

**NEW CASTLE COUNTY OTHER POST-EMPLOYMENT BENEFITS FUND
ANNUAL REPORT CY 2017¹**

Purpose

The purpose of the Other Post-Employment Benefits (“OPEB”) fund is to provide funding for retiree health care and life insurance as set forth in *New Castle County Code* § 26.03.910. The OPEB fund is a trust fund that is separate and distinct from all other funds, including the pension fund established by *New Castle County Code* § 26.04.601.

OPEB Members in CY 2017

Kathleen M. Jennings – Chairperson
Chief Administrative Officer

Vanessa S. Phillips – Administrator
Chief Human Resources Officer

J. Brian Maxwell – Treasurer
Chief Financial Officer

John J. Gysling – Trustee
Civil Engineer II

Mary Evans – Trustee
Compensation and Pension Systems Coordinator

Kenneth W. Porter – Trustee
Cash Management Accounting and Fiscal Manager

Meetings in CY 2017

February 16, 2017

May 4, 2017

July 27, 2017

October 26, 2017

¹ This annual report has been prepared pursuant to, and compliance with, *New Castle County Code* § 2.04.001.

Significant Accomplishments

- GASB 45 requires an actuarial valuation every two years. The most recent actuarial valuation as of June 30, 2016 was submitted by Boomershine Consulting Group, LLC dated September, 2016.
- Attached is the report from the Investment Consultant for OPEB dated December 31, 2017.

Challenges to Performance

None

Recommended Changes

None

For the Account of: **NEW CASTLE COUNTY, DELAWARE**
OTHER POST EMPLOYMENT BENEFITS TRUST

Account Number: **15 0J ABP7 0 03**
Date: **DECEMBER 31, 2017**



INFORMATION RELATED TO THE TOTAL COST OF THE INVESTMENTS AND UNREALIZED GAIN/LOSS MAY NOT HAVE BEEN ADJUSTED FOR IN-KIND ASSET TRANSFERS, WASH SALES OR RETURN OF CAPITAL. UPDATED INFORMATION WILL BE INCLUDED IN ANY INFORMATION THAT WE REPORT TO THE IRS.

**NEW CASTLE COUNTY, DELAWARE OTHER POST
EMPLOYMENT BENEFITS TRUST**

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Account Number: 15 0J ABP7 0 03

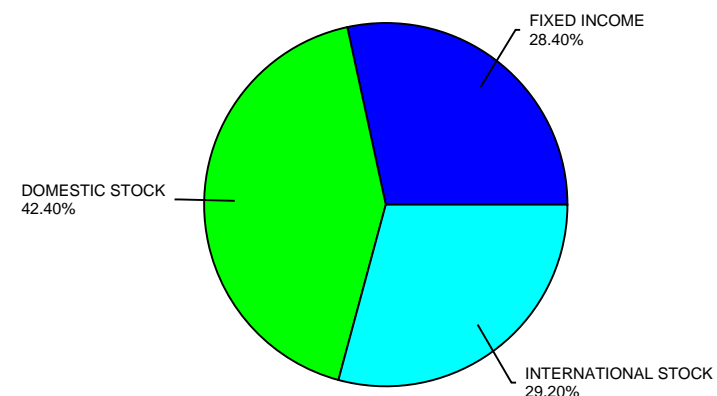
Date: DECEMBER 1, 2017 – DECEMBER 31, 2017

Account Summary

Asset Allocation (portfolio assets)

Portfolio Summary

Portfolio Assets	Value on NOV 30, 2017	Value on DEC 31, 2017	Est. Ann Income	% Total Assets
FIXED INCOME	12,339,724.17	12,379,617.06	312,578.60	28.40
DOMESTIC STOCK	18,303,120.44	18,486,878.40	316,656.71	42.40
INTERNATIONAL STOCK	12,473,577.62	12,731,132.90	350,646.05	29.20
TOTAL ASSETS	43,116,422.23	43,597,628.36	979,881.36	
ACCRUED INCOME	.00	.00		
TOTAL ACCOUNT	43,116,422.23	43,597,628.36	979,881.36	



Cash Activity Summary

	Credits	Debits	YTD
SECURITIES PURCHASED	.00	.00	-1,000,000.00
SECURITIES SOLD/REDEEMED	.00	.00	21,739.89
DEPOSITS & WITHDRAWALS	.00	.00	978,260.11
CASH DIVIDENDS	.00	.00	.00
INTEREST	.00	.00	.00
WITHHOLDING	.00	.00	.00
OTHER ACTIVITY	.00	.00	.00

	This Period	YTD
REINVESTED DIVIDENDS AND CAPITAL GAINS	247,332.02	514,144.16

Realized Gain/Loss Summary

	This Period	YTD
SHORT-TERM	.00	.00
LONG-TERM	.00	-.77

For the Account of: **NEW CASTLE COUNTY, DELAWARE**
OTHER POST EMPLOYMENT BENEFITS TRUST



Account Number: 15 0J ABP7 0 03

Date: DECEMBER 1, 2017 – DECEMBER 31, 2017

Portfolio Assets Detail

CASH

Description	Shares	Date Acquired	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
TOTAL CASH			.00		.00	.00			

FIXED INCOME

Description	Shares	Date Acquired	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
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MUTUAL FUNDS

VANGUARD INTERMEDIATE-TERM INV GRADE ADMIRAL (VFIDX_A)	381,131.624	05/09/2014	3,763,396.82	9.750	3,716,033.34	8.52	-47,363.48	105,573.46	2.84
VANGUARD SHORT-TERM INV GRADE ADMIRAL (VFSUX_A)	232,726.667	05/09/2014	2,499,093.55	10.630	2,473,884.47	5.67	-25,209.07	50,967.14	2.06
VANGUARD TOTAL BOND MARKET INDEX FUND INST (VBTIX_A)	575,785.977	05/09/2014	6,215,798.98	10.750	6,189,699.25	14.20	-26,099.73	156,038.00	2.52
TOTAL MUTUAL FUNDS			12,478,289.35		12,379,617.06		-98,672.29	312,578.60	2.52

TOTAL FIXED INCOME

12,478,289.35 **12,379,617.06** **-98,672.29** **312,578.60** **2.52**

DOMESTIC STOCK

Description	Shares	Date Acquired	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
VANGUARD TOTAL STOCK MARKET INDEX FUND INST (VITSX_A)	277,039.988	05/09/2014	13,467,518.51	66.730	18,486,878.40	42.40	5,019,359.89	316,656.71	1.71
TOTAL DOMESTIC STOCK			13,467,518.51		18,486,878.40		5,019,359.89	316,656.71	1.71

For the Account of: **NEW CASTLE COUNTY, DELAWARE**
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Account Number: **15 0J ABP7 0 03**
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Portfolio Assets Detail

INTERNATIONAL STOCK

Description	Shares	Date Acquired	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
VANGUARD TOTAL INTERNATIONAL STOCK INDEX INST (VTSNX_A)	104,327.894	05/09/2014	11,025,737.84	122.030	12,731,132.90	29.21	1,705,395.06	350,646.05	2.75
TOTAL INTERNATIONAL STOCK			11,025,737.84		12,731,132.90		1,705,395.06	350,646.05	2.75
TOTAL ASSETS					43,597,628.36		6,626,082.66	979,881.36	2.25
TOTAL ACCRUED INCOME							.00		
TOTAL ACCOUNT					43,597,628.36				

For the Account of: **NEW CASTLE COUNTY, DELAWARE**
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Account Number: **15 0J ABP7 0 03**
Date: **JULY 1, 2017 – DECEMBER 31, 2017**

Activity Detail for Cash Transactions

Date	Description	Cash	Cost	Realized Gain/Loss
10/18	ADVISORY FEE FOR QUARTER ENDED 09/30/17	-11,122.09		
08/04	CASH IN	1,000,000.00		
07/24	ADVISORY FEE FOR QUARTER ENDED 06/30/17	-10,617.80		

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Account Number: **15 0J ABP7 0 03**

Date: **JULY 1, 2017 – DECEMBER 31, 2017**

Activity Detail for VANGUARD TOTAL INTERNATIONAL STOCK INDEX INST

Date	Description	Cash	Cost	Realized Gain/Loss
12/20	DIVIDEND ON 103326.521 SHARES @ 1.1649 VANGUARD TOTAL INTERNATIONAL STOCK INDEX INST REINVESTED IN 1001.373 SHARES @ 120.20		120,365.06	
09/19	DIVIDEND ON 102764.169 SHARES @ 0.646 VANGUARD TOTAL INTERNATIONAL STOCK INDEX INST REINVESTED IN 562.352 SHARES @ 118.05		66,385.65	

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Activity Detail for VANGUARD TOTAL BOND MARKET INDEX FUND INST

Date	Description	Cash	Cost	Realized Gain/Loss
12/29	DIVIDEND VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 1230.563 SHARES @ 10.75		13,228.55	
12/22	LONG TERM CAP GAIN DIV ON 574292.666 SHS @ 0.0049 VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 262.748 SHARES @ 10.71		2,814.03	
11/30	DIVIDEND VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 1198.902 SHARES @ 10.73		12,864.22	
10/31	DIVIDEND VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 1228.384 SHARES @ 10.77		13,229.70	
10/18	SOLD 1031.734 SHARES @ \$10.78 VANGUARD TOTAL BOND MARKET INDEX FUND INST	11,122.09	-11,138.25	-16.16
09/29	DIVIDEND VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 1190.845 SHARES @ 10.78		12,837.31	
08/31	DIVIDEND VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 1197.36 SHARES @ 10.86		13,003.33	
08/04	PUR 44865.865 SHARES @ \$10.81 VANGUARD TOTAL BOND MARKET INDEX FUND INST	-485,000.00	485,000.00	
07/31	DIVIDEND VANGUARD TOTAL BOND MARKET INDEX FUND INST REINVESTED IN 1111.035 SHARES @ 10.79		11,988.07	
07/24	SOLD 982.22 SHARES @ \$10.81 VANGUARD TOTAL BOND MARKET INDEX FUND INST	10,617.80	-10,602.41	15.39

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Activity Detail for VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL

Date	Description	Cash	Cost	Realized Gain/Loss
12/29	DIVIDEND VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 1020.929 SHARES @ 9.75		9,954.06	
12/13	LONG TERM CAP GAIN DIV ON 379485.244 SHS @ 0.01610 VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 625.451 SHARES @ 9.77		6,110.65	
11/30	DIVIDEND VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 911.615 SHARES @ 9.76		8,897.36	
10/31	DIVIDEND VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 876.217 SHARES @ 9.82		8,604.45	
09/29	DIVIDEND VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 823.301 SHARES @ 9.82		8,084.82	
08/31	DIVIDEND VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 880.046 SHARES @ 9.89		8,703.65	
08/04	PUR 26422.764 SHARES @ \$9.84 VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL	-260,000.00	260,000.00	
07/31	DIVIDEND VANGUARD INTERMEDIATE–TERM INV GRADE ADMIRAL REINVESTED IN 848.513 SHARES @ 9.84		8,349.37	

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Activity Detail for VANGUARD SHORT-TERM INV GRADE ADMIRAL

Date	Description	Cash	Cost	Realized Gain/Loss
12/29	DIVIDEND VANGUARD SHORT-TERM INV GRADE ADMIRAL REINVESTED IN 446.115 SHARES @ 10.63		4,742.20	
11/30	DIVIDEND VANGUARD SHORT-TERM INV GRADE ADMIRAL REINVESTED IN 373.533 SHARES @ 10.65		3,978.13	
10/31	DIVIDEND VANGUARD SHORT-TERM INV GRADE ADMIRAL REINVESTED IN 372.443 SHARES @ 10.69		3,981.42	
09/29	DIVIDEND VANGUARD SHORT-TERM INV GRADE ADMIRAL REINVESTED IN 324.905 SHARES @ 10.69		3,473.23	
08/31	DIVIDEND VANGUARD SHORT-TERM INV GRADE ADMIRAL REINVESTED IN 392.682 SHARES @ 10.72		4,209.55	
08/04	PUR 19626.168 SHARES @ \$10.70 VANGUARD SHORT-TERM INV GRADE ADMIRAL	-210,000.00	210,000.00	
07/31	DIVIDEND VANGUARD SHORT-TERM INV GRADE ADMIRAL REINVESTED IN 383.721 SHARES @ 10.70		4,105.82	

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Activity Detail for VANGUARD TOTAL STOCK MARKET INDEX FUND INST

Date	Description	Cash	Cost	Realized Gain/Loss
12/20	DIVIDEND ON 275690.924 SHARES @ 0.326879 VANGUARD TOTAL STOCK MARKET INDEX FUND INST REINVESTED IN 1349.064 SHARES @ 66.80		90,117.47	
09/21	DIVIDEND ON 274503.928 SHARES @ 0.27 VANGUARD TOTAL STOCK MARKET INDEX FUND INST REINVESTED IN 1186.996 SHARES @ 62.44		74,116.06	
08/04	PUR 728.038 SHARES @ \$61.81 VANGUARD TOTAL STOCK MARKET INDEX FUND INST	-45,000.00	45,000.00	