

The State of Delaware Match Plan

Financial Statements

December 31, 2016 and 2015

The State of Delaware Match Plan

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December 31, 2016 and 2015

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Independent Auditors' Report

To the Plans Management Board
The State of Delaware Match Plan
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of The State of Delaware Match Plan (Plan), which comprise the statements of fiduciary net position as of December 31, 2016 and 2015, 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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Plans Management Board
The State of Delaware Match Plan
Dover, Delaware

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of The State of Delaware Match Plan as of December 31, 2016 and 2015, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 3 and 4 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 8, 2018, on our consideration of The State of Delaware Match Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration of The State of Delaware Match Plan's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

August 8, 2018
Wilmington, Delaware

The State of Delaware Match Plan

Management's Discussion and Analysis

December 31, 2016, 2015, and 2014

This discussion and analysis of The State of Delaware Match Plan's (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2016, 2015, and 2014. Please read this section in conjunction with the Plan's financial statements which follow this section.

Financial Highlights

- Fiduciary net position decreased by \$1.2 million during 2016 from \$21.3 million at December 31, 2015 to \$20.1 million at December 31, 2016. This decrease was primarily due to distributions made to participants being greater than contributions and income into the Plan during 2016. Fiduciary net position decreased by \$1 million during 2015 from \$22.3 million at December 31, 2014 to \$21.3 million at December 31, 2015. This decrease was primarily due to distributions made to participants being greater than contributions and income into the Plan during 2015.
- There were no employer contributions for the years ended December 31, 2016, 2015, and 2014. There were approximately 10,500, 11,200, and 11,700 participants with account balances as of December 31, 2016, 2015, and 2014, respectively.
- Rollover contributions were approximately \$32,500, \$22,300, and \$146,700 for the years ended December 31, 2016, 2015, and 2014, respectively. Changes in the amount of rollovers from year to year vary greatly and are the direct result of changes in the number of individuals performing these transactions.
- Net investment income increased to \$1.3 million in 2016 from \$76,700 in 2015. Fluctuations in income are primarily due to changes in the funds offered by the Plan, changes in interest rates for fixed earnings investments, as well as fluctuations in the financial market from year to year.
- Distributions paid to participants were \$2.5 million, \$1.1 million, and \$1.2 million for the years ended December 31, 2016, 2015, and 2014, respectively. Fluctuations in the amount of distributions paid from year to year are primarily due to changes in the number of participants and beneficiaries receiving eligible distributions as well as the size of their account balances, which doesn't have to be consistent. There were approximately 800, 800, and 700 individuals who received a distribution from the Plan during the years ended December 31, 2016, 2015, and 2014, respectively.
- Administrative expenses were approximately \$22,562, \$0, and \$15,200 for the years ended December 31, 2016, 2015, and 2014, respectively. Fluctuations are the result of different arrangements with the service providers and the number of transactions charged directly to participant accounts.

The State of Delaware Match Plan

Management's Discussion and Analysis

December 31, 2016, 2015, and 2014

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 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 (Table 1) and changes in fiduciary net position (Table 2):

Table 1
Fiduciary Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Investments	<u>\$ 20,090,421</u>	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>
Fiduciary Net Position	<u>\$ 20,090,421</u>	<u>\$ 21,317,370</u>	<u>\$ 22,337,108</u>

Table 2
Changes in Fiduciary Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Additions:			
Employer Contributions	\$ -	\$ -	\$ -
Transfers into Plan (Rollovers)	32,519	22,349	146,747
Net Investment Income	1,250,915	76,662	1,493,165
Deductions:			
Benefits Paid to Participants	2,487,821	1,118,749	1,190,925
Administrative and Expenses	22,562	-	15,204
Changes in Fiduciary Net Position	<u>\$ (1,226,949)</u>	<u>\$ (1,019,738)</u>	<u>\$ 433,783</u>

Financial Contact

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

The State of Delaware Match Plan

Statements of Fiduciary Net Position

December 31, 2016 and 2015

(See Independent Auditors' Report)

Assets	2016	2015
Investments, at Fair Value	\$ 19,929,741	\$ 21,317,370
Investments, at Contract Value	160,680	-
Total Assets	20,090,421	21,317,370
Liabilities	-	-
Fiduciary Net Position	<u>\$ 20,090,421</u>	<u>\$ 21,317,370</u>

The accompanying notes are an integral part of the financial statements

The State of Delaware Match Plan

Statements of Changes in Fiduciary Net Position

December 31, 2016 and 2015

(See Independent Auditors' Report)

	2016	2015
Additions		
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 279,887	\$ (1,033,700)
Interest and Dividends	938,624	1,094,489
Revenue Credit	32,404	15,873
	<u>1,250,915</u>	<u>76,662</u>
Net Investment Income	1,250,915	76,662
Contributions		
Rollover	32,519	22,349
	<u>1,283,434</u>	<u>99,011</u>
Total Additions	1,283,434	99,011
Deductions		
Benefits Paid to Participants	2,487,821	1,118,749
Administrative Expenses	22,562	-
	<u>2,510,383</u>	<u>1,118,749</u>
Total Deductions	2,510,383	1,118,749
Net Decrease	(1,226,949)	(1,019,738)
Net Position		
Beginning of Year	<u>21,317,370</u>	<u>22,337,108</u>
End of Year	<u>\$ 20,090,421</u>	<u>\$ 21,317,370</u>

The accompanying notes are an integral part of the financial statements

The State of Delaware Match Plan

Notes to the Financial Statements
December 31, 2016 and 2015
(See Independent Auditors' Report)

1. Description of the Plan

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

General

Delaware Code Title 29, Part V, Chapter 60A ("Code") sets forth the requirements for deferred compensation programs for public officers and employees of the State of Delaware ("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 Deferred Compensation Council/Plans Management Board, which is responsible for oversight of the Plan. Section 6060 of the Code authorizes the Deferred Compensation Council/Plans Management Board to establish the Plan pursuant to Section 401(a) of the Internal Revenue Code ("IRC").

The Plan is a defined contribution plan, under Section 401(a) of the IRC, covering any individual who is employed by the State, including elected or appointed officials, and who received compensation wholly or in part directly from the State Treasury or from the Treasury through an agency within the State that is wholly or in part supported by the State. The Plan does not cover individuals hired on a temporary basis or as consultants. Under the Plan's provisions, employees of the State are eligible to participate in the Plan provided they are enrolled in the Deferred Compensation Plan and have made salary reduction contributions for six months.

Contributions

Section 6061 of the Code establishes the employer contribution to participants. Commencing January 1, 2001, and each pay period thereafter, the State would contribute \$10 per pay period to each participant who made a deferral into the Deferred Compensation Plan. Modifications of the matching contribution amount per pay period, formula to determine the match, number of pay periods per year to be matched, and other fiscal and operational aspects of the Plan are contingent upon funding by the State of Delaware General Assembly and may be administered through rules and regulations promulgated by the Deferred Compensation Council/Plans Management Board and pursuant to IRC Section 401(a). Senate Bill No. 300 suspended funding by the State effective July 1, 2008. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Otherwise, participants do not make any contributions to the Plan.

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

Participant Accounts

Each participant's account is credited with the State'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.

The State of Delaware Match Plan

Notes to the Financial Statements
December 31, 2016 and 2015
(See Independent Auditors' Report)

1. Description of the Plan - Continued

Participant Accounts - Continued

Employees electing to participate in the Plan may contribute to any of the following options:

- Until September 14, 2016, a stable value investment option and variable earnings investments consisting of various publicly traded mutual funds and a self-directed brokerage account administered by Fidelity Management Trust Company.
- Effective September 14, 2016, various publicly traded mutual funds, a pooled separate account, a self-directed brokerage account, and a group annuity contract offering administered by Voya Retirement Insurance and Annuity Company.

Vesting

Participants are immediately vested in the State's contributions plus actual earnings thereon.

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.

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 (except for fully benefit-responsive investment contracts which are reported at contract 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.

The State of Delaware Match Plan

Notes to the Financial Statements
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(See Independent Auditors' Report)

2. Summary of Significant Accounting Policies - Continued

Investment Valuation and Income Recognition - Continued

Investment in the Fidelity Managed Income Portfolio is valued daily at its net asset value. The fund seeks to preserve principal investment while earning a level of interest that is consistent with principal preservation. The fund seeks to maintain a stable net asset value of \$1 per share, but it cannot guarantee that it will be able to do so. The fund invests in benefit-responsive investment contracts issued by insurance companies, fixed income securities, and money market funds.

The Voya Fixed Plus Account III investment is 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 option. The contract guarantees minimum rates of interest and may credit interest that exceeds the guaranteed minimum rates. Contract value is the relevant measurement attribute for that portion of the of the fiduciary net position available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Account is reported at contract value, which approximates fair value.

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 quotations.

Common stock is valued at the closing price of the common stock as reported on the active market on which the securities are traded.

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.

Administration of Plan Assets

Until July 1, 2016, the State of Delaware's Deferred Compensation Council was responsible for the administration of The State of Delaware Match Plan. Effective July 1, 2016, Delaware House of Representatives Bill Number 358 amended Delaware Code Title 29 to consolidate the governing boards of the Deferred Compensation Plan, the Achieving a Better Life Experience (ABLE) Program, and the Delaware College Investment Plan to one common board - the Plans Management Board. The daily operations of the Plan are administered by Delaware's Office of the State Treasurer.

On May 3, 2016, the State Treasurer acting on behalf of the Deferred Compensation Council executed a Master Directed Trust agreement with Voya Institutional Trust Company (Voya) as trustee of the assets.

The State of Delaware Match Plan

Notes to the Financial Statements
December 31, 2016 and 2015
(See Independent Auditors' Report)

2. Summary of Significant Accounting Policies - Continued

Administration of Plan Assets - Continued

On September 14, 2016, all assets with Fidelity Investments were transferred to Voya.

The Plan's assets are administered under a contract with Voya. The trustee invests funds received from contributions, investment sales, interest, and dividend income, and makes distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the State.

Participants may also select a self-directed brokerage account through Fidelity Brokeragelink and TD Ameritrade through the Voya platform. The annual account fee for the Fidelity Brokeragelink account was waived for the years ended December 31, 2016 and 2015.

Payment of Benefits

Benefits are recorded when paid.

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 annual operating expenses of the Plan's designated investment alternatives, which are netted against the investment earnings for the relevant participant-directed investments.

Subsequent Events

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

Accounting Changes

GASB Statement No. 72, *Fair Value Measurements and Application*, which was adopted during the year ended December 31, 2016 addresses accounting and reporting issues related to fair value measurements. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

The Plan adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, during the year ended December 31, 2016. This standard permits qualifying external investment pools to measure pool investments, which function similarly to private sector money market funds. The Statement also established additional disclosure requirements, which includes information about any limitations or restrictions on participant withdrawals, for both the pool and its participants. The Plan implemented accounting and reporting requirements of GASB No. 79 as of January 1, 2016. This implementation did not materially change the Plan's accounting and reporting policies.

The State of Delaware Match Plan

Notes to the Financial Statements
December 31, 2016 and 2015
(See Independent Auditors' Report)

3. Related-Party Transactions

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

Certain investments of the Plan are managed by the trustee, and therefore, these transactions qualify as party-in-interest transactions.

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

4. Plan Termination

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

5. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the State by a letter dated March 6, 2013, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The State believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax exempt.

6. Risks and Uncertainties

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are managed by several fund managers. The concentration of investments is determined by the participants' elections to invest in the available investment options as selected by the Council/Plans Management Board. The investments that exceed 5% are identified in Note 7.

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

The State of Delaware Match Plan

Notes to the Financial Statements
December 31, 2016 and 2015
(See Independent Auditors' Report)

6. Risks and Uncertainties - Continued

Interest rate risk is the risk that changes in interest rates 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 the investment. The Plan allows mutual fund investments in countries outside the United States

The fair value of these investments was \$122,203 and \$742,424 as of December 31, 2016 and 2015, respectively. The individual funds are identified in Note 7.

7. Subsequent Events

Effective January 1, 2017, the Plan was amended and restated to comply with certain law changes and to make certain administrative changes to the Plan.

8. Investments

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

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

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.

The State of Delaware Match Plan

Notes to the Financial Statements
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(See Independent Auditors' Report)

8. Investments - Continued

Fair Value Measurements - Continued

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

The Plan has the following fair value measurement as of December 31, 2016 and 2015:

	2016			
	December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest-Bearing Cash	\$ 127,130	\$ 127,130	\$ -	\$ -
Registered Investment Companies	19,541,361	19,541,361	-	-
Self-Directed Brokerage Accounts	52,298	52,298	-	-
Total Assets in the Fair Value Hierarchy	19,720,789	19,720,789	-	-
Investments Measured at the Net Asset Value (NAV)	208,952			
Investments, at Fair Value	19,929,741	19,720,789	-	-
Investments, at Contract Value	160,680	-	-	-
Total Investments	\$ 20,090,421	\$ 19,720,789	\$ -	\$ -

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Notes to the Financial Statements
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8. Investments - Continued

Fair Value Measurements - Continued

	2015			
	December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest-Bearing Cash	\$ 1,041,073	\$ 1,041,073	\$ -	\$ -
Registered Investment Companies	20,075,665	20,075,665	-	-
Corporate Stock	17,086	17,086	-	-
Self-Directed Brokerage Accounts	-	-	-	-
Total Assets in the Fair Value Hierarchy	21,133,824	21,133,824	-	-
Investments Measured at the Net Asset Value (NAV)	183,546	-	-	-
Investments, at Fair Value	21,317,370	21,133,824	-	-
Investments, at Contract Value	-	-	-	-
Total Investments	\$ 21,317,370	\$ 21,133,824	\$ -	\$ -

Investments Measured Using Net Asset Value per Share Practical Expedient - The following table summarized investments for which fair value is measured using the net asset value (NAV) per share practical expedient as of December 31, 2016 and 2015:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
2016				
Pooled Separate Accounts - TIAA Real Estate	\$ 35,320	N/A	Daily	10-60 Days
Fidelity Managed Income Portfolio	173,632	N/A	Daily	N/A
2015				
Pooled Separate Accounts - TIAA Real Estate	\$ -	N/A	Daily	10-60 Days
Fidelity Managed Income Portfolio	183,546	N/A	N/A	N/A

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Notes to the Financial Statements
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8. Investments - Continued

Fair Value Measurements - Continued

The pooled separate account seeks favorable long-term returns primarily through rental income and appreciation of real estate and real-estate-related investments owned by the TIAA Real Estate Account (Account). The Account will also invest in non-real-estate-related publicly traded securities and short-term higher quality liquid investments that are easily converted to cash. The Account's principal strategy is to purchase direct ownership interests in income-producing real estate, primarily office, industrial, retail and multi-family residential properties. Participants may withdraw cash from the Account at any time during the accumulation period.

The Voya Fixed Plus Account III is available through a group annuity or other type of contract issued by Voya. The Voya Fixed Account is intended to be a long-term investment for participants seeking stability of principal. Voya may impose restrictions on the ability to move funds into or out of the investment option or among investment options in general. The restrictions help Voya provide credited interest rates. Transfers from the Voya Fixed Plus Account III will be subject to either percentage limit restrictions or equity wash restrictions. Withdrawals are allowed to pay benefits to participants at any time. However, if the Plan requests a full withdrawal of participant accounts, Voya will pay amounts in five equal annual installments.

The Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated (depreciated) in value by \$279,887 and \$(1,033,700) during 2016 and 2015, respectively.

The fair or contract value of investments held by the Plan at December 31, 2016 and 2015 were as follows:

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments:		
WF COMMON STOCK A	\$ -	\$ 789
WF DISCOVERY A	-	2
WF GOVT SECS A	-	4,052
WF GROWTH A	-	38,180
WF OPPORTUNITY A	-	8,938
WF SHORT-TERM BND A	-	478
JANUS GLB RESEARCH T	-	214,014 **
PIM TOTAL RT INST	-	355,167
DOMINI SOCIAL EQ INV	-	89,848
JANUS FORTY S	-	39,658
AM CENT ULTRA INV	-	1,484
ABF BALANCED INV	-	2,111
ABF INTL EQUITY INV	-	723 **
MSIF GROWTH I	-	3,739
TMPL FRGN SM CO A	-	630 **
MUTUAL GBL DISCVRY A	-	7,761 **
BARON GROWTH	-	31,741
BARON ASSET FUND	-	5,667
CALVERT BALANCED A	-	5,087
CALVERT EQUITY A	-	454
CALVERT CAP ACC A	-	754
CALVERT INTL EQ A	-	664 **
LOOMIS SM CAP VAL R	-	444
FPA CRESCENT	-	11,268
RHJ MICRO CAP	-	2,649
MCKEE INTL EQ	-	2,003 **
ARIEL FUND	-	10,545
ARIEL APPRECIATION	-	2,715
NB CORE BOND INV	-	2,517
ALGER CAP APPREC I	-	85,802
ALGER MIDCAP GRTH I	-	15,686
ALGER SM CAP GR IS I	-	770
DREY MID-CAP GRTH F	-	1,212
FKLN SMMIDCAP GRTH A	-	9,753
HARBOR CAP APPR INST	-	19,505
JANUS FLEXIBLE BD T	-	17,593
TEMPLETON FOREIGN A	-	14,411 **
MSIF CP FX INC A	-	330
MSIF MID CAP GRTH A	-	6,780
MSIF SM CO GRTH A	-	1,659
MSIF EMERGING MKTS A	-	786 **
MUTUAL SHARES A	-	8,245

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments - Continued:		
MANAGERS SPECIAL EQ	\$ -	\$ 322
NB FOCUS TRUST	-	2,287
NB GENESIS - TR CL	-	43,979
NB MDCP GRTH TRUST	-	772
NB LG CAP VAL TR	-	287
NB SOCIALLY RESP TR	-	2,514
OAKMARK SELECT I	-	20,828
OAKMARK EQ & INC I	-	84,467
OAKMARK FUND I	-	6,257
MGRS/C CAP APPR SRV	-	711
MGRS/C MID CAP SRV	-	1,362
PIM GLBBND AD UNHDGD	-	15,038 **
PIMCO HIGH YIELD ADM	-	7,055
PIMCO LOW DUR ADM	-	10,345
PIMCO LT US GOVT ADM	-	18,779
LM CM VALUE I	-	127,929
TEMPLETON DEV MKTS A	-	1,337 **
TEMPLETON GROWTH A	-	8,242
TMPL GLOBAL BOND A	-	19,643 **
TEMPLETON WORLD A	-	7,275 **
USAA CRNSTN MOD AGGR	-	223
USAA GOVT SEC	-	3,465
USAA INCOME FUND	-	14,514
USAA INCOME STOCK	-	517
USAA INTERNATIONAL	-	6,144 **
USAA GROWTH FUND	-	12,794
USAA EMERGING MKTS	-	2,413 **
ARTISAN INTL	-	6,738 **
MSIF INTL EQUITY A	-	1,170 **
WF SM CAP VALUE A	-	8,524
ROYCE LOW PR STK IS	-	12,149
INVS SMCP GRTH INV	-	6,882
DREY STRATEGIC VAL I	-	15,431
DREY RESEARCH GRTH Z	-	1,581
INVS VALUE OPPTS A	-	2,373
TCHSTN FOCUSED Y	-	2,515
INVS AM FRANCHISE A	-	2,040
VANGUARD INST INDEX	-	992,274
INVS GLB SMMDCP GR A	-	9,354 **
MANAGERS BOND FUND	-	10,833
TCW SELECT EQUITY N	-	380

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments - Continued:		
LD ABT MID CAP STK A	\$ -	\$ 4,441
ARTISAN MID CAP INV	-	3,498
TCHSTN INTL SMCAP Y	-	8,199 **
INVS GRTH & INC A	-	5,052
DWS EQUITY DIV A	-	1,907
VANG MORGAN GRTH ADM	-	88,323
INVS MID CAP GRTH A	-	5,181
INVS EQUITY & INC A	-	21,407
INVS MDCP CORE EQ A	-	167
PERKINS MID CP VAL T	-	10,745
WA CORE BOND FI	-	965
VANG WINDSOR ADM	-	155,357
ALZGI NFJ SMCPLV ADM	-	8,452
TCHSTN MID CAP VAL Y	-	1,002
AF NEW PERSPECT R5	-	6,146
ABDN US EQUITY I A	-	4,943
ABF SM CAP VAL INV	-	730
AM CEN LG CO VAL INV	-	1,319
AM CENT SM COMP INV	-	5,768
ABF LG CAP VAL INST	-	18,554
CALVERT SMALL CAP A	-	440
INVS DIVRS DIVD INV	-	3,455
JANUS BALANCED S	-	2,563
JANUS FLEXIBLE BD S	-	2,001
JANUS OVERSEAS S	-	4,396 **
JANUS S	-	424
JANUS GLB RESEARCH S	-	452 **
ABDN INTL EQ INST SV	-	2,969 **
MSIF GLB FRANCHISE A	-	6,105 **
DREY/BC S/MD CP GR A	-	2,655
WF LARGE CAP GRTH A	-	2,019
DREY RESEARCH GRTH A	-	2,243
WF ULTRA ST INC A	-	232
ABDN US EQUITY I IS	-	320
FID FIDELITY FUND	-	318,681
FID PURITAN	-	236,309
FID TREND	-	18,588
FID SEL COMPUTERS	-	33,694
FID SEL ELECTRONICS	-	56,867
FID SEL CONS STAPLES	-	11,558
FID VALUE STRAT	-	2,027
FID GNMA	-	35,852

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments - Continued:		
FID MAGELLAN	\$ -	\$ 7,490
FID CONTRAFUND	-	201,697
FID EQUITY INC	-	54,997
FID GROWTH COMPANY	-	205,848
FID INVST GR BD	-	19,872
FID GROWTH & INC	-	21,649
FID SEL SOFTWARE	-	38,337
FID INTERMED BOND	-	19,731
FID SEL AIR TRANSPRT	-	12,108
FID CAPITAL & INCOME	-	42,899
FID VALUE	-	51,358
FID MORTGAGE SEC	-	4,665
FID SEL GOLD	-	24,642
FID SEL BIOTECH	-	293,722
FID SEL ENERGY SVCS	-	6,899
FID SEL INSURANCE	-	1,577
FID SEL RETAILING	-	23,671
FIDELITY GOVT INCOME	-	28,384
FID CASH RESRVE	-	67,102
FID SEL ENERGY	-	34,044
FID SEL LEISURE	-	15,382
FID SEL HEALTHCARE	-	154,853
FID SEL TECHNOLOGY	-	122,998
FID SEL UTILITIES	-	7,937
FID SEL FINANCIAL	-	2,654
FID SEL DEFENSE	-	116,976
FID SEL BROKERAGE	-	7,739
FID SEL CHEMICALS	-	10,667
FID INDEPENDENCE	-	41,657
FID OTC PORTFOLIO	-	159,738
FID OVERSEAS	-	8,689 **
FID SEL TELECOMM	-	9,433
FID SEL CONSUMER FIN	-	1,086
FID LEVERGD CO STK 0	-	57,768
FID NEW MILLEN	-	6,617
FID EUROPE	-	7,914 **
FID PACIFIC BASIN	-	3,087 **
FID REAL ESTATE INVS	-	16,471
FID BALANCED	-	193,302
FID INTL DISCOVERY	-	91,448 **
FID CAPITAL APPREC	-	235,684
FID CONVERTIBLE SEC	-	7,756

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value		
	2016	2015	
Fidelity Variable Earnings Investments - Continued:			
FID CANADA	\$ -	\$ 19,745	**
FID TELECOM & UTIL	-	6,733	
FID BLUE CHIP GR	-	209,085	
FID ASSET MGR 50%	-	89,529	
FID DISCIPLND EQTY	-	10,167	
FID LOW PRICED STK	-	213,281	
FID WORLDWIDE	-	6,652	**
FID EQ DIV INCOME	-	291,156	
FID STK SEL ALL CAP	-	5,822	
FID ASSET MGR 70%	-	72,033	
FID EMERGING MKTS	-	9,523	**
FID GROWTH STRAT	-	658,007	
FID DIVERSIFD INTL	-	107,200	**
FID ASSET MGR 20%	-	21,189	
FID DIVIDEND GR	-	216,546	
FID NEW MARKETS INC	-	14,937	
FID EXPORT & MULTI	-	15,793	
FID FOCUSED STOCK	-	58,813	
FID GLOBAL BALANCED	-	23,020	**
FID INTL CAP APPREC	-	5,292	**
FID STK SEL SM CAP	-	5,786	
FID MID CAP STOCK	-	260,608	
FID LARGE CAP STOCK	-	25,024	
FID GROWTH DISC	-	32,488	
FID SMALL CAP STOCK	-	19,162	
FID NORDIC	-	14,222	**
FID ASSET MGR 85%	-	54,856	
FID LATIN AMERICA	-	8,923	**
FID JAPAN	-	854	**
FID EMERGING ASIA	-	4,893	**
FID CHINA REGION	-	15,014	**
FID SEL IT SERVICES	-	12,283	
FID SEL MED EQ & SYS	-	21,205	
FID FOUR IN ONE IDX	-	21,383	
FID JAPAN SMALL CO	-	6,426	**
FID MEGA CAP STOCK	-	24,820	
FID STRATEGIC INCOME	-	26,831	
FID FREEDOM INCOME	-	182,268	
FID FREEDOM 2010	-	818,666	
FID FREEDOM 2020	-	2,843,705	*
FID FREEDOM 2030	-	2,087,483	*
FID SM CAP DISCOVERY	-	21,411	

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments - Continued:		
FID TREASURY ONLY MM	\$ -	\$ 12,939
FID SHORT TERM BOND	-	11,653
FID INTM GOVT INCOME	-	3,051
FID HIGH INCOME	-	6,508
FID SEL AUTOMOTIVE	-	3,061
FID SEL MULTIMEDIA	-	20,205
FID SEL MEDICAL DEL	-	28,933
FID SEL BANKING	-	6,597
FID SEL MATERIALS	-	9,626
FID SEL INDUST EQUIP	-	1,169
FID SEL CONSTR/HOUSE	-	11,952
FID SEL TRANSPORT	-	11,811
FID SEL NATURAL GAS	-	20,066
FID SEL NATURAL RES	-	12,810
FID SEL INDUSTRIALS	-	3,197
FID SEL ENV ALT ENGY	-	3,533
FID SEL CONS DISCR	-	52
FID SEL COMM EQUIP	-	5,710
FID SEL PHARMACEUTCL	-	36,235
FID RETIRE MMKT	-	776,414
FID RET GOVT MM	-	43,453
MANAGED INCOME PORTFOLIO CL1	-	183,546
FID STKSEL LGCAP VAL	-	9,641
FID FREEDOM 2040	-	778,367
FID MID CAP VALUE	-	8,543
FID INFLAT PROT BOND	-	9,461
FID INTL SMALL CAP	-	28,020 **
FID TOTAL BOND	-	40,745
FID VALUE DISCOV	-	6,310
FID REAL ESTATE INC	-	3,291
FID SEL WIRELESS	-	26,640
FID BLUE CHIP VALUE	-	10,463
FID NASDAQ COMP INDX	-	5,677
FID FREEDOM 2005	-	38,429
FID FREEDOM 2015	-	861,291
FID FREEDOM 2025	-	1,884,122 *
FID FREEDOM 2035	-	770,115
FID FREEDOM 2060	-	506
FID STRAT DIV & INC	-	6,518
FID FOCUSED HIGH INC	-	45
FID INTL REAL ESTATE	-	10,239 **
FID SMALL CAP GROWTH	-	4,679

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments - Continued:		
FID SMALL CAP VALUE	\$ -	\$ 10,584
FID INTL SM CAP OPP	-	9,495 **
FID STRAT REAL RET	-	102
SPTN TOT MKT IDX ADV	-	51,612
SPTN EXT MKT IDX ADV	-	23,876
SPTN INTL INDEX ADV	-	23,243 **
SPTN 500 INDEX ADV	-	160,212
SPTN ST TR IDX ADV	-	2,843
SPTN INT TR IDX ADV	-	12,640
SPTN LT TR IDX ADV	-	12,466
SPTN MID CAP INDX ADV	-	1,407
SPTN SM CAP INDX ADV	-	61
SPTN INFL PR INDX ADV	-	4,452
FID INTL VALUE	-	610 **
FID FREEDOM 2045	-	312,521
FID FREEDOM 2050	-	104,037
FID LC CORE ENH INDX	-	89
FID LC VAL ENH INDX	-	738
FID LC GRO ENH INDX	-	916
FID ASSET MGR 30%	-	2,586
FID INTL GROWTH	-	3,389 **
FID INTL ENH INDX	-	3 **
FID SM CAP ENH INDX	-	1,664
FID MID CAP ENH INDX	-	4,648
FID EMEA	-	587
FID GLB COMDTY STK	-	451 **
FID CORPORATE BOND	-	1,175
SPTN US BOND IDX ADV	-	28,551
FID FREEDOM 2055	-	2,986
SPTN EM MKTS IDX ADV	-	29 **
SPTN GLB XUS IDX ADV	-	36 **
SPTN REAL ES IDX ADV	-	7,419
FID EMERG MKTS DISC	-	100 **
SA INCOME OPPTY FOF	-	78
SA CORE INCOME MULTI	-	355
SA MULTI MGR 2010	-	3,603
SA MULTI MGR 2015	-	737
SA VALUE MULTI MGR	-	1,517
FID GLOBAL EQ INCOME	-	595 **
FID STK SEL MID CAP	-	4,603
FID INTL BOND	-	981 **
FID TOTAL EMERG MKTS	-	106 **

The State of Delaware Match Plan

Notes to the Financial Statements

(See Independent Auditors' Report)

December 31, 2016 and 2015

	Fair Value	
	2016	2015
Fidelity Variable Earnings Investments - Continued:		
FID MONEY MARKET PRM	\$ -	\$ 117,694
FID GOVT MMRK PRM	-	16,652
FID TREAS MM	-	201
EXTERNAL FUND	-	21,829
COMMON STOCK	-	17,086
CASH	-	6,617
UNIT	-	4,925
FIDELITY FUND	-	895
Voya Variable Earnings Investments:		
AMERICAN FUNDS 2010 TARGET DATE	1,062,442 *	-
AMERICAN FUNDS 2015 TARGET DATE	1,615,942 *	-
AMERICAN FUNDS 2020 TARGET DATE	3,104,593 *	-
AMERICAN FUNDS 2025 TARGET DATE	3,904,941 *	-
AMERICAN FUNDS 2030 TARGET DATE	3,384,837 *	-
AMERICAN FUNDS 2035 TARGET DATE	2,841,660 *	-
AMERICAN FUNDS 2040 TARGET DATE	1,606,256 *	-
AMERICAN FUNDS 2045 TARGET DATE	710,722	-
AMERICAN FUNDS 2050 TARGET DATE	113,833	-
AMERICAN FUNDS 2055 TARGET DATE	5,684	-
AMERICAN FUNDS 2060 TARGET DATE	23,301	-
AMERICAN FUNDS WASHINGTON MUTUAL	89,013	-
CLEARBRIDGE MID-CAP GROWTH	20,313	-
FIDELITY MANAGED INCOME PORTFOLIO	173,632	-
JP MORGAN U.S. SMALL COMPANY	49,240	-
LAZARD INTERNATIONAL EQUITY	14,120 **	-
PIMCO TOTAL RETURN	35,177	-
T. ROWE PRICE BLUE CHIP GROWTH	92,467	-
TEMPLETON GLOBAL BOND	11,396 **	-
VANGUARD 500 INDEX	498,170	-
VANGUARD EXTENDED MARKET INDEX	107,074	-
VANGUARD FEDERAL MONEY MARKET	127,130	-
VANGUARD INTERMEDIATE TERM BOND INDEX	153,492	-
VANGUARD TOTAL INTERNATIONAL STOCK INDEX	96,688	-
TIAA-CREF REAL ESTATE SECURITIES	35,320	-
VOYA FIXED PLUS ACCOUNT III	160,680	-
TD AMERITRADE SELF-DIRECTED BROKERAGE ACCOUNT	52,298	-
	<u>\$ 20,090,421</u>	<u>\$ 21,317,370</u>

* Represents Investments Greater than 5% of Net Assets.

** Represents Investments in Foreign Securities.



***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
The State of Delaware Match Plan
Dover, Delaware

We have audited, 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 The State of Delaware Match Plan (Plan) as of and for the years ended December 31, 2016 and 2015, 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 8, 2018.

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.

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 were not identified.

To the Plans Management Board
The State of Delaware Match Plan
Dover, Delaware

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*.

Belfint, Lyons & Shuman, P.A.

August 8, 2018
Wilmington, Delaware