

## **Historical Trends**

Accounting standards require that the statement of plan net assets states asset values at fair value and includes only benefits and refunds due plan members and beneficiaries and accrued investment and administrative expenses as of the reporting date. Information regarding the actuarial funding status of the pension funds is provided in the Schedule of Funding Progress (pages 40—41). The asset value stated in the Schedule of Funding Progress is the actuarial value of assets as determined by calculating the ratio of market value to book value of assets over a five-year period. The actuarial assumptions used in the most recent valuation are identified by plan on Schedule 3 — Notes to Trend Data (page 44).

Annual required contributions of employers and contributions made by employers in relation to the required contributions are provided in the Schedule of Employer Contributions (pages 42 — 43). This schedule indicates that employers are meeting their responsibilities to provide resources to the plans.

## **Funding Status**

A pension plan is well funded when it has sufficient assets invested to meet all expected future obligations to participants. The greater the level of funding, the larger the ratio of assets to actuarial accrued liability. Seven plans included in the System are essentially fully funded based on market valuations. The two other plans are not totally funded, but annual contributions are being made at the actuarially determined rate to reach full funding. The Notes to Trend Data Schedule presented on page 44 provides detailed information on each plan's remaining amortization period. The actuarial method for calculating accrued liability for all plans is Entry Age Normal with the objective of maintaining employer contributions approximately level as a percent of member payroll. A detailed discussion of funding method is provided in the Actuarial Section of this report on page 70.

Legislation granting increased pensions for those retiring on or after July 1, 2001, together with a second year of negative investment returns, has reduced the funding status of the State Employees' Pension Plan from 112.4% to 109.6%.

**Statement of Plan Net Assets**

**as of June 30, 2002 with Comparative Totals for June 30, 2001**

*(Expressed in thousands)*

	State Employees' Plan	Special Plan	New State Police Plan	Judiciary Plans	County & Municipal Police and Firefighters' Plan	County & Municipal Other Employees' Plan
<b>Assets:</b>						
Cash	\$ 979	-	2	6	3	2
Receivables:						
Employer Contributions	1,536	-	97	51	226	8
Member Contributions	1,589	-	81	8	114	7
Total Receivables:	\$ 3,125	-	178	59	340	15
Investments at Fair Value:						
Domestic Fixed Income	937,756	357	20,295	5,438	6,245	549
Domestic Equities	1,166,141	444	25,237	6,763	7,767	683
Pooled Equity & Fixed Income	1,658,226	631	35,887	9,616	11,045	971
Pooled Real Estate	-	-	-	-	-	-
Private Investments	460,301	175	9,962	2,669	3,066	269
Short Term Investments	77,638	37	1,915	466	995	55
Foreign Equities	332,445	126	7,195	1,928	2,214	195
Total Investments:	\$ 4,632,507	1,770	100,491	26,880	31,332	2,722
<b>Total Assets:</b>	\$ 4,636,611	1,770	100,671	26,945	31,675	2,739
<b>Liabilities:</b>						
Benefits Payable	707	4	33	-	-	-
Accrued Administrative Expenses	616	1	7	2	6	4
<b>Total Liabilities:</b>	\$ 1,323	5	40	2	6	4
<b>Net Assets Held in Trust for Pension Benefits:</b>	\$ 4,635,288	1,765	100,631	26,943	31,669	2,735

*(A Schedule of Funding Progress for each plan is presented on pages 40-41.)*

*The notes to the financial statements are an integral part of this Statement.*

Volunteer Firemen's Plan	Diamond State Port Corporation Plan	County & Municipal Police and Firefighters' COLA Fund	Post- Retirement Increase Fund	Delaware Local Gov't Retirement Investment Pool	Post- Retirement Health Insurance Premium Fund	Closed State Police Plan	Totals as of June 30,	
							2002	2001
4	1	-	6	-	-	6	\$ 1,009	\$ 1,434
-	25	-	772	-	209	-	2,924	2,557
-	12	-	-	-	-	2	1,813	1,866
-	37	-	772	-	209	2	\$ 4,737	\$ 4,423
1,763	1,209	1,058	3,246	1,906	1,506	-	981,328	897,340
2,191	1,504	1,315	4,037	2,371	1,873	-	1,220,326	1,407,078
3,117	2,138	1,870	5,740	3,370	2,664	-	1,735,275	1,981,473
-	-	-	-	-	-	-	-	29
865	594	519	1,593	935	740	-	481,688	550,127
135	119	1,891	465	155	770	2,209	86,850	108,745
625	429	375	1,151	675	534	-	347,892	331,825
8,696	5,993	7,028	16,232	9,412	8,087	2,209	\$ 4,853,359	\$ 5,276,617
8,700	6,031	7,028	17,010	9,412	8,296	2,217	\$ 4,859,105	\$ 5,282,474
3	12	-	-	-	-	-	759	718
1	5	-	-	-	-	8	650	1,139
4	17	-	-	-	-	8	\$ 1,409	\$ 1,857
8,696	6,014	7,028	17,010	9,412	8,296	2,209	\$ 4,857,696	\$ 5,280,617



**Statement of Changes in Plan Net Assets**

**for the fiscal year ended June 30, 2002 with Comparative Totals for June 30, 2001**

*(Expressed in thousands)*

	State Employees' Plan	Special Plan	New State Police Plan	Judiciary Plans	County & Municipal Police and Firefighters' Plan	County & Municipal Other Employees' Plan
<b>Additions:</b>						
<u>Contributions:</u>						
Employer Contributions	\$ 18,148	-	2,476	1,399	2,779	92
Transfer of Contributions from PRI Fund	31,994	-	35	293	-	-
Transfer of Assets from Outside the System	-	-	-	-	-	-
Member Contributions	33,477	-	2,112	251	1,404	57
Other	-	-	7	-	-	-
Total Contributions:	\$ 83,619	-	4,630	1,943	4,183	149
<u>Investments:</u>						
Investment Earnings	141,574	54	3,063	821	944	83
Net (Decrease) in Fair Value	(429,051)	(165)	(9,075)	(2,459)	(2,729)	(246)
	\$ (287,477)	(111)	(6,012)	(1,638)	(1,785)	(163)
Less Investment Manager/Advisor/Custody Fees	(12,804)	(5)	(277)	(75)	(86)	(7)
Less Investment Administrative Expenses	(222)	-	(5)	(1)	(2)	-
Total Net Investment Earnings:	\$ (300,503)	(116)	(6,294)	(1,714)	(1,873)	(170)
<b>Total Additions:</b>	\$ (216,884)	(116)	(1,664)	229	2,310	(21)
<u>Deductions:</u>						
Transfer of Contributions from PRI Fund	-	-	-	-	-	-
Transfer of Assets Outside the System	-	-	-	-	-	-
Benefits Payments	194,824	143	367	1,907	163	41
Refunds of Contributions to Members	2,409	-	87	-	122	21
Group Life Payments	4,003	21	-	-	-	-
Administrative Expenses	4,634	-	-	-	-	-
Allocation of Administrative Expenses	(193)	4	56	8	49	15
<b>Total Deductions:</b>	\$ 205,677	168	510	1,915	334	77
<b>Net (Decrease)/Increase:</b>	\$ (422,561)	(284)	(2,174)	(1,686)	1,976	(98)
<b>Net Assets Held in Trust for Pension</b>						
<b>Benefits Beginning of Year</b>	\$ 5,057,849	2,049	102,805	28,629	29,693	2,833
<b>Net Assets Held in Trust for Pension</b>						
<b>Benefits End of Year:</b>	\$ 4,635,288	1,765	100,631	26,943	31,669	2,735

*The notes to the financial statements are an integral part of this Statement.*

		County &		Delaware	Post-				
	Diamond	Municipal		Local Gov't	Retirement				
Volunteer	State Port	Police and	Post-	Retirement	Health	Closed			
Firemen's	Corporation	Firefighters'	Increase	Investment	Insurance	State		Totals for Fiscal years	
Plan	Plan	COLA Fund	Fund	Pool	Premium	Police		ended June 30,	
					Fund	Plan		2002	2001
586	341	-	30,302	-	8,541	17,805	\$	82,469	\$ 75,025
-	-	-	-	-	-	-		32,322	38,526
-	-	2,255	-	2,430	-	-		4,685	3,239
209	157	-	-	-	-	64		37,731	35,550
-	-	-	-	-	-	-		7	21
795	498	2,255	30,302	2,430	8,541	17,869	\$	157,214	\$ 152,361
266	182	160	491	288	227	109		148,262	177,037
(797)	(538)	(661)	(1,456)	(817)	(452)	-		(448,446)	(447,882)
(531)	(356)	(501)	(965)	(529)	(225)	109	\$	(300,184)	\$ (270,845)
(25)	(16)	(15)	(44)	(26)	(20)	-		(13,400)	(16,035)
(1)	-	-	(1)	-	-	-		(232)	(206)
(557)	(372)	(516)	(1,010)	(555)	(245)	109	\$	(313,816)	\$ (287,086)
238	126	1,739	29,292	1,875	8,296	17,978	\$	(156,602)	\$ (134,725)
-	-	-	32,322	-	-	-		32,322	38,526
-	-	6,232	-	-	-	-		6,232	2,710
1,018	185	-	-	-	-	17,705		216,353	195,971
44	15	-	-	-	-	-		2,698	2,610
-	-	-	-	-	-	56		4,080	3,710
-	-	-	-	-	-	-		4,634	4,972
17	27	-	-	-	-	17		-	-
1,079	227	6,232	32,322	-	-	17,778	\$	266,319	\$ 248,499
(841)	(101)	(4,493)	(3,030)	1,875	8,296	200	\$	(422,921)	\$ (383,224)
9,537	6,115	11,521	20,040	7,537	-	2,009	\$	5,280,617	\$ 5,663,841
8,696	6,014	7,028	17,010	9,412	8,296	2,209	\$	4,857,696	\$ 5,280,617



**Statement of Plan Net Assets  
for the Delaware Local Government Retirement Investment Pool  
as of June 30, 2002 with Comparative Totals for June 30, 2001**

*(Expressed in thousands)*

	Sussex County Gov't	Town of Elsmere	Totals as of June 30,	
			2002	2001
<b>Assets:</b>				
Cash	\$ -	-	\$ -	\$ -
Receivables:				
Employer Contributions	-	-	-	-
Member Contributions	-	-	-	-
Total Receivables:	\$ -	-	\$ -	\$ -
Investments at Fair Value:				
Domestic Fixed Income	1,629	277	1,906	1,283
Domestic Equities	2,026	345	2,371	2,013
Pooled Equity & Fixed Income	2,880	490	3,370	2,834
Pooled Real Estate	-	-	-	-
Private Investments	799	136	935	787
Short Term Investments	133	22	155	145
Foreign Equities	577	98	675	475
Total Investments:	\$ 8,044	1,368	\$ 9,412	\$ 7,537
<b>Total Assets:</b>	<b>\$ 8,044</b>	<b>1,368</b>	<b>\$ 9,412</b>	<b>\$ 7,537</b>
<b>Liabilities:</b>				
Benefits Payable	-	-	-	-
Accrued Administrative Expenses	-	-	-	-
<b>Total Liabilities:</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>	<b>\$ 8,044</b>	<b>1,368</b>	<b>\$ 9,412</b>	<b>\$ 7,537</b>

*The notes to the financial statements are an integral part of this Statement.*

**Statement of Changes in Plan Net Assets  
for the Delaware Local Government Retirement Investment Pool  
for the fiscal year ended June 30, 2002 with Comparative Totals for June 30, 2001**

(Expressed in thousands)

	Sussex County Gov't	Town of Elsmere	Totals for Fiscal Years ended June 30,	
			2002	2001
<b>Additions:</b>				
<u>Contributions:</u>				
Employer Contributions	\$ -	-	\$ -	\$ -
Transfer of Contributions from PRI Fund	-	-	-	-
Transfer of Assets from Outside the System	1,000	1,430	2,430	1,441
Member Contributions	-	-	-	-
Other	-	-	-	-
Total Contributions:	\$ 1,000	1,430	\$ 2,430	\$ 1,441
<u>Investments:</u>				
Investment Earnings	246	42	288	253
Net (Decrease)/Increase in Fair Value	(717)	(100)	(817)	(652)
	\$ (471)	(58)	\$ (529)	\$ (399)
Less Investment Manager/Advisor/Custody Fees	(22)	(4)	(26)	(23)
Less Investment Administrative Expenses	-	-	-	-
Total Net Investment Losses:	\$ (493)	(62)	\$ (555)	\$ (422)
<b>Total Additions:</b>	\$ 507	1,368	\$ 1,875	\$ 1,019
<u>Deductions:</u>				
Transfer of Contributions from PRI Fund	-	-	-	-
Transfer of Assets Outside the System	-	-	-	-
Benefits Payments	-	-	-	-
Refunds of Contributions to Members	-	-	-	-
Group Life Payments	-	-	-	-
Administrative Expenses	-	-	-	-
Allocation of Administrative Expenses	-	-	-	-
<b>Total Deductions:</b>	\$ -	-	\$ -	\$ -
<b>Net Increase:</b>	\$ 507	1,368	\$ 1,875	\$ 1,019
<b>Net Assets Held in Trust for Pension Benefits Beginning of Year</b>	\$ 7,537	-	\$ 7,537	\$ 6,518
<b>Net Assets Held in Trust for Pension Benefits End of Year:</b>	\$ 8,044	1,368	\$ 9,412	\$ 7,537

The notes to the financial statements are an integral part of this Statement.

## 1. Plan Descriptions and Contribution Information

The State of Delaware General Assembly enacted legislation to provide for the following State-sponsored pension plans:

- ♦ State Employees' Pension Plan.
- ♦ Special Pension Plan.
- ♦ New State Police Pension Plan.
- ♦ Judiciary Pension Plans (Closed and Revised).
- ♦ County & Municipal Police/Firefighters' Pension Plan.
- ♦ County & Municipal Other Employees' Pension Plan.
- ♦ Volunteer Firemen's Pension Plan.
- ♦ Diamond State Port Corporation Pension Plan.
- ♦ Closed State Police Pension Plan.

With the exception of the Diamond State Port Corporation Pension Plan, the General Assembly is responsible for setting benefits and contributions and amending plan provisions. The Board of Directors for the Diamond State Port Corporation is responsible for setting benefits and contributions and amending their plan provisions.

As of June 30, 2002, employee membership data related to each of the Plans was as follows:

Plan	Retirees & Beneficiaries Currently Receiving Benefits	Terminated Employees Entitled to Benefits But Not Yet Receiving Them	Active Participants	Total Membership	Total Participating Employers
State Employees'	16,233	930	31,951	49,114	7
Special	36	-	-	36	N/A
New State Police	16	5	553	574	1
Judiciary	37	3	53	93	1
County & Municipal Police/Firefighters'	11	14	505	530	11
County & Municipal Other Employees'	11	1	90	102	11
Volunteer Firemen's	1,169	21	4,856	6,046	61
Diamond State Port Corporation	14	2	280	296	1
Closed State Police	548	-	40	588	1
<b>Total:</b>	<b>18,075</b>	<b>976</b>	<b>38,328</b>	<b>57,379</b>	<b>94</b>