covered payroll), respectively. For the years ended June 30, 2002 and 2001, DTC employees made contributions of $24,219 and $66,277 (3.9% and 1.2% of covered payroll), respectively. For the years ended June 30, 2002 and 2001, DTC had total covered payroll of $622,331 and $5,604,880, and total payroll of $25,108,254 and $23,467,385, respectively.

Component Units

**Delaware State Housing Authority (DSHA)**

All full time or regular part-time State employees of the DSHA are covered under the DPERS plan, including post-retirement health care. Full-time non-state employees of the Public Housing Program and Section 8 Program are covered by the “Housing-Renewal and Local Agency Retirement Plan,” a defined contribution plan funded by contributions from both the Authority and the covered employees. Non-State employees of the DSHA are required to contribute 3.5% of their base salary. The DSHA’s contribution rate of annual salaries is 4.0% for the period ended June 30, 2002. Total contributions made for the year amounted to $148,218 of which $79,052 and $69,166 was contributed by the DSHA and its employees, respectively.

The Authority provides post-retirement health care benefits in accordance with Authority General Order Number 325, to all non-state employees who retire from the Authority after meeting the eligibility requirements. Currently, six retirees meet those eligibility requirements. The Authority funds these benefits by setting aside 3.44% of semi-monthly gross salaries for non-state employees. The Authority set aside $106,479 for fiscal 2002. Health care benefits paid during fiscal 2002 totaled $18,717. The set aside balance, which is held in the State of Delaware investment pool, totaled $280,967 as of June 30, 2002.

**Diamond State Port Corporation and Delaware State University**

Generally, employees of these discretely presented component units are covered under DPERS.

**NOTE 16. AFFILIATED ORGANIZATIONS**

**Delaware State Lottery**

**Multi-State Lottery Association**

The Multi-State Lottery Association (MUSL) was established in 1987. Its members include the Delaware State Lottery, an enterprise fund, and twenty-four other state lotteries. MUSL is governed by a Board of Directors, of which each member lottery is represented. The Board's responsibilities are to initiate, promulgate, and administer a multi-state lottery game for the mutual benefit of the member lotteries.
The total amount held as a deposit by the MUSL as of June 30, 2002, was $1,738,612. This amount, reported by the Lottery as restricted assets and as liabilities payable from restricted assets, represents funds to be paid to the State of Delaware, upon ending the Powerball game, if MUSL is not required to use a portion of the Lottery’s reserves held by MUSL.

Complete separate financial statements for MUSL may be obtained at the Multi-State Lottery Association, 1701 48th Street, Suite 210, West Des Moines, IA 50266-6723.

DelDOT Fund

**Delaware Transportation Authority**

During fiscal year 1998, Expressways Operations/Toll Administration entered into a regional electronic toll collection system consortium. The consortium includes an agreement among member jurisdictions to share in the potential revenues and costs associated with the construction, financing and operations of an electronic toll collection customer service center (CSC). The CSC collects tolls and violation fees from motorists in each member jurisdiction and remits to each jurisdiction their share of tolls collected based upon actual road usage.

The CSC will also lease fiber optic transmission lines to the public, which will generate rental income to the CSC. The rental income and violation fees are expected to exceed the costs associated with operating the CSC. In the event that the CSC generates costs in excess of revenues during its ten-year operating term, each member jurisdiction will be obligated to finance their share of this operating deficit under the terms of a True-Up Agreement, which each member jurisdiction has signed.

At June 30, 2002, a True-Up study revealed a probable liability relating to the above True-Up Agreement. While the exact amount of this liability, due in March 2008, is not known, a reasonable estimate based on information currently available is $6,469,240 for 2002. These amounts have been discounted to their present value based on the average investment rate of the Trust Fund at fiscal year end. The discounted amount of $5,767,330 appears is included in other liabilities at June 30, 2002. To accumulate funds for future payment of this contingency, the Delaware Transportation Authority is earmarking funds within its operating budget.

Audited statements for the CSC may be obtained from Adesta Transportation Inc., 200 East Park Drive, Suite 600, Mt. Laurel, New Jersey 08054.

**NOTE 17. CONTINGENCIES**

Various parties have made claims against the State in amounts, which in the aggregate, could be material to the financial statements of the State. The State