Fid Convertible Sec	\$ 54,456	\$ 59,387
Fid Corporate Bond	52,851	3,354
Fid Disciplnd Eqty	16,949	14,517
Fid Diversifd Inv	278,327	236,654 **
Fid Dividend Gr	230,186	191,932
Fid EMEA	5,524	2,945
Fid Emerg MKTS Disc	13,532	53 **
Fid Emerging Asia	11,464	30,053 **
Fid Emerging Markets Discovery	-	5,068 **
Fid Emerging Mkts	115,774	105,441 **
Fid Eq Div Income	70,056	64,985
Fid Equity Inc	82,484	83,008
Fid Europe	4,752	3,922 **
Fid Export & Multi	1,708	1,546
Fid Fidelity Fund	339,151	289,471
Fid Float RT HI Inc	90,337	58,394
Fid Focused High Inc	13,117	4,820
Fid Focused Stock	22,750	19,756
Fid Four in One ldx	186,606	152,283
Fid Freedom 2000	-	200,365
Fid Freedom 2005	141,272	135,292
Fid Freedom 2010	577,936	528,284
Fid Freedom 2015	1,718,539	1,445,708
Fid Freedom 2020	4,248,493	4,278,759
Fid Freedom 2025	2,318,213	1,943,381
Fid Freedom 2030	1,861,095	1,364,980
Fid Freedom 2035	1,305,529	1,083,489
Fid Freedom 2040	1,013,133	786,493
Fid Freedom 2045	417,361	267,417
Fid Freedom 2050	285,280	180,932
Fid Freedom 2055	30,210	6,319
Fid Freedom Income	430,669	235,471
Fid Global Balanced	108,357	90,061 **
Fid Global Bond	14,928	- **
Fid Global Equity Income	27,943	- **

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Fidelity - Continued		
Fid Global High Income	\$ 46	\$ - **
Fid Global Strat	47	- **
Fid GNMA	58,491	30,880
Fid Growth & Inc	211,605	170,264
Fid Growth Company	678,117	577,372
Fid Growth Disc	97,817	83,887
Fid Growth Strat	102,601	28,747
Fid High Income	140,155	169,035
Fid Independence	51,883	45,102 **
Fid Inflat Prot Bond	31,561	19,555
Fid Intermed Bond	94,197	66,007
Fid Intl Bond	45	- **
Fid Intl Cap Apprec	37,352	1,559 **
Fid Intl Discovery	200,556	187,782 **
Fid Intl Enh Index	337	350 **
Fid Intl Growth	52,059	18,189 **
Fid Intl Real Estate	5,752	413 **
Fid Intl Sm Cap Opp	5,716	5,786 **
Fid Intl Small Cap	7,231	9,468 **
Fid Intl Value	-	16,045 **
Fid Intm Govt Income	4,588	6,032
Fid Invst GR BD	24,910	35,429
Fid Japan Small Co	-	61,359 **
Fid Japan	4,201	- **
Fidelity Large Cap Core Enhanced Index	7,038	64,881
Fid Large Cap Stock	48,091	10,665
Fid Latin America	2,300	3,733 **
Fid LC Gro Enh Indx	-	53,343
Fid LC VAL Enh Indx	20,456	63,998
Fid Levergd CO Stk	240,041	222,714
Fid Low Priced Stk	588,243	851,514
Fid LTD Term Bond	19,816	-
Fidelity LTD Term Government	19,756	21,446
Fid Magellan	485,238	419,693
Fid Mega Cap Stock	76,051	75,447

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Fidelity - Continued		
Fidelity Mid Cap Enhanced Index	\$ 7,881	\$ 5,074
Fid Mid Cap Stock	257,928	229,277
Fid Mid Cap Value	120,537	73,919
Fid Nasdaq Comp Indx	36,491	8,473
Fid New Markets Inc	11,550	9,845
Fid New Millen	152,206	69,049
Fid Nordic	21,652	-
Fid OTC Portfolio	167,850	149,802
Fid Overseas	37,241	48,877 **
Fid Pacific Basin	50,732	48,693 **
Fid Puritan	268,174	248,535
Fid Real Estate Inc	24,305	23,783
Fid Real Estate Invs	53,025	89,161
Fid Sel Air Transport	93,044	54,558
Fid Sel Automotive	21,946	29,891
Fid Sel Banking	80,796	72,883
Fid Sel Chemicals	220,101	223,286
Fid Sel Comm Equip	73	52
Fid Sel Computers	7,423	5,078
Fid Sel Cons Staples	53,230	31,901
Fid Sel Constr/ House	6,014	15,514
Fid Sel Consumer Fin	9,502	8,876
Fid Sel Defense	33,470	31,245
Fid Sel Energy	45,202	74,080
Fid Sel Energy SVCS	4,910	4,660
Fid Sel Env Alt Engy	7,119	8,443
Fid Sel Financial	25,258	28,468
Fid Sel Gold	138,458	154,846
Fid Sel Healthcare	136,451	35,039
Fid Sel Industrials	30,071	40,041
Fid Sel Insurance	43,413	38,866
Fid Sel IT Services	18,308	57,509
Fid Sel Leisure	20,959	23,361
Fid Sel Materials	44,522	40,414
Fid Sel Electronics	53,101	16,179

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Fidelity - Continued		
Fid Sel Med Eq & Sys	\$ 127,996	\$ 94,432
Fid Sel Medical Del	50,699	13,384
Fid Sel Natural Gas	10,773	20,030
Fid Sel Natural Res	26,574	30,297
Fid Sel Pharmaceutical	134,428	82,209
Fid Sel Retailing	4,275	1,708
Fid Sel Software	35,887	38,130
Fid Sel Technology	58,423	67,068
Fid Sel Transport	32,556	23,348
Fid Sel Utilities	40,956	50,436
Fid Sel Wireless	176	-
Fidelity Select Brokerage	6,996	6,648
Fidelity Select Multimedia	7,292	6,734
Fid Sel BloTech	369,997	362,053
Fid Short Term Bond	445,839	307,724
Fid Sm Cap Discovery	214,495	111,598
Fid Sm Cap Enh Indx	9,877	380
Fid Small Cap Growth	245,079	272,133
Fid Small Cap Stock	21,065	15,855
Fid Small Cap Value	93,188	66,578
Fidelity Stk Sel All Cap	6,352	11,303
Fid Stk Sel SM Cap	10,533	63,460
Fidelity Stk Select Mid Cap	45,136	33,422
Fid Stksel Lgcap Val	23,286	20,696
Fid Strat Div & Inc	75,275	64,343
Fid Strat Real Ret	95,379	76,229
Fid StrategicIncome	394,167	298,010
Fid Telecom & Util	6,919	3,369
Fid Total Bond	355,955	170,183
Fid Total Emerging Mkts	152	- **
Fid Trend	36,928	27,561
Fid Ultra short Bond	-	6,167
Fid Value	450,474	388,891
Fid Value Discovery	24,071	-
Fid Value Strat	91,366	83,156
Fid Wortdwide	10,895	25,546 **

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Fidelity - Continued		
Fidelity Govt Income	\$ 173,185	\$ 223,003
Fid Gib Comdty Stk	2,556	1,132 **
SA Growth MULTI MGR	559	-
SA MULTI MGR 2030	12,181	11,552
SA MULTI MGR 2040	11,481	10,886
SPTN 500 Index Adv	742,511	669,268
SPTN Em MKTS ldx Adv	1,165	285 **
SPTN Ext Mkt ldx Adv	19,434	14,113 **
SPTN Gib XUS ldx Adv	4,582	- **
SPTN Inflation Protection Index Adv	2,271	277
SPTN Int Tr ldx Adv	34,508	28,920
SPTN Intl Index Adv	71,975	66,368 **
SPTN Lt Tr ldx Adv	86,746	34,508
SPTN Mid Cap ldx Adv	2,080	404
SPTN Real Es ldx Adv	5,978	2,881
SPTN Sm Cap IDX Adv	5,363	2,124
SPTN StTr ldx Adv	144	142
SPTN Tot Mkt ldx Adv	667,645	504,315
SPTN US Bond ldx Adv	155,658	151,216
	<u>31,294,564</u>	<u>27,506,674</u>
Hartford		
Alger Capital Appreciation Inst-I	38,976	32,940
Algem MidCap Growth Inst-I	83,593	72,128
American Century Eqty Inc-A	140,890	89,734
American Funds CapWLD G&I R3	677,297	651,851
American Funds Fundamental Inv-R3	612,626	547,707
American Funds Growth Fund R3	293,758	257,245
Blackrock Life Path 2020	127,171	107,460
Blackrock Lifepath 2030-Invs A	85,387	65,407
Blackrock Lifepath 2040- Invs A	75,543	50,388
Blackrock Lifepath Ret-Inv A	12,074	108,050
Columbia Mid Cap Opp Value-R3	52,757	36,827
Dreyfus MidCap lnVDX-1	46,069	42,349
Dreyfus Smallcap Stock ldx-1	42,817	36,098
Eaton Vance Large-Cap Val A	123,446	104,122
Franklin Growth-A	21,011	17,666

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Hartford - Continued		
Franklin Mutual Shares-A	\$ 303,261	\$ 268,891
Goldman Sachs Small Cap Val-A	112,662	105,787
Invesco Equity and Income-A	233,755	183,883
Janus Overseas- S	17,850	19,871 **
Lord Abbett Value Opp A	40,098	35,429
PIMCO Real Return-A	51,428	45,921
PIMCO Total Return-A	545,356	539,360
Pioneer Strategic Income-A	90,183	74,137
The Hartford Capital Appm-R5	566,816	579,698
The Hartford Small Company-R5	16,509	14,285
	<u>4,411,333</u>	<u>4,087,234</u>
VALIC		
Aggressive Growth Lifestyle	295,607	390,813
Ariel Appreciation Fund	58,135	54,022
Ariel Fund	362	2,595
Asset Allocation Fund	26,225	25,142
Blue Chip Growth Fund	170,450	142,375
Broad Cap Value Inc	296	278
Capital Conservation	21,773	22,258
Core Bond Fund	172,192	122,297
Core Equity Fund	115,430	133,102
Dividend Value	77,182	85,185
Dynamic Allocation Fund	150,989	145,749
Emerging Economies	351,324	275,676 **
Foreign Value	304,596	284,854 **
Global Real Estate Fund	194,565	144,012 **
Global Social Awareness Fund	116,945	109,262 **
Global Strategy	217,789	218,139 **
Government Securities Fund	17,818	48,697
Growth & Income Fund	204,410	186,216
Growth Fund	257,260	309,668
Health Sciences Fund	29,752	26,775
High Yield Bond Fund	37,520	50,914
Inflation Protected Fund	94,738	68,769
International Equities Fund	460,488	402,076 **
International Government Bond	57,205	58,347 **
International Growth Fund	120,412	135,676 **

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
VALIC - Continued		
Intl Opportunities	\$ 386,599	\$ 316,432 **
Invesco Bal Risk Commod Str RS	223,562	161,795
Large Cap Core	20,069	15,316
Large Cap Value Fund	63,461	65,358
Large Capital Growth	94,050	112,705
Mid Cap Growth Fund	24,683	49,348
Mid Cap Index Fund	1,140,930	1,060,842
Mid Cap Strategic Gwth	590	203
Mid Cap Value Fund	315,639	224,922
Moderate Growth Lifestyle	30,162	28,849
Nasdaq-100 (R) Index Fund	6,118	4,700
Science & Technology Fund	329,956	299,709
Sm Cap Aggressive Gwth	2,120	1,673
Small Cap Fund	175,914	238,130
Small Cap Growth Fund	1,951	1,807
Small Cap Index Fund	466,208	398,424
Small Cap Special Value Fund	5,679	7,631
Small Cap Value Fund	274,298	221,190
Small Mid Growth Fund	68,024	58,858
Socially Responsible Fund	504,718	416,116
Stock Index Fund	2,374,626	2,196,084
Strategic Bond Fund	141,926	146,459
Value Fund	-	3,386
Vanguard Lifestrategy Conser	34,396	163,654
Vanguard Lifestrategy Growth	108,612	3,384
Vanguard Lifestrategy Modera	31,690	28,693
Vanguard Long-term Treasury	30,129	24,292
Vanguard Lt Inv-Grade Fund	25,898	23,724
Vanguard Wellington Fund, Inc.	563,876	538,943
Vanguard Windsor II	490,330	389,265
	<u>11,489,677</u>	<u>10,644,789</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Horace Mann		
AllianceBemstein Lrg Cap Growth	\$ 251,042	\$ 272,094
AllianceBemstein Small/Mid Cap	6,662	5,682
AllianceBemstein VPS Sm Cap Gro	1,520	1,372
Am Cent Mid Cap Value	255	-
Am Funds BC Inc & Growth	3,849	-
Am Funds IS Growth	568	-
Am Funds IS Mgd Risk	13,428	-
Am Funds IS New World	139	-
Ariel Appreciation Fund	220,068	214,128
Ariel Fund	103,341	94,767
Calvert S&P Mid Cap 400 Index	77,361	3,296
Davis Value Portfolio	42,424	35,530
Delaware Growth Opportunities	67,155	59,848
Delaware Realty	89,236	64,650
Dreyfus Midcap Stock Portfolio	3,617	3,182
Dreyfus Small Cap Stock Index	80,811	35,038
Fidelity VIP Emerging Markets SC2	37,129	36,012 **
Fidelity VIP Growth & Income SC2	81,832	73,154
Fidelity VIP Growth SC2	932,177	679,290
Fidelity VIP HighIncome SC2	46,800	38,656
Fidelity VIPIndex 500 SC2	1,214,440	879,273
Fidelity VIP Inv Grade Bond SC2	126,026	103,681
Fidelity VIP Mid Cap SC2	634,170	498,251
Fidelity VIP Overseas SC2	459,169	550,408 **
Goldman Sachs Structured Small	3,934	3,479
Goldman Sachs Vi Mid Cap Value	1,078	791
Ibbotson Aggressive Growth ETF	32,587	1,357
Ibbotson Balanced ETF	215,351	46,635
Ibbotson Conservative ETF	21,710	12,426
Ibbotson Growth ETF	570,600	282,138
Ibbotson Income & Growth ETF	41,204	23,083
JPM US Equity	46,600	66,588
Lazard Retirement US Small-Mid Cap Equity Portfolio	2,021	1,437
Lord Abbett Dev Gro	5,058	578
Lord Abbett Growth Opportunities	2,682	2,411

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Horace Mann - Continued		
Neuberger Berman Genesis Fund	\$ 160,502	\$ 166,083
Putnam Multi-Cap Gro	40,922	37,014
Rainier Small/Mid Cap Equity	100,329	94,305
Royce Capital Fund Small Cap	187,743	210,639
T Rowe Price Prime Reserve	6,291	10,725
T Rowe Price Small Cap Stock	64,083	58,632
T Rowe Price Small Cap Value	106,399	127,983
Templeton Global Bond Securities Fund	76,660	99,286 **
TRowePrice EquityInc Port VIPII	202,857	210,485
Wells Fargo Advantage Discovery	142,350	155,151
Wells Fargo Opportunity Fund	67,875	60,666
Wilshire 5000 Index Portfolio	91,795	156,916
Wilshire 5000 Index Portfolio	161,923	81,964
Wilshire Large Co Growth	78,185	116,149
Wilshire Large Co Growth	125,847	69,784
Wilshire Large Co Value	426,218	327,706
Wilshire Small Co Growth	44,998	40,961
Wilshire Small Co Value	29,035	25,896
Wilshire Vi 2015 ETF Fund	601,580	525,444
Wilshire Vi 2025 ETF Fund	544,146	311,337
Wilshire Vi 2035 ETF Fund	626,616	706,363
Wilshire Vi Balanced HM Shares	2,883,262	952,871
Wilshire Vil Equity HM Shares	-	903,405
Wilshire Vi Income HM Shares	-	53,564
Wilshire Vi Intl Equ HM Shares	-	152,219 **
Wilshire Vil Sm Cap Gr HM Shares	-	183,032
Wilshire Vi Soc Resp HM Shares	-	556,047
	12,205,660	10,483,862
First Investors		
Growth and Income	345,317	331,809
Fund for Income	57,653	58,807
Government	7,730	-
Global	188,759	170,699 **
Total Return	495,338	419,872
Special Situations	15,101	12,061
Investment Grade	42,136	35,576
Opportunity	137,247	118,918

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
First Investors - Continued		
Equity Income	\$ 138,190	\$ 144,868
Select Growth	17,052	15,084
International	13,100	12,895 **
International Opportunity Bond	13,659	12,702 **
	1,471,282	1,333,291
Symetra		
Resource B DWS GBL IN BLDR VIP	24,911	25,659 **
Resource B DWS International	13,131	44,453 **
Resource B FIDVIP MM SRV	-	-
Resource B PIO Funds	549,816	524,816
Resource B PIO MCAP Val	61,833	58,987
Resource B PIO SEL MCAP GR I	553,280	566,508
Spinnaker AMC VP Balanced	70,168	66,623
Spinnaker AMC VP Int'I	11,968	12,896 **
Spinnaker AMC VP Lg CO VAL II	4,213	3,788
Spinnaker AMC VP Value	2,189	2,025
Spinnaker DRF IP Midcap Stock	69,772	85,459
Spinnaker DRF IP Tech Growth	27,947	26,531
Spinnaker DRF Social Resp Gr	-	3,876
Spinnaker DRF Stock Index	22,799	20,442
Spinnaker DRF VIF Apprec	6,975	6,709
Spinnaker DWS GBL in Bldr VIP	32,549	21,058 **
Spinnaker DWS International	19,619	11,089 **
Spinnaker FED Hi Inc Bond II	2,070	2,074
Spinnaker FIDVIP Contrafund	126,960	119,669
Spinnaker Fid VIP Equity Inc	25,822	24,087
Spinnaker Fid VIP Gr & Inc	36,066	33,191
Spinnaker Fid VIP Growth	44,266	53,163
Spinnaker FIDVIP MidCap	14,272	14,899
Spinnaker FIDVIP MM Srv	19,869	20,237
Spinnaker FRK Flexcap	7,140	6,824
Spinnaker FRK SM Cap Val	12,654	12,759
Spinnaker FRK Small Mid Cla	28,162	27,681
Spinnaker FRK US Govt	4,410	4,326
Spinnaker INVSC VI Ameri FR I	11,891	11,121
Spinnaker INVSC VI AMER FR II	-	1,211

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Symetra - Continued		
Spinnaker IVSC VI Gib Hlth	\$ 2,640	\$ 2,237 **
Spinnaker INVSC VI Gbl RE	43,826	39,454 **
Spinnaker INVSC VI Int GR II	12,883	14,222
Spinnaker IVSC VI MCP GR II	4,141	3,899
Spinnaker JP MIT MDCP Val	42,558	37,520
Spinnaker JPMIT US Equit	15,667	13,949
Spinnaker FRK Mut Shrs SEC	28,072	26,650
Spinnaker PIMVIT All ASST Adv	1,674	1,690
Spinnaker PIMVIT Comm RR ADM	592	759
Spinnaker PIO Eq INC CIS II	22,186	19,952
Spinnaker PIO Fund	344,075	349,473
Spinnaker PIO HI Yield	1,944	2,039
Spinnaker PIO MCAP Val	7,953	7,038
Spinnaker PIO Sel MCAP Gr	523,500	525,954
Spinnaker PIO StrTG Inc CL II	21,464	21,042
Spinnaker TEM Dev MKT	2,682	3,012 **
Spinnaker TEM Grwth Sec	23,313	24,327
Spinnaker Templeton Gbl BD	1,486	1,510 **
Spinnaker Plus AMC VP Int'I	23	24 **
Spinnaker Plus DRF IP Tech Growth	33	31
Spinnaker Plus Fid VIP Growth	52	48
Spinnaker Plus INVSC VI AMER FR I	15	14
Spinnaker Plus PIO Funds	1,242	1,132
Spinnaker Plus PIO Sel MCAP Gr	111	99
	<u>2,906,884</u>	<u>2,908,236</u>
NY Life		
NY Life Variable Annuities	1,465,604	1,543,453
Whole Life Insurance Policies	391,803	342,854
	<u>1,857,407</u>	<u>1,886,307</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit		
AllianceBemstein Small/Mid-Cap Value	\$ 27,773	\$ -
Am Century VP Balanced	64,206	44,855
Am Century VP Income & Growth	46,782	42,418
Am Century VP Value	4,361,516	27,052
American Century Equity Income	1,312	28,371
American Century Heritage	20,205	17,905
American Century International Growth	2,101	2,251 **
American Century NVIT Growth	7,114	6,218
American Century Str Alloc: Moderate	-	70,891
American Century VP Ultra	150,451	164,897
American Century Value	-	217,031
American Century VP Mid Cap Value	2,043,453	411,528
American Funds Growth-Income	559,455	-
American Funds International	156,970	- **
American Funds IS Global Bond	845,248	- **
American Funds IS Global Growth	148,662	- **
Ariel Fund	53,431	29,513
Baron Asset	1,358	1,316
BlackRock High Yield V.I.	608,511	-
Calamos Growth	17,866	15,745
Calamos Growth & Income	66,968	56,559
ClearBridge Var Agg Growth	1,480,741	36,497
ClearBridge Var Sm Cap Growth	64,043	189,052
Dreyfus Appreciation Fund	50,312	29,247
Dreyfus IP Small Cap Stock Index	334,964	-
Dreyfus IP Technology Growth	741,302	647,601
Dreyfus Opp Midcap Value	15,321	13,599
Dreyfus Quality Bond Portfolio	31,996	30,964
Dreyfus Socially Responsible Growth	188,005	200,745
Dreyfus Stock Index Fund	122,145	119,797
Dreyfus Strategic Value	1,321	32,333
Dreyfus VariableInvestment Fund -Appreciation Portfolio	26,360	32,881
Dreyfus VIFApprecaition	37,599	-
Dreyfus VIF International Value	322,223	59,413 **
Dreyfus VIF Opp Small Cap	136,287	154,619

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit - Continued		
Federated Bond	\$ 11,256	\$ 10,649
Federated NVIT High Income Bond	11,404	22,071
Federated Quality Bond Fund II	1,626	1,585
Fidelity Advisor Value Strategies	11,614	10,941
Fidelity VIP Contrafund	121,269	104,665
Fidelity VIP Equity Income Port	208,676	69,802
Fidelity VIP Equity Income Port SC	-	3,019
Fidelity VIP Growth & Income Port	91,441	-
Fidelity VIP Growth Portfolio	17,103	15,287
Fidelity VIP HighIncome Port	55,192	143,545
Franklin Income VIP Securities	817,162	976,738
Franklin Mutual Gbl Disc VIP	30,067	- **
Franklin Small Cap Value Securities	1,321	27,620
Franklin Strategic Income VIP	1,129,351	-
Guggenheim High Yield	8,481	8,116
Guggenheim Large Cap Value	64,888	41,111
Guggenheim Mid Cap Value	77,709	109,871
Guggenheim StylePlus Md Growth	24,495	58,816
Guggenheim US Invst Grade Bond	5,531	5,210
Guggenheim VIF Alpha Opportunity	4,255	3,944
Guggenheim VIF Global Managed Futures Strategy Fund	2,650	2,383 **
Guggenheim VIF Long Short Equity Fund	272	273
Guggenheim VT All Cap Value	2,635,875	2,648,863
Guggenheim VT High Yield	855,430	1,003,835
Guggenheim VT Large Cap Value	1,747,559	1,532,618
Guggenheim VT Managed Asset Allocation	1,513,756	1,619,830
Guggenheim VT Mid Cap Value	1,886,799	2,134,184
Guggenheim VT Small Cap Value	2,770,429	2,257,190
Guggenheim VT StylePlus Large Core	283,247	239,486
Guggenheim VT StylePlus Large Growth	17,819	15,453
Guggenheim VT StylePlus MC Gro	1,003,927	913,417
Guggenheim VT StylePlus SC Gro	39,655	70,408
Guggenheim VT Total Return Bd	585,177	273,028
Guggenheim VT World Equity Inc	121,883	156,275 **
Invesco V.I. Mid Cap Gro Fund	-	125,186

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit - Continued		
Invesco American Franchise	\$ 703	\$ 662
Invesco Comstock	59,875	36,322
Invesco Equity and Income	13,135	12,118
Invesco Mid Cap Growth	11,702	10,181
Invesco Small Cap Growth	316	310
Invesco Technology	1,865	1,582
Invesco V.I. American Fran	3,360	3,162
Invesco V.I. Comstock	3,575,773	1,566,798
Invesco V.I. Equity and Income	709,848	562,448
Invesco V.I. Glbl Health Care	2,737,480	2,475,180 **
Invesco V.I. Govt Securities	97,646	194,336
Invesco V.I. Intl Growth	3,175,366	740,156 **
Invesco V.I. Mid Cap Gro Fund	153,604	-
Invesco V.I. Md Cp Core Equity	22,247	37,094
Invesco V.I. Value Opp	33,903	38,540
Invesco V.I. Glbl Real Estate	595,780	509,370 **
Janus Aspen Enterprise	2,068,000	2,020,376
Janus Aspen Janus Portfolio	84,611	100,389
Janus Aspen Overseas	24,080	26,824 **
Janus Overseas	1,298	1,526 **
JPMorgan Ins Trst Core Bond	425,922	-
MFS VIT Research International	45,010	205,033 **
MFS VIT Total Return	382,991	212,969
MFS VIT Utilities	2,684,586	2,671,270
MFS UIF Emerging Markets Equity	-	144,922 **
NB NVIT Socially Responsible	25,597	28,246 **
Neuberger Berman AMT Balanced Port	49,141	46,626 **
Neuberger Berman AMT Social Responsive	1,693,546	1,460,697
Neuberger Berman Core Bond	-	10,857
Neuberger Berman Large Cap Value Fund	53,227	29,908
Neuberger Berman Socially Responsive	53,263	29,999
NVIT Government Bond	11,236	22,488
NVIT Mid Cap Index	13,548	12,521
NVIT Multi-Manager Large Cap Growth	87	80
NVIT Multi-Manager Mid Cap Growth	68,321	65,121

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit - Continued		
NVIT Multi-Manager Mid Cap Value	\$ 164,934	\$ 147,816
NVIT Multi-Manager Small Cap Value	4,102	3,880
NVIT Multi-Manager Small Company	15,551	15,638
NVIT Nationwide	66,075	60,551
NVIT Real Estate	-	3,199
Oppenheimer Capital App Fund	17,853	15,441
Oppenheimer Core Bond FundNA	562,707	319,020
Oppenheimer Dis MdCpGr FundNA	11,740	10,650
Oppenheimer Global FundNA	3,698	3,659 **
Oppenheimer Main St Sm CapNA	35,197	75,924
Oppenheimer Main Street Fund	742	682
PIMCO All Asset	-	102,479
PIMCO VIT All Asset	89,264	-
PIMCO Emerging Markets Bond Portfolio	33,854	37,363 **
PIMCO Foreign Bond (Hedged)	6,723	6,282 **
PIMCO Foreign Bond Portfolio (U.S. Dollar-Hedged)	117,463	41,139 **
PIMCO High Yield	9,753	8,799
PIMCO Low Duration	-	35,158
PIMCO VIT Low Duration	31,590	-
PIMCO Real Return	16,793	745,168
PIMCO Real Return Portfolio	-	23,850
PIMCO VIT Real Return Portfolio	705,904	-
PIMCO Total Return	19,695	21,863
PIMCO VIT Commodity Real Return	146,719	84,323
Royce Micro-Cap	370,418	459,907
Royce Value	32,251	14,646
RS Technology	12,923	11,724
RS Value	41,649	20,757
Templeton Foreign Securities Fund	56,867	113,763 **
TRP Health Services	153,611	-
UIF Emerging Markets	5,632	- **
Van Eck VIP Emerging Markets	3,744	3,804 **
Van Eck VIP Global Hard Assets	3,472	4,106 **
Van Kampen NVIT Real Estate	4,073	-
Wells Fargo Advantage Small Cap Value	17,754	16,212
Western Asset Var Glob HY Bond	466,525	649,611 **
	<u>50,999,663</u>	<u>33,624,242</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Kades Margolis		
AB Global Bond A Total	\$ 6,098	\$ -
Alger Spetra A Total	10,413	-
American AMCAP R4	55,079	50,922
American Balanced	169,643	121,650
American Century Equity Income A	70,052	97,567
American Century Heritage Fund	2,228	1,703
American Funds 2030 Target Date Ret Fund	28,265	26,508
American Funds 2045 Target Date Ret Fund	9,448	6,480
American Funds Cap Inc Bldr R4	61,974	43,356
American Funds Cap Wrld G&I R4	147,134	140,138 **
American Funds EuroPac Gr R4	22,920	9,271 **
American Funds Fundamental inv R4	26,990	22,258
American Funds Growth Fund of America R4	9,521	7,731
American Funds Income Fund of America R4	88,970	78,226
American Funds Investment Co of America R4	27,785	12,714
American Funds New Econ R4	36,501	8,597
American Funds New Perspective R4	250	3,308
Calvert Social Invst Equity	2,438	1,953
Delaware Diversified Income A	3,246	2,669
Delaware Limited Term Government	8,085	7,765
Delaware Smid Cap Growth A	16,434	14,959
Federated Automated Cash Management	10	10
Fidelity Advisor Freedom 2040 A	2,358	2,016
Fidelity Advisor Small Cap CI A	3,362	22,620
Fidelity Advisor Strategic Income A	43,158	43,261
Franklin Balance Sheet Investment A	24,823	24,644
Franklin Mutual Global Discovery CI A	25,902	57,269 **
Franklin Rising Dividends Class A	47,573	41,384
Franklin Total Return CI A	11,682	10,777
Franklin Utilities A	28,895	11,717
Invesco Comstock A	13,663	12,521
Invesco Developing Markets A Total	3,530	- **
Invesco Energy CI A	9,061	10,697
Invesco Equity and Income A	3,251	2,584

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Kades Margolis - Continued		
Invesco Global Health Care CI A	\$ 1,343	\$ 947 **
Invesco Gold and Precious Metals CI A	-	553
Invesco Mid Cap Core Equity CI A	4,165	3,993
Invesco Select Companies A	9,582	-
Invesco Small Cap Discovery A	19,227	18,230
Invesco Value Opp A	3,244	3,049
Janus Advisor Balanced Fund CI A	21,240	15,581
Janus Advisor Growth and Income Fd A	13,054	11,562
Janus Triton A	1,942	998
JHancock3 Disciplined Value Mid Cap A Total	13,019	-
JP Morgan Equity Income A Total	2,309	-
JP Morgan Government Bond	10,401	9,637
Oppenheimer Developing Mkts CI A	-	4,065 **
Oppenheimer Global Opportunities A	14,246	14,310 **
Oppenheimer International Growth A	13,635	13,690 **
Oppenheimer Rising Dividend Fund	1,330	4,531
Oppenheimer Small & Mid Cap Value A	19,378	17,166
Perkins Mid Cap Value A	-	3,103
Parnassus Core Equity Fund	14,592	-
PIMCO All Asset A	8,695	8,450
PIMCO Income A	25,973	22,579
PIMCO Total Return CI A	88	3,774
Pioneer Classic Balanced	16,020	8,315
Pioneer Disciplined Value A Total	31,210	-
Pioneer Fundamental Growth FD A	16,963	17,501
Pioneer Fundamental Value A	-	45,650
Pioneer Solutions Growth A	28,953	18,674
Quaker Strategic Growth CI A	23,740	21,030
Sentinel Total Return Bond A	3,993	-
SunAmerica Focused Dividend Strategy A	12,386	-
Templeton Global Bond A	18,151	30,651 **
Toreador Core Retail Total	13,047	-
Toreador International Investor Total	8,155	- **
Victory Munder Growth Opportunities A	12,314	10,544
	<u>1,403,137</u>	<u>1,205,858</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit		
AIM Small Cap Growth	\$ -	\$ 55,616
Amer Funds EuroPacific Growth	484,668	272,404 **
Amer Funds Fundamental Invstrs	123,090	109,734
Amer Funds New World	59,413	-
Amer Funds Washington Mutual	188,390	-
American Century Dividend Bond	32	-
American Century Equity Income	-	41,651
American Century Growth	384,582	312,509
American Century Heritage	32,689	64,575
Amer Century Intl Bond	9	- **
Amer Century Intl Grwth	45	- **
American Century Select	4,472	3,835
American Century Ultra	5	-
Ariel Fund	26,106	30,914
Aston/Fairpointe Mid Cap	67,553	1,075
Aston/TAMRO Small Cap	2,887	1,122
Baron Asset	9	-
Baron Small Cap	87,773	33,073
BlackRock Equity Dividend	213,391	166,665
BlackRock Global Allocation	44	4,215 **
BlackRock Intl Opportunities	36	- **
BlackRock Mid Cap Value Opps	408,844	216,498
Calamos Global Equity	518,494	263,560 **
Calamos Growth	38,412	39,396
Calamos Growth & Income	26,532	28,452
Calamos High Income	9,011	8,983
Dreyfus Appreciation Fund	30	4,367
Dreyfus Mid Cap Index	283,240	68,013
Dreyfus Natural Resources	14,450	-
Dreyfus Opp Midcap Value	18,172	16,530
Dreyfus S&P 500 Stock Index	538,854	435,717
Dreyfus Strategic Value	6,313	5,157
Federated Bond	89,430	93,922
Fidelity Adv Value Strategies	6,100	5,798

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit - Continued		
Fidelity Advisor New Insights	\$ 577,956	\$ 107,763
Fidelity Advisor Real Estate	216,946	62,349
Franklin High Income	61,121	76,891
Goldman Sachs Emerg Mkts Eqty	18	- **
Goldman Sachs Emrg Mkts Eq	70,341	- **
Goldman Sachs Small Cap Value	18,749	71,442
Guggenheim High Yield	10,893	14,896
Guggenheim Large Cap Value	22,436	123,482
Guggenheim Mid Cap Value	77,414	90,358
Guggenheim Small Cap Value	14,396	13,848
Guggenheim StylePlus Md Growth	36,018	31,185
Guggenheim Total Return Bond	80,348	-
Guggenheim World Equity Income	17,407	16,473 **
Invesco Comstock	22,728	20,727
Invesco Developing Markets	5,837	5,525 **
Invesco Equity and Income	955,796	883,867
Invesco High Yield	120,225	12,059
Invesco Mid Cap Growth	9,724	13,665
Invesco Small Cap Growth	63,418	-
Janus Enterprise	37,591	-
Janus INTECH U.S. Core	59	-
Janus Triton	283,598	96,891
JPMorgan Disciplined Equity	568,318	-
JPMorgan Equity Income	16,833	-
JPMorgan Small Cap Value	43,283	54,743
Loomis Sayles Gib Eq and Inc	68,711	73,249 **
Mutual Global Discovery	213,496	146,231 **
Neuberger Berman Lg Cp Val	21,277	19,124
Neuberger Berman Socially Resp	53,304	39,716
Northern Large Cap Value	23	-
Oppenheimer Developing Markets	179,477	85,909 **
Oppenheimer Equity Income	701,961	53,372
Oppenheimer Global	41	- **
PIMCO Commodity Real Return Strategy	14	-
PIMCO High Yield Return	13,717	12,964

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2014 and 2013

(See Independent Auditors' Report)

	Fair Value	
	2014	2013
Variable Earnings Investments - Continued:		
Security Benefit - Continued		
PIMCO Low Duration	\$ 43,227	\$ 35,837
PIMCO Real Return	259,876	127,194
PIMCO Small Cap Stocks PLUS AR	269,480	130,083
PIMCO Total Return	605,135	736,138
Pioneer Bond	622,326	-
Pru Jennison 20120 Focus	-	28,873
Pru Jennison Mid Cap Growth	75,424	63,581
Pru Jennison Natural Resources	-	12,977
Prudential Small-Cap Value	23	-
RidgeWorth Md Cap Value Equity	20,637	17,618
Royce Opportunity	9,020	8,901
RS Technology	10,463	-
RS Partners	650	156
Templeton Foreign	359,196	106,268 **
Templeton Global Bond	206,685	46,024 **
TRP Growth Stock	170,701	10,414
TRP Retirement 2010	216,266	80,811
TRP Retirement 2015	6,737	5,964
TRP Retirement 2020	403,140	280,662
TRP Retirement 2025	7,404	1,874
TRP Retirement 2030	110,209	98,952
TRP Retirement 2035	71,662	793
TRP Retirement 2040	22,006	11,425
TRP Retirement 2050	2,368	6,674
TRP Retirement 2055	5,617	1,269
TRP Retirement Balanced	5,937	-
TRP Retirement Income	-	5,792
Wells Fargo Advtg Emg Mkts Eq	5,664	28,898 **
Wells Fargo Advtg Opportunity	19,135	17,043
Wells Fargo Advtg SmCp Value	18,948	17,564
World Equity Incom - B	14,645	13,018 **
World Cap Value - B	17,897	15,909
Mid Cap Value - C	17,852	15,869
	11,814,880	6,337,091
	\$ 342,120,017	\$ 328,989,903

* Represents Investments Greater than 5% of Net Assets

** Represents Investments in Foreign Securities



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

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

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of State of Delaware 403(b) Plan as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the State of Delaware 403(b) Plan 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 403(b) 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 403(b) Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Delaware 403(b) Plan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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. We consider the deficiency described below to be a material weakness.

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

Internal Control Over Financial Reporting - Continued

2014 Finding #1 - Completeness of Plan Assets - The unadjusted 2014 financial statements of the State of Delaware 403(b) Plan omitted certain assets held by Kades Margolis and MetLife. Kades Margolis had not provided statements for the State of Delaware 403(b) MBD and Red Clay School District contracts with their investment confirmation responses for 2014 and 2013. Our deferral reconciliation uncovered these contracts during the 2014 audit. There were no deferrals deposited to the contract in 2013. Beginning assets held as of December 31, 2013 per these statements amounting to \$53,164 and \$27,351, respectively, are immaterial to the Plan, so BLS waived a prior period adjustment and the beginning balance was recorded in the Transfer-In (Out) Account, to bring the ending investment balances to the correct revised amount. The related changes in net assets of \$12,749 and \$4,484, respectively, were recorded in the Statement of Changes in Net Position Available for Plan Benefits.

Additionally, the compilation excluded certain MetLife contracts that received contributions and incorrectly included certain pre-2009 MetLife contracts. Specifically, the compilation incorrectly excluded contracts for Kent County - 1080356 (\$192,807), Red Clay - 0074221 (\$64,912), Seaford Special - 0013749 (\$590,106), Co-Plan (\$366,367), and Transamerica (\$80,136) for a total of \$1,294,328. Also, the compilation incorrectly included pre-2009 contracts for Brandywine - 0827604 (\$381,314), Christina - 0827657 (\$26,275), New Castle Vo-Tech - 0827658 (\$75,241) and Red Clay - 0827605 (\$37,358). There was also one statement for Capital School District that excluded the fourth quarter activity and balances. The total net understatement is \$796,077. An adjustment was proposed and accepted by the State to bring the investment balances to the actual confirmed balances.

2014 Finding #2 - Security Benefit IRA Assets Included in Plan Assets and Other Missing Assets - The unadjusted 2014 Statement of Net Position Available for Plan Benefits included Individual Retirement Accounts (IRA(s)), resulting in an overstatement of assets held by Security Benefit. IRA balances totaled \$254,956 at January 1, 2014 and \$255,337 at December 31, 2014. Since the beginning balance amount is immaterial to the Plan, a prior period adjustment was waived and the beginning balance of these contracts, as well as the activity for the year, were recorded in the Transfer-In (Out) Account, to eliminate the IRAs that are not plan assets.

Additionally, Security Benefit's confirmation erroneously excluded five contracts totaling \$781,527 and a Rydex account totaling \$50,397. All five contracts and the Rydex account were appropriately included in prior year assets. An adjustment was proposed and accepted to bring the investment balances to the actual confirmed balances.

2013 Finding - Completeness of Plan Assets - Although the differences are not material, our attempt to locate and reconcile the deferrals per the payroll to the deposits revealed assets held by MetLife, Kades Margolis, and Security Benefit that were not included in the confirmation originally provided.

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

Internal Control Over Financial Reporting - Continued

2013 Finding - Completeness of Plan Assets - Continued

Specifically, MetLife provided detail of an additional school district, Kent County Vocational School District, which had beginning assets amounting to \$142,742. Furthermore, MetLife provided detail of insurance products which had beginning assets amounting to \$319,682. The total beginning balances amounted to \$462,424. Since the amount is immaterial to the Plan, a prior period adjustment was waived and the amounts plus earnings were recorded in the Transfer-In (Out) Account, to bring the ending investment balances to the correct revised amounts.

Additionally, Security Benefit originally provided total assets, excluding loans, amounting to \$38,370,821. An updated report was subsequently provided which amounted to \$38,569,696, which increased the asset balance by \$198,875. Since the amount was immaterial to the Plan, the activity was recorded in the Transfer-In (Out) Account to bring the account balances to the updated reported amount.

Lastly, Kades Margolis provided detail for Red Clay School District that was not previously provided in the original vendor confirmation. The ending balance amounted to \$27,841. Since the amount was immaterial to the Plan, the activity was recorded in the Transfer-In (Out) Account to bring the account balances to the updated reported amount.

Management Response

2014 Finding #1 - Completeness of Assets - Management recognizes the importance of completeness and accuracy of the assets reported on the financial statements. As such, management is in the process of securing confirmations from all vendors who received contributions during 2016 and 2015 to ensure that the compilation company has complete and accurate asset information. As of the date of the report, the State has limited all further participant contributions to one vendor, Voya Retirement Insurance and Annuity Company (Voya). This reduction in vendors allowed to receive further plan contributions will make it easier to reconcile total deferral withholdings per PHRST to the total deferrals deposited to the vendor. The Plans Management Board had performed an extensive search for a vendor that we believe will be able to provide complete asset balances and transaction history.

2014 Finding #2 - Security Benefit IRA Assets Included in Plan Assets and Other Missing Assets - Management recognizes the importance of the accuracy of the reported amounts on the financial statements. Thus, management is in the process of ensuring confirmations from Security Benefit for the 2016 and 2015 plan years only include eligible plan assets to ensure that the compilation company has accurate data. As of the date of the report, the State has limited all further participant contributions to one vendor, Voya Retirement Insurance and Annuity Company (Voya). This reduction in vendors will allow

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

Management Response - Continued

2014 Finding #2 - IRA Assets Included in Plan Assets - Continued - easier tracking of all contracts. The Plans Management Board had performed an extensive search for a vendor that we believe will be able to provide accurate detail. We will also reinforce with Security Benefit that only eligible plan assets are included in future reports.

2013 Finding - Completeness of Plan Assets - Management recognizes the importance of completeness and accuracy of the assets reported on the financial statements. Thus, management is in the process of securing confirmations from all vendors who received contributions during 2014 to ensure that the compilation company has complete and accurate asset information. Prospectively, management will endeavor to reduce the number of available vendors and select a common remitter with more advanced reporting and reconciliation capabilities. Specifically, online access and report generation capabilities by plan officials will be considered a priority. Additionally, the common remitter will be expected to submit to the Plan a reconciliation of the deferral withholdings to the deposits recorded by the vendors for every payroll period. In the search for a common remitter, emphasis will be placed on reconciliation to the actual deposit recorded by the vendors, as opposed to the current system, which reconciles the deferral withholding to the remittance, but does not ensure that the deposits actually recorded are complete and accurate.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Delaware 403(b) Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

The contracts identified during the 2012 and 2013 audits were included in the 2013 and 2014 confirmations provided by the vendors. The State of Delaware 403(b) Plan responded to the finding identified in our 2014 audit as previously described in this letter. The State of Delaware 403(b) Plan's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

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