

State of Delaware 403(b) Plan

Financial Statements

December 31, 2019 and 2018

State of Delaware 403(b) Plan

Table of Contents

December 31, 2019 and 2018

	<u>Page</u>
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis	4
Financial Statements	
Statements of Fiduciary Net Position	6
Statements of Changes in Fiduciary Net Position	7
Notes to the 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>	40
Schedule of Findings and Recommendations	41



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

Independent Auditors' Report

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of State of Delaware 403(b) Plan (Plan), which comprise the statements of fiduciary net position as of December 31, 2019 and 2018, the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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

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

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

Disclaimer of Opinion

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2020, on our consideration of the State of Delaware 403(b) Plan's internal control over financial reporting and our tests of its

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

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

Belfint, Lyons & Shuman, P.A.

August 3, 2020
Wilmington, Delaware

State of Delaware 403(b) Plan

Management's Discussion and Analysis
December 31, 2019, 2018, and 2017

This discussion and analysis of the State of Delaware 403(b) Plan's (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2019, 2018, and 2017. Please read this section in conjunction with the Plan's financial statements, which follow this section.

Financial Highlights

- Fiduciary net position restricted for pensions increased by approximately \$67.7 million during 2019 from \$378.7 million at December 31, 2018 to \$446.4 million at December 31, 2019. This increase was primarily due to contributions and gains on investments during 2019 being greater than distributions made to participants. Fiduciary net position restricted for pensions decreased by approximately \$29.6 million during 2018 from \$408.3 million at December 31, 2017 to \$378.7 million at December 31, 2018. This increase was primarily due to distributions made to participants and net losses during the year being larger than income into the Plan during 2018.
- Participant contributions were \$24.5 million, \$22.3 million, and \$22.9 million for the years ended December 31, 2019, 2018, and 2017, respectively. Changes in contributions are primarily due to fluctuations in the average contribution per participant and number of active plan participants. There were approximately 5,700, 5,400, and 5,300 active participants as of December 31, 2019, 2018, and 2017, respectively.
- Net transfers into the Plan were \$96,200, \$24,390, and \$67,014 for the years ended December 31, 2019, 2018, and 2017, respectively. Changes in the amount of transfers into the Plan from year to year vary greatly and are the direct result of changes in the number of individuals performing these transactions.
- Net investment income (loss) increased to a \$71.2 million gain in 2019 from a (\$21.3) million loss in 2018. Fluctuations in income are primarily due to changes in the funds offered by the Plan, changes in interest rates for fixed earnings investments, as well as fluctuations in the financial market from year to year.
- Benefits paid to participants were \$27.3 million, \$29.9 million, and \$24.2 million for the years ended December 31, 2019, 2018, and 2017, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of separated, deceased, or retired participants and beneficiaries receiving eligible distributions per year as well as the size of their account balances. There were approximately 1,200, 1,200, and 1,200 individuals who received a distribution from the Plan during the years ended December 31, 2019, 2018, and 2017, respectively.
- Administrative expenses were \$889,475, \$781,173, and \$409,155 for the years ended December 31, 2019, 2018, and 2017, respectively. Fluctuations in these fees are the result of different arrangements with the service providers and the number of transactions charged directly to participant accounts.

State of Delaware 403(b) Plan

Management's Discussion and Analysis
December 31, 2019, 2018, and 2017

Overview of the Financial Statements

This financial report consists of the statements of fiduciary net position and the statements of changes in fiduciary net position. These statements provide information about the financial position and activities of the Plan as a whole. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements.

The following analysis focuses on fiduciary net position restricted for pensions (Table 1) and changes in fiduciary net position (Table 2):

Table 1
Fiduciary Net Position Restricted for Pensions

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Investments	\$ 445,920,480	\$ 378,156,705	\$ 407,593,225
Notes Receivable from Participants	468,452	560,905	675,941
Fiduciary Net Position Restricted for Pensions	<u>\$ 446,388,932</u>	<u>\$ 378,717,610</u>	<u>\$ 408,269,166</u>

Table 2
Changes in Fiduciary Net Position

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Additions			
Participant and Rollover Contributions	\$ 24,523,384	\$ 22,321,332	\$ 22,915,460
Corrective Contributions	-	114,868	-
Net Transfers into Plan	96,200	24,390	67,014
Net Investment Income (Loss)	71,200,789	(21,314,238)	48,961,573
Interest Income on Notes Receivable from Participants	1,950	2,597	1,859
Deductions			
Benefits Paid to Participants	27,261,526	29,919,332	24,189,814
Administrative Expenses	889,475	781,173	409,155
Change in Fiduciary Net Position	<u>\$ 67,671,322</u>	<u>\$ (29,551,556)</u>	<u>\$ 47,346,937</u>

Financial Contact

The Plan's financial statements are designed to present users with a general overview of the Plan's finances and to demonstrate the trustee's accountability. If you have questions about the report or need additional financial information, contact the Director of Contributions and Plan Management of the State of Delaware 403(b) Plan at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

State of Delaware 403(b) Plan

Statements of Fiduciary Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Investments, at Fair Value	\$ 377,914,222	\$ 309,622,953
Investments, at Contract Value	<u>68,006,258</u>	<u>68,533,752</u>
Total Investments	445,920,480	378,156,705
Notes Receivable from Participants	<u>468,452</u>	<u>560,905</u>
Total Assets	446,388,932	378,717,610
Liabilities		
	<u>-</u>	<u>-</u>
Fiduciary Net Position Restricted for Pensions	<u><u>\$ 446,388,932</u></u>	<u><u>\$ 378,717,610</u></u>

The accompanying notes are an integral part of the financial statements

State of Delaware 403(b) Plan

Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Additions		
Investment Income (Loss)		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 64,339,246	\$ (26,068,867)
Interest and Dividends	6,861,543	4,754,629
	<u>71,200,789</u>	<u>(21,314,238)</u>
Interest Income on Notes Receivable from Participants	<u>1,950</u>	<u>2,597</u>
Contributions		
Participant	22,084,198	20,745,717
Rollovers	2,439,186	1,575,615
Corrective Contributions	-	114,868
	<u>24,523,384</u>	<u>22,436,200</u>
Total Additions	<u>95,726,123</u>	<u>1,124,559</u>
Deductions		
Benefits Paid to Participants	27,261,526	29,919,332
Administrative Expenses	889,475	781,173
	<u>28,151,001</u>	<u>30,700,505</u>
Net Transfers into Plan	<u>96,200</u>	<u>24,390</u>
Net Increase (Decrease)	67,671,322	(29,551,556)
Net Position		
Beginning of Year	<u>378,717,610</u>	<u>408,269,166</u>
End of Year	<u>\$ 446,388,932</u>	<u>\$ 378,717,610</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, 2019 and 2018

1. Description of the Plan

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

General

Delaware Code Title 29, Part V, Chapter 60A ("Code") sets forth the requirements for deferred compensation programs for public officers and employees of the State of Delaware (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. The Code gives authority to the Plans Management Board, which is responsible for oversight of the Plan. The Plans Management Board has charged the Office of the State Treasurer (the "OST") with daily administration. The State of Delaware General Assembly may amend the Code at any time. The Plans Management Board may modify the Plan pursuant to authority provided under the Code.

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

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

Contributions

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

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

During 2018, a corrective contribution was deposited for participants' missed deferrals due to a technical error resulting in participant elections made during December 2017 and January 2018 not being implemented in a timely manner. The correction was computed in accordance with IRS requirements, equal to 50% of the affected participants' missed deferral, and classified as a Qualified Non-Elective Contribution (QNEC).

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

1. Description of the Plan - Continued

Participant Accounts

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

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

Vesting

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

Notes Receivable from Participants

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

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

Payment of Benefits

Upon termination of service due to death, disability, retirement, or other reasons, a participant will receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, periodic payments, or an annuity. In addition, the Plan allows for hardship distributions if certain criteria are met.

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

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies

Financial Statement Presentation and Basis of Accounting

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

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

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

The TIAA Real Estate Account's value is principally derived from the market value of the underlying real estate holdings or other real-estate-related investments. Real estate holdings are valued principally utilizing external appraisals, which are estimates of property values based on a professional's opinion.

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

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

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies - Continued

Investment Valuation and Income Recognition - Continued

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

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

Notes Receivable from Participants

Effective January 1, 2009 the Plan no longer allows loans to participants. Effective January 1, 2015 the Plan was amended to grandfather certain loans that were identified by the State that were processed by certain vendors during the period January 1, 2009 through December 31, 2014. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are recorded as distributions based upon the terms of the plan document. Certain vendors issue a Form 1099-R for loans that are deemed to be in default, but if the loan is collateralized the vendors do not offset the deemed distributed loan balance against the participant account until the participant takes a full distribution. This accounting treatment does not result in a material misstatement of the financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Administration of Plan Assets

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

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

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

Payment of Benefits

Benefits are recorded when paid.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies - Continued

Administrative Expenses

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

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

Subsequent Events

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

3. Related-Party Transactions

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

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

On May 3, 2016, the State entered into a custodial agreement with Voya Institutional Trust Company. As part of this agreement, Voya has set up a Plan Expense Reimbursement Account (PERA) to accumulate amounts equal to fund revenue sharing and asset-based fees, including an administrative service fee, and pay reasonable plan expenses. During 2018, the 403(b) Plan was allocated \$47,770, of which \$17,187 was used to pay plan expenses. During 2019, the 403(b) Plan was allocated \$48,786, of which \$50,010 was used to pay plan expenses.

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

4. Plan Termination

Although it has not expressed any intent to do so, the State of Delaware General Assembly may amend the Code to terminate the Plan. The Plans Management Board, through the authority given to it by the Code has the right at any time to terminate the Plan. As described in Note 1 in the General section, the Plans Management Board has charged the OST with daily administration and to carry out resolutions of the Plans Management Board.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

5. Tax Status

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

6. Risks and Uncertainties

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are held in custody by Voya Institutional Trust Company and TD Ameritrade self-directed brokerage account. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Board. As of December 31, 2019 or 2018 no individual investment option exceeded 5% of fiduciary net position.

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

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments in foreign securities. The Plan does not have any direct investment in foreign securities. The Plan's exposure to foreign currency risk derives from its investment in mutual funds with international holdings. The fair value of these investments was \$31,872,337 and \$27,423,638 as of December 31, 2019 and 2018, respectively. The individual funds are identified in Note 8.

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

7. Plan Amendments

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

8. Investments

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

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

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

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

Fair Value Measurements

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

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

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

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

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

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

8. Investments - Continued

Fair Value Measurements - Continued

The Plan has the following fair value measurement as of December 31, 2019 and 2018:

	2019			
	December 31, 2019	Level 1	Level 2	Level 3
Interest-Bearing Cash	\$ 2,273,515	\$ 2,273,515	\$ -	\$ -
Registered Investment Companies	181,918,251	181,918,251	-	-
Variable Annuity Contracts	187,781,575	-	187,781,575	-
Whole Life Insurance Policies	596,109	-	-	596,109
Pooled Separate Accounts	534,557	-	534,557	-
Self-Directed Brokerage Accounts	4,810,215	4,810,215	-	-
Total Investments	<u>\$ 377,914,222</u>	<u>\$ 189,001,981</u>	<u>\$ 188,316,132</u>	<u>\$ 596,109</u>
	2018			
	December 31, 2018	Level 1	Level 2	Level 3
Interest-Bearing Cash	\$ 1,516,608	\$ 1,516,608	\$ -	\$ -
Registered Investment Companies	135,328,848	135,328,848	-	-
Variable Annuity Contracts	169,361,125	-	169,361,125	-
Whole Life Insurance Policies	589,766	-	-	589,766
Pooled Separate Accounts	329,636	-	329,636	-
Self-Directed Brokerage Accounts	2,496,970	2,496,970	-	-
Total Investments	<u>\$ 309,622,953</u>	<u>\$ 139,342,426</u>	<u>\$ 169,690,761</u>	<u>\$ 589,766</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

8. Investments - Continued

Fair Value Measurements - Continued

There were no significant transfers between levels 1 and 2 and no transfers in or out of level 3 for the years ended December 31, 2019 and 2018. The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2019:

	<u>2019</u>
Balance - Beginning of Year	<u>\$ 589,766</u>
Net Investment Income (Loss)	<u>(6,543)</u>
Purchases, Issuances, Sales, and Settlements	
Contributions, Rollovers, and Transfers In	51,833
Withdrawals, Distributions, Settlements, and Transfers Out	<u>(38,947)</u>
Total Purchases, Issuances, Sales, and Settlements, Net	<u>12,886</u>
Balance - End of Year	<u><u>\$ 596,109</u></u>

Investments at Contract Value

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

The contract value of the investment contract as of December 31, 2019 and 2018, was \$68,006,258 and \$68,533,752, respectively. The investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula established by the contract issuer.

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

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

State of Delaware 403(b) Plan

Notes to the Financial Statements
December 31, 2019 and 2018

8. Investments - Continued

Investments at Contract Value - Continued

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

Value of Investments

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated (depreciated) in value by \$64,339,246 and (\$26,068,867) during 2019 and 2018, respectively.

The value of investments held by the Plan at December 31, 2019 and 2018 were as follows. Investments marked with an asterisk (*) represent individual investment options that exceed 5% of fiduciary net position as of December 31, 2019 or 2018. As of December 31, 2019 or 2018 no individual investment option exceeded 5% of fiduciary net position. Investments marked with two asterisks (**) represent international funds.

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Fixed Earnings Investments:		
Alternate Fixed Account	\$ 25,154	\$ 24,721
AUL Fixed Account	26,881	26,419
AXA Guaranteed Interest Account	12,898,987	13,137,497
Delaware Government Cash Management - A (First Investors)	105,921	-
EQ/Money Market	55,379	59,362
First Investors Government Cash Management - A	-	25,065
Great American EquiLink Plus	32,900	31,944
Great American GreatFlex 6	969,216	960,697
Great American FlexMax Q	101,914	148,588
Great American FlexMax Q 2011	27,760	27,008
Great American FlexMax 14	46,440	45,360
Hartford General Account	163,060	215,379
Horace Mann 10 Year Guaranteed Period Account	240,237	234,997
Horace Mann 5 Year Guaranteed Period Account	38,395	45,871
Horace Mann 7 Year Guaranteed Period Account	25,992	25,507
Horace Mann Fixed Account	14,576,238	14,562,554
Invesco Government Money Market (Security Benefit)	95,107	122,628
JPMorgan US Government Money Market (Security Benefit)	47,013	92,937
MetLife Fixed Account	11,568,773	12,195,396
MetLife Fixed Rider	2,801,243	2,853,311
MetLife Fund 16B	22,507	111,999
MetLife Fund 16C	36,002	38,934
MetLife Fund 16D	104,294	105,304
MetLife T-Flex	3,698,920	3,860,615
New York Life Fixed Annuities	877,222	856,515
NVIT Money Market (Security Benefit)	12,018	11,943
Preference FP	111,578	51,962
Prime Cash Obligations Fund R (Kades Margolis)	10	10
QPA Series III	2,732,003	2,970,400
QPA Series III Plus	510,307	512,018
Resource B Fidelity VIP Money Market - II	-	840
Security Benefit Fixed Account	2,716,279	2,419,112
Spinnaker Fixed Annuity Account	516,298	514,395
Spinnaker Plus Fixed Annuity Account	-	46,457
VALIC Fixed Account Plus	6,652,427	6,962,355
VALIC Fixed Income (Kades Margolis)	318,513	371,348
VALIC Money Market I Fund	60,431	62,600
VALIC Money Market II Fund	3,330	3,175
VALIC Short Term Fixed	210,705	119,060
Vanguard Federal Money Market	1,865,306	1,106,685
Voya Fixed Account	2,397,168	2,464,778
Voya Fixed Plus Account	295,998	294,213
Voya Fixed Plus Account III	3,262,846	2,299,038
Voya Money Market Portfolio - Class I	29,001	31,363
Total Fixed Earnings Investments	70,279,773	70,050,360

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments:		
AXA		
All Asset Growth Alt 20	\$ 195,707	\$ 166,722
EQ/American Century VP Mid Cap Value	66,785	53,521
American Funds Insurance Series Bond	14,530	13,814
EQ/Aggressive Allocation	835,887	710,789
AXA Balanced Strategy	-	909
EQ/ClearBridge Large Cap Growth	352,064	364,319
EQ/Conservative Allocation	5,481	5,092
EQ/Conservative Growth Strategy	99,006	6,194
EQ/Conservative Strategy	493	459
EQ/Conservative-Plus Allocation	44,567	41,453
EQ/Franklin Balanced Managed Volatility	183,021	184,655
EQ/Franklin Templeton Allocation Managed Volatility	6,097	5,057
EQ/Global Equity Managed Volatility	1,930,158	1,646,711
EQ/International Core Managed Volatility	664,121	564,700
EQ/International Managed Volatility	13,348	11,688
EQ/International Value Managed Volatility	1,248,500	1,110,754
EQ/Janus Enterprise	518,915	418,441
AXA Large Cap Core Managed Volatility	147,536	117,319
AXA Large Cap Growth Managed Volatility	2,087,023	1,734,788
AXA Large Cap Value Managed Volatility	2,834,809	2,434,365
EQ/Loomis Sayles Growth	272,517	261,317
AXA Mid Cap Value Managed Volatility	2,287,446	1,983,729
EQ/Moderate Allocation	1,480,473	1,306,817
EQ/Moderate Growth Strategy	9,843	8,520
EQ/Moderate-Plus Allocation	916,679	826,627
EQ/2000 Managed Vol	322	264
EQ/400 Managed Vol	20,933	29,791
EQ/500 Managed Vol	31,434	27,902
AXA Templeton Global Equity Managed	809,125	721,857
Charter Multi-Sector Bond	101,105	100,840
Charter Small Cap Growth	168,305	128,891
Charter Small Cap Value	639,693	539,611
EQ/AllianceBernstein Small Cap	1,755,478	1,499,179
EQ/Franklin Small Cap Value Managed Volatility	516,691	433,773
EQ/ClearBridge Select Equity Managed Volatility	459,416	373,066
EQ/BlackRock Basic Value Equity	2,050,580	1,860,766
1290 VT Equity Income	137,174	133,134
1290 VT Socially Responsible	46,921	36,541
EQ/Capital Guardian Research	2,976,050	2,363,342
EQ/Com Stock Index	2,195,705	1,861,560
EQ/Core Bond Index	389,484	444,819
1290 VT DoubleLine Dynamic Allocation	15,991	13,749

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
AXA - Continued		
EQ/Emerging Markets Equity Plus	\$ 3,265	\$ 2,807
EQ/Equity 500 Index	1,166,670	900,835
EQ/Fidelity Institutional AM Large Cap	854,896	797,754
1290 VT GAMCO Mergers & Acquisitions	61,169	60,431
1290 VT GAMCO Small Company Value	1,898,818	1,685,166
EQ/Global Bond Plus	41,115	41,137
1290 VT High Yield Bond	2,550	2,290
EQ/JPMorgan Value Opportunities	552,250	444,891
EQ/Large Cap Growth Index	733,003	557,685
EQ/Large Cap Value Index	445,630	374,935
EQ/Intermediate Government Bond	291,343	343,317
EQ/International Equity Index	713,085	603,592
EQ/Invesco Comstock	200,425	178,325
EQ/MFS International Growth	272,157	257,809
EQ/Mid Cap Index	1,332,758	1,214,480
EQ/Oppenheimer Global	410,477	340,047
EQ/PIMCO Global Real Return	3,715	3,767
EQ/PIMCO Ultra Short Bond	147,433	162,367
EQ/Quality Bond Plus	372,662	394,070
EQ/Small Company Index	540,780	453,271
EQ/T. Rowe Price Growth Stock	2,562,096	2,074,360
EQ/UBS Growth and Income	115,292	85,440
Fidelity VIP Equity Income	30,374	24,203
Fidelity VIP Mid Cap	152,656	130,352
EQ/Goldman Sachs Mid Cap Value	61,453	52,688
Invesco V.I. Diversified Dividend	7,219	5,864
EQ/Invesco Global Real Estate	74,870	64,254
Invesco V.I. High Yield	35,798	32,147
EQ/Invesco International Growth	204,134	169,913
Invesco V.I. Mid Cap	14,035	13,989
Invesco V.I. Small Cap Equity	18,740	14,992
EQ/Ivy Energy	13,026	14,864
Ivy VIP High Income	183,365	176,576
EQ/Ivy Mid Cap Growth	547,505	461,321
Ivy VIP Small Cap Growth	34,576	28,462
EQ/Lazard Emerging Markets Equity	178,506	182,817
EQ/MFS International Value	836,487	749,275
MFS Mass Investors Growth Stock	24,191	13,251
MFS Investors Trust	42,239	33,851
EQ/MFS Technology	368,564	308,567
EQ/MFS Utilities Series	65,716	55,469
MSCI EAFE 1yr - 10% Buffer	1,251	1,143

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
AXA - Continued		
Multimanager Aggressive Equity	\$ 432,327	\$ 332,303
Multimanager Core Bond	139,888	168,923
Multimanager Mid Cap Growth	107,023	83,178
Multimanager Mid Cap Value	30,122	36,620
Multimanager Technology	1,585,731	1,197,974
Invesco Oppenheimer V.I. Main Street Fund	1,134	875
PIMCO VIT Commodity Real Return Strategy	4,504	4,107
Russell 2000 1yr - 10% Buffer	-	185
Russell 2000 3yr - 20% Buffer	11,652	10,745
S&P 500 Index 1yr - 10% Buffer	81,547	73,172
S&P 500 Index 3yr - 20% Buffer	24,235	22,187
S&P 500 Index 5yr - 20% Buffer	8,708	8,299
Target 2015 Allocation	10,116	8,931
Target 2025 Allocation	7,725	6,592
Target 2035 Allocation	30,845	25,566
Target 2045 Allocation	14,068	11,505
Target 2055 Allocation	51,725	-
Templeton Global Bond VIP	74,087	75,655
Van ECK VIP Global Hard Assets	7,211	5,830
Total Variable Earnings Investments at AXA	46,768,355	40,133,266
Voya		
American Funds EuroPacific Growth Fund - Class R-4	1,607	10,679
American Funds The Growth Fund of America - Class R-4	45,587	36,043
American Funds Washington Mutual Investors Fund - Class R-4	420	339
Ariel Fund - Investor Class	-	10,508
Delaware Small Cap Value Fund - A	-	10,128
Fidelity VIP Contrafund Portfolio - Initial Class	65,765	50,617
Fidelity VIP Equity-Income Portfolio - Initial Class	33,466	30,335
Fidelity VIP Growth Portfolio - Initial Class	2,939	23,887
Oppenheimer Developing Markets Fund - A	10,104	8,253
Templeton Global Bond Fund - A	3,468	3,492
Voya Balanced Portfolio - Class I	98,778	83,981
Voya Baron Growth Portfolio - Service Class	3,170	2,319
Voya Columbia Contrarian Core Portfolio - Service Class	27,434	22,412
Voya Global Equity Portfolio	1,758	1,464
Voya Growth and Income Portfolio - Class I	804,846	644,265
Voya Index Plus Large Cap Portfolio - Class I	6,819	5,309
Voya Index Plus Mid Cap Portfolio - Class I	6,192	4,933
Voya Index Plus Small Cap Portfolio - Class I	5,653	4,700
Voya Index Solution 2025 Portfolio - Service Class	37,476	52,031
Voya Index Solution 2035 Portfolio - Service Class	17,758	35,425
Voya Index Solution 2045 Portfolio - Service Class	190,512	166,997

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Voya - Continued		
Voya Index Solution 2055 Portfolio - Service Class	\$ 160,029	\$ 142,077
Voya Index Solution Income Portfolio - Service Class	94,902	93,452
Voya Intermediate Bond Portfolio - Class I	33,507	31,693
Voya Invesco Growth and Income Portfolio - Service Class	5,757	4,676
Voya JPMorgan Emerging Markets Equity Portfolio - Service Class	2,396	1,857
Voya Large Cap Growth Portfolio - Institutional Class	5,544	4,228
Voya Large Cap Value Portfolio - Institutional Class	54,538	62,462
Voya Oppenheimer Global Portfolio - Initial Class	12,398	9,525
Voya Russell Large Cap Value Index Portfolio - Class S	39,309	34,018
Voya Solution 2025 Portfolio - Service Class	184,488	205,993
Voya Solution 2035 Portfolio - Service Class	268,670	323,915
Voya Solution 2045 Portfolio - Service Class	91,429	75,190
Voya Solution Income Portfolio - Service Class	356,758	548,851
Voya T. Rowe Price Capital Appreciation Portfolio - Service Class	18,635	16,193
Voya T. Rowe Price Diversified Mid Cap Growth - Initial Class	6,552	4,836
Voya T. Rowe Price Growth Equity Portfolio - Initial Class	2,592	4,164
Wanger Select	7,656	5,998
Wanger USA	3,810	2,945
Wells Fargo Adv Special Small Cap Value Fund - Class A	2,382	1,884
Total Variable Earnings Investments at Voya	2,715,104	2,782,074
Lincoln Investments		
Alger Capital Appreciation Fund - A	34,774	26,798
AIM - Active - Conservative Growth & Income	18,431	-
AIM - Active - Total Return	82,086	-
Alger Growth & Income Fund - A	2,182	1,693
Alger Spectra Fund - A	10,238	7,799
AllianceBernstein Sustain International Thematic Fund - A	5,852	4,613
American Century Heritage Fund - Inv	28,918	21,857
American Funds AMCAP Fund - A	25,918	20,625
American Funds AMCAP Fund - F1	17,672	13,997
American Funds American Balanced Fund - A	1,974	1,656
American Funds American Balanced Fund - F1	1,648	1,398
American Funds Capital World Growth and Income Fund - A	12,830	10,293
American Funds Capital World Growth and Income Fund - F1	34,504	27,876
American Funds EuroPacific Growth Fund - A	601	526
American Funds EuroPacific Growth Fund - F1	6,481	5,105
American Funds Growth Fund of America - F1	22,201	18,237
American Funds Investment Company of America - A	5,895	4,788
American Funds Investment Company of America - F1	19,150	15,588
American Funds New Perspective Fund - A	46	35
American Funds Small Cap World Fund - A	51	39

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
BlackRock Equity Dividend Fund - A	\$ 53,516	\$ 49,167
BlackRock Global Allocation Fund - A	3,070	2,619
Calvert Bond Portfolio - A	18,761	17,300
CLS American Hybrid Strategy - Moderate Aggressive	26,849	22,550
Dividend Portfolios - Income (403B)	87,610	39,381
Dodge & Cox Balanced Fund	5,577	4,826
DoubleLine Total Return Bond Fund - N	3,400	3,219
Eaton Vance Large Cap Value Fund - A	21,452	16,528
Federated Clover Small Value Fund	7,172	5,994
Federated International Leaders Fund	3,023	2,386
Federated Kaufmann Large Cap Fund - A	-	7,625
Federated Kaufmann Small Cap Fund - A	10,935	8,983
Federated Kaufmann Small Cap Fund - IS	948	-
Federated Prime Cash Obligations Fund - AS	5,253	10,702
Fidelity Advisor Emerging Markets Fund - A	3,176	2,459
First Eagle Global Fund - A	29,264	35,023
First Eagle Gold Fund - A	-	4,057
Franklin Gold and Precious Metals Fund - A	197	130
Franklin Income Fund - A1	71,415	64,817
Franklin India Growth Fund - A	-	1,664
Franklin Mutual Global Discovery Fund - A	54,845	44,465
Franklin Natural Resources Fund - A	236	214
Franklin Rising Dividends Fund - A	138,581	111,038
Franklin Small Cap Value Fund - A	1,777	1,436
Franklin Utilities Fund	1,781	1,404
Goldman Sachs Short Duration Government Fund - A	21,244	20,668
Invesco Charter Fund - A	10,658	8,262
Invesco Developing Markets Fund - A	20,234	15,568
Invesco Diversified Dividend Fund - A	12,260	12,252
Invesco Endeavor Fund - A	2,590	2,128
Invesco Global Real Estate Fund - A	-	10,122
Invesco Global Small & Mid Cap Growth Fund - A	1,109	928
Invesco Mid Cap Core Equity Fund - A	11,074	8,803
Invesco Mid Cap Growth Fund - A	3,379	2,636
Invesco Small Cap Discovery Fund - A	25,650	20,046
Ivy Asset Strategy Fund - A	3,307	2,772
Ivy Asset Strategy Fund - Y	7,140	5,992
Ivy Energy Fund - Y	565	541
Janus Henderson Triton Fund - A	3,863	62,666
Janus Henderson Triton Fund - T	75,860	-
John Hancock Disciplined Value Fund	-	7,179
JPMorgan Global Multi Asset - Moderate Growth	90,282	75,371

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Lincoln Investments - Continued		
JPMorgan Small Cap Value Fund - A	\$ 2,176	\$ 1,831
Meeder - Master Program - Moderate Growth	35,139	31,183
MFS Growth Fund - A	6,317	4,719
Oppenheimer International Diversified Fund - A	8,316	6,741
Oppenheimer Rising Dividends Fund Inc - A	2,633	2,149
Oppenheimer Developing Markets Fund - A	58,806	47,557
PIMCO All Asset All Authority Fund - A	-	11,613
PIMCO Investment Grade Credit Bond Fund - A	6,031	5,278
PIMCO Real Return Fund - A	11,158	10,673
PIMCO Total Return Fund - A	41,431	41,343
PRIMECAP Odyssey Growth Fund	5,585	4,506
Progressive Asset Management - Conservative 5	2,150	2,075
Progressive Asset Management - Moderate 12	89,635	148,561
Progressive Asset Management - Moderate 14	182,758	158,441
Progressive Asset Management - Moderate 5	48,826	64,125
Progressive Asset Management - Moderate 8	117,069	82,023
Progressive Asset Management - Moderate Aggressive 5	-	21,329
Progressive Asset Management - Moderate Aggressive 8	75,768	41,972
Putnam Dynamic Asset Allocation Growth Fund - A	325	283
Putnam Multi Cap Core Fund - A	316	277
T. Rowe Price Blue Chip Growth Fund - Inv	19,255	15,308
T. Rowe Price Retirement 2025 Fund - Inv	522	1,836
T. Rowe Price Retirement 2030 Fund - Inv	1,457	1,260
Templeton Emerging Markets Small Cap Fund - A	2,429	2,297
Vanguard Balanced Index Fund - Admiral	12,482	10,359
Vanguard Dividend Growth Fund - Inv	19,073	14,765
Vanguard Energy Fund - Admiral	2,934	2,590
Vanguard Equity Income Fund - Admiral	1,674	1,377
Vanguard Growth and Income Fund - Admiral	5,687	4,382
Vanguard Small Cap Growth Index Fund - Admiral	2,765	2,105
Vanguard Target Retirement Fund 2020	20,079	17,679
Vanguard Target Retirement Fund 2030	260,589	217,220
Vanguard Wellesley Income Fund - Admiral	325	1,199
Wells Fargo Large Cap Core Fund - Adm	13,178	-
Wells Fargo Premier Large Company Growth - Adm	18,435	14,229
Wells Fargo Special Small Cap Value Fund - Adm	559	436
Total Variable Earnings Investments at Lincoln Investments	2,245,387	1,890,565

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
MetLife		
1919 Variable Socially Responsible Balanced	\$ 108,666	\$ 94,319
American Funds Balanced Allocation	298,808	240,062
American Funds Bond Fund	661,439	569,542
American Funds Global Small Cap Fund	2,835,178	2,568,825
American Funds Growth Allocation	30,624	25,056
American Funds Growth and Income Fund	625,002	582,994
American Funds Growth Fund	4,424,205	4,135,731
American Funds Moderate Allocation	548,903	631,345
Baillie International Stock	344,531	272,221
Barclays Capital Aggressive Bond Index	652,869	617,965
BlackRock Bond Income	172,929	155,199
BlackRock Bond Income - Class A	13,939	13,596
BlackRock Capital Appreciation	218,019	174,096
BlackRock High Yield	140,156	154,676
Calvert VP SRI Balanced	189,114	153,818
Clarion Global Real Estate	180,987	187,098
ClearBridge Aggressive II	1,301,780	1,189,546
Fidelity Contrafund - Service Class 2	267,580	224,721
Fidelity Growth	12,108	9,516
Fidelity High Income Portfolio - Initial Class	41,706	36,711
Fidelity Investment Growth Bond	6,503	6,260
Fidelity VIP Equity Income	69,872	118,023
Fidelity VIP Mid Cap Portfolio - Service Class 2	133,508	111,117
Flex Premium Adjustable Life - Universal Life	341,658	339,053
Franklin Small Cap Value VIP	7,575	5,838
Frontier Mid Cap Growth Portfolio	1,062,011	932,803
Harris Oakmark International	2,555,788	2,327,430
Invesco Comstock Portfolio	4,813	3,909
Invesco Mid Cap Value	227,911	220,457
Invesco Small Cap Growth	281,915	241,225
Janus Henderson Series Overseas	61,494	50,330
Jennison Growth	589,586	625,678
JPMorgan Small Cap Value	1,001	851
Legg Mason ClearBridge Variable Aggressive Growth	456,754	369,444
Legg Mason ClearBridge Variable Appreciation	33,992	28,319
Legg Mason ClearBridge Variable Large Cap Growth	372,232	288,554
Legg Mason ClearBridge Variable Large Cap Value	24,186	33,465
Legg Mason ClearBridge Variable Small Cap Growth	67,691	88,753
Loomis Sayles Global Markets	738,909	546,166
Loomis Sayles Small Cap Growth	243,022	220,892
Met/Artisan Mid Cap Value	59,077	113,602
Met/Franklin Low Duration Total Return	60,269	61,407
MetLife Asset All 100	2,332,538	1,929,612

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
MetLife - Continued		
MetLife Asset All 20	\$ 204,387	\$ 187,261
MetLife Asset All 40	1,236,820	1,406,373
MetLife Asset All 60	8,503,617	7,900,797
MetLife Asset All 80	16,450,123	15,067,305
MetLife Mid Cap Stock Index	436,520	371,940
MetLife Small Cap Value	123,572	141,404
MetLife Stock Index Portfolio	3,290,446	2,791,400
MFS Research International	162,148	158,688
MFS Total Return	92,292	92,517
MFS Value Portfolio	470,947	407,522
Morgan Stanley Mid Cap Growth	655,846	496,281
MSCI EAFE Index	660,012	572,798
Neuberger Berman Genesis	120,304	159,568
Oppenheimer Global Equity	770,581	569,516
PIMCO Inflation Protected Bond	384,444	359,196
PIMCO Total Return	828,440	959,260
Russell 2000 Index	925,547	816,0
SSgA Growth and Income ETF	876,065	767,270
SSgA Growth ETF Portfolio	853,007	715,314
Stock Index	2,735,830	2,534,604
T. Rowe Price Large Cap Growth	1,166,522	625,721
T. Rowe Price Large Cap Value	16,605	13,268
T. Rowe Price Mid Cap Growth	929,019	537,676
T. Rowe Price Small Cap Growth	1,412,318	852,673
Templeton Developing Markets VIP	2,126	7,320
Templeton Foreign VIP	8,342	37,533
Transamerica	68,241	73,471
Western Asset Management Strategy Bond	540,685	527,589
Western Asset Management Strategy Bond Opportunities	5,567	5,255
Western Asset Management US Government	330,580	313,140
WMC Balanced Portfolio	792,280	681,845
WMC Core Equity Opportunities	253,263	256,372
WMC Large Cap Research	1,078,011	971,485
Total Variable Earnings Investments at MetLife	<u>69,185,355</u>	<u>62,078,596</u>
Hartford		
Alger Capital Appreciation Institutional - I	63,300	57,228
Alger Mid Cap Growth Institutional - I	20,230	15,585
American Century Equity Income - A	167,786	158,528
American Funds Capital World Growth and Income - R3	712,229	679,047
American Funds Fundamental Investors - R3	857,902	824,119
American Funds Growth Fund - R3	450,930	401,262
BlackRock LifePath 2020 Investors - A	-	60,756

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Hartford - Continued		
BlackRock LifePath 2030 Investors - A	\$ 169,397	\$ 139,173
BlackRock LifePath 2040 Investors - A	105,193	83,961
BlackRock LifePath Retirement Investors - A	71,125	-
Columbia Mid Cap Opportunies Value - R3	48,262	39,021
BNY Mellon Mid Cap Index - I	65,100	71,936
BNY Mellon Small Cap Stock Index - I	60,411	58,107
Eaton Vance Large Cap Value - A	131,414	101,251
Franklin Growth - A	52,019	46,226
Franklin Mutual Shares - A	234,103	278,501
Goldman Sachs Small Cap Value - A	93,353	107,443
Invesco Equity and Income - A	270,612	254,495
Janus Overseas - S	47,483	37,473
Lord Abbett Value Opportunities - A	100,663	87,444
PIMCO Real Return - A	62,535	59,043
PIMCO Total Return - A	563,319	610,249
Pioneer Stategic Income - A	83,844	99,643
The Hartford Capital Appreciation - R5	589,214	611,120
The Hartford Small Company - R5	11,417	8,336
	<hr/>	<hr/>
Total Variable Earnings Investments at Hartford	5,031,841	4,889,947
	<hr/>	<hr/>
VALIC		
Aggressive Growth Lifestyle	469,695	401,246
Ariel Appreciation Fund	4,657	4,400
Ariel Fund	53	386
Blue Chip Growth Fund	226,169	194,127
Systematic Value	45	335
Capital Conservation	7,862	23,154
Conservative Growth Lifestyle	417	361
Core Bond Fund	310,952	340,487
Core Equity Fund	179,828	143,489
Dividend Value	295,352	255,271
Dynamic Allocation Fund	-	155,066
Emerging Economies	650,686	585,061
International Value Fund	360,865	339,939
Global Real Estate Fund	221,727	197,100
International Socially Responsible Fund	136,619	110,075
Global Strategy	44,191	40,974
Government Securities Fund	9,184	9,116
Growth & Income Fund	76,974	61,904
Growth Fund	192,218	155,813
Health Sciences Fund	124	98
High Yield Bond Fund	215,285	213,493

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
VALIC - Continued		
Inflation Protected Fund	\$ 213,682	\$ 230,892
International Equities Index Fund	694,485	617,391
International Growth Fund	40,971	32,812
International Government Bond	17,631	17,036
International Opportunities	502,295	431,973
Invesco Balanced Risk Commodity Strategy Fund	179,194	184,113
Large Cap Core	20,806	17,001
Large Cap Value Fund	53,621	45,715
Large Capital Growth	157,398	121,839
Mid Cap Growth Fund	19,996	16,415
Mid Cap Index Fund	991,334	852,557
Mid Cap Strategic Growth	6,334	4,645
Mid Cap Value Fund	486,193	416,778
Moderate Growth Lifestyle	51,170	43,108
NASDAQ-100 (R) Index Fund	2,902	2,114
Science & Technology Fund	267,275	196,921
Small Cap Aggressive Growth	4,799	3,497
Small Cap Fund	161,221	126,028
Small Cap Growth Fund	5,845	4,277
Small Cap Index Fund	293,098	246,051
Small Cap Special Value Fund	186	764
Small Cap Value Fund	203,589	190,819
US Socially Responsible Fund	670,065	571,139
Stock Index Fund	2,566,586	2,320,867
Strategic Bond Fund	761	689
Value Fund	51,727	42,423
Vanguard LifeStrategy Conservative	6,020	5,269
Vanguard LifeStrategy Growth	195,685	160,924
Vanguard LifeStrategy Moderate	14,733	12,498
Vanguard Long-Term Investment-Grade Fund	1,029	863
Vanguard Long-Term Treasury	43	38
Vanguard Wellington Fund	206,909	172,779
Vanguard Windsor II	586,292	491,637
Total Variable Earnings Investments at VALIC	12,076,778	10,813,767
Horace Mann		
American Funds Blue Chip Income & Growth	166,368	183,970
American Funds Insurance Series Growth	245,522	193,475
American Funds Insurance Series Managed Risk	62,539	56,893
American Funds Insurance Series New World	148,599	121,036
Calvert S&P Mid Cap 400 Index	1,479,943	1,271,915
ClearBridge Variable Small Cap Growth	385	-
Dreyfus Small Cap Stock Index	847,010	783,007
Fidelity Freedom 2015	1,995	1,729
Fidelity Freedom 2025	69,597	57,861

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Horace Mann - Continued		
Fidelity Freedom 2035	\$ 7,571	\$ 54,076
Fidelity Freedom 2045	31,945	25,384
Fidelity Funds Manager 20%	11,877	10,884
Fidelity Funds Manager 50%	76,041	75,359
Fidelity Funds Manager 60%	347,078	300,147
Fidelity Funds Manager 70%	1,353,393	1,150,460
Fidelity Funds Manager 85%	195,078	156,805
Fidelity Real Estate Portfolio - Service Class 2	233,568	202,364
Fidelity VIP Index 500 - Service Class 2	5,443,220	4,490,646
Fidelity VIP Investment Grade Bond - Service Class 2	155,884	146,097
Fidelity VIP Overseas - Service Class 2	560,621	455,815
JPM US Equity	117,888	93,771
JPMorgan Small Cap Value	1,240	982
Lord Abbett Developing Growth	32,668	26,717
MFS Mid Cap Value Portfolio	17,777	13,849
MFS VIT International Growth Service	1,207	-
T. Rowe Price Prime Reserve	86,314	82,522
Templeton Global Bond Securities Fund	23,319	23,385
Wells Fargo Advantage Discovery	118,539	102,443
Wilshire Vi Balanced HM Shares	4,492,930	4,300,068
Total Variable Earnings Investments at Horace Mann	<u>16,330,116</u>	<u>14,381,660</u>
First Investors		
First Investors Equity Income - A	-	146,974
First Investors Fund for Income - A	-	13,504
First Investors Global - A	-	2,544
First Investors Growth and Income - A	-	257,227
First Investors International - A	-	43,520
First Investors International Opportunity Bond - A	-	14,496
First Investors Investment Grade - A	-	31,475
First Investors Opportunity - A	-	117,967
First Investors Select Growth - A	-	73,219
First Investors Special Situations - A	-	52,504
First Investors Total Return - A	-	480,006
Delaware Equity Income - A	24,679	-
Delaware Fund for Income - A	8,896	-
Delaware Global - A	3,089	-
Delaware Growth and Income - A	125,042	-
Delaware Growth Equity - A	28,561	-
Delaware International - A	11,820	-
Delaware Investment Grade - A	25,036	-
Delaware Opportunity - A	42,852	-
Delaware Special Situations - A	20,727	-
Delaware Total Return - A	406,613	-
Total Variable Earnings Investments at First Investors	<u>697,315</u>	<u>1,233,436</u>

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Symetra		
Resource B Deu International	\$ 30,801	\$ 23,409
Resource B DWS Global Income Builder VIP	5,873	4,590
Resource B Pioneer Bond - I	3,749	-
Resource B Pioneer Funds	698,024	537,403
Resource B Pioneer Mid Cap Value	56,620	48,377
Resource B Pioneer Select Mid Cap Growth - I	788,136	607,609
Spinnaker American Century VP Balanced	83,261	71,607
Spinnaker American Century VP Large Company Value - II	5,519	4,422
Spinnaker American Century VP International	14,737	11,710
Spinnaker American Century VP Value	2,510	2,074
Spinnaker Dreyfus IP Mid Cap Stock	70,533	59,967
Spinnaker Dreyfus IP Technology Growth	48,997	39,521
Spinnaker Dreyfus Stock Index	36,059	27,947
Spinnaker Dreyfus VIF Appreciaton	9,643	7,378
Spinnaker DWS Global Income Builder VIP	46,388	40,073
Spinnaker DWS International	15,396	13,249
Spinnaker Federated High Income Bond - II	2,522	2,233
Spinnaker Fidelity Income	25,074	22,778
Spinnaker Fidelity VIP - II	2,680	2,700
Spinnaker Fidelity VIP Contrafund	148,842	117,090
Spinnaker Fidelity VIP Equity Income	36,006	28,651
Spinnaker Fidelity VIP Growth	66,967	50,586
Spinnaker Fidelity VIP Growth & Income	41,120	32,412
Spinnaker Fidelity VIP Mid Cap	10,843	9,213
Spinnaker Franklin Flex Cap	11,478	8,898
Spinnaker Franklin Mutual Shares Securities	25,123	20,864
Spinnaker Franklin Small Cap Value	17,108	13,945
Spinnaker Franklin Small Mid Class	30,039	23,351
Spinnaker Franklin US Government	3,842	3,838
Spinnaker Invesco VI American Franchise - I	8,536	6,358
Spinnaker Invesco VI Global Real Estate	46,344	38,589
Spinnaker Invesco VI International Growth - II	10,336	8,174
Spinnaker Invesco VI Mid Cap Growth - II	6,044	4,574
Spinnaker JPMorgan Mid Cap Value	53,290	42,633
Spinnaker JPMorgan US Equity	24,675	18,992
Spinnaker PIMCO VIT All Asset - Adv	1,917	1,740
Spinnaker PIMCO VIT Commodity Real Return - Adm	390	368
Spinnaker Pioneer Equity Income - II	32,607	26,404
Spinnaker Pioneer Fund	437,552	357,947
Spinnaker Pioneer High Yield	1,964	1,803
Spinnaker Pioneer Mid Cap Value	6,789	5,361
Spinnaker Pioneer Select Mid Cap Growth	691,368	553,733
Spinnaker Pioneer Strategic Income - II	23,490	21,806
Spinnaker Plus Pioneer Funds	1,890	1,457
Spinnaker Templeton Developing Markets	3,288	2,670

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Symetra - Continued		
Spinnaker Templeton Global Bond	\$ 1,447	\$ 1,438
Spinnaker Templeton Growth Securities	25,891	22,801
Total Variable Earnings Investments at Symetra	3,715,708	2,952,743
New York Life		
New York Life Variable Annuities	1,293,695	1,467,595
Whole Life Insurance Policies	596,109	589,766
Total Variable Earnings Investments at New York Life	1,889,804	2,057,361
Kades Margolis		
AIG Focused Dividend Strategy - A	34,958	27,760
AllianceBernstein Global Bond - A	31,682	18,934
American Century Equity Income - A	60,239	50,686
American Century Heritage Fund - A	4,609	3,412
American Funds 2030 Target Date Retirement - R-4	40,885	34,167
American Funds 2045 Target Date Retirement - R-4	161	130
American Funds AMCAP - R-4	74,317	61,280
American Funds American Balanced - R-4	293,997	239,115
AllianceBernstein Large Cap Growth - A	9,386	-
American Funds Capital Income Builder - R-4	71,512	60,956
American Funds Capital World Growth & Income - R-4	139,831	113,549
American Funds EuroPacific Growth - R-4	13,635	10,737
American Funds Fundamental Investor - R-4	12,343	9,679
American Funds Growth Fund of America - R-4	20,180	15,764
American Funds Income Fund of America - R-4	83,500	70,233
American Funds Investment Co of America - R-4	24,074	19,342
American Funds New Economy - R-4	65,109	54,273
American Funds New World - F-2	7,083	-
American Funds New World - R-4	25,174	26,167
American Funds US Government Securities - F-2	3,719	-
American Funds US Government Securities R-4	-	3,517
Calvert Equity - A	5,436	3,989
Davenport Small Cap Focus	20,617	15,789
Delaware Diversified Income - A	4,360	22,586
Delaware Limited-Term Diversified Income	9,187	8,789
Delaware Smid Cap Growth - A	33,152	24,501
DoubleLine Core Fixed Income - N	12,320	12,038
Fidelity Advisor Freedom 2040 - A	7,491	5,940
Fidelity Advisor Small Cap - A	5,755	4,350
Fidelity Advisor Strategic Income - A	43,295	40,729
Franklin Income - A-1	23,293	20,165
Franklin Rising Dividends - A	82,236	63,334

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Kades Margolis - Continued		
Franklin Total Return - A	\$ 13,595	\$ 12,462
Franklin Utilities - A-1	25,242	19,907
Harbor Capital Appreciation - Inv	26,716	18,756
Hartford Balanced Income - A	53,051	36,918
Invesco Energy - A	5,941	5,670
Invesco Equity and Income - A	5,441	4,535
Invesco Global Health Care - A	2,295	1,739
Invesco Mid Cap Core Equity - A	5,632	4,485
Invesco Small Cap Discovery - A	30,854	24,005
Invesco Small Cap Growth - A	-	15,039
Invesco Value Opportunities - A	4,148	3,199
Janus Henderson Balanced Fund - A	10,782	8,825
Janus Henderson Growth and Income Fund - A	23,679	18,688
Janus Henderson Triton - A	6,876	-
John Hancock Disciplined Value - A	32,915	26,900
John Hancock Disciplined Value Mid Cap - A	22,725	17,631
John Hancock International Growth - R-2	20,213	16,219
JP Morgan Government Bond	12,048	11,325
JP Morgan Small Cap Equity - A	16,775	-
JPMorgan US Equity - A	25,774	22,223
Natixis ASG Managed Futures Strategy - A	12,142	10,040
Oppenheimer Global - A	4,717	-
Oppenheimer Global Opportunities - A	23,716	18,560
Oppenheimer International Growth - A	19,729	15,342
Oppenheimer Mid Cap Value - A	26,627	20,813
Parnassus Core Equity Investor	40,971	35,265
PIMCO All Asset - A	11,148	9,978
PIMCO Income - A	73,373	34,333
Pioneer Balanced ESG - A	14,971	-
Pioneer Classic Balanced	-	12,312
Pioneer Fundamental Growth Fund - A	32,748	24,470
Pioneer Solutions Balanced - A	9,258	8,023
Quaker Impact Growth Advisor	36,566	27,524
Victory Munder Multi-Cap - A	19,372	15,096
Total Variable Earnings Investments at Kades Margolis	1,933,576	1,542,193
Security Benefit: Annuities		
AllianceBernstein Dynamic Asset Allocation	-	29,592
AllianceBernstein Small/Mid Cap Value	9	8
American Century Equity Income	-	3,580
American Century Heritage	34,274	25,603
American Century International Growth	2,650	2,091
American Century VP Balanced	79,231	67,219

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Annuities		
American Century VP Income & Growth	\$ 63,640	\$ 52,026
American Century VP Mid Cap Value	39,978	31,209
American Century VP Ultra	783,914	839,146
American Century VP Value	7,293,951	7,270,701
American Funds Growth and Income	590,765	805,595
American Funds Insurance Series Asset Allocation	446,863	526,089
American Funds Insurance Series Global Bond	1,532,846	1,516,879
American Funds Insurance Series Global Growth	111,417	146,339
American Funds Insurance Series Growth-Income	60,326	73,593
American Funds International	32,795	40,940
American Funds New World	135,972	69,191
Ariel Fund	6,313	5,118
Baron Asset	1,617	1,346
BlackRock Equity Dividend V.I.	76,237	20,527
BlackRock Global Allocation V.I.	50,589	30,377
BlackRock High Yield V.I.	642,045	591,633
BNY Mellon Appreciation	31,754	-
BNY Mellon IP Mid Cap Stock	69,615	-
BNY Mellon IP Small Cap Stock	63,975	-
BNY Mellon IP Tech Growth	48,109	-
BNY Mellon IP Tech Growth	965,595	-
BNY Mellon Opportunistic Mid Cap Value	19,913	-
BNY Mellon Stock	179,897	-
BNY Mellon Sustainable U.S. Equity Portfolio	246,535	-
BNY Mellon VIF Appreciation	30,667	-
BNY Mellon VIF Appreciation Portfolio	31,941	-
BNY Mellon VIF International Value	28,050	-
BNY Mellon VIF Opportunistic Small Cap	168,834	-
BNY Mellon VIF Quality Bond Portfolio	32,781	-
Calamos Growth	29,054	22,379
Calamos Growth & Income	37,196	29,950
ClearBridge Variable Aggressive Growth	3,729,101	3,014,074
ClearBridge Variable Small Cap Growth	101,574	69,167
Dreyfus Appreciation Fund	-	23,720
Dreyfus IP Small Cap Stock Index	-	55,451
Dreyfus IP Technology Growth	-	1,170,585
Dreyfus Mid Cap Stock	-	40,844
Dreyfus Opportunities Midcap Value	-	15,749
Dreyfus Stock Index Fund	-	166,591
Dreyfus Strategic Value	-	3,227
Dreyfus Sustainable US Equity	-	190,768
Dreyfus VIF Appreciation	-	78,068
Dreyfus VIF International Value	-	23,287

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
Dreyfus VIF Opportunities Small Cap	\$ -	\$ 155,410
Dreyfus VIF Quality Bond	-	30,758
Federated Bond	13,633	12,260
Federated NVIT High Income Bond	14,084	24,901
Federated Quality Bond Fund - II	1,797	1,661
Fidelity Advisor Value Strategies	5,195	3,944
Fidelity Contrafund	139,722	-
Fidelity VIP Contrafund	-	111,371
Fidelity VIP Equity Income Portfolio	305,853	293,838
Fidelity VIP Growth & Income Portfolio	330,702	394,706
Fidelity VIP Growth Opportunities Portfolio	394,320	443,181
Fidelity VIP Growth Portfolio	33,593	25,071
Fidelity VIP High Income Portfolio	88,181	128,549
Franklin Income VIP Securities	317,624	242,555
Franklin Mutual Global Discovery VIP	42,504	34,416
Franklin Strategic Income VIP	3,079,154	3,456,677
Guggenheim High Yield	11,582	10,346
Guggenheim Large Cap Value	30,300	25,194
Guggenheim Mid Cap Value	-	34,730
Guggenheim SMid Cap Value	39,618	-
Guggenheim StylePlus Mid Growth	23,557	21,267
Guggenheim US Investment Grade Bond	2,095	2,028
Guggenheim VIF All Cap Value	33,917	90,924
Guggenheim VIF Alpha Opportunity	2,666	4,113
Guggenheim VIF Global Managed Futures Strategy Fund	2,280	2,124
Guggenheim VIF High Yield	8,422	7,985
Guggenheim VIF Large Cap Value	7,673	7,133
Guggenheim VIF Long Short Equity Fund	255	248
Guggenheim VIF Managed Asset Allocation	7,013	42,936
Guggenheim VIF Mid Cap Value	40,657	17,481
Guggenheim VIF Small Cap Value	47,406	45,071
Guggenheim VIF SMid Cap Value	2,425,550	-
Guggenheim VIF StylePlus Large Cap Growth	9,357	7,428
Guggenheim VIF StylePlus Mid Cap Growth	37,513	23,883
Guggenheim VT All Cap Value	1,452,772	1,638,937
Guggenheim VT High Yield	180,326	224,660
Guggenheim VT Large Cap Value	1,258,204	1,150,340
Guggenheim VT Managed Asset Allocation	843,133	956,669
Guggenheim VT Mid Cap Value	-	1,835,635
Guggenheim VT Small Cap Value	4,289,852	3,107,964
Guggenheim VT StylePlus Large Core	206,140	180,134
Guggenheim VT StylePlus Large Growth	169,529	109,366
Guggenheim VT StylePlus Mid Cap Growth	654,198	645,810
Guggenheim VT StylePlus Small Cap Growth	22,535	35,340
Guggenheim VT Total Return Bd	140,428	80,573

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
Guggenheim VT World Equity Inc	\$ 70,397	\$ 60,926
Invesco American Franchise	1,144	853
Invesco Comstock	21,796	17,556
Invesco Equity and Income	16,672	13,996
Invesco Technology	3,763	2,805
Invesco Oppenheimer V.I. Capital Appreciation	27,075	-
Invesco Oppenheimer V.I. Global Fund	10,726	-
Invesco Oppenheimer V.I. Main Street	1,121	-
Invesco Oppenheimer V.I. Main Street Small Cap	48,274	-
Invesco Oppenheimer V.I. Discovery Mid Cap Growth	23,420	-
Invesco Oppenheimer V.I. Total Return Bond	1,477,875	-
Invesco V.I. American Fran	4,834	3,591
Invesco V.I. Comstock	5,976,894	3,798,833
Invesco V.I. Equity and Income	402,986	389,121
Invesco V.I. Global Health Care	973,038	23,973
Invesco V.I. Government Securities	29,929	35,849
Invesco V.I. Health Care	28,047	927,237
Invesco V.I. International Growth	3,722,950	3,730,759
Invesco V.I. Mid Cap Growth Fund	208,579	170,137
Invesco V.I. Value Opportunities	13,677	13,611
Invesco V.I. Global Real Estate	140,036	125,969
Janus Aspen Enterprise	-	1,433,966
Janus Aspen Janus Portfolio	-	58,311
Janus Hend VIT Enterprise	1,412,458	82,357
Janus Hend VIT Overseas	18,229	19,480
Janus Hend VIT Research	61,096	5,830
Janus Overseas	1,448	1,158
JPMorgan Insurance Trust Core Bond	48,362	46,132
Lord Abbett Series Bond Debenture	-	2,538
Lord Abbett Series Developing Growth	10,085	12,722
MFS VIT Research International	21,369	23,979
MFS VIT Total Return	42,491	35,741
MFS VIT Utilities	1,040,206	1,044,718
Morgan Stanley VIF Emerging Markets	2,898	5,506
Morningstar Balanced ETF Allocation	129,997	124,311
Morningstar Growth ETF Allocation	14,738	12,401
Morningstar Income and Growth ETF Allocation	3,839	3,431
Neuberger Berman NVIT Soc Resp	36,337	30,587
Neuberger Berman AMT Social Responsive	-	77,639
Neuberger Berman AMT Sustainable Equity	1,217,257	1,309,375
Neuberger Berman Large Cap Value	10,691	8,734
Neuberger Berman Mid Cap Growth	100,729	78,487
Neuberger Berman Sustainable Equity	10,625	8,532
NVIT Dynamic US Growth	25,105	18,467
NVIT Government Bond	31,762	30,216

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Annuities - Continued		
NVIT Mid Cap Index	\$ 19,377	\$ 15,593
NVIT Multi Sector Bond	20,826	19,282
NVIT Multi-Manager Large Cap Growth	75	110
NVIT Multi-Manager Mid Cap Growth	74,449	76,732
NVIT Multi-Manager Mid Cap Value	183,706	171,683
NVIT Multi-Manager Small Cap Value	4,930	4,192
NVIT Multi-Manager Small Company	21,871	17,647
NVIT Nationwide	101,797	79,979
Oppenheimer Capital App Fund	-	20,166
Oppenheimer Core Bond Fund NA	-	1,977,937
Oppenheimer Discovery Mid Cap Growth Fund NA	-	16,719
Oppenheimer Global Fund NA	-	8,364
Oppenheimer Main Street Small Cap NA	-	45,618
Oppenheimer Total Return Bond	45,904	47,535
PIMCO Emerging Markets Bond Portfolio	9,172	8,067
PIMCO International Bond-Hedged	7,641	7,030
PIMCO Real Return	7,739	7,018
PIMCO Total Return	22,940	21,282
PIMCO Total Return Portfolio	49,238	-
PIMCO VIT All Asset	43,398	41,595
PIMCO VIT Commodity Real Return	16,043	4,459
PIMCO VIT International Bond-Hedged	12,850	11,855
PIMCO VIT Low Duration	12,023	11,703
PIMCO VIT Real Return Portfolio	215,530	216,715
Royce Micro-Cap	216,659	187,509
Templeton Foreign Securities Fund	43,931	76,341
Templeton Global Bond VIP	17,484	17,266
TRP Health Sciences	339,398	383,001
Van Eck VIP Global Hard Assets	2,747	2,483
Victory RS Science and Technology	32,286	23,390
Victory RS Value	8,039	6,614
Wells Fargo Advantage Small Cap Value	-	9,005
Wells Fargo Small Company Value	11,256	-
Western Asset Variable Global High Yield Bond	87,114	93,943
Total Variable Earnings Investments at Security Benefit: Annuities	53,584,741	50,140,946
Security Benefit: Mutual Funds		
American Beacon Small Cap Value	26,859	21,946
American Century Dividend Bond	262	246
American Century Heritage	37,434	27,939
American Century International Bond	70	68
American Century International Growth	479	379
American Century Select	9,187	6,815
American Century Ultra	22,260	55,990
American Century Value	77,380	72,846

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Mutual Funds - Continued		
American Funds EuroPacific Growth	\$ 207,179	\$ 217,180
American Funds New World	52,079	44,141
American Funds Washington Mutual	471,356	405,188
AMG GW&K US Small Cap Growth	-	1
Ariel Fund	37,523	30,356
Baron Asset	127	94
BlackRock Global Allocation	133	114
BlackRock High Yield Bond	25,828	4,065
BlackRock International Dividend	356	292
BlackRock Mid Cap Value Opportunities	3	17
BNY Mellon Appreciation	9,160	-
BNY Mellon Dynamic Value	9,956	-
BNY Mellon Mid Cap	174,001	-
BNY Mellon Natural Resources	9,036	-
BNY Mellon Opportunistic Mid Cap Value	10,228	-
BNY Mellon S&P 500	2,371,495	-
Calamos Global Equity	1	6
Calamos Growth	30,452	23,425
Calamos Growth & Income	25,362	20,306
Calamos High Income	11,319	9,988
Dreyfus Appreciation Fund	-	6,836
Dreyfus Mid Cap Index	-	131,401
Dreyfus Natural Resources	-	7,793
Dreyfus Opportunities Midcap Value	-	8,092
Dreyfus S&P 500 Stock Index	-	1,620,986
Dreyfus Strategic Value	-	7,923
Federated Bond	393,592	569,313
Fidelity Advisor Mid Cap Value	143	43,284
Fidelity Advisor New Insights	8,728	6,835
Fidelity Advisor Real Estate	8,272	6,814
Fidelity Advisor Value Strategies	8,269	6,230
Franklin Growth Opportunities	9,011	6,795
Franklin Strategic Income Securities	42,854	36,745
Goldman Sachs Emerging Markets Equity	44,266	44,518
Goldman Sachs Emerging Markets Equity	205	-
Goldman Sachs Small Cap Value	-	16,234
Guggenheim High Yield	12,448	11,232
Guggenheim Large Cap Value	17,074	14,185
Guggenheim Mid Cap Value	-	45,891
Guggenheim Risk Managed Real Estate	142,162	130,468
Guggenheim Small Cap Value	8,010	6,606
Guggenheim SMid Cap Value	57,700	-
Guggenheim StylePlus Mid Growth	21,440	16,329
Guggenheim Total Return Bond	1,309,899	1,558,686
Guggenheim World Equity Income	6,863	5,720

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Mutual Funds - Continued		
Invesco Comstock	\$ 16,510	\$ 13,285
Invesco Equity and Income	476,669	628,061
Invesco Oppenheimer Global	514	-
Invesco Oppenheimer Global Opportunities	980,222	-
Invesco Small Cap Growth	100,243	98,467
Invesco Technology	9,082	6,762
Janus Enterprise	328,219	296,771
Janus Hend US Managed Vol	572	500
Janus Research	-	6,631
Janus Triton	562,583	396,208
JPMorgan Equity Income	2,168,400	2,237,904
JPMorgan Large Cap Growth	2,114	-
JPMorgan Mid Cap Growth	29,465	-
JPMorgan US Small Company	2,011	3,780
Loomis Sayles Global Allocation	69,818	63,722
Mutual Global Discovery	-	78,029
Natixis US Equity Opportunities	13,038	10,046
Neuberger Berman Large Cap Value	26,241	21,425
Neuberger Berman Sustainable Equity	17,787	14,280
Northern Large Cap Value	258	207
Nuance Mid Cap Value	6,390	-
Oppenheimer Global	-	396
Oppenheimer Global Opportuinties	-	917,627
PIMCO Commodity Real Return Strategy	113	103
PIMCO High Yield Spectrum	8,941	15,287
PIMCO Income	36,324	38,145
PIMCO RAE Global ex-US	93,715	-
PIMCO Real Return	49,298	44,814
PIMCO Small Cap StocksPLUS AR	1,197,268	829,159
Pioneer Bond	69,817	138,580
Templeton Foreign	363	38,515
Templeton Global Bond	418,099	437,782
TRP Global Stock	446,710	392,461
TRP Growth Stock	1,762,837	1,567,956
TRP QM US Small Cap Growth Equity	48,453	38,420
TRP Retirement 2010	-	251,213
TRP Retirement 2015	-	6,634
TRP Retirement 2020	216,856	182,438
TRP Retirement 2025	13,686	11,440
TRP Retirement 2030	167,783	138,451
TRP Retirement 2035	51,233	41,859
TRP Retirement 2040	12,681	40,559
TRP Retirement 2050	254,631	189,421
TRP Retirement 2055	8,058	6,496
Victory RS Global	63,376	-

State of Delaware 403(b) Plan

Notes to the Financial Statements

December 31, 2019 and 2018

	Fair Value/Contract Value	
	2019	2018
Variable Earnings Investments - Continued:		
Security Benefit: Mutual Funds - Continued		
Wells Fargo Advantage Opportunity	\$ 18,095	\$ 13,897
Wells Fargo Large Cap Core	44,289	34,998
Wells Fargo Small Cap Value	-	18,572
Wells Fargo Small Company Value	23,225	-
Wells Fargo Special Mid Cap Value	194,204	198,854
Wells Fargo Special Small Cap Value	64,107	52
Total Variable Earnings Investments at Security Benefit	<u>15,784,759</u>	<u>14,720,525</u>
Voya-Omni Platform		
American Funds 2010 Target Date - R-6	1,062,376	952,733
American Funds 2015 Target Date - R-6	2,347,095	2,057,438
American Funds 2020 Target Date - R-6	13,787,880	12,110,289
American Funds 2025 Target Date - R-6	15,551,329	12,010,538
American Funds 2030 Target Date - R-6	16,528,738	12,107,439
American Funds 2035 Target Date - R-6	22,145,123	14,043,692
American Funds 2040 Target Date - R-6	15,204,559	9,578,690
American Funds 2045 Target Date - R-6	12,645,659	7,354,916
American Funds 2050 Target Date - R-6	6,611,694	4,141,919
American Funds 2055 Target Date - R-6	3,688,734	2,102,448
American Funds 2060 Target Date - R-6	559,829	278,162
American Funds Washington Mutual - R-6	1,731,396	1,123,942
Champlain Mid Cap Funds - Institutional	816,108	-
ClearBridge Mid Cap Growth Fund - Is	-	419,015
JPMorgan US Small Company Fund - R-6	801,494	538,926
Lazard International Equity Portfolio - R-6	593,411	393,150
PIMCO Total Return Fund - Institutional Class	798,312	668,160
T. Rowe Price Blue Chip Growth Fund - I	3,421,561	1,897,142
TD Ameritrade Self-Directed Brokerage Account	4,810,215	2,496,970
Templeton Global Bond Fund R-6	420,716	399,464
TIAA-CREF Real Estate Securities Fund - Institutional Class	534,557	329,636
Vanguard Extended Market Index Fund - Institutional	2,627,115	1,881,482
Vanguard Institutional Index Fund - Institutional	9,359,244	6,138,555
Vanguard Intermediate-Term Bond Index Fund - Institutional	2,706,506	1,443,994
Vanguard Total International Stock Index Fund - Institutional	2,469,852	1,732,774
Total Variable Earnings Investments at Voya-Omni Platform	<u>141,223,503</u>	<u>96,201,474</u>
Great American		
Great American Flex(b)	2,458,365	2,287,792
Total Variable Earnings Investments at Great American	<u>2,458,365</u>	<u>2,287,792</u>
Total Variable Earnings Investments	<u>375,640,707</u>	<u>308,106,345</u>
Total Investments	<u>\$ 445,920,480</u>	<u>\$ 378,156,705</u>

* Represents Investments Greater than 5% of Net Position

** Represents Investments in Foreign Securities



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

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

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

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of State of Delaware 403(b) Plan (Plan) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated August 3, 2020.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

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

Purpose of this Report

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

Belfint, Lyons & Shuman, P.A.

August 3, 2020
Wilmington, Delaware

**STATE OF DELAWARE 403(b) PLAN
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019**

FINANCIAL STATEMENT FINDINGS

Reference Number: 2019-001

Type of Finding: Material Weakness

Inappropriately Excluded Participant Accounts on Financial Statements

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

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

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

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

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

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

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

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

STATE OF DELAWARE 403(b) PLAN
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED DECEMBER 31, 2019

CURRENT STATUS OF PRIOR YEAR FINDINGS

Reference Number: 2018-001

Type of Finding: Material Weakness

Inappropriately Excluded Participant Accounts on Financial Statements

Condition: Security Benefit provided BLS with an audit package that consisted of a participant account balance report and a schedule of investments for the Plan. BLS identified 14 participant accounts totaling \$1,315,241.73 that were missing from the Security Benefit legacy vendor statements and confirmations.

Current Status: This finding has been corrected in the 2018 financial statements. In 2019, Security Benefit still did not provide statements for all plan participants. See current year finding 2019-001.

Reference Number: 2018-002

Type of Finding: Material Weakness

Inappropriately Excluded Participant Accounts on Financial Statements

Condition: MetLife did not provide BLS with statements for participants holding the Flex Premium Adjustable Life Co-Plan product at MetLife. As of December 31, 2016, there were 57 participants with a Co-Plan contract with a total value of \$341,621. Additionally, MetLife did not provide BLS with statements for participants holding group contracts with TransAmerica at MetLife. As of December 31, 2017, there were 13 participants with a TransAmerica contract with a total of \$73,471.

Current Status: This finding has been corrected in the 2018 financial statements. MetLife provided Co-Plan information on November 11, 2019. Transamerica statements were not provided. In 2019, MetLife timely provided BLS with the statements for participants holding the Flex Premium Adjustable Life Co-Plan product and TransAmerica contracts.