



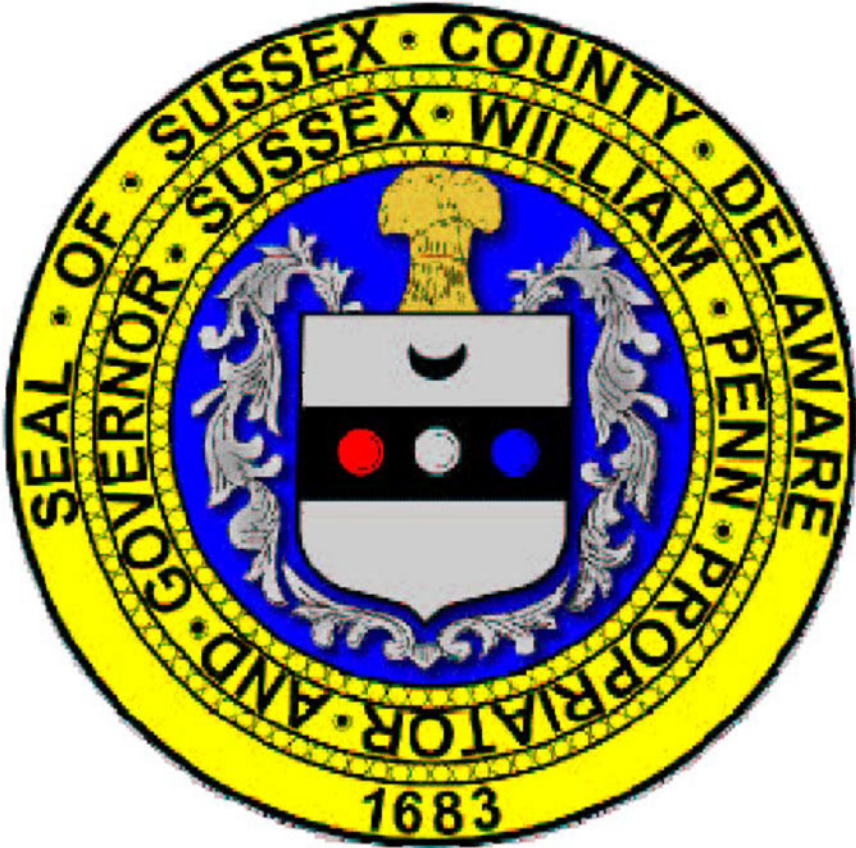
SUSSEX COUNTY, DELAWARE

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2008

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008



Prepared by the Finance Department
Susan M. Webb, Finance Director

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INTRODUCTORY SECTION

DAVID B. BAKER
COUNTY ADMINISTRATOR



Sussex County

ADMINISTRATIVE OFFICE BUILDING
2 THE CIRCLE
P.O. BOX 589
GEORGETOWN, DELAWARE 19947
TEL: 302-855-7742
FAX: 302-855-7749
E-MAIL: administration@sussexcountype.gov

January 26, 2009

The Honorable Sussex County Council President, Members of the Sussex County Council, and the Citizens of Sussex County:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) for the Sussex County Council for the fiscal year ended June 30, 2008. This report includes the annual financial statements as required by Delaware law, presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America.

This report consists of management's representations concerning the finances of Sussex County, Delaware (County). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. The County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Jefferson, Urian, Doane & Sterner, P.A., a firm of licensed certified public accountants. A goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the year ended June 30, 2008, are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis

on internal controls and legal requirements involving the administration of federal awards. The single audit section of this report includes these reports and related information. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Sussex County's MD&A can be found immediately following the report from the independent auditors.

Profile of Sussex County

Sussex County is proud of its natural beauty, mix of small towns, rich history, and popular attractions found only in our county. It is home to numerous seaside resorts, small towns, industry and agriculture. Our county is the largest county in Delaware, comprising a total land area of approximately 938 square miles, or approximately 46 percent of the State's total area with a population of 188,597. The county is bordered on the east by the Atlantic Ocean, on the north by Kent County, Delaware, and on the south and west by a portion of the State of Maryland east of the Chesapeake Bay. The Town of Georgetown, the county seat, is situated in the center of the county. The county is within 200 miles of New York City, Philadelphia, Baltimore, and Washington, D.C.

The County Government was established on July 23, 1970, replacing the Levy Court Commission with a Council-Administrator form of government. The government is composed of a legislative body, the County Council, and an administrative body that includes operating departments and offices, some of which are administered by officials elected at-large. The County Council, which has legislative powers, consists of five members representing each of the County's respective districts. Each council member is elected to four-year staggered terms. The County Administrator, County Finance Director and County Engineer are appointed by the County Council. The County Administrator is responsible for the entire range of executive, administrative and fiscal duties performed by all County departments.

Sussex County, Delaware, is a rural county with beaches along the Delaware Bay and Atlantic Ocean. Sussex County is the fastest growing Delaware county, with a population that grew 38 percent between 1990 and 2000. The U. S. Census Bureau estimates that the Sussex population increased an additional 20 percent since the 2000 Census. More people move to Sussex County than are being born here. Sussex County is a popular beach resort area along the Atlantic Coast and also a popular outlet shopping attraction. The County continues to be a desirable location for many people on the east coast. Year-round and seasonal population continues to bring increased requests for County government services.

Sussex County has a unique tradition that we are proud of – Return Day. Return Day originated around 1790 set on The Circle in Georgetown, Delaware. Return Day is two days after election day and was started so ‘voters’ could come to Georgetown to hear the ‘returns’ – or results – of the elections. During this day, the election results were read, food was served, and candidates ‘buried’ the hatchet. Some time later, a parade was started with both the winning and losing candidates riding together in an open carriage.

The County Government provides a variety of services, which statute or Code mandates. Major public services include emergency medical services, land use, libraries, and sewer

service. The County also owns and maintains the Sussex County Airport in Georgetown, the operation of which is leased to an independent contractor. The County provides emergency services including paramedics, emergency preparedness, emergency operations, local emergency planning and communications. The Department of Libraries includes three County-managed libraries and a bookmobile. The County has 525 employees. In Sussex County elected officials preside over certain ‘row offices’ – or constitutional offices. These include Clerk of the Peace, Recorder of Deeds, Register of Wills, and Sheriff’s Office. These four offices provide services, such as marriage licenses, recordation of legal papers, and court-related duties. Each of these offices are managed by an elected official, but the County government is responsible for their financial accountability.

The County provides substantial grant-in-aid funding to its residents. Our grant-in-aid package consists of grants to fire companies, Delaware State Police, and sewer contributions. The County has entered into agreements with the State of Delaware to partially fund an additional 40 State Police in Sussex County. This is in addition to the State of Delaware allotment for Sussex County. The County also assesses, bills, and collects school taxes for eight school districts, as well as property taxes for the County government. The County is the primary funding source for 11 local libraries, which are managed by independent library boards.

County sewer and water districts include four treatment plants within its 22 districts. Three of these districts are currently in the design phase. The sewer and water districts’ operating budget for fiscal year 2008 was over \$33 million. The County’s growing sewer disposal operations handle over 56,000 current customers. There are four new additional approved sewer projects in various stages of construction or design. The number of sewer and water customers has increased over 30 percent in the last five years. The County is aggressively working to provide additional sewer service to meet our environmental and population needs. Each sewer district is treated as a separate fund. Combined financial information is included for these sewer districts in the financial section.

The annual budget is recommended by the County Administrator and approved by the County Council prior to July 1 of each year, which is the start of the County’s fiscal year. The budget serves as a financial guide for the County. The budget includes a five-year capital project plan, with proposed financing for projects. Please see note "A" - Section 18 on page 40, for additional budget information. Budget-to-actual comparisons, on pages 63 through 72 and on page 74, are also included.

Factors Affecting Financial Condition

Local Economy

Agriculture, tourism, healthcare, construction, retail sales and education are leading industries in Sussex County. Sussex County is the largest poultry-producing county in the United States, as was the case in 2002, 1997, 1992, 1987, 1982, 1978, 1949 and 1944. Two of the twenty largest U. S. poultry companies, Allen’s Family Foods, Inc. and Mountaire Farms, Inc., have headquarters in Sussex County. Perdue Farms, Inc. also has processing facilities in Sussex. Soybeans, corn and other vegetables are also important agricultural products. Sussex County ranks 36th out of 3,075 counties in the United States for value of agricultural products sold, per the U. S. Department of Agriculture. The Farmland Preservation Program has protected over 50,000 acres in agricultural preservation easements in Sussex County. Federal,

State, and County funds were used to purchase the development rights for these farms, which permanently preserve these properties for agricultural uses.

Three hospitals are located within the county, in Seaford, Lewes and Milford. Also throughout the county there are other satellite medical facilities. Milford Hospital is undertaking major expansions during the next few years to meet growing demand, while Nanticoke Hospital recently completed a major emergency room renovation. Meantime, Beebe Medical Center has completed a new outpatient facility and has plans for a new 24-hour emergency room satellite in southeast Sussex County. Assisted living facilities and nursing homes are sited in Lewes, Georgetown, Milford, Seaford, Delmar, Millsboro, and Greenwood.

There are eight school districts in Sussex County, plus one Charter School and numerous private schools. The Delaware Technical & Community College, at its 146-acre campus in Georgetown, offers Associate college degree programs in health, business, public service, engineering and industrial education. This Community College has established connected degrees with various other institutions in the region that enables one to graduate with an Associates Degree and transfer to a four-year program at another college. Delaware Tech also provides an accelerated English and Math Program for Sussex County middle and high school students. The University of Delaware, Delaware State University, and Wilmington University also offer courses in Georgetown at the Delaware Technical & Community College. Some four-year degrees, Master degrees, and Doctoral Programs are available through their partnership. The Sussex Technical School District and Delaware Technical & Community College also work closely with county employers to provide specialized training for employees. Delaware Tech is the number one provider of training for technicians at area hospitals.

The County has experienced diversified growth in manufacturing. There has been significant growth at the Industrial Airpark in Georgetown with the addition of DeCrane Aircraft, Inc., which completes interior conversions to Boeing aircraft and installs patented auxiliary fuel tanks for jets as large as the Boeing 737. DeCrane Aircraft, Inc. currently has more than 500 skilled employees and plans to expand their operations in the coming years. Food processing companies include Pinnacle Foods Corp., a pickle processing plant in Millsboro; a seafood processor, Sea Watch International; distributor Burris Logistics, Inc. in Milford; and Eastern Shore Poultry in Georgetown. Invista currently has a workforce of more than 100 employees producing industrial fiber used in military apparel and conveyor belts used in paper manufacturing. Other major employers include furniture retailer Johnny Janosik in Laurel, pharmaceutical producer Barcroft Company in Lewes, dental product manufacturer Dentsply Caulk in Milford, vaccine producer Intervet Schering-Plough Animal Health in Millsboro, and roof truss manufacturer Universal Forest Products in the Industrial Airpark. Arrow Safety Device recently expanded and relocated their corporate office into two buildings in the Selbyville Industrial Park. M & T Bank operates a call and consumer loan-processing center in Millsboro, employing approximately 420 employees.

A flourishing sector in Sussex County is retail outlets. Along a two-mile stretch of Route 1, between Lewes and Rehoboth Beach, there are approximately 140 outlet stores offering a myriad of products, such as clothing, tools, shoes, books, stereo equipment, gourmet food, kitchen supplies, camping equipment, restaurants, and even hot peppers. These outlets have become a year-round attraction for out-of-state residents, especially for those who are

attracted by reasonable prices and the lack of a Delaware sales tax. This Outlet Center is ranked the largest on the Delmarva Peninsula.

Tourism is an important industry in Sussex County. In a 2006 tourism study, an estimated 3 million people-visits to Sussex County occur each year. Tourism had an estimated economic impact of \$709 million, employing more than 10,000 people. In a 2005 study, the most popular activities for visitors were beaches (40 percent), dining (39 percent), and shopping (32 percent). Atlantic Ocean beaches include Dewey, Fenwick Island, South Bethany, Bethany, Rehoboth, and the Cape Henlopen State Park. Delaware Bay beaches include Lewes, Broadkill Beach, and Slaughter Beach. The Delaware Seashore State Park is a popular attraction between Dewey Beach and Bethany Beach, offering swimming, surfing, clamming, fishing and boating as options. This section of beach is a narrow section of land, with the Atlantic Ocean on the east side and the Rehoboth and Indian River Bays on the west side. The Cape Henlopen State Park, between Lewes and Rehoboth, offers ocean and Delaware Bay beaches for swimming and fishing. There are also numerous hiking trails at the park. Sussex County is conveniently located to take advantage of the recent trend to vacation closer to home. The top five states of visitor origin are Maryland, Pennsylvania, Delaware, Virginia, and New Jersey.

Sussex County's population grew 38 percent between the 1990 and 2000 U. S. census. This rate of growth was the highest in the State of Delaware and is expected to continue as the fastest growing county in the state for the next 12 years. The residential housing boom of the past decade can be partially attributed to the quality of life in Sussex County, the seashore, and the reasonable cost-of-living in the county. Low state, school and county property taxes are also factors. The attractiveness of Sussex County as a place to live provided the impetus for the recent residential home-building boom that increased demands on the County. Sussex County attracts a growing number of retirees. Delaware's Population Consortium projects a more than 50 percent increase in the number of Sussex County residents 60 and older through 2020.

Nationally, we are struggling. We are in the midst of a two-year national housing slump that has eroded home prices by as much as 20 percent and slowed sales this year to levels 30 percent below a year ago. With the economy in a slide and the housing market weakened, the challenge now is to maintain and supplement existing County services while facing a decrease in our major revenue source, realty transfer tax. Tremors from the housing market's crash and the overall decline of our economy in general will start to strain future budgets as revenue shortfalls can translate into spending cutbacks. During fiscal year 2008, 1,669 permits for new dwellings were issued. That was down from the 2,323 permits for new dwellings issued in fiscal year 2007, a decline of 28 percent.

Financial Planning

As we submit this report, there are still indefinite concerns with our national, state, and local economy. Currently, we do not know if the bottom has passed or if new lows are ahead. We are implementing budget cuts during fiscal year 2009; however we have a strong financial foundation from which to work. The current economic situation is a considerable part of our financial planning.

The County has funded its non-sewer and water assets on a pay-as-you-go basis and avoided issuing debt. A new County Administrative building is currently being considered and in September 2008, \$2.4 million was spent on land for a future administration site, \$4.2 million was spent on airport expansion and \$1.9 million for library expansion. Additional funds are set aside for infrastructure and a fire protection system at our County Airport. The County plans to fund these projects with Federal Aviation Administration (FAA) grants, State grants, and County contributions.

During fiscal year 2008, four sewer districts were in the planning and design stages. These are in environmentally sensitive areas of the county. The fiscal year 2008 Five-Year Capital Improvement Plan includes \$230 million for sewer expansion and upgrades. Funding for these projects includes State Revolving Fund loans, State grants, Federal USDA loans and grants, and County contributions.

Cash Management Policies and Practices

Except for the fiduciary funds and West Rehoboth Sewer fund, the County invests available funds on a short-term basis with local Sussex County banks. The County solicits bids weekly for collateralized certificates of deposit with these banks. Collateralized money market accounts are also utilized to maximize interest earnings. The West Rehoboth Sewer fund invests in U. S. Treasury obligations and some repurchase agreements.

The County conservatively requires collateralization with U. S. Treasury and accepted Agency Obligations. Our policy is to invest with local Sussex County banks that can provide this collateral held by third-party banks. Please see Note B, on pages 41 and 42, for additional information regarding cash and collateralization.

The Sussex County Pension Trust fund is diversified with three different managers, Fidelity Investments, the State of Delaware Local Government Retirement Investment Pool, and the Wilmington Trust Company. The Sussex County Pension Committee oversees the management of the Pension Trust fund and the Post-retirement Employee Benefit fund and is responsible for recommendations to the County Council regarding investments and funding.

During fiscal year 2008, the Pension Committee developed a new Pension Investment Policy. This policy will protect the County's pension assets, as well as provide guidelines for investing. We have obtained additional Global Equity Investment Managers that will complement our existing investment managers. With the market as volatile as it has been during fiscal year 2008, we are taking a more conservative approach.

Risk Management

The County insurance covers liability, auto, workers compensation, property, public officials errors and omissions, flood insurance, and employee bonding. Insurance matters are reviewed with an independent insurance consultant. Every three years, the County solicits bids on the insurance policies to obtain the best pricing available.

Regarding employee health insurance, the County maintains a self-insured plan, whereby the County funds expenses per insured up to \$250,000 per year. Expenses over the \$250,000 threshold are covered under a reinsurance policy, subject to a maximum aggregate limit of \$10,206,011. The County deposits monies in the health fund each month to cover the health

plan cost. The County has successfully maintained this self-insured plan for over 10 years. Please refer to Note K, on page 56, for additional information.

Pension and Other Post-Retirement Employee Benefits

The County provides a defined benefit pension plan for its employees. Employees are vested with a minimum of 8 years of service. Surviving spouses are eligible for 50 percent of the covered employee's pension benefit. The Pension Trust fund is treated as a fiduciary fund in the financial section.

The County is proud that it has made substantial contributions to the Pension Trust fund over the last few years. The value of the fund has increased from \$4 million in 1993 to \$44 million as of June 30, 2008. Our goal has been to fully fund the pension plan. As of January 1, 2008, the pension plan was 97.8 percent funded. This result is, primarily, due to the strong asset returns and high contribution levels made by the County over the last few years. The fiscal year 2009 budget includes a pension contribution of \$2.3 million, which is 10% of wages. Being 97.8 percent funded will help us to weather the current market decline.

The County, as part of the budgetary process, has limited pensioner cost-of-living increases to one-half of the County employee cost-of-living increase, with a maximum of two percent per year. Pensioner cost-of-living increases are recommended annually with the County budget.

The County provides post-retirement employee benefits to retirees and beneficiaries based on their years of service and status when they leave County employment. In anticipation of GASB 45, which will be effective for our fiscal year ending June 30, 2009, the County established a post-retirement benefit fund account. This fund was valued at \$15 million as of June 30, 2008. The County plans to make annual actuarial-determined contributions to fund the liability for pensioner healthcare benefits. As budgeted in fiscal year 2009, the County will deposit an additional \$3.2 million into this account for post-retirement benefits.

Since October 2007, the stock market, as measured by the S&P 500, has been down over 40%. Pension funds have been negatively affected by this. Over the years, we have put together a well structured, long-term plan for our pension fund. Our long-term plan takes into consideration both the long-term nature of the pension obligations, as well as addressing short-term volatilities that can occur in the market. We have chosen not to go to either extreme of being overly aggressive or overly conservative in the investment of the pension funds. We have developed an Investment Policy Statement that sets out the guidelines for investment of the funds, and we analyze the performance of the total fund. We have taken a posture of investing the assets slightly on the conservative side, but not so conservative that we do not have a reasonable chance of meeting the targeted investment returns. This has led us to a portfolio that is well diversified between stocks and bonds. With all of the uncertainty and, in some cases, the fear that the recent downturn in the market has caused, we have continued to look at and monitor the fund and the fund managers. Therefore, we will continue with a moderate position, keeping ourselves well diversified in the portfolio.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sussex County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the sixth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis is due to the tremendous efforts of County employees in the Finance and Accounting Departments. We would especially like to thank those employees and the County auditors for their dedication to the completion of this report.

We would also like to thank the County Council for their support in maintaining the strong financial position of our County by supporting fiscally sound financial policies. Appreciation is also expressed to all additional individuals who assisted in this effort.

Respectfully submitted,



David B. Baker
County Administrator



Susan M. Webb
Finance Director

DBB:SMW/nc

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sussex County
Delaware

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



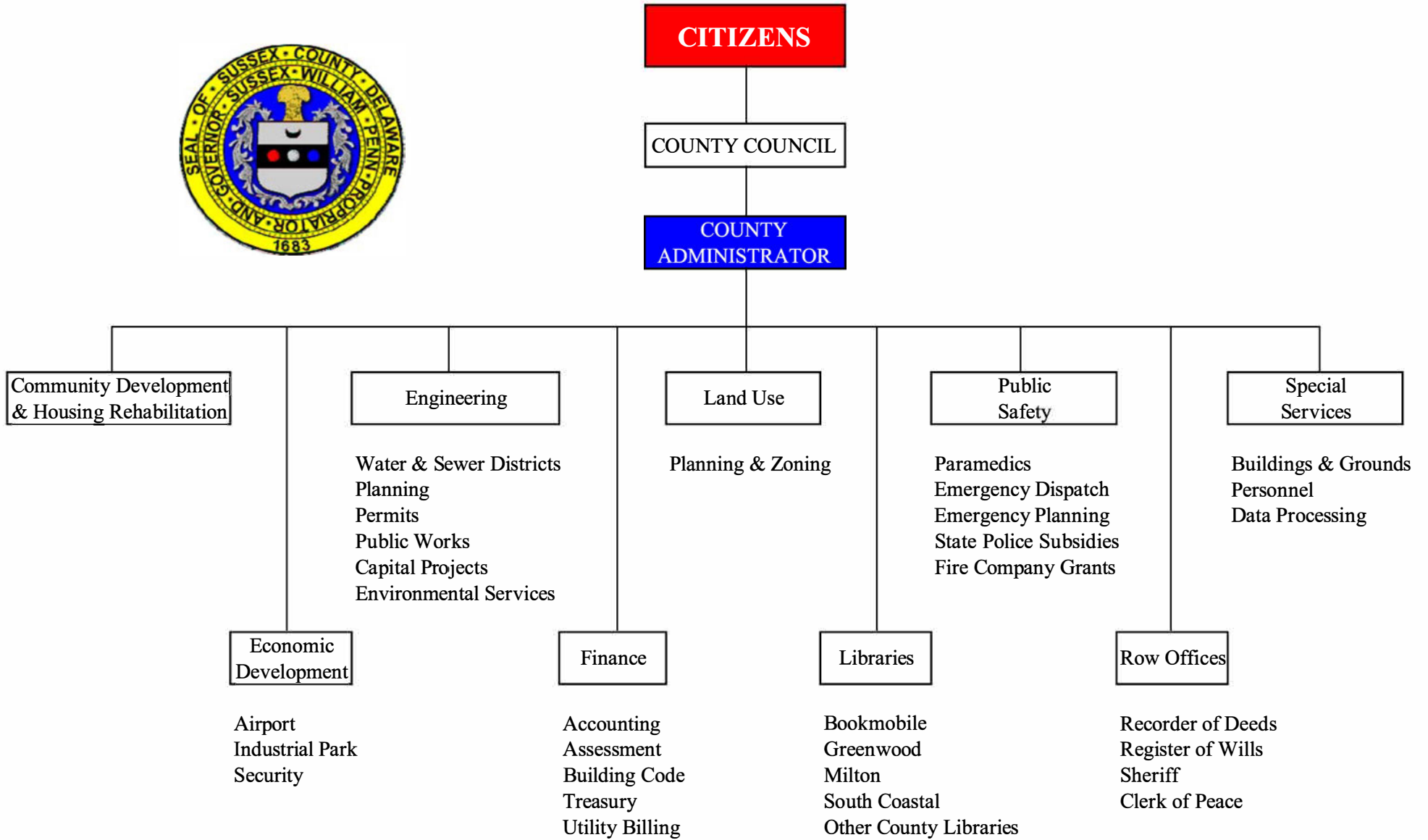
Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

**SUSSEX COUNTY, DELAWARE
ORGANIZATIONAL CHART
FOR THE FISCAL YEAR 2008**



SUSSEX COUNTY, DELAWARE

LIST OF ELECTED OFFICIALS

JUNE 30, 2008

<u>COUNCIL</u>	<u>Length of Service</u>	<u>Term Expires</u>
<i>District 1</i>		
Dale R. Dukes	20 Years	Jan. 2009
<i>District 2 - (President)</i>		
Finley B. Jones, Jr.	12 Years	Jan. 2009
<i>District 3</i>		
Lynn J. Rogers (Vice - President)	12 Years	Jan. 2009
<i>District 4</i>		
George B. Cole	22 Years	Jan. 2011
<i>District 5</i>		
Vance C. Phillips	10 Years	Jan. 2011

<i>Clerk of the Peace</i>		
George Parish	3 Years	Jan. 2009
<i>Recorder of Deeds</i>		
John F. Brady	6 Years	Jan. 2011
<i>Register of Wills</i>		
David L. Wilson, Sr.	2 Years	Jan. 2011
<i>Sheriff</i>		
Eric D. Swanson	2 Years	Jan. 2011

SUSSEX COUNTY, DELAWARE

COUNTY DEPARTMENT HEADS & OTHER OFFICIALS

JUNE 30, 2008

	<u>Length of Time in Position</u>	<u>Length of Service with the County</u>
<i>County Administrator</i> - David B. Baker	2 yrs.	30 years
<i>County Attorney</i> - James D. Griffin, Esquire	5 yrs.	5 years
<i>Finance Director</i> - Susan M. Webb, CPA (not in public practice)	2 yrs.	15 years
<i>County Engineer</i> - Michael A. Izzo, P.E.	12 yrs.	24 years
<i>Accounting Division Director</i> - Gina A. Jennings, MBA, MPA	2 yrs.	2 years
<i>Assessment Division Director</i> - Eddy J. Parker	18 yrs.	28 years
<i>Facilities Manager</i> - Ray W. Webb	29 yrs.	31 years
<i>Community Development Program Director</i> - William C. Lecates	18 yrs.	29 years
<i>Data Processing Director</i> - Bonnie O. Smith	21 yrs.	39 years
<i>Director of Sussex Airport and Industrial Park Operations</i> - James A. Hickin	2 yrs.	3 years
<i>Emergency Preparedness Director</i> - Joseph L. Thomas	11 yrs.	22 years
<i>Library Director</i> - Carol H. Fitzgerald	23 yrs.	23 years
<i>Paramedic Director</i> - Glenn H. Luedtke	8 yrs.	8 years
<i>Personnel Director</i> - Dennis V. Cordrey	28 yrs.	31 years
<i>Planning and Zoning Director</i> - Lawrence B. Lank	23 yrs.	39 years
<i>Treasury Division Director</i> - Amanda M. Bennett	2 yrs.	5 years
<i>Utility Billing Division Director</i> - Patricia Faucett	2 yrs.	8 years





FINANCIAL SECTION

DAVID R. URIAN, CPA
DAVID C. DOANE, CPA
CHARLES H. STERNER, JR. CPA, CVA
SHELDON L. FORNEY, CPA
JAY M. STEVENS, CPA, PFS
ROGER R. REED, CPA
ELAINE E. GRAVES, CPA
BRYAN L. HUDSON, CPA

TRUITT W. JEFFERSON, CPA, DIRECTOR
RETIRED

ANITA Y. SMITH, MEd, DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the County Council
Sussex County, Delaware
Georgetown, Delaware

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Sussex County, Delaware as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sussex County, Delaware's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Sussex County, Delaware as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2009, on our consideration of Sussex County, Delaware's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 17 and the required supplementary information on pages 59 through 62, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sussex County, Delaware's basic financial statements. The combining and individual fund financial statements and schedules, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Sussex County, Delaware. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Jefferson, Urian, Doane & Steiner, P.A.

Georgetown, Delaware
January 26, 2009

SUSSEX COUNTY, DELAWARE

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

This section of the report offers an overview and analysis of the financial activity of Sussex County, Delaware, for the year ended June 30, 2008. Please consider this Management's Discussion and Analysis (MD & A) along with other additional information included in the letter of transmittal and other sections of the report.

Financial Highlights

Government-wide Financial Statements

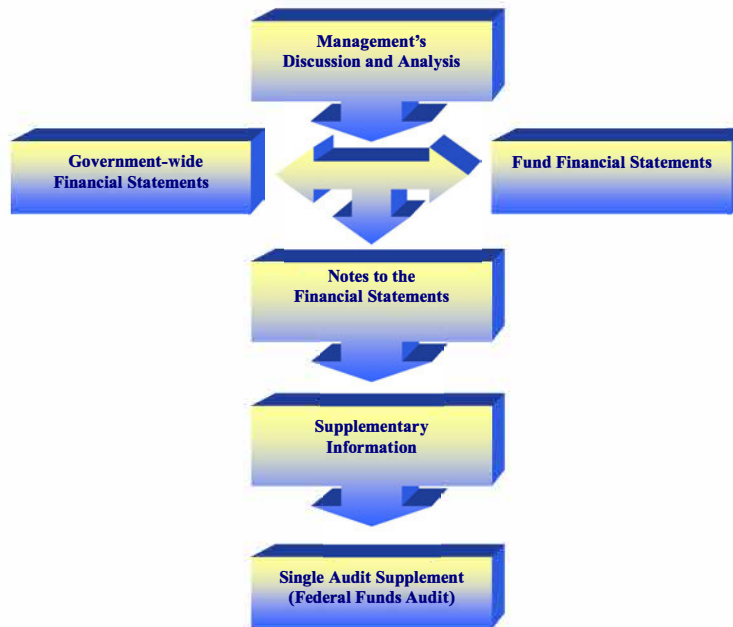
- As of June 30, 2008, assets exceeded liabilities by \$407 million. Of this amount, \$41 million was unrestricted and may be used for ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$30 million during the year. The governmental activities' portion of the increase was \$6 million. The increase in the investment in capital assets, net of related debt was \$9 million. Restricted realty transfer tax decreased \$3 million mostly due to the decline in the realty transfer tax revenue because of the weak housing market. The business-type activities increase in net assets of \$24 million is, primarily, due to growth-related capital costs, connection fee income, State grant capital contributions, and County contributions.
- The County has no outstanding General Fund bonded debt.

Fund Financial Statements

- As of June 30, 2008, the County's governmental funds reported an ending fund balance of \$102 million. This decreased \$4 million from the preceding year. About 7 percent, or \$7 million, was unreserved or available for spending at the County's discretion.
- The undesignated fund balance as of June 30, 2008 for the governmental funds was \$4 million or 6 percent of the fiscal year 2009 budget for these funds.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the County's basic financial statements. These basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. Supplementary information, in addition to the basic financial statements, is also included. The Single Audit (Federal Funds) Supplement follows the supplementary information.



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business. This government-wide financial reporting includes two statements: the Statement of Net Assets and the Statement of Activities. Fiduciary activity, is excluded from these statements because its resources are not available to finance other County programs.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of Sussex County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the current fiscal year. Changes in net assets are reported when the underlying event occurs, regardless of the timing of related cash flows. Thus, some revenues and expenses reported in this statement will not impact cash flows until future fiscal periods.

Both the Statement of Net Assets and Statement of Activities account separately for governmental activities and business-type activities.

- Governmental activities include General Government, Paramedics, Libraries, Planning and Zoning, Economic Development, Emergency Preparedness (911), and Constitutional Offices. These activities are mostly supported by user charges, taxes, and operating grants.
- Business-type activities - This includes Sussex County sewer and water districts, which are funded primarily by user charges, assessment charges, connection fees, and contributions.

The government-wide financial statements immediately follow this MD & A on pages 18 and 19 of this report.

Fund Financial Statements

The next group of financial statements, beginning on page 20 of this report, are fund financial statements. The fund financial statements reinforce and provide additional information.

A fund is an accounting entity that is used to maintain control over resources that have been segregated for specific activities or objectives. Sussex County, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. Sussex County's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental Funds* - Governmental funds account for essentially the same functions as governmental activities in the government-wide financial statements. Governmental fund financial statements do focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near term financing requirements. Because the focus of governmental funds is for the current period, it is useful to compare this information with similar information presented for governmental activities in the government-wide financial statements. Readers may then better understand the long-term impact of the government's current financing decisions. The Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance include reconciliations to the government-wide financial statements (see pages 20 through 22).

Sussex County maintains two individual governmental funds. These include the following: General and Capital Project funds. They are presented in separate columns on the governmental funds financial statements.

The basic financial statements include a budgetary comparison statement for the General fund. A budgetary comparison schedule has been included for the capital projects fund in the supplemental information. Sussex County adopts an annual appropriated budget for its General and Capital Project funds.

- *Proprietary Funds* - Sussex County's proprietary funds are solely enterprise funds, which operate in a manner similar to private business enterprises. Sussex County's proprietary funds include three major funds for the Bethany, West Rehoboth, and the South Coastal Regional Wastewater Facility. They also include nineteen nonmajor sewer and water funds (see pages 24 through 31 and 75 through 94).
- *Fiduciary Funds* - Sussex County has two fiduciary funds, the Pension Trust fund and the Post-retirement Employee Benefit fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The separate accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 32 and 33 of this report.

Notes to the Financial Statements

Notes to the financial statements found on pages 34 through 58 of this report, provide additional information that is important for a better understanding of the data provided in the financial statements.

Other Information

Pages 59 through 62 include required supplementary information regarding our fiduciary funds. Following on pages 63 through 94 are General fund and Capital Project fund budgetary comparison schedules, General fund revenue and expenditure schedules and combining proprietary fund schedules. The statistical section follows on pages 95 through 164 with additional County information. The Single Audit, a separate federal awards audit, follows the statistical section.

Government-wide Financial Analysis

As previously noted, assets exceed liabilities by \$407 million as of June 30, 2008. Net assets may serve over time as a useful indicator of a government's financial position.

The following Table is a summary of the government-wide statement of net assets:

**SUSSEX COUNTY'S SCHEDULE OF NET ASSETS
As of June 30, 2008 and 2007**

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 140,897,861	\$ 143,654,585	\$ 87,686,189	\$ 83,384,883	\$ 228,584,050	\$ 227,039,468
Capital Assets	52,330,100	43,542,689	326,263,103	308,848,362	378,593,203	352,391,051
Total Assets	<u>\$ 193,227,961</u>	<u>\$ 187,197,274</u>	<u>\$ 413,949,292</u>	<u>\$ 392,233,245</u>	<u>\$ 607,177,253</u>	<u>\$ 579,430,519</u>
Current and Other Liabilities	26,335,127	26,710,996	3,166,902	7,248,236	29,502,029	33,959,232
Long-term Liabilities						
Outstanding	9,488,102	9,006,009	160,952,106	159,326,065	170,440,208	168,332,074
Total Liabilities	<u>\$ 35,823,229</u>	<u>\$ 35,717,005</u>	<u>\$ 164,119,008</u>	<u>\$ 166,574,301</u>	<u>\$ 199,942,237</u>	<u>\$ 202,291,306</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	52,193,513	43,377,418	166,434,682	150,185,092	218,628,195	193,562,510
Restricted	69,968,855	72,996,872	78,027,750	81,095,890	147,996,605	154,092,762
Unrestricted	35,242,364	35,105,979	5,367,852	(5,622,038)	40,610,216	29,483,941
Total Net Assets	<u>\$ 157,404,732</u>	<u>\$ 151,480,269</u>	<u>\$ 249,830,284</u>	<u>\$ 225,658,944</u>	<u>\$ 407,235,016</u>	<u>\$ 377,139,213</u>

A large portion of the County's net assets (54 percent) are not available for future spending since they represent amounts invested in capital assets (e.g., land, buildings, machinery and equipment). This investment is net of any related debt that was used to acquire those assets that is still outstanding. It should be noted that the resources needed to repay outstanding debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This portion of net assets increased by \$25 million during fiscal year 2008, primarily due to developer contributions of sewer infrastructure and County sewer project expansion.

Of the remaining \$189 million in net assets, \$78 million is restricted for the repayment of interest and principal on bonds issued to finance water and sewer district costs or for capital costs incurred. For governmental activities, \$70 million represents realty transfer taxes, 911 fees received, and grant funds

on-hand, which are restricted for specific purposes. Realty transfer taxes must be used for public safety, economic development, public works, capital projects, infrastructure projects, or debt reduction. Realty transfer taxes restricted funds include reservations for sewer district contributions (\$2 million), a new County Administration Building (\$14 million), Industrial Park infrastructure (\$2.7 million), and County Airport improvements (\$2 million). Available 911 fees are restricted for specific emergency dispatch purposes, i.e., software to maintain addressing and mapping.

The remaining \$41 million in net assets is unrestricted and may be used for ongoing obligations to citizens and creditors.

The following schedule shows the breakdown of changes in net assets for governmental and business-type activities for fiscal years 2008 and 2007.

SUSSEX COUNTY'S CHANGES IN NET ASSETS
For the Years Ended June 30, 2008 and 2007

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	\$ 10,698,851	\$ 12,256,122	\$ 14,445,865	\$ 13,992,697	\$ 25,144,716	\$ 26,248,819
Operating Grants and Contributions	6,787,014	7,599,645	21,288,672	21,060,417	28,075,686	28,660,062
Capital Grants and Contributions	4,475,526	1,494,572	12,252,630	17,606,829	16,728,156	19,101,401
General Revenues						
Property Taxes	12,315,444	11,521,348	-	-	12,315,444	11,521,348
Capitation Taxes	247,041	240,030	-	-	247,041	240,030
Fire Service Taxes	1,106,321	1,535,864	-	-	1,106,321	1,535,864
Realty Transfer Taxes	20,636,949	27,058,083	-	-	20,636,949	27,058,083
Investment Income	4,379,147	5,829,443	629,534	716,108	5,008,681	6,545,551
Total Revenues	\$ 60,646,293	\$ 67,535,107	\$ 48,616,701	\$ 53,376,051	\$ 109,262,994	\$ 120,911,158
Expenses:						
Primary Government:						
General Government	\$ 13,494,301	\$ 13,627,710	\$ -	\$ -	\$ 13,494,301	\$ 13,627,710
Grant-in-aid Programs	9,282,188	9,014,248	-	-	9,282,188	9,014,248
Planning and Zoning	1,512,879	1,430,741	-	-	1,512,879	1,430,741
Paramedic Program	12,802,503	11,626,354	-	-	12,802,503	11,626,354
Emergency Preparedness	2,764,937	2,213,396	-	-	2,764,937	2,213,396
Economic Development and						
Public Works	556,647	532,760	-	-	556,647	532,760
County Engineer	2,713,328	2,994,201	-	-	2,713,328	2,994,201
Airport	995,702	1,281,765	-	-	995,702	1,281,765
Library	3,924,788	3,747,511	-	-	3,924,788	3,747,511
Community Development and Housing Programs						
Constitutional Offices	1,501,117	1,959,365	-	-	1,501,117	1,959,365
Interest expense on long-term debt	-	3,285	-	-	-	3,285
Business-type Activities	-	-	26,988,716	25,955,669	26,988,716	25,955,669
Total Expenses	\$ 52,178,475	\$ 50,917,801	\$ 26,988,716	\$ 25,955,669	\$ 79,167,191	\$ 76,873,470
Increase in Net Assets Before						
Transfers	\$ 8,467,818	\$ 16,617,306	\$ 21,627,985	\$ 27,420,382	\$ 30,095,803	\$ 44,037,688
Transfers	(2,543,355)	(2,790,587)	2,543,355	2,790,587	-	-
Increase in Net Assets	\$ 5,924,463	\$ 13,826,719	\$ 24,171,340	\$ 30,210,969	\$ 30,095,803	\$ 44,037,688
Net Assets – Beginning	151,480,269	137,653,550	225,658,944	195,447,975	377,139,213	333,101,525
Net Assets – Ending	\$ 157,404,732	\$ 151,480,269	\$ 249,830,284	\$ 225,658,944	\$ 407,235,016	\$ 377,139,213

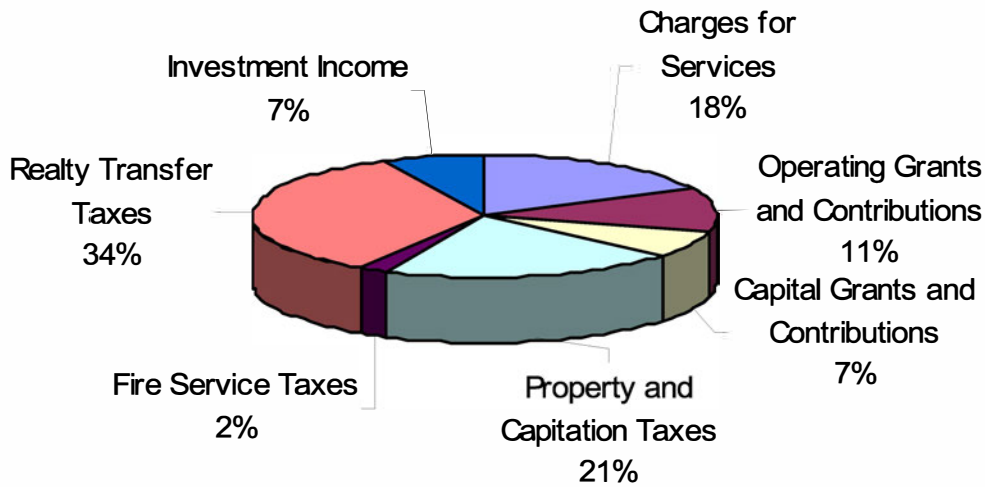
Governmental Activities

Governmental activities increased net assets by \$6 million during fiscal year 2008. This represents 20 percent of the increase in net assets for the year. Governmental activities include the General fund and Capital Projects fund.

In the changes of net asset schedule, tax revenues total \$34 million for fiscal year 2008 for governmental activities. This includes \$21 million received from realty transfer taxes. This is a \$6 million decline from fiscal year 2007, due to the sluggish real estate market. Realty transfer tax revenue had risen sharply over recent years, but fiscal year 2006 began to level off, and then in fiscal years 2007 and 2008 there was a sharp drop.

The pie chart below shows realty transfer taxes as the largest governmental revenue comprising 34 percent of total revenue, followed by property and capitation taxes (21%) and charges for services (18%).

Revenues by Source - Governmental Activities

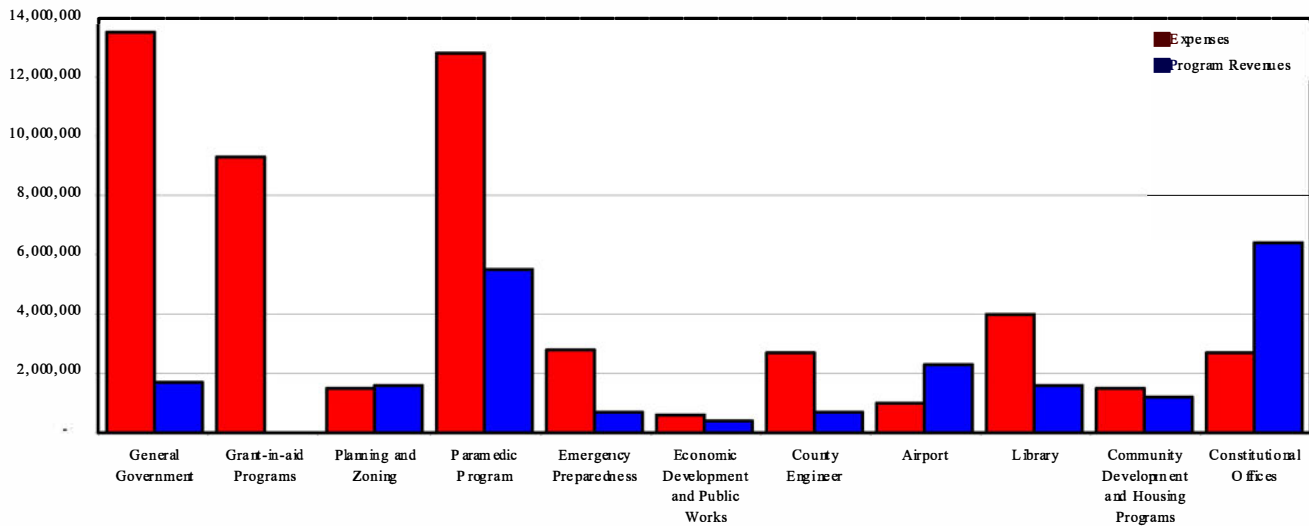


Charges for services also reflect decreases in revenue from the Recorder of Deeds, Building Permit, and also Building Inspection fees. These revenues were down \$2 million, or 19 percent, from the previous year. This reflects the continued downturn in the real estate market locally as well as mirroring the national real estate slump.

Some governmental activity expenses have increased, mainly due to keeping up with the growth in the County. Growth in these expenses reflects the need to provide services for an increasing population.

The following bar chart compares revenues and expenses for each governmental activity.

Expenses and Program Revenues - Governmental Activities



The population growth of the county has impacted the paramedic department more than any other county service. Over the last five years two new paramedic stations have been added. During peak times, the power unit is deployed in areas when increased resources are needed in response to high demand. Due to the shortage of qualified paramedics, the County has a paramedic training program with Delaware Technical and Community College. This has proven to be a great success and keeps normal attrition manageable.

During fiscal year 2008, the County provided over \$700,000 in grants for a variety of community improvements to local nonprofit organizations as part of a program to benefit County residents. These grants included local historical societies, senior centers, educational, recreation, arts, and agriculture programs. The County also has grant programs to assist taxpayers in meeting their property tax obligation or sewer bills. The County expended over \$1.5 million for open space land preservation. In partnership with the federal and state governments and private sector these funds protect over 50,000 acres of farmland from future development.

The County continues to supplement the state police and local law enforcement. In fiscal year 2008 \$2.1 million was granted to them. This partially funded 36 additional State Police to service our county and provided funding for capital items and operational expenses for our local law enforcement officers.

County funding for the volunteer fire service continued during fiscal year 2008. There was \$3.4 million granted to the fire service including over \$1.5 million for Basic Life Support.

During fiscal year 2008, the County continued expansion projects at the County Airport. Stormwater maintenance and fire system improvement planning studies have begun. The County continued negotiating and purchasing property needed to extend an airport runway, which will enable new businesses and existing employers to grow. The County is also in the construction phase of a crosswind runway project and expects to be completed in fiscal year 2008. Some of these expansion projects could possibly be delayed as we focus on our economic uncertainties.

Our new Emergency Operations Center went live in May 2008. The new Emergency Operations Center cost \$13 million and has state-of-the-art communications equipment.

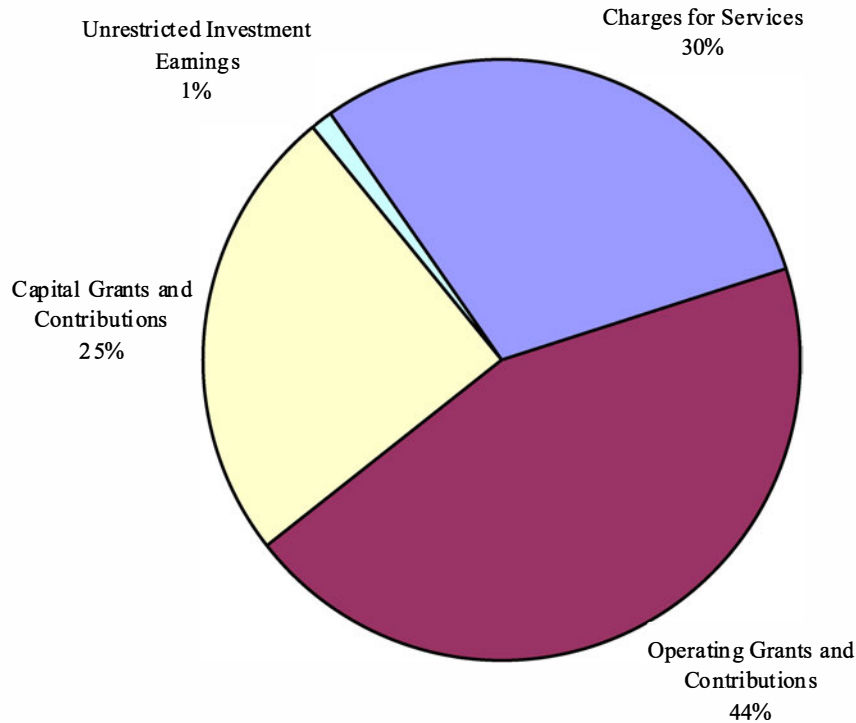
Library expansion continues in the County. All three county libraries are experiencing growth and are in some phase of an expansion project. Construction began in fiscal year 2008 for the expansion of the South Coastal Library, a \$5 million project.

County contributions were granted to the sewer and water districts during fiscal year 2008. These funds help offset capital costs incurred and help maintain sewer user rates at reasonable levels.

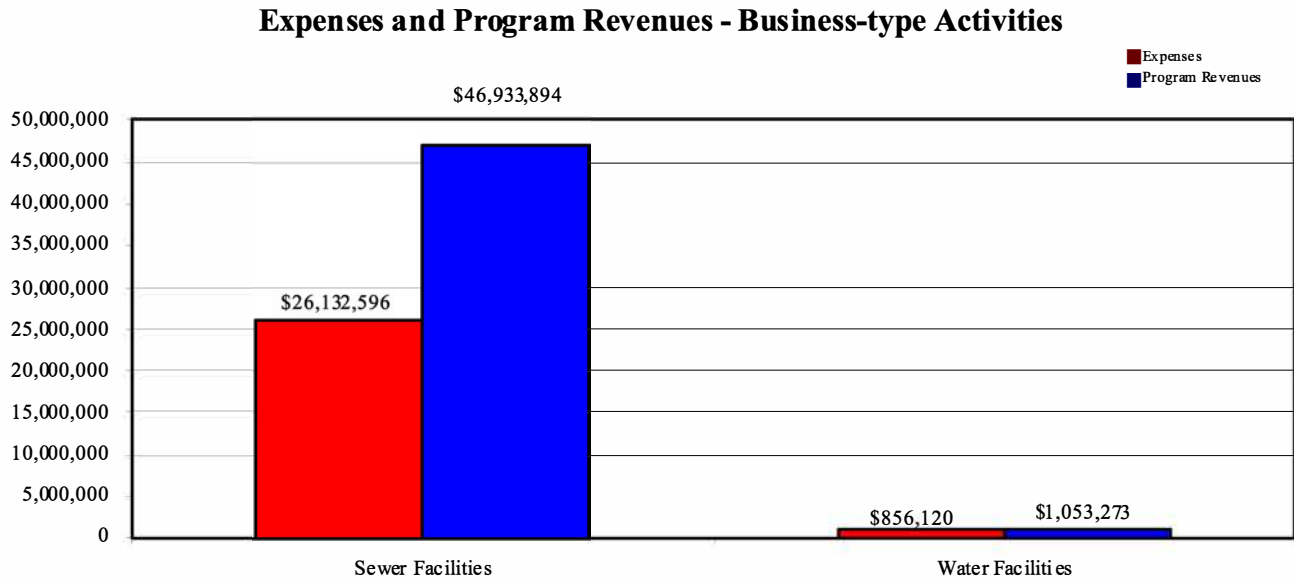
Business-type Activities

Sussex County's water and sewer funds recorded an increase in net assets of \$24 million during fiscal year 2008. Income before capital contributions and transfers was \$9 million. There were two significant increases in fund net assets for business-type activities. Sewer infrastructure has added to the proprietary funds investment in net assets. Net assets restricted for construction and debt service is the other significant increase. This reflects the expansion of sewer service in the County during fiscal year 2008. The pie chart reflects revenue by sources.

Revenues by Source - Business-type Activities



The following bar chart shows that program revenues exceeded expenses for both sewer and water facilities.



- Capital contributions from developers totaled \$8 million during the year. This includes sewer facilities for new development as required by County ordinance, which are deeded to the County upon project completion.
- The County received \$8 million in connection fees for new growth in the sewer and water districts. Connection fee income increased only slightly over fiscal year 2007, but is still a healthy number. The housing market which directly affects our connection fee revenue peaked in fiscal years 2005 and 2006. In fiscal year 2008 this revenue increased by only 2%. County sewer and water districts' EDUs still grew by 5 percent, from 56,992 at the beginning of the year to 59,774 as of June 30, 2008. This reflects continued growth, but at a slower pace. One of the County's goal has always been to support our Inland bays by supporting central sewer.

Financial Analysis of the County's Funds

As previously noted, Sussex County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

Governmental fund accounting provides information on available or spendable resources. This information is useful in assessing the County's financing requirements for operations. Unreserved fund balance may serve as a useful measure of the County's net resources available for spending and for future needs.

During fiscal year 2008, fund balances of the County's governmental funds decreased \$4 million to \$102 million. This is primarily due to the decrease in the residential housing demand in the County. The real estate market is slowing or perhaps leveling off by correcting itself from the inflated market over the last

several years. This has caused revenues to drop and for the County to have a deficit for the fiscal year reducing our undesignated portion of fund balance to \$4 million. Noncurrent assets have increased due to our policy of interim financing of our sewer districts using our realty transfer tax. Restricted realty transfer tax cash has decreased \$3.5 million due to interim financing and also to the drop in the realty transfer tax revenue.

Some of the more significant designations in fund balance are for grants (\$1.5 million), reassessment (\$530,000), and future information technology needs (\$300,000). Our goal is to maintain an undesignated portion of fund balance of approximately 25 percent of the succeeding year's General fund budget. As of June 30, 2008, the General fund undesignated fund balance of \$5 million. The decrease of fund balance is due to the decrease in our realty transfer tax revenue and the other real estate or construction related revenue.

The governmental funds include the General fund and Capital Projects fund. General fund includes County Administration, Finance, Personnel, Buildings and Grounds, Planning and Zoning, Emergency Preparedness (911), Paramedics, Economic Development and Industrial Park, Engineering Administration and Public Works, Solid Waste, County Airport, Libraries, and Constitutional Offices, including Recorder of Deeds, Register of Wills, Sheriff, and Clerk of Peace. The Capital Projects fund includes funding for non-proprietary funds (non-sewer and non-water projects), such as the County Airport, Emergency Operations Center, Industrial Park, County Libraries, and County Administrative Buildings.

During fiscal year 2001, the County defeased all tax supported bonded debt. Since the County has not incurred any tax supported bonded debt since then, the County did not have a debt service fund during fiscal year 2008.

Fiduciary Funds

During fiscal year 2005, the County established an irrevocable fund for post-retirement employee benefits. The County is anticipating adopting GASB Statement No. 45 for fiscal year 2009. Monies in this account have been invested with the State of Delaware Local Government Retirement Investment Pool. The County has been committed to funding this plan to be in compliance of GASB 45. We are currently about 38 percent funded. As of June 30, 2008, net assets held in this account were valued at \$15 million. For fiscal year 2009, the contribution to this fund will be \$3.2 million.

Proprietary Funds

The County's proprietary funds provide the same type of information as in the government-wide financial statements for business-type activities. Net assets, exclusive of amounts invested in capital costs, total \$83 million. Restricted net assets include amounts for West Rehoboth Sewer revenue bond debt service, as well as amounts set aside for construction costs, connection fee revenue, and assessment fees. Connection fees received are to be used for capital costs and assessment fees are used to pay debt service cost.

Please refer to the government-wide financial statement information, regarding business-type activities, for additional discussion regarding proprietary funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenue and Appropriation Budgets

Total budgeted revenues, expenditures, and other financing uses are equal to the original approved budget, with adjustments for any approved budget transfers, for fiscal year 2008. During the year, the County Administrator approved budget transfers for expenditures from department heads. The approved budget transfers include increases in certain line items for requested expenditures, which were offset by decreases in other departmental line items and/or the budget for contingencies. Some of the largest transfers from budgeted contingencies to individual line items, as approved by the County Administrator during the year, were for Sussex Conservation District (\$100,000), addressing software (\$47,000) and Security System Improvements for the administration building (\$32,000).

Budget to Actual - Revenue

Actual general fund revenues and other financing sources were over budgeted revenues by \$1.4 million. This was because \$4.2 million of realty transfer tax was budgeted in capital projects fund but 100% of the revenue is in the general fund. The amount budgeted in the capital projects fund for realty transfer tax represents the funding amount for fiscal year 2008 we wanted to reserve for future capital needs. The real estate market and building climate during fiscal year 2008 was on a steady downward turn all year. Real estate and construction related revenues fell short of the budget including: recorder of deeds, building permits and inspections, mobile home placement fees and private road design fees. Realty transfer taxes revenue fell short of the budget by \$1.8 million.

Budget to Actual - Expenditures

Expenditures and other financing uses narrowly exceeded the budget by \$400,000 as noted on page 72. This takes into consideration \$4 million transferred out to the capital projects fund as per the approved Capital Improvement Budget.

As reflected in the revenue drop in fiscal year 2008, some expenditures related to revenue generating departments naturally are down as well. The Building Code and Public Works departments contract out plan review. As these revenues are down, so are the expenses related to this outsourcing service. This explains the difference of budget to actual in those departments. Personnel's budget variance of \$293,000 is due to an over-estimation of employees retiring. County administration, maintenance, emergency preparedness, and economic development all had management retirements in fiscal year 2007 causing fiscal year 2008 to have less payroll costs. The paramedic departments actual was under budget by \$600,000 due largely to their personal services. The Community Development and Housing programs are grant programs. The grant year crosses over our fiscal year, resulting in a \$200,000 budget savings. The grant-in-aid program overall was under budget by \$280,000. The fire companies' BLS grant, which is on a reimbursable basis, was less than anticipated. Also, we spent more on the open space program, using funds reserved from prior years.

Capital Asset and Debt Administration

Capital Assets

As per the chart below, capital assets (net of depreciation) are valued at \$379 million as of June 30, 2008. Note D, on pages 43 and 44, includes additional information.

**SUSSEX COUNTY'S CAPITAL ASSETS
As of June 30, 2008 and 2007
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
Land	\$ 12,228,329	\$ 9,248,853	\$ 39,531,769	\$ 39,531,769	\$ 51,760,098	\$ 48,780,622
Construction in Progress	7,079,501	10,353,437	11,451,148	36,435,813	18,530,649	46,789,250
Buildings	24,616,064	16,445,300	26,254,375	4,615,108	50,870,439	21,060,408
Improvements Other Than Buildings	4,067,043	4,242,513	6,045,699	6,373,059	10,112,742	10,615,572
Machinery and Equipment	4,339,163	3,252,586	2,882,921	939,500	7,222,084	4,192,086
Infrastructure	-	-	240,097,191	220,953,113	240,097,191	220,953,113
Total	\$ 52,330,100	\$ 43,542,689	\$ 326,263,103	\$ 308,848,362	\$ 378,593,203	\$ 352,391,051

The following are highlights of the major governmental activities capital projects done in fiscal year 2008.

- \$4 million was spent on land purchased for landfill buffers, airport expansion and building expansion.
- \$2 million spent on library expansion projects.
- \$2 million was spent on airport and industrial park improvements like fire protection, stormwater management and runway expansion projects.

Sewer fund asset additions also include \$8 million of sewer infrastructure that was paid for by developers and donated to the County for new developments within County sewer districts. This includes collection lines, pumping equipment, and force mains.

The following are highlights of the major capital sewer projects underway during fiscal year 2008, which will expand the County's sewer system to serve more residents and protect the environment.

- Many environmental studies and sewer boundary extensions were done in fiscal year 2008.
- The South Coastal Regional Wastewater Treatment Facility continued with expansion during fiscal year 2008. A construction project of over \$20 million will expand the capacity of the plant from 6 million gallons per day to 9 million gallons per day of average daily flow. This project will also upgrade the plant, which was constructed in 1976 and upgraded in 1988. This project

also includes construction of personnel offices and work areas. This will be done in fiscal year 2008.

- Construction work was underway during the year for the Millville Sewer project, a major Route 54 Improvement project and rebuild of a pump station.
- Angola Neck, Johnson’s Corner and the Oak Orchard expansion areas are in the preliminary sewer planning phase. It is estimated that central sewer will become available in three to five years in these three areas.

Long-term Debt

As of June 30, 2008, the County had \$162 million in outstanding bonds payable. Of this amount, \$24 million was backed by specific sewer district revenues. The remaining \$138 million of debt is backed by the full faith and credit of the Sussex County Government, although revenues from sewer and water districts are being used to pay the debt service for this debt. This debt was solely used to fund business-type water and sewer activities. There is no general fund bonded debt.

SUSSEX COUNTY'S OUTSTANDING DEBT
As of June 30, 2008 and 2007
 General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ -	\$ -	\$ 137,819,192	\$ 134,977,468	\$ 137,819,192	\$ 134,977,468
Revenue Bonds	-	-	24,005,471	25,497,849	24,005,471	25,497,849
Total	\$ -	\$ -	\$ 161,824,663	\$ 160,475,317	\$ 161,824,663	\$ 160,475,317

During fiscal year 2003, Standard & Poor's raised its rating for Sussex County by two rating classifications. On December 5, 2002, Standard & Poor's upgraded the County's rating to AA from A+, "reflecting strong residential tax base growth and increasingly strong fund balances". Previously, on February 11, 2000, Moody's Investors Service had raised its rating for Sussex County from A1 to Aa3. Per Standard & Poor's, "the upgrade also reflects a modest, but diverse, local economy". They also noted, "consistently strong financial performance and management continuity; and low debt levels due to self-supporting utilities and a very manageable capital improvement plan".

Also during the year, \$3.8 million in funds were borrowed from the State of Delaware Revolving Fund Loan Program for the South Ocean View Sewer district. This is a 30-year loan at 1.5 percent. For the Millville Sewer District, \$1.3 million was borrowed as part of an \$8 million State of Delaware Revolving Fund Loan, which is a 30 year loan at 1.5 percent interest.

State of Delaware statutes limit the amount of general obligation debt that Sussex County can issue to 12 percent of its total assessed valuation. As of June 30, 2008, there was \$201,931,103 remaining as available general obligation debt margin.

Additional information is included in note "H" on pages 50 through 55 of the report.

Economic Factors in Next Year's Budgets and Rates

Economic Factors

The 2008 budget committee tried hard to forecast or anticipate the effect of the housing market decline on our budget. Those related fees had been budgeted at lower levels based upon local economic predictions. Major factors such as a rise in energy prices, replacing an aging and experienced workforce and space needs all were considered when preparing the 2008 budget.

- The County's economy is as evidenced by a 4.1 percent unemployment rate as of June 2008. This compares to 4.2 percent for the State of Delaware and 5.5 percent for the United States. Even with the national outlook dim Sussex County is resilient and has not experienced the same housing crash as the other parts of the country.
- The real estate and construction industries began to soften during fiscal year 2006 and continued to decline in fiscal year 2007. Per the U. S. Census Bureau for June 2008, the value of new construction exceeded the total for the rest of the State. Approximately 56 percent of new construction value in that year is occurring in Sussex County. According to the U.S. Census Bureau, the value of new construction in Sussex County exceeds that for the individual states of Rhode Island, South Dakota, Alaska, as well as the District of Columbia.
- Agriculture is a major industry in Sussex County. Sussex County ranks first among all United States counties in poultry and egg sales per the U. S. Department of Agriculture. Four major poultry companies have facilities, or growers, in Sussex County. Corn, soybeans, and other vegetables are also grown in the County. Per the U. S. Department of Agriculture's 2002 Census, Sussex County ranked 36th in the United States for total market value of agriculture products sold, 263rd for value of crops, and 29th for number of vegetable acres harvested, as well as first for the sales value of poultry and eggs. Over 3,000 counties were included in this survey.
- Retail sales is a growing industry in Sussex County with major outlet shopping located on the East Coast corridor. These outlets attract customers from other counties and states. Having no sales tax in the state is also a huge draw for the outlet shoppers. Per a 2002 study by the U. S. Census Bureau, retail sales per capita in Sussex County exceeds that for New Castle and Kent County, Delaware.

Fiscal Year 2009 Budget and Rates

The whole theme of the 2009 budget was balance. The challenge now is to balance the enormous growth we have seen over the years with existing but limited County resources while facing a decrease in our revenue-related fees. The goal of the 2009 budget is to reflect the change in the economy and to continue to provide a strong financial base for the future.

The 2009 General fund budget decreased by over 5 percent, reflecting a realization that revenues were dropping. The County still must provide funding for services such as paramedics, police 911, emergency response, public works, and building code even though our revenue is declining. The number of paramedic calls has increased by 39 percent over the last five years.

The County property tax rate remained at 44.5 cents for the 19th straight year. The County takes pride that this is the seventh consecutive year there will not be any general fund bonded debt.

The fiscal year 2009 Sewer and Water budget for operations, maintenance and debt payments decreased by over 7 percent. The fiscal year 2009 sewer and water budget included no service charge rate increases. The new budget does include increases in sewer system connection charges. These charges are designed to recover costs needed for new expansion from new users. They are one-time charges for new sewer customers. The County's philosophy concerning growth is that new users should pay for growth.

The capital budget program of \$57 million includes \$41 million for water and sewer district expansion and major maintenance projects. New sewer districts are projected to cost \$33 million. The five-year capital improvement plan of \$277 million includes \$215 million for sewer projects and expansions and \$62 million for other projects such as airport expansion, industrial park improvements, County administrative office building, library building expansion, and property acquisition.

As the County submits this financial report we are in a state of uncertainty and challenging times. Tough financial decisions are being made. Sussex County is committed to continuing to provide the best service to our taxpayers while at the same time protect our County assets.

Requests for Information

This Financial Report is designed to provide an overview of Sussex County's finances and provide a meaningful picture of our County. This report is available on the County's website at www.sussexcountyde.gov. Any questions concerning this report, or requests for additional information, should be addressed to:

Mrs. Susan M. Webb
Finance Director
Sussex County Council
2 The Circle
P.O. Box 589
Georgetown, DE 19947
Telephone: (302) 855-7741

BASIC FINANCIAL STATEMENTS

SUSSEX COUNTY, DELAWARE
STATEMENT OF NET ASSETS
JUNE 30, 2008

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	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,064,954	\$ 23,225,747	\$ 33,290,701
Receivables, net of allowance for doubtful accounts:			
Taxes	790,679	-	790,679
Service charges	-	1,118,652	1,118,652
Assessment, impact, connection, and expansion	347,190	849,129	1,196,319
Accrued interest	212,377	268,400	480,777
Miscellaneous	140,689	267,247	407,936
Due from other governmental agencies	4,038,367	2,760,800	6,799,167
Unbilled taxes	12,827,278	-	12,827,278
Internal balances	23,867,236	(23,867,236)	-
Inventory	22,452	12,796	35,248
Prepaid items	33,935	-	33,935
Net pension asset	9,646,359	2,411,588	12,057,947
Restricted assets:			
Cash and cash equivalents	78,680,241	79,992,449	158,672,690
Economic development loans	226,104	-	226,104
Bond issue cost, net of amortization	-	646,617	646,617
Capital assets:			
Land, improvements, and construction in progress	19,307,830	50,982,917	70,290,747
Other capital assets, net of depreciation	33,022,270	275,280,186	308,302,456
TOTAL ASSETS	193,227,961	413,949,292	607,177,253
LIABILITIES			
Accounts payable and other current liabilities	4,409,312	2,474,121	6,883,433
Accrued interest payable	-	500,242	500,242
Employee health claims payable	521,358	-	521,358
Unearned revenue:			
Taxes	12,827,278	-	12,827,278
Other	95,422	-	95,422
Deposits	8,481,757	-	8,481,757
Notes payable	-	192,539	192,539
Long-term liabilities:			
Due within one year	3,858,366	8,189,075	12,047,441
Due in more than one year	5,629,736	152,763,031	158,392,767
TOTAL LIABILITIES	35,823,229	164,119,008	199,942,237
NET ASSETS			
Invested in capital assets, net of related debt	52,193,513	166,434,682	218,628,195
Restricted for:			
Realty transfer tax	67,975,087	-	67,975,087
911 Reporting	1,911,230	-	1,911,230
Grant funds	82,538	-	82,538
Construction and debt service	-	47,599,426	47,599,426
Revenue bond debt service	-	30,428,324	30,428,324
Unrestricted	35,242,364	5,367,852	40,610,216
TOTAL NET ASSETS	\$ 157,404,732	\$ 249,830,284	\$ 407,235,016

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Function/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$ 13,494,301	\$ 1,549,000	\$ 37,549	\$ 55,000	\$ (11,852,752)	\$ -	\$ (11,852,752)
Grant-in-aid programs	9,282,188	-	-	-	(9,282,188)	-	(9,282,188)
Planning and zoning	1,512,879	1,599,688	-	-	86,809	-	86,809
Paramedic program	12,802,503	-	4,560,294	933,710	(7,308,499)	-	(7,308,499)
Emergency preparedness	2,764,937	17,065	491,204	193,346	(2,063,322)	-	(2,063,322)
Economic development and public works	556,647	373,579	-	-	(183,068)	-	(183,068)
County engineer	2,713,328	599,865	122,066	-	(1,991,397)	-	(1,991,397)
Airport	995,702	176,979	26,546	2,026,672	1,234,495	-	1,234,495
Library	3,924,788	25,911	333,668	1,266,798	(2,298,411)	-	(2,298,411)
Community development and housing programs	1,501,117	-	1,215,687	-	(285,430)	-	(285,430)
Constitutional offices	2,630,085	6,356,764	-	-	3,726,679	-	3,726,679
TOTAL GOVERNMENTAL ACTIVITIES	52,178,475	10,698,851	6,787,014	4,475,526	(30,217,084)	-	(30,217,084)
BUSINESS-TYPE ACTIVITIES							
Sewer facilities	26,132,596	13,750,827	20,930,437	12,252,630	-	20,801,298	20,801,298
Water facilities	856,120	695,038	358,235	-	-	197,153	197,153
TOTAL BUSINESS-TYPE ACTIVITIES	26,988,716	14,445,865	21,288,672	12,252,630	-	20,998,451	20,998,451
TOTAL PRIMARY GOVERNMENT	\$ 79,167,191	\$ 25,144,716	\$ 28,075,686	\$ 16,728,156	(30,217,084)	20,998,451	(9,218,633)
GENERAL REVENUES							
Taxes: Property					12,315,444	-	12,315,444
Capitation					247,041	-	247,041
Fire service					1,106,321	-	1,106,321
Realty transfer					20,636,949	-	20,636,949
Unrestricted investment earnings					4,379,147	629,534	5,008,681
TRANSFERS					(2,543,355)	2,543,355	-
TOTAL GENERAL REVENUES AND TRANSFERS					36,141,547	3,172,889	39,314,436
CHANGE IN NET ASSETS					5,924,463	24,171,340	30,095,803
NET ASSETS - BEGINNING					151,480,269	225,658,944	377,139,213
NET ASSETS - ENDING					\$ 157,404,732	\$ 249,830,284	\$ 407,235,016

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

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	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 10,022,015	\$ 42,939	\$ 10,064,954
Receivables, net of allowance for doubtful accounts:			
Taxes	790,679	-	790,679
Assessment, impact, connection, and expansion	347,190	-	347,190
Accrued interest	153,501	58,876	212,377
Miscellaneous	140,689	-	140,689
Due from other governmental agencies	2,964,423	1,073,944	4,038,367
Unbilled taxes	12,827,278	-	12,827,278
Due from other funds	24,218,811	-	24,218,811
Inventory	22,452	-	22,452
Prepaid items	33,935	-	33,935
Restricted assets:			
Cash and cash equivalents	51,218,870	27,461,371	78,680,241
TOTAL ASSETS	<u>\$ 102,739,843</u>	<u>\$ 28,637,130</u>	<u>\$ 131,376,973</u>
LIABILITIES			
Accounts payable and other accrued expenditures	\$ 3,508,018	\$ 901,294	\$ 4,409,312
Due to other funds	-	351,575	351,575
Employee health claims payable	521,358	-	521,358
Deferred revenue:			
Taxes	13,560,303	-	13,560,303
Other	1,569,461	634,222	2,203,683
Deposits	8,481,757	-	8,481,757
TOTAL LIABILITIES	<u>27,640,897</u>	<u>1,887,091</u>	<u>29,527,988</u>
FUND BALANCES			
Reserved for:			
Encumbrances	595,565	-	595,565
Inventories and prepaid items	56,387	-	56,387
Non-current assets	24,359,909	-	24,359,909
911 funds	1,911,230	-	1,911,230
Realty transfer tax	40,513,716	27,461,371	67,975,087
Unreserved:			
Designated for subsequent years' expenditures	2,706,165	-	2,706,165
Undesignated	4,955,974	(711,332)	4,244,642
TOTAL FUND BALANCES	<u>75,098,946</u>	<u>26,750,039</u>	101,848,985
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 102,739,843</u>	<u>\$ 28,637,130</u>	
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			52,330,100
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			12,713,749
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			(9,488,102)
Net Assets of Governmental Activities			<u>\$ 157,404,732</u>

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 34,242,130	\$ -	\$ 34,242,130
Intergovernmental	6,963,558	2,751,681	9,715,239
Charges for services	10,719,989	-	10,719,989
Fines and forfeits	24,593	-	24,593
Miscellaneous	4,275,572	1,525,367	5,800,939
TOTAL REVENUES	<u>56,225,842</u>	<u>4,277,048</u>	<u>60,502,890</u>
EXPENDITURES			
Current:			
General Government:			
General administration	1,240,409	-	1,240,409
Finance	6,186,877	-	6,186,877
Personnel	3,576,231	-	3,576,231
Buildings and grounds	1,971,734	-	1,971,734
Data processing	1,382,491	-	1,382,491
County constable	229,674	-	229,674
Grant-in-aid programs	9,282,188	-	9,282,188
Planning and zoning	1,524,715	-	1,524,715
Paramedic program	13,213,202	-	13,213,202
Emergency preparedness	2,585,285	-	2,585,285
Economic development and public works	543,197	-	543,197
County engineer	2,704,747	-	2,704,747
Airport	379,488	-	379,488
Library	3,871,076	-	3,871,076
Community development and housing programs	1,501,809	-	1,501,809
Constitutional offices	2,685,563	-	2,685,563
Capital projects	-	9,535,878	9,535,878
TOTAL EXPENDITURES	<u>52,878,686</u>	<u>9,535,878</u>	<u>62,414,564</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,347,156</u>	<u>(5,258,830)</u>	<u>(1,911,674)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	68,947	-	68,947
Transfers in	106,574	4,194,721	4,301,295
Transfers out	(6,844,650)	-	(6,844,650)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,669,129)</u>	<u>4,194,721</u>	<u>(2,474,408)</u>
NET CHANGE IN FUND BALANCES	<u>(3,321,973)</u>	<u>(1,064,109)</u>	<u>(4,386,082)</u>
FUND BALANCES - BEGINNING	<u>78,420,919</u>	<u>27,814,148</u>	<u>106,235,067</u>
FUND BALANCES - ENDING	<u>\$ 75,098,946</u>	<u>\$ 26,750,039</u>	<u>\$ 101,848,985</u>

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (4,386,082)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay: (\$ 10,939,887) exceeded depreciation (\$ 2,073,793) in the current period.		8,866,094
The net effect of various transactions involving capital assets (i.e. sales, trade-in and contributions) is to increase (decrease) net assets.		(78,683)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, as follows:		
Property taxes	\$ 52,768	
Grants	<u>341,825</u>	394,593
Capitalized lease proceeds are recognized as financing sources in governmental funds, but are not revenue in the government-wide statement of activities, net of principal payments on capitalized leases.		68,947
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net change is as follows:		
Compensated absences	(530,777)	
Net pension obligation	1,783,138	
Economic development loans	(172,767)	
Postclosure landfill care costs	<u>(20,000)</u>	<u>1,059,594</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 5,924,463</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 31,702,274	\$ 31,702,274	\$ 34,242,130	\$ 2,539,856
Intergovernmental	7,424,792	7,424,792	6,963,558	(461,234)
Charges for services	11,962,947	11,962,947	10,719,989	(1,242,958)
Fines and forfeits	29,500	29,500	24,593	(4,907)
Miscellaneous	3,809,463	3,809,463	4,275,572	466,109
TOTAL REVENUES	54,928,976	54,928,976	56,225,842	1,296,866
EXPENDITURES				
Current:				
General Government:				
General administration	1,383,031	1,388,910	1,240,409	148,501
Finance	6,440,824	6,594,675	6,186,877	407,798
Personnel	3,854,632	3,869,631	3,576,231	293,400
Buildings and grounds	2,236,398	2,116,782	1,971,734	145,048
Data processing	1,499,688	1,499,687	1,382,491	117,196
County constable	227,432	246,043	229,674	16,369
Grant-in-aid programs	12,058,596	9,571,873	9,282,188	289,685
Planning and zoning	1,472,180	1,472,180	1,524,715	(52,535)
Paramedic program	13,816,465	13,817,265	13,213,202	604,063
Emergency preparedness	2,702,220	2,740,220	2,585,285	154,935
Economic development and public works	598,417	629,307	543,197	86,110
County engineer	3,540,079	3,526,895	2,704,747	822,148
Airport	134,260	388,147	379,488	8,659
Library	3,925,844	3,938,260	3,871,076	67,184
Community development and housing programs	1,702,592	1,703,592	1,501,809	201,783
Constitutional offices	2,822,699	2,828,019	2,685,563	142,456
TOTAL EXPENDITURES	58,415,357	56,331,486	52,878,686	3,452,800
EXCESS OF REVENUES OVER EXPENDITURES	(3,486,381)	(1,402,510)	3,347,156	4,749,666
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	68,947	68,947
Transfers in	-	-	106,574	106,574
Transfers out	-	(2,600,000)	(6,844,650)	(4,244,650)
Reserved for contingencies	(904,000)	(387,871)	-	387,871
TOTAL OTHER FINANCING SOURCES (USES)	(904,000)	(2,987,871)	(6,669,129)	(3,681,258)
NET CHANGE IN FUND BALANCE	(4,390,381)	(4,390,381)	(3,321,973)	1,068,408
FUND BALANCE - BEGINNING	78,420,919	78,420,919	78,420,919	-
FUND BALANCE - ENDING	\$ 74,030,538	\$ 74,030,538	\$ 75,098,946	\$ 1,068,408

The accompanying notes are an integral part of these financial statements.

	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,577,991	\$ 2,620,535	\$ 659,430
Receivables, net of allowance for doubtful accounts:			
Service charges	31,619	143,010	135,502
Assessment, impact, connection, and expansion	33,207	178,999	-
Accrued interest	27,154	100,860	57,069
Miscellaneous	16,561	115,352	39,765
Due from other governmental agencies	-	479,676	-
Due from other funds	41,863	-	1,071,246
Inventory	-	-	3,624
TOTAL CURRENT ASSETS	4,728,395	3,638,432	1,966,636
NONCURRENT ASSETS			
Restricted assets:			
Cash and cash equivalents	5,350,279	33,391,284	20,102,896
Bond issue cost, net of amortization	56,205	281,429	74,563
Net pension asset	142,878	558,480	877,463
Noncurrent accounts receivable:			
Service charges	17,234	235,725	48,927
Assessment, impact, connection, and expansion	13,069	459,161	-
Capital assets:			
Land, improvements, and construction in progress	11,488,932	3,959,258	992,725
Other capital assets, net of depreciation	38,582,747	87,723,233	42,193,168
TOTAL NONCURRENT ASSETS	55,651,344	126,608,570	64,289,742
TOTAL ASSETS	60,379,739	130,247,002	66,256,378
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other current liabilities	842,653	126,604	1,014,403
Accrued interest payable	55,724	101,497	74,925
Due to other funds	3,910,121	1,088,311	7,604,185
Notes payable	-	-	39,019
Current portion of long-term liabilities	1,096,092	2,778,791	1,516,616
TOTAL CURRENT LIABILITIES	5,904,590	4,095,203	10,249,148
LONG-TERM LIABILITIES, LESS CURRENT PORTION	19,739,334	61,623,058	22,239,416
TOTAL LIABILITIES	25,643,924	65,718,261	32,488,564
NET ASSETS			
Invested in capital assets, net of related debt	29,326,617	27,583,109	19,859,970
Restricted for:			
Construction and debt service	4,514,186	2,880,583	19,204,006
Revenue bond debt service	-	30,428,324	-
Unrestricted	895,012	3,636,725	(5,296,162)
TOTAL NET ASSETS	\$ 34,735,815	\$ 64,528,741	\$ 33,767,814

(continued)

SUSSEX COUNTY, DELAWARE
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS - CONTINUED
JUNE 30, 2008

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	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 15,367,791	\$ 23,225,747
Receivables, net of allowance for doubtful accounts:		
Service charges	277,431	587,562
Assessment, impact, connection, and expansion	95,921	308,127
Accrued interest	83,317	268,400
Miscellaneous	95,569	267,247
Due from other governmental agencies	2,281,124	2,760,800
Due from other funds	98,622	1,211,731
Inventory	9,172	12,796
TOTAL CURRENT ASSETS	18,308,947	28,642,410
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	21,147,990	79,992,449
Bond issue cost, net of amortization	234,420	646,617
Net pension asset	832,767	2,411,588
Noncurrent accounts receivable:		
Service charges	229,204	531,090
Assessment, impact, connection, and expansion	68,772	541,002
Capital assets:		
Land, improvements, and construction in progress	34,542,002	50,982,917
Other capital assets, net of depreciation	106,781,038	275,280,186
TOTAL NONCURRENT ASSETS	163,836,193	410,385,849
TOTAL ASSETS	182,145,140	439,028,259
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	490,461	2,474,121
Accrued interest payable	268,096	500,242
Due to other funds	12,476,350	25,078,967
Notes payable	153,520	192,539
Current portion of long-term liabilities	2,797,576	8,189,075
TOTAL CURRENT LIABILITIES	16,186,003	36,434,944
LONG-TERM LIABILITIES, LESS CURRENT PORTION	49,161,223	152,763,031
TOTAL LIABILITIES	65,347,226	189,197,975
NET ASSETS		
Invested in capital assets, net of related debt	89,664,986	166,434,682
Restricted for:		
Construction and debt service	21,000,651	47,599,426
Revenue bond debt service	-	30,428,324
Unrestricted	6,132,277	5,367,852
TOTAL NET ASSETS	\$ 116,797,914	\$ 249,830,284

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

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	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
OPERATING REVENUES			
Charges for services	\$ 582,601	\$ 3,864,698	\$ 3,988,945
Other operating revenue	335,235	89,821	135,701
TOTAL OPERATING REVENUES	917,836	3,954,519	4,124,646
OPERATING EXPENSES			
Amortization	7,849	18,022	8,242
Contractual services	69,128	476,022	688,275
Depreciation	990,298	2,508,261	1,645,159
Employee benefits	204,046	676,242	937,858
Equipment and tools	3,588	102,322	59,004
Maintenance and repairs	12,803	67,791	113,809
Miscellaneous	-	78,556	21,564
Process chemicals	2,204	27,425	147,624
Professional services	13,240	11,089	4,701
Salaries	293,061	930,830	1,469,134
Shared costs - operating	136,109	180,047	26
Supplies	6	57,445	82,329
Training and travel	-	117,824	153,521
Wastewater treatment	-	-	-
TOTAL OPERATING EXPENSES	1,732,332	5,251,876	5,331,246
OPERATING INCOME (LOSS)	(814,496)	(1,297,357)	(1,206,600)
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	420,249	1,068,302	838,438
Assessment and connection fees	2,179,119	6,958,441	4,491,365
Disposal of assets	-	(9,433)	(87,640)
Miscellaneous	-	27,627	2,810
Interest expense	(601,061)	(2,593,063)	(795,962)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,998,307	5,451,874	4,449,011
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,183,811	4,154,517	3,242,411
CAPITAL CONTRIBUTIONS	1,507,346	4,465,370	-
TRANSFERS IN	87,108	235,682	-
TRANSFERS OUT	-	(180,242)	-
CHANGE IN NET ASSETS	2,778,265	8,675,327	3,242,411
TOTAL NET ASSETS - BEGINNING	31,957,550	55,853,414	30,525,403
TOTAL NET ASSETS - ENDING	\$ 34,735,815	\$ 64,528,741	\$ 33,767,814

(continued)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
OPERATING REVENUES		
Charges for services	\$ 4,832,664	\$ 13,268,908
Other operating revenue	560,868	1,121,625
TOTAL OPERATING REVENUES	5,393,532	14,390,533
OPERATING EXPENSES		
Amortization	17,065	51,178
Contractual services	853,619	2,087,044
Depreciation	3,865,174	9,008,892
Employee benefits	1,064,851	2,882,997
Equipment and tools	172,101	337,015
Maintenance and repairs	97,129	291,532
Miscellaneous	16,122	116,242
Process chemicals	35,779	213,032
Professional services	209,914	238,944
Salaries	1,416,708	4,109,733
Shared costs - operating	508,226	824,408
Supplies	79,395	219,175
Training and travel	123,920	395,265
Wastewater treatment	701,536	701,536
TOTAL OPERATING EXPENSES	9,161,539	21,476,993
OPERATING INCOME (LOSS)	(3,768,007)	(7,086,460)
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	1,375,579	3,702,568
Assessment and connection fees	4,583,433	18,212,358
Disposal of assets	(4,929)	(102,002)
Miscellaneous	130,177	160,614
Interest expense	(1,521,637)	(5,511,723)
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,562,623	16,461,815
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	794,616	9,375,355
CAPITAL CONTRIBUTIONS	6,279,914	12,252,630
TRANSFERS IN	2,507,381	2,830,171
TRANSFERS OUT	(106,574)	(286,816)
CHANGE IN NET ASSETS	9,475,337	24,171,340
TOTAL NET ASSETS - BEGINNING	107,322,577	225,658,944
TOTAL NET ASSETS - ENDING	\$ 116,797,914	\$ 249,830,284

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

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	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 569,448	\$ 3,751,465	\$ 3,969,829
Payments to suppliers	(265,410)	(1,153,683)	(1,514,485)
Payments to employees	(500,638)	(1,662,116)	(2,522,310)
Other receipts	335,235	117,448	138,511
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>138,635</u>	<u>1,053,114</u>	<u>71,545</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from other funds	4,735,606	1,019,313	27,961,202
Advances to other funds	<u>(1,586,636)</u>	<u>(1,009,314)</u>	<u>(24,465,860)</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>3,148,970</u>	<u>9,999</u>	<u>3,495,342</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(5,542,715)	(757,082)	(5,845,614)
Net payments on line of credit	(8,967)	-	(128,140)
Retirement of bonds and related costs	(1,019,796)	(2,569,311)	(1,252,094)
Bond proceeds	1,275,716	-	-
Assessment and connection fees	2,172,230	6,911,747	4,403,725
Capital contributions	639,986	-	-
Interest paid	(614,301)	(2,507,710)	(809,141)
Transfers from other funds for capital activities	87,108	235,682	-
Transfers to other funds for capital activities	-	<u>(180,242)</u>	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,010,739)</u>	<u>1,133,084</u>	<u>(3,631,264)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>430,056</u>	<u>1,143,806</u>	<u>934,160</u>
NET INCREASE (DECREASE) IN CASH	706,922	3,340,003	869,783
CASH AND CASH EQUIVALENTS - BEGINNING	<u>9,221,348</u>	<u>32,671,816</u>	<u>19,892,543</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 9,928,270</u>	<u>\$ 36,011,819</u>	<u>\$ 20,762,326</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET			
Cash and cash equivalents	\$ 4,577,991	\$ 2,620,535	\$ 659,430
Restricted cash and cash equivalents	<u>5,350,279</u>	<u>33,391,284</u>	<u>20,102,896</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 9,928,270</u>	<u>\$ 36,011,819</u>	<u>\$ 20,762,326</u>

(continued)

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (814,496)	\$ (1,297,357)	\$ (1,206,600)
Adjustments to reconcile operating income (loss) to net cash provided:			
Depreciation and amortization	998,147	2,526,283	1,653,401
Miscellaneous income	-	27,627	2,810
Changes in assets and liabilities:			
Accounts receivable	(13,153)	(113,233)	(19,116)
Due from other governmental agencies	-	(6,958)	-
Inventory	-	-	-
Net pension asset	(26,896)	(83,148)	(184,320)
Deposit	-	-	-
Compensated absences	23,365	28,104	69,002
Accounts payable	(28,332)	(28,204)	(243,632)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 138,635	\$ 1,053,114	\$ 71,545
NONCASH TRANSACTIONS			
Contributed property	\$ 867,360	\$ 4,056,340	\$ -

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

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	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,727,693	\$ 13,018,435
Payments to suppliers	(2,810,030)	(5,743,608)
Payments to employees	(2,556,464)	(7,241,528)
Other receipts	740,214	1,331,408
NET CASH FLOWS FROM OPERATING ACTIVITIES	101,413	1,364,707
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from other funds	10,461,117	44,177,238
Advances to other funds	(10,960,474)	(38,022,284)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(499,357)	6,154,954
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(9,948,014)	(22,093,425)
Net payments on line of credit	(142,378)	(279,485)
Retirement of bonds and related costs	(1,595,368)	(6,436,569)
Bond proceeds	6,510,199	7,785,915
Assessment and connection fees	4,547,257	18,034,959
Capital contributions	1,903,456	2,543,442
Interest paid	(1,481,090)	(5,412,242)
Transfers from other funds for capital activities	2,507,381	2,830,171
Transfers to other funds for capital activities	(106,574)	(286,816)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	2,194,869	(3,314,050)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,429,051	3,937,073
NET INCREASE (DECREASE) IN CASH	3,225,976	8,142,684
CASH AND CASH EQUIVALENTS - BEGINNING	33,289,805	95,075,512
CASH AND CASH EQUIVALENTS - ENDING	\$ 36,515,781	\$ 103,218,196
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET		
Cash and cash equivalents	\$ 15,367,791	\$ 23,225,747
Restricted cash and cash equivalents	21,147,990	79,992,449
TOTAL CASH AND CASH EQUIVALENTS	\$ 36,515,781	\$ 103,218,196

(continued)

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (3,768,007)	\$ (7,086,460)
Adjustments to reconcile operating income (loss) to net cash provided:		
Depreciation and amortization	3,882,239	9,060,070
Miscellaneous income	130,177	160,614
Changes in assets and liabilities:		
Accounts receivable	(105,802)	(251,304)
Due from other governmental agencies	(28,435)	(35,393)
Inventory	643	643
Net pension asset	(151,419)	(445,783)
Deposits	50,000	50,000
Compensated absences	60,934	181,405
Accounts payable	31,083	(269,085)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 101,413	\$ 1,364,707
NONCASH TRANSACTIONS		
Contributed property	\$ 2,996,056	\$ 7,919,756

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2008

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	Pension and Other Employee Benefit Trusts
	<u> </u>
ASSETS	
Investments	
U.S. Treasuries	\$ 3,446,442
Federal Home Loan Bank	402,032
Federal Home Loan Mortgage Corporation	101,469
Municipal obligations	255,723
Delaware Local Government Retirement Investment Pool	28,324,305
Delaware Local Government OPEB Pool	15,274,316
Mutual funds	<u>11,915,741</u>
Total Investments	59,720,028
Accrued interest	<u>33,796</u>
TOTAL ASSETS	<u>59,753,824</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	<u><u>\$ 59,753,824</u></u>

The accompanying notes are an integral part of these financial statements.

SUSSEX COUNTY, DELAWARE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

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	Pension and Other Employee Benefit Trusts
ADDITIONS	
Employer contributions	\$ 9,625,075
Investment:	
Net appreciation (depreciation) of investments	(2,373,136)
Interest and dividends	<u>1,297,621</u>
TOTAL ADDITIONS	8,549,560
DEDUCTIONS	
Beneficiary payments	<u>2,821,402</u>
NET INCREASE IN PLAN NET ASSETS	5,728,158
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING	<u>54,025,666</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - ENDING	<u>\$ 59,753,824</u>

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sussex County, Delaware (the County) was founded in 1683. Local government is provided by a five member elected County Council. The County principally provides general administrative services; emergency preparedness services; airport services; paramedics; Constitutional Row Offices; zoning; libraries; housing and economic development programs; and sewer and water services.

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to State and Local governments (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. The more significant accounting policies established in GAAP and used by the County are discussed below.

1. Reporting Entity

The accompanying financial statements include various agencies, departments, and offices that are legally controlled by or dependent on the County Council (the primary government). As defined by GASBS No. 14, the County's financial reporting entity is required to consist of all organizations for which the County is financially accountable or for which there is a significant relationship. The County has no component units in its reporting entity. The following do not meet the established criteria for inclusion in the reporting entity and, therefore, are excluded from this report: the towns, school districts and independent libraries within Sussex County.

2. Basic Financial Statements - Government-wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's governmental activities consist of: general government; grant-in-aid programs; planning and zoning; paramedic program; emergency preparedness; economic development and public works; county engineer; airport; library; community development and housing programs; and constitutional offices. The County's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. The County's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County utilizes restricted resources to finance qualifying activities, to the extent permitted by laws, regulations, contracts and grants.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Direct expenses are those that are clearly identifiable with a specific function.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basic Financial Statements - Government-wide Statements - Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.). The County does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, engineering, data processing, etc.).

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the County:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

General fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital projects fund is maintained to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). These funds are provided by intergovernmental grants, investment income, and operating transfers from the General Fund. The projects typically take longer than one year to complete. Capital projects expenditures in fiscal year 2008 were mainly for airport improvement and expansion, a new Emergency Operations Center, library expansion and land purchases. As of June 30, 2008, the major projects being planned over the next few years include \$ 10.1 million for airport improvement and expansion, \$ 12.0 million for a new County administrative building, and \$ 3.5 million for property acquisition.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The following is a description of the proprietary funds of the County:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Basic Financial Statements - Fund Financial Statements - Continued

Enterprise funds are used to account for the provision of water and sewer services to customers in the County's Water and Sewer Districts. For presentation purposes, the major funds of Bethany Sewer Fund, Treatment Plant - SCRWF and West Rehoboth Sewer Fund have been presented as separate funds. However, West Rehoboth is actually an extension of the Dewey Sewer District. Activities of the enterprise funds include administration, operations and maintenance of the water and sewer system, and billing and collection activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for providing services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting the above criteria are reported as non-operating revenues and expenses.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is on net assets and changes in net assets, reported using accounting principles similar to proprietary funds. The Pension Trust Fund is used to account for the assets of the Sussex County Employee Pension Plan, which is part of the County's legal entity. It is a single employer defined benefit pension plan that provides benefits to eligible County employees. A stand-alone report is not issued for the Plan. The Post-retirement Employee Benefit Trust Fund is used to account for the assets of the Sussex County Post-retirement Employee Benefit Plan, which is part of the County's legal entity. A stand-alone report is not issued for the Plan.

The County's fiduciary funds are presented in the fiduciary funds financial statements. Combining financial statements for the fiduciary funds are presented in Note E to the financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Major and Nonmajor Funds

The funds of the financial reporting entity are further classified as major or nonmajor. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The County electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Government-wide financial statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting, as do the proprietary and fiduciary fund statements. Revenues are recognized when earned and expenses are recognized when incurred.

All governmental funds are accounted for using a current financial resources measurement focus and are reported on the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period that, for the County's purposes, is considered to be within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Cash and Cash Equivalents

The County has defined cash and cash equivalents to include cash on hand, demand deposits and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Restricted cash mainly consists of amounts held by the County for the proceeds from grant programs, property sales, Constitutional Row Offices, 911 emergency reporting, realty transfer tax, fire service fee and various sewer system reserves and construction funds.

6. Investments

The enterprise fund investments that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. All other investments are stated at fair value. Fair values are determined by quoted market prices, where available. Restricted investments represent amounts held by the County for sewer fund construction and debt service, and for revenue bond required reserves. Information is not available concerning the indirect use of derivatives through the mutual funds and investment pools.

7. Accounts Receivable

Accounts receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

8. Inventory

Inventories are valued at cost using first-in, first-out (FIFO) or market and represent supplies owned by the County. The costs of these inventories are recorded as expenditures when consumed.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Capital Assets

Capital assets purchased or acquired with an original cost of \$ 3,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	10 - 50 years
Improvements	5 - 50 years
Equipment	5 - 20 years
Infrastructure	10 - 50 years

The County's governmental activities infrastructure consists mainly of parking lots, airport aprons and airport runways.

10. Bond Premiums, Discounts and Issuance Costs

Bond premiums, discounts and issuance costs for proprietary funds are deferred and amortized over the term of the bonds, which range from one to forty years, using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

11. Deposits and Deferred Revenue

Deposits represent monies held by the County to be remitted to others. Deferred revenue represents monies held by the County to be recognized as revenue in future periods.

12. Interest Capitalization

Interest costs incurred by a proprietary fund for the acquisition and/or construction of capital assets are subject to capitalization. The interest capitalization period begins when the following conditions are present:

- a. Expenditures for the capital asset have been made.
- b. Activities that are necessary to get the capital asset ready for its intended use are in progress.
- c. Interest cost is being incurred.

The amount of interest cost to be capitalized is based on the weighted-average amount of accumulated expenditures for the period multiplied by the proprietary fund's interest rate for the obligation incurred specifically to finance the construction of the capital asset. During fiscal 2008, Proprietary Fund interest expense is net of \$ 341,371 of capitalized interest.

13. Compensated Absences

Employees are granted vacation and sick leave in varying amounts. In the event of termination or retirement, an employee is reimbursed for accumulated vacation days up to two times their yearly vacation and, for sick days, up to a maximum of 90 days. The proprietary funds of the County accrue accumulated unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. Compensated absences for governmental funds are a reconciling item between the fund and government-wide presentations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

14. Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved is further split between encumbrances, inventories and prepaid expenses, non-current assets and amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Unrestricted is further split between designated and undesignated. Designations of fund balance represent tentative management plans that are subject to change. Proprietary fund equity is classified the same as in the government-wide statements.

Equity reservations and restrictions for grant funds, debt service and realty transfer tax are enforced by outside source enabling legislation. All other equity reservations and restrictions are enforced by the Sussex County code.

15. Revenues

Those revenues susceptible to accrual are property taxes, special assessments, interest revenue and charges for services, intergovernmental, and miscellaneous. All other revenue items are considered to be measurable and available only when cash is received by the County. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Program revenues include: charges to customers for goods, services or privileges provided, operating grants and contributions, and capital grants and contributions. General revenues include all taxes.

The County's property tax year runs from May 1 to April 30. Property taxes are recorded and attached as an enforceable lien on property on May 1, the date levied. Taxes are payable under the following terms: July 1 through September 30, face amount; after September 30, a 1.5% penalty per month is charged on the unpaid balance due. Property taxes are recognized as revenue in the budget year (beginning July 1 after the levy date) for which they are levied.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

16. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

17. Interfund Activity

Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

18. Budgets and Budgetary Accounting

Prior to March 1, the County Administrator, in conjunction with the Director of Finance and the Director of Accounting, distributes budget request forms to each department and agency. The budget must identify the specific level of service provision and describe how priorities have been established and incorporated into the budget. These budgets are prepared by April 1. The County Administrator, with the assistance of the Director of Finance and Director of Accounting, then develop an annual operating budget, using these department budgets to evaluate the priority and costs of various services. The recommended annual operating budget is then presented to Council by the County Administrator. This submission includes proposed operating budget ordinances setting forth the proposed departmental appropriations and various tax rates to balance the budget. The Council reviews the budget both internally and through public hearings. Subsequently, the budget is adopted through legislation in Council prior to July 1. The operating budget ordinance and related revenue ordinances are officially adopted when approved by the County Council. The County legally adopts an annual budget for the general fund and the capital projects fund.

Appropriations are legislated at the departmental level by object of expenditure. Although the County Code requires budget amendments to be adopted using the same procedures as its original adoption, the Council has authorized the County Administrator to make budgetary transfers within each fund. The aggregate amount of the budget cannot be changed without a public hearing. All unused and unencumbered annual appropriations lapse at fiscal year-end.

The budgets for the County's general fund and capital projects fund have been prepared on a basis materially consistent with generally accepted accounting principles (GAAP). Final budgeted amounts are as amended through June 30, 2008. Unexpended appropriations in the operating budget lapse at year end, while encumbered amounts are reappropriated in the subsequent year.

19. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

20. Explanation of Reconciling Item on the Governmental Fund Balance Sheet

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. The details of the difference "Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds" are as follows:

Economic development loan receivables	\$	226,104
Net pension asset		9,646,359
Deferred tax revenue		733,025
Deferred other revenue		<u>2,108,261</u>
Net Adjustment to Increase Net Assets	\$	<u>12,713,749</u>

NOTE B - CASH AND INVESTMENTS

All deposits are in various financial institutions and are carried at cost. Transactions are made directly with the banks; services of brokers or securities dealers are not used. At June 30, 2008, the carrying amount of the County's deposits was \$ 150,648,064 and the bank balance was \$ 153,524,548, of which \$ 44,187 was uninsured and uncollateralized.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. In regards to investments, custodial credit risk is in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's investment policy requires collateralization by each financial institution with direct obligations of the U.S. government and requires the collateral to be maintained at a third party.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the County's investment. The County's primary objective of its investment activities is the safety of principal in order to mitigate interest rate risk. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments in U.S. government securities earn interest at a stated fixed rate and are normally held until maturity when the full principal and interest is paid to the County.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy stresses safety of principal as investments are made with judgment and care. U.S. government securities are not considered to have credit risk and, therefore, their credit risk is not disclosed. Investments issued by Federal Home Loan Bank and Federal Home Loan Mortgage Corporation have an AAA credit rating at year end. The County does not have any other investments that are credit quality rated.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The County has no formal policy to address the concentration of credit risk attributed to a single issuer. More than 5 percent of the County's investments are in the following issuers (other than those issued or guaranteed by the U.S. government, investments in mutual funds and external investment pools): Wilmington Trust repurchase agreements (11.3%).

NOTE B - CASH AND INVESTMENTS - CONTINUED

The County's investment policy authorizes the following investments:

1. Bonds or other obligations of which the faith and credit of the United States of America are pledged;
2. Obligations of federal governmental agencies issued pursuant to Acts of Congress;
3. Repurchase agreements that are secured by any bond or other obligation for the payment of which the faith and credit of the United States are pledged;
4. Certificates of deposit and other evidences of deposit of financial institutions;
5. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist of dollar-denominated securities; and
6. Local government investment pools administered by the State of Delaware. Additional information can be found in Note E sections for Pension Trust Assets and Post-retirement Employee Benefit Trust Assets.

The County had the following investments at June 30, 2008:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries	\$ 33,358,141	\$ 30,580,279	\$ 1,945,268	\$ 832,594	\$ -
Federal Home Loan Bank	402,032	301,094	100,938	-	-
Federal Home Loan Mortgage Corporation	101,469	-	101,469	-	-
Municipal obligations	255,723	-	255,723	-	-
Repurchase agreements	11,392,608	11,392,608	-	-	-
Delaware Local Government Retirement Investment Pool	28,324,305	28,324,305	-	-	-
Delaware Local Government OPEB Pool	15,274,316	15,274,316	-	-	-
Mutual funds	11,915,740	11,915,740	-	-	-
Total Investments	\$ 101,024,334	\$ 97,788,342	\$ 2,403,398	\$ 832,594	\$ -

Reconciliation of cash and investments to the Government-wide Statement of Net Assets:

Cash on hand	\$ 11,021
Carrying amount of deposits	150,648,064
Carrying amount of investments	<u>101,024,334</u>
TOTAL	\$ 251,683,419
Cash and cash equivalents	33,290,701
Cash and cash equivalents - restricted	158,672,690
Fiduciary funds cash and investments (not included in government-wide statement)	<u>59,720,028</u>
TOTAL	\$ 251,683,419

NOTE C - ACCOUNTS RECEIVABLE

The allowance for uncollectible receivables at June 30, 2008 is \$ 11,300 for service and \$ 8,577 for assessment. The County does not have an allowance for uncollectible property taxes because all are considered collectible.

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance at June 30, 2007	Increases	Decreases	Balance at June 30, 2008
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,248,853	\$ 2,979,476	\$ -	\$ 12,228,329
Construction in progress	10,353,437	4,717,110	7,991,046	7,079,501
Total capital assets, not being depreciated	<u>19,602,290</u>	<u>7,696,586</u>	<u>7,991,046</u>	<u>19,307,830</u>
Other capital assets:				
Buildings	19,371,543	8,644,373	42,967	27,972,949
Improvements	10,045,553	149,019	-	10,194,572
Machinery and equipment	12,304,192	2,440,955	721,578	14,023,569
Total other capital assets	<u>41,721,288</u>	<u>11,234,347</u>	<u>764,545</u>	<u>52,191,090</u>
Less accumulated depreciation for:				
Buildings	2,926,243	434,007	3,365	3,356,885
Improvements	5,803,040	324,489	-	6,127,529
Machinery and equipment	9,051,606	1,315,297	682,497	9,684,406
Total accumulated depreciation	<u>17,780,889</u>	<u>2,073,793</u>	<u>685,862</u>	<u>19,168,820</u>
Other capital assets, net	23,940,399	9,160,554	78,683	33,022,270
Governmental Activities Capital Assets, Net	<u>\$ 43,542,689</u>	<u>\$ 16,857,140</u>	<u>\$ 8,069,729</u>	<u>\$ 52,330,100</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 39,531,769	\$ -	\$ -	\$ 39,531,769
Construction in progress	36,435,813	16,439,415	41,424,080	11,451,148
Total capital assets, not being depreciated	<u>75,967,582</u>	<u>16,439,415</u>	<u>41,424,080</u>	<u>50,982,917</u>
Other capital assets:				
Buildings	10,549,197	22,165,847	-	32,715,044
Improvements	10,369,896	30,528	25,240	10,375,184
Machinery and equipment	6,539,201	2,178,379	237,034	8,480,546
Infrastructure	296,204,377	27,135,155	667,003	322,672,529
Total other capital assets	<u>323,662,671</u>	<u>51,509,909</u>	<u>929,277</u>	<u>374,243,303</u>
Less accumulated depreciation for:				
Buildings	5,934,089	526,580	-	6,460,669
Improvements	3,996,837	356,264	23,616	4,329,485
Machinery and equipment	5,599,701	722,465	724,541	5,597,625
Infrastructure	75,251,264	7,403,583	79,509	82,575,338
Total accumulated depreciation	<u>90,781,891</u>	<u>9,008,892</u>	<u>827,666</u>	<u>98,963,117</u>
Other capital assets, net	232,880,780	42,501,017	101,611	275,280,186
Business-type Activities Capital Assets, Net	<u>\$ 308,848,362</u>	<u>\$ 58,940,432</u>	<u>\$ 41,525,691</u>	<u>\$ 326,263,103</u>

NOTE D - CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$	502,428
Planning and zoning		23,365
Paramedic program		522,026
Emergency preparedness		185,499
Economic development and public works		22,217
County engineer		30,120
Airport		630,117
Engineering - solid waste		1,916
Library		103,520
Constitutional offices		52,585

Total governmental activities depreciation expense \$ 2,073,793

Business-type activities:

Water	\$	105,330
Sewer		8,903,562

Total business-type activities depreciation expense \$ 9,008,892

NOTE E - PENSION AND OTHER POST-RETIREMENT EMPLOYEE BENEFIT TRUSTS

Basis of Accounting

The pension and other post-retirement employee benefit (OPEB) trusts use the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Administrative costs are financed through investment earnings.

Pension Plan Description and Provisions

The County established and administers a single-employer defined benefit pension plan for its employees. The Plan provides for retirement, disability and death benefits to plan members and their beneficiaries. Employees are not required to contribute to the plan. The pension plan is reported in the pension trust fiduciary fund in the County's financial statements. The County does not have a separate GAAP-basis pension plan audit performed. A covered employee is an employee who receives a regular salary or wages wholly, or in part, directly, or indirectly, from Sussex County provided, however, that an employee shall not be considered in covered employment if they are a part-time or seasonal employee who is not regularly employed for more than 120 working days in any one calendar year, per Ordinance No. 19, 6/10/75; No. 52, 12/16/80; No. 73, 9/22/81; No. 190, 7/24/84; No. 281, 7/23/85; No. 318, 11/12/85; No. 359, 3/25/86; No. 1375, 6/6/00 and No. 1485, 7/1/01. Also covered are elected officials, Justices of the Peace, and Constables for time worked prior to March 31, 1965. Cost-of-living adjustments (COLA) are provided at the discretion of the County Council. The County has authority to establish and amend benefit provisions of the plan.

NOTE E - PENSION AND OTHER POST-RETIREMENT EMPLOYEE BENEFIT TRUSTS - CONTINUED

To be eligible for retirement benefits, a covered employee who shall have service with Sussex County in continuous employment for at least eight years shall be considered eligible for retirement benefits within the meaning of this Ordinance, except as otherwise provided. The age for normal retirement is 62 with eight years of service, 60 for early retirement with 15 years of service, or after 30 years of service regardless of age, for most employees. Effective June 6, 2000, the number of years of service for normal retirement is 25 for paramedic and emergency communication specialists. For the year ended June 30, 2008, total payroll was \$ 21,929,597. Covered payroll refers to all compensation by the County to active employees covered by the plan.

Current membership in the plan (as of January 1, 2008) is as follows:

<u>Vested Actives</u>	<u>Nonvested Actives</u>	<u>Total Actives</u>	<u>Retirees and Beneficiaries</u>	<u>Terminated Vested</u>	<u>Covered Payroll</u>
241	291	532	121	66	\$ 20,222,895

Pension Funding Policy and Actuarial Method and Assumptions

The County's annual contribution to the pension trust is determined through the budgetary process and with reference to actuarial determined contributions. Plan members are not required to contribute. Contributions made were 18 percent of covered payroll. The contribution is designed to accumulate sufficient assets to pay benefits when due. The actuarial valuation of the plan as of January 1, 2008 was determined using the projected unit credit actuarial cost method. This measure is independent of the funding method used to determine contributions to the system. The actuarial assumptions include:

- A rate of return on the investment of present and future assets of 8 percent per year compounded annually.
- Projected salary increases of 5 percent per year compounded annually.
- The assumption that benefits will increase 2 percent annually after retirement for cost of living increases.
- Inflation of 4 percent per year underlying the salary scale and interest rates.
- Five-year phase-in of asset gains and losses is used to value assets.

Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. A thirty-year open level percentage method is used to amortize the Annual Required Contribution and an adjustment to the Annual Required Contribution.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation (asset) for the current year were as follows:

Annual required contribution	\$ 1,813,939
Interest on net pension obligation	(786,322)
Adjustment to annual required contribution	478,580
Annual Pension Cost	<u>1,506,197</u>
Contributions made	<u>(3,735,118)</u>
Increase in Net Pension Asset	(2,228,921)
Net Pension Obligation (Asset), Beginning of Year	<u>(9,829,026)</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (12,057,947)</u>

NOTE E - PENSION AND OTHER POST-RETIREMENT EMPLOYEE BENEFIT TRUSTS - CONTINUED

Trend information is as follows:

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2006	\$ 1,755,398	258.3 %	\$ (8,684,058)
2007	1,924,133	159.5	(9,829,026)
2008	1,506,197	247.9	(12,057,947)

Pension Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the plan was 97.8% funded. The actuarial accrued liability for benefits was \$ 46.1 million, and the actuarial value of assets was \$ 45.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ 20.2 million, and the ratio of the UAAL to the covered payroll was 5.1%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The pension plan was funded with contributions as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
1976	\$ 75,000	1995	\$ 1,040,285
1982	50,000	1996	1,175,078
1983	150,000	1997	1,157,975
1984	80,995	1998	896,732
1985	100,000	1999	881,820
1986	234,000	2000	1,946,139
1987	419,532	2001	1,440,572
1988	484,224	2002	1,544,934
1989	182,262	2003	2,034,321
1990	342,739	2004	2,670,566
1991	355,582	2005	3,338,208
1992	463,552	2006	4,590,808
1993	890,882	2007	3,273,371
1994	950,736	2008	3,840,278

NOTE E - PENSION AND OTHER POST-RETIREMENT EMPLOYEE BENEFIT TRUSTS - CONTINUED

Pension Trust Assets

The pension trust funds are invested in U.S. Treasury Notes, U.S. Government Agency Notes and Bonds, Sussex County Second Lien Revenue Bonds, the Delaware Local Government Retirement Investment Pool (DELRIP), Wilmington Trust Company (WTC) mutual funds, and Fidelity Investments mutual funds. Wilmington Trust Company is the trustee of the Plan. DELRIP was established to allow local governments the option to pool their pension assets with the Delaware Public Employees' Retirement System (DPERS). DELRIP is in the custody of the Delaware Board of Pension Trustees and is subject to oversight of the DPERS' Investment Committee and not of the Securities and Exchange Commission (SEC). The WTC mutual funds are in the custody of the Wilmington Trust Company. The DELRIP investments are stated at fair value, which is the same as the value of the DPERS' Master Trust shares. Further details of the DELRIP investments are disclosed in the DPERS 37th Comprehensive Annual Financial Report, which may be obtained by calling 1-800-722-7300.

Investments at fair value (other than those issued or guaranteed by the U.S. government) in excess of 5% of the Plan's net assets held in trust for pension benefits at June 30, 2008 consist of:

	<u>Fair Value</u>
Delaware Local Retirement Investment Pool	\$ 28,324,305
Wilmington Multi-Manager International	<u>2,604,496</u>
TOTAL	<u>\$ 30,928,801</u>

Post-retirement Employee Benefit Plan Description and Provisions

The County provides post-retirement health care benefits. During fiscal year 2005, the County established the "Sussex County Employment Benefit Plan" by Ordinance No. 1783. The plan is reported in the pension and other employee benefit trusts in the County's financial statements. Benefits include preventive care, prescription drug care, facility charges, professional services and office visits. The County has the authority to establish and amend benefit provisions of the plan. For employees who begin employment with the County prior to July 1, 2001, the County policy is to provide post-retirement healthcare benefits immediately after they leave County employment if they receive a pension at that time. Retirees hired subsequent to June 30, 2001, with 15 to 24 years of service, are eligible for coverage upon receipt of a County pension, with the County paying 50 percent of the premium. Retirees hired subsequent to June 30, 2001, with at least 25 years of service, receive full post-retirement healthcare benefits when they receive their pension. Employees, who began work prior to July 1, 2001, may elect the coverage available as if hired after June 30, 2001.

Current membership in the plan (as of January 1, 2008) is as follows:

<u>Total Actives</u>	<u>Retirees and Beneficiaries</u>	<u>Terminated Vested</u>
532	126	23

NOTE E - PENSION AND OTHER POST-RETIREMENT EMPLOYEE BENEFIT TRUSTS - CONTINUED

Post-retirement Employee Benefit Plan Funding Policy and Actuarial Method and Assumptions

The County's annual contribution to the post-retirement employee benefit plan is determined through the budgetary process and with reference to actuarial determined contributions. Plan members are not required to contribute. Contributions made of \$ 5,784,797 were 29 percent of covered payroll. The contribution is designed to accumulate sufficient assets to pay benefits when due. The actuarial valuation of the plan as of January 1, 2008 was determined using the projected unit credit actuarial cost method. This measure is independent of the funding method used to determine contributions to the system. The actuarial assumptions include:

- Assumes an investment return of 8% compounded annually.
- Projected salary increases of 5 percent per year compounded annually.
- The assumption that 100% of actives and 50% of eligible vested terminated participants elect coverage upon retirement.
- A health care cost trend rate of 11% initially, declining to 5% ultimately.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations. A thirty-year open level percentage method is used to amortize the Annual Required Contribution and an adjustment to the Annual Required Contribution.

Post-retirement Employee Benefit Plan Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the plan was 38.3% funded. The actuarial accrued liability for benefits was \$ 40.2 million, and the actuarial value of assets was \$ 15.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 24.8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ 20.2 million, and the ratio of the UAAL to the covered payroll was 122.6%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Post-retirement Employee Benefit Trust Assets

The post-retirement employee benefit trust funds are invested in the Delaware Local Government OPEB Pool. The OPEB Pool was established to allow local governments the option to pool their other post-retirement employee benefit assets. The DPERS Board serves as the trustees and is responsible for the financial management of this pool. It is subject to oversight of the DPERS' Investment Committee and not of the Securities and Exchange Commission (SEC). The investments are stated at fair value, which is the same as the value of the DPERS' Master Trust shares. Further details of the investments are disclosed in the State of Delaware's Comprehensive Annual Financial Report.

In August 2004, the GASB issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* ("GASB 45"), which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets) note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The County will implement GASB 45 in fiscal year 2009. The net OPEB obligation will be recorded as a liability on the statement of net assets. The obligation totaled approximately \$ 2 million at July 1, 2008.

NOTE E - PENSION AND OTHER POST-RETIREMENT EMPLOYEE BENEFIT TRUSTS - CONTINUED

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2008**

	Pension Trust	Post-retirement Employee Benefit Trust	Total
ASSETS			
Investments:			
U.S. Treasuries	\$ 3,446,442	\$ -	\$ 3,446,442
Federal Home Loan Bank	402,032	-	402,032
Federal Home Loan Mortgage Corporation	101,469	-	101,469
Municipal obligations	255,723	-	255,723
Delaware Local Government Retirement Investment Pool	28,324,305	-	28,324,305
Delaware Local Government OPEB Pool	-	15,274,316	15,274,316
Mutual funds	11,915,741	-	11,915,741
Accrued interest	33,796	-	33,796
TOTAL ASSETS	<u>44,479,508</u>	<u>15,274,316</u>	<u>59,753,824</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	<u>\$ 44,479,508</u>	<u>\$ 15,274,316</u>	<u>\$ 59,753,824</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008**

	Pension Trust	Post-retirement Employee Benefit Trust	Total
ADDITIONS			
Employer contributions	\$ 3,840,278	\$ 5,784,797	\$ 9,625,075
Investment:			
Net appreciation (depreciation) of investments	(2,545,369)	172,233	(2,373,136)
Interest and dividends	1,297,621	-	1,297,621
TOTAL ADDITIONS	2,592,530	5,957,030	8,549,560
DEDUCTIONS			
Beneficiary payments	1,572,387	1,249,015	2,821,402
NET INCREASE IN PLAN NET ASSETS	1,020,143	4,708,015	5,728,158
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING	<u>43,459,365</u>	<u>10,566,301</u>	<u>54,025,666</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - ENDING	<u>\$ 44,479,508</u>	<u>\$ 15,274,316</u>	<u>\$ 59,753,824</u>

NOTE F - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional and participants elect how their salary deferrals are invested. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County is not matching employee contributions. Under custodial agreements, the custodians hold all assets and income in trust for the exclusive benefit of participants and their beneficiaries.

NOTE G - SHORT-TERM DEBT

Short-term financing is obtained from banks to provide interim financing for the Enterprise Funds. Interest on the line of credit is variable; the interest rate was 3.2% at June 30, 2008. The County had \$ 24,807,461 of unused line of credit to be drawn upon as needed. Short-term debt activity for the year ended June 30, 2008, was as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2008</u>
Notes payable	\$ 472,024	\$ -	\$ 279,485	\$ 192,539

NOTE H - LONG-TERM LIABILITIES

Description of Bonds Payable

At June 30, 2008, bonds payable consisted of the following individual issues:

	<u>Business-type</u>
1994 wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through December 20, 2034, interest at 4.5%.	\$ 8,579,770
1994 SRF Subordinate Obligations (West Rehoboth Phase I and II); interest at 1.5%, final payment due December 2016. Repayment over 21 years beginning December 1995 from gross revenues of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District but on a subordinate basis for the first 13 years to operations and management expenses, 1994 Series Bonds (\$ 19 million), Rural Development Administration loan, other project borrowings and SRF loans. Repayment the last 7 years based on equal installments. The subordinate obligations require various construction, operating and depreciation accounts.	7,370,471
1995A wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through March 9, 2035, interest at 4.5%.	3,126,481
1995B wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through June 27, 2035, interest at 4.5%.	5,718,593
1995C wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through September 26, 2035, interest at 4.5%.	5,223,114
1995D wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through December 22, 2035, interest at 4.5%.	2,623,840

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Description of Bonds Payable - Continued

	<u>Business-type</u>
1996 wastewater general obligation bonds (Ocean Way Estates expansion sewer system), due in quarterly installments of \$ 6,256 principal and interest, interest at 4.5%, final payment due October 17, 2036.	\$ 400,604
1997 wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through June 15, 2021, interest at 1.5%. Total bonds authorized are \$ 12,000,000.	6,956,472
2000 wastewater general obligation bonds (Ocean View, Holts Landing, Cedar Neck, North Millville and SCRWF), due in semi-annual installments, interest at 1.5%, final payment due December 31, 2023.	13,340,390
2000 wastewater general obligation bonds (Ellendale Sanitary Sewer District), due in semi-annual installments, interest at 1.5%, final payment due December 15, 2023. Total bonds authorized are \$ 1,726,000.	1,387,957
2001 wastewater general obligation bonds (West Rehoboth expansion sewer system), due in quarterly installments of \$ 135,087 principal and interest, interest at 4.5%, final payment due June 1, 2041.	9,260,084
2002 wastewater general obligation bonds (Miller Creek Sanitary Sewer District), due in semi-annual installments, interest at 1.5%, final payment due December 31, 2027. Total bonds authorized are \$ 3,300,000.	2,237,461
2002 wastewater general obligation bonds (Bayview Estates and Sea Country Estates Sanitary Sewer District), due in semi-annual installments, interest at 1.5%, final payment due December 31, 2025. Total bonds authorized are \$ 2,636,000.	2,515,127
2002 wastewater general obligation bonds (SCRWF), due in semi-annual installments, interest at 3.175%, final payment due December 31, 2026. Total bonds authorized are \$ 13,000,000.	12,283,657
2002 wastewater general obligation bonds (Ellendale), due in semi-annual installments, no stated interest rate, final payment due June 13, 2042. Total bonds authorized are \$ 1,000,000.	871,795
2003 wastewater general obligation bonds (Oak Orchard Sanitary Sewer District), due in semi-annual installments, interest at 2%, final payment due December 31, 2024. Total bonds authorized are \$ 1,500,000.	1,390,900
2003 wastewater general obligation bonds (1992 and 1993 refunding), due in semi-annual installments, interest ranging from 4% to 5%, final payment due October 15, 2032.	26,655,002
2003 wastewater general obligation bonds (Ellendale), due in quarterly installments, interest at 4.25%, final payment due September 25, 2043. Total bonds authorized are \$ 815,000.	773,962

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Description of Bonds Payable - Continued

	<u>Business-type</u>
2003 wastewater general obligation bonds (Ellendale), due in quarterly installments, interest 4.25%, final payment due September 25, 2043. Total bonds authorized are \$ 1,250,000.	\$ 1,187,066
2003 wastewater general obligation bonds (SCRWF), due in quarterly installments, interest 4.25%, final payment due September 19, 2043. Total bonds authorized are \$ 1,965,000.	1,866,082
2003 wastewater general obligation bonds (Oak Orchard), due in semi-annual installments, interest 1.5%, final payment due December 31, 2026. Total bonds authorized are \$ 1,203,000.	1,200,900
2004 wastewater general obligation bonds (Cedar Neck), due in quarterly installments, interest at 4.375%, final payment due June 22, 2044. Total bonds authorized are \$ 6,910,700.	6,630,517
2004 wastewater general obligation bonds (Inland Bays), due in semi-annual installments, interest 1.5%, final payment due December 31, 2027. Total bonds authorized are \$ 16,000,000.	10,000,000
2005 wastewater general obligation bonds (Inland Bays), due in quarterly installments, interest 4.125%, final payment due July 21, 2045. Total bonds authorized are \$ 7,000,000.	6,799,085
2005 wastewater revenue refunding bonds (West Rehoboth 1995 refunding), due in semi-annual installments through June 15, 2025, interest ranging from 3.5% to 4.5%. The bonds are secured by and payable solely from the gross revenues of the West Rehoboth expansion sewer system. The revenue bonds require various project, construction, operating and depreciation accounts.	16,635,000
2006 wastewater general obligation bonds (Millville), due in semi-annual installments, interest 1.5%, final payment due October 30, 2040. Total bonds authorized are \$ 8,000,000.	3,032,936
2006 wastewater general obligation bonds (South Ocean View), due in semi-annual installments, interest 1.5%, final payment due December 31, 2038. Total bonds authorized are \$ 4,800,000.	<u>3,757,397</u>
Subtotal	161,824,663
Unamortized bond premium	850,462
Unamortized bond discount	(21,540)
Deferred amount on refunding, net of amortization	<u>(3,017,703)</u>
TOTAL BONDS PAYABLE	<u>\$ 159,635,882</u>

Deferred amount on refunding is the difference between the reacquisition price and the net carrying amount of the refunded debt, net of amortization. This difference is reported in the accompanying financial statements as a deduction from bonds payable. Amortization of deferred amount on refunding charged to interest expense totaled \$ 202,070 for fiscal year 2008.

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Contract Commitments

The County has obligated itself under contracts for various projects. At June 30, 2008, the obligated unpaid amount was approximately \$ 22,237,417. The County's payment of these contracts will be contingent upon the contractors' satisfactory performance.

Bonds Authorized but Unissued

Bonds authorized but unissued at June 30, 2008 totaled \$ 36,940,306. The bonds are to finance various sewer district construction and improvement projects. Subsequent to year end, the County approved the issuance of \$ 28,500,000 general obligation bonds to finance the Angola Neck Sewer District and \$ 625,000 general obligation bonds to finance the Golf Village Sewer District.

Long-term Liability Activity

Long-term liability activity for the year ended June 30, 2008, was as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2008</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 4,202,738	\$ 2,774,080	\$ 2,243,303	\$ 4,733,515	\$2,243,304
Capital lease obligations	165,271	68,947	97,631	136,587	69,062
Estimated liability for landfill postclosure care	<u>4,638,000</u>	<u>213,232</u>	<u>233,232</u>	<u>4,618,000</u>	<u>1,546,000</u>
Total Governmental Activities	<u>\$ 9,006,009</u>	<u>\$ 3,056,259</u>	<u>\$ 2,574,166</u>	<u>\$ 9,488,102</u>	<u>\$3,858,366</u>
Business-type Activities:					
General obligation bonds	\$ 134,977,468	\$ 7,785,915	\$ 4,944,191	\$ 137,819,192	\$6,059,510
Revenue bond debt	25,497,849	-	1,492,378	24,005,471	1,529,488
Unamortized bond premium	959,837	-	109,375	850,462	-
Unamortized bond discount	(24,135)	-	(2,595)	(21,540)	-
Deferred amount of refunding, net of amortization	<u>(3,219,773)</u>	<u>-</u>	<u>(202,070)</u>	<u>(3,017,703)</u>	<u>-</u>
Total bonds payable	158,191,246	7,785,915	6,341,279	159,635,882	7,588,998
Compensated absences	<u>1,134,819</u>	<u>781,482</u>	<u>600,077</u>	<u>1,316,224</u>	<u>600,077</u>
Total Business-type Activities	<u>\$ 159,326,065</u>	<u>\$ 8,567,397</u>	<u>\$ 6,941,356</u>	<u>\$ 160,952,106</u>	<u>\$8,189,075</u>

For the governmental activities, compensated absences, capital lease obligations and estimated liability for landfill postclosure care are primarily liquidated by the General Fund.

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Debt Maturity

The annual aggregate maturities for each bond type are as follows:

<u>Year ending June 30,</u>	<u>Business-type Activities - General Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 6,059,510	\$ 4,580,295	\$ 10,639,805
2010	6,139,412	4,289,058	10,428,470
2011	6,384,160	4,073,788	10,457,948
2012	6,608,438	3,849,260	10,457,698
2013	6,845,674	3,629,074	10,474,748
2014 - 2018	31,113,251	15,239,391	46,352,642
2019 - 2023	27,461,287	10,875,744	38,337,031
2024 - 2028	17,688,369	7,469,969	25,158,338
2029 - 2033	12,694,933	4,789,802	17,484,735
2034 - 2038	9,730,229	2,283,971	12,014,200
2039 - 2043	5,942,795	817,618	6,760,413
2044 - 2047	1,151,134	49,523	1,200,657
TOTAL	\$ 137,819,192	\$ 61,947,493	\$ 199,766,685

<u>Year ending June 30,</u>	<u>Business-type Activities - Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,529,488	\$ 789,210	\$ 2,318,698
2010	1,561,781	752,067	2,313,848
2011	1,609,258	712,214	2,321,472
2012	1,646,921	670,863	2,317,784
2013	1,689,775	628,385	2,318,160
2014 - 2018	7,748,248	2,446,511	10,194,759
2019 - 2023	5,615,000	1,320,144	6,935,144
2024 - 2025	2,605,000	175,482	2,780,482
TOTAL	\$ 24,005,471	\$ 7,494,876	\$ 31,500,347

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Capital Lease Obligations

The County leases equipment under three to five year lease purchase agreements. Monthly lease payments range from \$ 43 to \$ 477, and expire from August 17, 2008 through May 1, 2011. Equipment with a cost basis of \$ 257,977 and accumulated depreciation of \$ 80,555 was being leased at June 30, 2008. Depreciation of assets under capital leases is included in depreciation expense under government-wide reporting. Obligations under governmental activities capital leases are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>
2009	\$ 69,062
2010	51,267
2011	16,258
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$ 136,587

NOTE I - INTERFUND BALANCES

Interfund balances at June 30, 2008 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total Amount</u>	<u>Long-term Amount</u>
General fund	Bethany sewer fund	\$ 3,910,121	\$ 3,886,828
	West Rehoboth sewer fund	135,430	-
	Treatment plant - SCRWF	7,463,700	7,314,778
	Nonmajor enterprise funds	12,358,310	6,639,420
	Capital projects fund	351,250	321,476
		<u>24,218,811</u>	<u>18,162,502</u>
Bethany sewer fund	Treatment plant - SCRWF	41,863	41,863
Nonmajor enterprise funds	Treatment plant - SCRWF	98,622	41,863
Treatment plant - SCRWF	West Rehoboth sewer fund	952,881	-
	Nonmajor enterprise funds	118,040	-
	Capital projects fund	325	-
		<u>1,071,246</u>	<u>-</u>
TOTAL		\$ 25,430,542	\$ 18,204,365

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2008, interfund balances largely represented interim financing for sewer projects, which are to be repaid when the County draws the permanent funding. The long-term portion indicated above is not scheduled to be collected in the subsequent year.

NOTE J - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2008, consisted of the following:

Transfer to:	Transfer from			Total
	General Fund	Nonmajor Funds	West Rehoboth Sewer	
General fund	\$ -	\$ 106,574	\$ -	\$ 106,574
Capital projects fund	4,194,721	-	-	4,194,721
Bethany sewer fund	87,108	-	-	87,108
West Rehoboth sewer fund	235,682	-	-	235,682
Nonmajor enterprise funds	2,327,139	-	180,242	2,507,381
TOTAL	\$ 6,844,650	\$ 106,574	\$ 180,242	\$ 7,131,466

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE K - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; omissions; injuries to employees; and natural disasters for which the County carries commercial insurance. There have been no significant reductions in coverage from the prior year end. Settlements have not exceeded coverage in the past three years.

The County is exposed to the risk of loss related to employee medical expenses. During fiscal year 2008, the County maintained a self-insured plan for employee medical expenses in which expenses per employee were covered annually up to \$ 250,000. Individual excess expenses are covered under a commercial policy. In addition, the County has a maximum aggregate limit of \$ 10,206,011 for the County's portion of medical expense liability, which is covered under a commercial policy. The County reports the risk management activity in the General Fund. The County recognizes expenditures/expenses in the General Fund, Water Fund and Sewer Funds. The employee health plan is administered by an outside agency.

Employee Health Plan

Contributions from the County and employee withholdings are deposited into a reserve fund to pay prior-year and current-year claims. Estimated risks and losses are based upon historical costs, financial analyses and estimated effects of plan changes. The claims liability reported at June 30, 2008 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported. Changes in the employee health claims liability amounts in fiscal year 2008 and 2007 were as follows:

	<u>Beginning of Year Balance</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Balance</u>
2006 - 2007	\$ 760,874	\$ 6,838,145	\$ (6,820,754)	\$ 778,265
2007 - 2008	778,265	7,598,575	(7,855,482)	521,358

NOTE L - PROPRIETARY FUNDS CONTRACTS

The County has a contract with the Town of Georgetown for the Town to provide wastewater treatment and disposal for the County's Ellendale Sewer Treatment System. The contract was executed on May 25, 2000 and is in effect for a period of 40 years unless both parties mutually agree to terminate the contract. The County has a contract with the City of Seaford for the purpose of discharging wastewater. The contract is in effect on January 1, 2004 for 10 years with an option to renew for an additional 10 years.

NOTE M - LANDFILL POSTCLOSURE CARE COST

State and federal laws and regulations required the County to place a final cover on its six landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at these sites. The estimated liability for landfill postclosure care of \$ 4,618,000 at June 30, 2008 represented the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. This amount is based on what it would cost to perform all postclosure care in 2008. Actual cost may be higher because of inflation changes in technology or changes in regulations.

The annual operating costs for maintenance and monitoring the landfill sites will continue to be funded by the County and recorded as a long-term liability in the governmental activities on the Statement of Net Assets.

NOTE N - RENT REVENUES

The County has entered into several long-term operating leases with local businesses to rent property, mainly located in the County's Industrial Park and Airport. These leases range in terms of one year to forty-five years and several of them are noncancelable. Buildings with a cost basis of \$ 6,513,392 and accumulated depreciation of \$ 841,017, equipment with a cost basis of \$ 55,058 and accumulated depreciation of \$ 55,058 and improvements of \$ 69,207 and accumulated depreciation of \$ 7,792 were being leased as of June 30, 2008.

The minimum future rental revenue under leases as of June 30, 2008 for each of the next five years and in the aggregate are:

<u>Year ending June 30,</u>	<u>Amount</u>
2009	\$ 591,411
2010	550,698
2011	526,233
2012	451,576
2013	427,308
Thereafter	<u>3,483,038</u>
MINIMUM LEASE PAYMENTS RECEIVABLE	<u>\$ 6,030,264</u>

NOTE O - CONTINGENCIES

The County is currently involved in a number of lawsuits involving construction projects, zoning ordinances, and other civil lawsuits. The amount of any contingent liability related to these suits either cannot be estimated or the outcome is uncertain.

The County has authorized the issuance of revenue bonds to provide funds for various commercial, industrial and agricultural development projects. In the opinion of bond counsel, the bonds are not subject to the debt limit imposed on the County by the Delaware Code, and are payable solely from payments made by the borrowing entities. Accordingly, these bonds are not reflected in the accompanying financial statements.

NOTE P - ECONOMIC DEVELOPMENT LOANS

Under the County's Local Government Economic Development Stimulus Loan Program, loans are provided for certain public projects and for economic development and job growth purposes. The balance outstanding was \$ 226,104 at June 30, 2008, which is not reflected on the governmental funds balance sheet. The loan bears interest at 1% per annum. The loan is subject to repayment with a maturity date of April 2017 and the full faith and credit of the municipality secures the loan.

NOTE Q - SUBSEQUENT EVENTS

Major Contracts

Subsequent to June 30, 2008, the County has approved the award of contracts totaling \$ 2.8 million for the Millville expansion of the Bethany Beach Sanitary Sewer District. The County also purchased land for \$ 2.4 million to be used in the future for a new administration building.

Pension and Other Employee Benefit Trusts

The County invests in various investment securities for its pension and other employee benefit trusts. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Therefore, the value, liquidity, and related income of the securities are sensitive to changes in economic conditions, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the users and changes in interest rates. 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 the County's account balances and the amounts reported in the statement of net assets held in trust for pension and other employee benefits.

REQUIRED SUPPLEMENTARY INFORMATION

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF FUNDING PROGRESS - PENSION TRUST
 FOR THE YEAR ENDED JUNE 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
01/01/2003	\$ 22,625,644	\$ 24,379,883	\$ 1,754,239	92.8 %	\$ 13,299,716	13.3 %
01/01/2004	25,324,895	27,284,408	1,959,513	92.8	14,359,924	13.6
01/01/2005	28,919,477	30,380,428	1,460,951	95.2	15,920,368	9.2
01/01/2006	34,091,663	34,224,683	133,020	99.6	17,401,966	0.8
01/01/2007	38,896,411	41,677,145	2,780,734	93.3	18,712,910	14.9
01/01/2008	45,144,691	46,183,103	1,038,412	97.8	20,222,895	5.1

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST
FOR THE YEAR ENDED JUNE 30, 2008

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2003	\$ 996,026	177.8 %
2004	1,241,364	213.3
2005	1,407,930	234.7
2006	1,484,177	305.4
2007	1,518,921	202.1
2008	1,813,939	206.0

**SCHEDULE OF FUNDING PROGRESS - POST-RETIREMENT EMPLOYEE BENEFIT TRUST
FOR THE YEAR ENDED JUNE 30, 2008**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
01/01/2007	\$ 9,937,149	\$ 45,867,316	\$ 35,930,167	21.7 %	\$ 18,712,910	192.0 %
01/01/2008	15,373,920	40,170,716	24,796,796	38.3	20,222,895	122.6

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - POST-RETIREMENT EMPLOYEE BENEFIT TRUST
FOR THE YEAR ENDED JUNE 30, 2008

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 3,561,234	162.4 %

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

GENERAL FUND

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

- 63 -

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
TAXES			
Real property - County	\$ 10,469,351	\$ 10,853,555	\$ 384,204
Real property - library	1,227,515	1,273,029	45,514
Realty transfer	18,211,628	20,636,949	2,425,321
Capitation	234,780	243,722	8,942
Fire service	1,435,000	1,106,321	(328,679)
Penalties and interest	124,000	128,554	4,554
TOTAL TAXES	<u>31,702,274</u>	<u>34,242,130</u>	<u>2,539,856</u>
INTERGOVERNMENTAL			
Federal grants:			
Emergency preparedness	88,000	201,846	113,846
Housing and Urban Development	1,378,000	1,197,194	(180,806)
Project income	-	18,493	18,493
Federal payments in lieu of taxes	12,000	10,857	(1,143)
State grants:			
Library	327,770	333,668	5,898
Paramedic	5,526,586	5,163,851	(362,735)
Local emergency plan commission	64,436	-	(64,436)
Gumboro Community Center	-	27,549	27,549
Department of Health - rodents	10,000	10,000	-
Other	18,000	100	(17,900)
TOTAL INTERGOVERNMENTAL	<u>7,424,792</u>	<u>6,963,558</u>	<u>(461,234)</u>
CHARGES FOR SERVICES			
Constitutional Office Fees			
Clerk of the Peace	56,000	57,775	1,775
Prothonotary	100	820	720
Recorder of Deeds	4,507,000	4,181,217	(325,783)
Register of Wills	786,400	881,104	94,704
Sheriff	525,000	1,235,848	710,848
Total Constitutional Office Fees	<u>5,874,500</u>	<u>6,356,764</u>	<u>482,264</u>
General Government Fees			
Building permit and zoning fees	2,100,000	1,597,735	(502,265)
Building inspections	1,600,000	1,211,344	(388,656)
Security identification cards	1,000	985	(15)
Mobile home placement	220,000	157,805	(62,195)
911 reporting	585,000	482,704	(102,296)
Total General Government Fees	<u>4,506,000</u>	<u>3,450,573</u>	<u>(1,055,427)</u>

(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

- 64 -

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
CHARGES FOR SERVICES - CONTINUED			
General Government Services			
Airport operations	\$ 185,447	\$ 176,979	\$ (8,468)
Data processing	42,000	43,957	1,957
Private road inspections and design fees	1,200,000	544,308	(655,692)
Industrial park water and sewer	40,000	46,867	6,867
Sewer and water inspections	75,000	43,550	(31,450)
Total General Government Services	<u>1,542,447</u>	<u>855,661</u>	<u>(686,786)</u>
Other Charges			
Miscellaneous	40,000	56,991	16,991
TOTAL CHARGES FOR SERVICES	<u>11,962,947</u>	<u>10,719,989</u>	<u>(1,242,958)</u>
FINES AND FORFEITS			
Library fines	22,000	22,640	640
Zoning violations	7,500	1,953	(5,547)
TOTAL FINES AND FORFEITS	<u>29,500</u>	<u>24,593</u>	<u>(4,907)</u>
MISCELLANEOUS			
Interest earnings	3,300,000	3,299,313	(687)
Rents			
Industrial park	326,376	326,714	338
County office building	92,967	94,387	1,420
Other	15,120	23,170	8,050
Other	75,000	531,988	456,988
TOTAL MISCELLANEOUS	<u>3,809,463</u>	<u>4,275,572</u>	<u>466,109</u>
TOTAL REVENUES	<u>54,928,976</u>	<u>56,225,842</u>	<u>1,296,866</u>
OTHER FINANCING SOURCES			
Issuance of debt	-	68,947	68,947
Transfer in	-	106,574	106,574
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>175,521</u>	<u>175,521</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 54,928,976</u>	<u>\$ 56,401,363</u>	<u>\$ 1,472,387</u>

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
GENERAL ADMINISTRATION			
County Council			
Personal services	\$ 216,445	\$ 216,665	\$ (220)
Employee benefits	186,885	186,821	64
Contractual services	99,422	67,577	31,845
Supplies	19,050	16,540	2,510
Capital outlay	392	16,901	(16,509)
Other expenditures	99,218	78,047	21,171
Travel and training	17,956	17,626	330
Total County Council	<u>639,368</u>	<u>600,177</u>	<u>39,191</u>
County Administration			
Personal services	332,882	278,908	53,974
Employee benefits	204,006	170,168	33,838
Contractual services	23,665	24,111	(446)
Supplies	6,324	5,743	581
Capital outlay	980	960	20
Other expenditures	13	13	-
Travel and training	6,672	6,584	88
Total County Administration	<u>574,542</u>	<u>486,487</u>	<u>88,055</u>
Legal Department			
Professional services	175,000	153,745	21,255
TOTAL GENERAL ADMINISTRATION	<u>1,388,910</u>	<u>1,240,409</u>	<u>148,501</u>
FINANCE			
Financial Administration			
Personal services	324,602	321,813	2,789
Employee benefits	205,404	204,430	974
Professional services	70,196	50,656	19,540
Contractual services	157,920	196,764	(38,844)
Supplies	6,670	6,237	433
Capital outlay	1,850	1,838	12
Travel and training	4,777	4,767	10
Total Financial Administration	<u>771,419</u>	<u>786,505</u>	<u>(15,086)</u>
Assessment			
Personal services	1,091,317	1,072,001	19,316
Employee benefits	894,781	858,187	36,594
Professional services	2,000	1,998	2
Contractual services	81,400	65,368	16,032
Supplies	42,640	36,278	6,362
Capital outlay	30,860	30,860	-
Other expenditures	1,000	620	380
Travel and training	2,500	772	1,728
Total Assessment	<u>2,146,498</u>	<u>2,066,084</u>	<u>80,414</u>

(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
FINANCE - CONTINUED			
Building Code			
Personal services	\$ 312,664	\$ 308,536	\$ 4,128
Employee benefits	249,820	248,917	903
Professional services	3,000	1,300	1,700
Contractual services	712,704	504,857	207,847
Supplies	19,667	15,022	4,645
Capital outlay	2,913	3,074	(161)
Travel and training	5,410	874	4,536
Total Building Code	<u>1,306,178</u>	<u>1,082,580</u>	<u>223,598</u>
Mapping and Addressing			
Personal services	303,127	302,807	320
Employee benefits	260,098	253,532	6,566
Professional services	90,000	69,567	20,433
Contractual services	51,802	38,819	12,983
Supplies	20,200	14,642	5,558
Capital outlay	50,041	25,212	24,829
Other expenditures	19,000	19,917	(917)
Travel and training	14,200	6,591	7,609
Total Mapping and Addressing	<u>808,468</u>	<u>731,087</u>	<u>77,381</u>
Accounting			
Personal services	353,191	323,582	29,609
Employee benefits	301,614	301,553	61
Professional services	113,631	113,631	-
Contractual services	25,234	25,233	1
Supplies	10,336	10,336	-
Capital outlay	2,942	2,942	-
Travel and training	8,594	8,396	198
Total Accounting	<u>815,542</u>	<u>785,673</u>	<u>29,869</u>
Treasury			
Personal services	339,774	339,774	-
Employee benefits	259,631	259,229	402
Professional services	10,918	9,448	1,470
Contractual services	119,339	112,761	6,578
Supplies	5,600	5,395	205
Capital outlay	8,984	6,017	2,967
Travel and training	2,324	2,324	-
Total Treasury	<u>746,570</u>	<u>734,948</u>	<u>11,622</u>
TOTAL FINANCE	<u>6,594,675</u>	<u>6,186,877</u>	<u>407,798</u>

(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PERSONNEL			
Personnel Administration			
Personal services	\$ 313,677	\$ 238,677	\$ 75,000
Employee benefits	180,702	180,585	117
Professional services	89,050	82,827	6,223
Contractual services	6,013	4,343	1,670
Supplies	4,600	3,511	1,089
Capital outlay	3,050	2,928	122
Other expenditures	87,070	96,270	(9,200)
Travel and training	7,825	3,176	4,649
Total Personnel Administration	<u>691,987</u>	<u>612,317</u>	<u>79,670</u>
General Employment and Retirement			
Employee and retiree benefits	1,509,584	1,362,101	147,483
Pension	1,632,860	1,572,387	60,473
Professional services	35,200	29,426	5,774
Total General Employment and Retirement	<u>3,177,644</u>	<u>2,963,914</u>	<u>213,730</u>
TOTAL PERSONNEL	<u>3,869,631</u>	<u>3,576,231</u>	<u>293,400</u>
BUILDING AND GROUNDS			
Maintenance			
Personal services	362,550	422,976	(60,426)
Employee benefits	390,743	345,736	45,007
Contractual services	34,112	35,995	(1,883)
Supplies	54,124	45,896	8,228
Other expenditures	9,693	9,650	43
Capital outlay	23,053	10,182	12,871
Total Maintenance	<u>874,275</u>	<u>870,435</u>	<u>3,840</u>
Operations - Administrative Buildings			
Personal services	407,384	343,703	63,681
Employee benefits	329,344	297,163	32,181
Contractual services	306,160	297,363	8,797
Supplies	109,700	93,633	16,067
Capital outlay	60,218	47,100	13,118
Other expenditures	28,951	22,197	6,754
Travel and training	750	140	610
Total Operations - Administrative Buildings	<u>1,242,507</u>	<u>1,101,299</u>	<u>141,208</u>
TOTAL BUILDING AND GROUNDS	<u>2,116,782</u>	<u>1,971,734</u>	<u>145,048</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
DATA PROCESSING			
Data Processing			
Personal services	\$ 273,183	\$ 268,784	\$ 4,399
Employee benefits	193,501	192,258	1,243
Contractual services	38,170	32,984	5,186
Supplies	20,053	18,282	1,771
Capital outlay	9,000	5,735	3,265
Other expenditures	42,000	-	42,000
Travel and training	7,075	6,203	872
Total Data Processing	<u>582,982</u>	<u>524,246</u>	<u>58,736</u>
Information Systems			
Personal services	296,474	289,042	7,432
Employee benefits	228,931	219,793	9,138
Contractual services	162,300	103,962	58,338
Supplies	23,000	20,617	2,383
Capital outlay	186,000	213,648	(27,648)
Travel and training	20,000	11,183	8,817
Total Information Systems	<u>916,705</u>	<u>858,245</u>	<u>58,460</u>
TOTAL DATA PROCESSING	<u>1,499,687</u>	<u>1,382,491</u>	<u>117,196</u>
COUNTY CONSTABLE			
Personal services	101,387	101,387	-
Employee benefits	81,010	81,169	(159)
Contractual services	18,235	12,478	5,757
Supplies	11,125	9,254	1,871
Capital outlay	17,061	17,061	-
Other expenditures	17,000	8,325	8,675
Travel and training	225	-	225
TOTAL COUNTY CONSTABLE	<u>246,043</u>	<u>229,674</u>	<u>16,369</u>
GRANT-IN-AID PROGRAMS			
Fire companies	3,714,444	3,349,695	364,749
Future Farmers of America	1,000	-	1,000
Agriculture Extension Work (4-H)	138,098	138,098	-
Erosion and sediment	228,595	228,595	-
Council grants	329,000	267,022	61,978
Cheers meal program	135,000	110,000	25,000
Ambulance stations (non-fire)	16,906	16,906	-
Sussex County Community Action Agency	10,000	10,000	-
Small Business Development Center	10,000	10,000	-
Sussex state police program	1,620,326	1,578,958	41,368
Sussex local police grants	525,000	524,526	474
Human service grants	156,000	151,650	4,350

(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
GRANT-IN-AID PROGRAMS - CONTINUED			
Town grants	\$ 45,000	\$ 30,000	\$ 15,000
Housing assistance program	150,000	157,660	(7,660)
Local library placement fee grants	220,000	163,415	56,585
Tax subsidy program	-	1,212	(1,212)
Local library grants	516,396	516,397	(1)
Dog control grant	290,727	290,727	-
County wastewater relief program	75,000	99,131	(24,131)
Surface water management	-	25,000	(25,000)
Open space land program grants	1,390,381	1,583,705	(193,324)
First State Community Action	-	1,942	(1,942)
Gumboro community center grant	-	27,549	(27,549)
	<u>9,571,873</u>	<u>9,282,188</u>	<u>289,685</u>
PLANNING AND ZONING			
Administration			
Personal services	613,586	619,334	(5,748)
Employee benefits	465,634	460,119	5,515
Professional services	130,000	211,248	(81,248)
Contractual services	100,510	87,699	12,811
Supplies	27,550	28,923	(1,373)
Capital outlay	30,900	34,400	(3,500)
Other expenditures	1,000	994	6
Travel and training	5,500	1,998	3,502
	<u>1,374,680</u>	<u>1,444,715</u>	<u>(70,035)</u>
Board of Adjustment			
Professional services	37,500	30,000	7,500
Commission			
Professional services	60,000	50,000	10,000
	<u>1,472,180</u>	<u>1,524,715</u>	<u>(52,535)</u>
PARAMEDIC PROGRAM			
Personal services	6,757,449	6,508,699	248,750
Employee benefits	4,597,524	4,438,420	159,104
Professional services	82,131	66,127	16,004
Contractual services	609,769	491,019	118,750
Supplies	500,469	463,306	37,163
Capital outlay	998,999	1,020,890	(21,891)
Other expenditures	152,577	126,572	26,005
Travel and training	118,347	98,169	20,178
	<u>13,817,265</u>	<u>13,213,202</u>	<u>604,063</u>

(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EMERGENCY PREPAREDNESS			
Administration			
Personal services	\$ 113,411	\$ 92,668	\$ 20,743
Employee benefits	79,690	70,766	8,924
Contractual services	104,640	95,735	8,905
Supplies	14,150	9,488	4,662
Capital outlay	5,900	5,730	170
Other expenditures	55,000	2,224	52,776
Travel and training	4,800	23	4,777
Total Administration	<u>377,591</u>	<u>276,634</u>	<u>100,957</u>
Emergency Operations Center			
Personal services	938,017	946,641	(8,624)
Employee benefits	661,407	652,234	9,173
Contractual services	187,800	166,409	21,391
Supplies	15,300	49,939	(34,639)
Capital outlay	2,000	27,949	(25,949)
Other expenditures	7,500	2,843	4,657
Travel and training	29,100	13,542	15,558
Total Emergency Operations Center	<u>1,841,124</u>	<u>1,859,557</u>	<u>(18,433)</u>
Communications System			
Personal services	189,338	189,508	(170)
Employee benefits	129,663	127,928	1,735
Contractual services	47,610	16,414	31,196
Supplies	51,600	32,604	18,996
Capital outlay	18,200	9,173	9,027
Other expenditures	800	59,749	(58,949)
Travel and training	1,400	-	1,400
Total Communications System	<u>438,611</u>	<u>435,376</u>	<u>3,235</u>
Local Emergency Planning Community Program			
Personal services	44,737	-	44,737
Employee benefits	31,507	13,421	18,086
Contractual services	850	207	643
Supplies	1,000	90	910
Capital outlay	2,400	-	2,400
Travel and training	2,400	-	2,400
Total Local Emergency Planning Community Program	<u>82,894</u>	<u>13,718</u>	<u>69,176</u>
TOTAL EMERGENCY PREPAREDNESS	<u>2,740,220</u>	<u>2,585,285</u>	<u>154,935</u>

(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
ECONOMIC DEVELOPMENT AND PUBLIC WORKS			
Economic Development			
Personal services	\$ 72,621	\$ 1,361	\$ 71,260
Employee benefits	59,509	24,090	35,419
Contractual services	10,020	8,133	1,887
Supplies	10,500	7,820	2,680
Capital outlay	200	-	200
Other expenditures	13,773	11,378	2,395
Travel and training	150	100	50
Total Economic Development	<u>166,773</u>	<u>52,882</u>	<u>113,891</u>
Industrial Park			
Personal services	108,838	107,796	1,042
Employee benefits	78,069	76,957	1,112
Contractual services	181,364	179,993	1,371
Supplies	4,500	3,096	1,404
Capital outlay	3,800	3,146	654
Other expenditures	80,775	116,370	(35,595)
Travel and training	5,188	2,957	2,231
Total Industrial Park	<u>462,534</u>	<u>490,315</u>	<u>(27,781)</u>
TOTAL ECONOMIC DEVELOPMENT AND PUBLIC WORKS	<u>629,307</u>	<u>543,197</u>	<u>86,110</u>
COUNTY ENGINEER			
Administration			
Personal services	726,223	648,020	78,203
Employee benefits	705,428	721,960	(16,532)
Professional services	-	218,518	(218,518)
Contractual services	7,469	4,656	2,813
Supplies	6,081	3,406	2,675
Capital outlay	7,511	7,627	(116)
Other expenditures	50,149	5,104	45,045
Travel and training	3,220	2,229	991
Total Administration	<u>1,506,081</u>	<u>1,611,520</u>	<u>(105,439)</u>
Public Works			
Personal services	386,261	396,174	(9,913)
Employee benefits	292,063	280,551	11,512
Professional services	343,889	129,585	214,304
Contractual services	15,940	13,958	1,982
Supplies	27,178	23,390	3,788
Capital outlay	13,150	13,409	(259)
Other expenditures	939,000	233,567	705,433
Travel and training	3,333	2,593	740
Total Public Works	<u>2,020,814</u>	<u>1,093,227</u>	<u>927,587</u>
TOTAL COUNTY ENGINEER	<u>3,526,895</u>	<u>2,704,747</u>	<u>822,148</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
AIRPORT			
Personal services	\$ 96,514	\$ 108,680	\$ (12,166)
Employee benefits	53,599	60,642	(7,043)
Contractual services	124,099	121,864	2,235
Supplies	22,365	20,136	2,229
Capital outlay	54,295	31,041	23,254
Other expenditures	37,275	37,125	150
TOTAL AIRPORT	388,147	379,488	8,659
LIBRARY			
Library administration	885,068	903,645	(18,577)
Library facilities	1,825,677	1,739,916	85,761
Local libraries	1,227,515	1,227,515	-
TOTAL LIBRARY	3,938,260	3,871,076	67,184
COMMUNITY DEVELOPMENT AND HOUSING PROGRAMS			
Administration			
Personal services	243,923	242,126	1,797
Employee benefits	178,689	177,040	1,649
Professional services	2,518	-	2,518
Contractual services	40,653	6,848	33,805
Supplies	4,839	3,959	880
Capital outlay	1,446	1,370	76
Other expenditures	1,000	806	194
Travel and training	8,524	8,124	400
Total Administration	481,592	440,273	41,319
Rehabilitation			
Contractual services	1,222,000	1,061,536	160,464
TOTAL COMMUNITY DEVELOPMENT AND HOUSING PROGRAMS	1,703,592	1,501,809	201,783
CONSTITUTIONAL OFFICES			
Clerk of the Peace	181,444	177,621	3,823
Recorder of Deeds	1,458,527	1,428,983	29,544
Register of Wills	441,372	413,202	28,170
Sheriff	746,676	665,757	80,919
TOTAL CONSTITUTIONAL OFFICES	2,828,019	2,685,563	142,456
TOTAL EXPENDITURES	56,331,486	52,878,686	3,452,800
OTHER FINANCING USES			
Reserved for contingencies	387,871	-	387,871
Transfer out	2,600,000	6,844,650	(4,244,650)
TOTAL OTHER FINANCING USES	2,987,871	6,844,650	(3,856,779)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 59,319,357	\$ 59,723,336	\$ (403,979)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF REVENUES AND EXPENDITURES (CONDENSED) - GENERAL FUND
FOR THE THIRTY-ONE YEARS THROUGH JUNE 30, 2008

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<u>Year Ended</u>	<u>Total Revenues and Other Financing Sources</u>	<u>Total Expenditures and Other Financing Uses</u>	<u>Revenues Over (Under) Expenditures</u>
June 30, 1978	\$ 3,017,587	\$ 2,944,327	\$ 73,260
June 30, 1979	3,211,534	3,327,193	(115,659)
June 30, 1980	3,412,108	4,030,506	(618,398)
June 30, 1981	4,132,559	4,514,093	(381,534)
June 30, 1982	5,396,279	5,353,716	42,563
June 30, 1983	5,960,285	5,575,652	384,633
June 30, 1984	7,368,435	6,505,440	862,995
June 30, 1985	7,195,223	7,062,005	133,218
June 30, 1986	8,092,891	7,332,618	760,273
June 30, 1987	8,083,881	8,223,857	(139,976)
June 30, 1988	8,747,945	8,038,906	709,039
June 30, 1989	8,785,091	8,498,335	286,756
June 30, 1990	9,450,906	9,813,082	(362,176)
June 30, 1991	11,194,437	10,849,623	344,814
June 30, 1992	13,638,160	12,496,815	1,141,345
June 30, 1993	15,702,048	14,788,446	913,602
June 30, 1994	17,400,655	15,609,340	1,791,315
June 30, 1995	18,691,048	16,649,804	2,041,244
June 30, 1996	19,839,629	18,335,025	1,504,604
June 30, 1997	20,657,168	18,887,201	1,769,967
June 30, 1998	22,748,561	19,577,032	3,171,529
June 30, 1999	27,986,124	21,058,512	6,927,612
June 30, 2000	31,943,432	27,905,314	4,038,118
June 30, 2001	33,372,782	30,856,476	2,516,306
June 30, 2002	40,317,598	34,062,609	6,254,989
June 30, 2003	47,788,332	35,256,669	12,531,663
June 30, 2004	59,473,814	48,051,724	11,422,090
June 30, 2005	68,771,872	56,968,164	11,803,708
June 30, 2006	75,629,821	64,726,011	10,903,810
June 30, 2007	65,109,365	67,761,397	(2,652,032)
June 30, 2008	56,401,363	59,723,336	(3,321,973)

Note: Total expenditures and other financing uses include residual equity transfers prior to fiscal year 2003.

CAPITAL PROJECTS FUND

**SCHEDULE OF CAPITAL PROJECTS FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,188,372	\$ 4,188,372	\$ -	\$ (4,188,372)
Intergovernmental	4,387,750	4,387,750	2,751,681	(1,636,069)
Miscellaneous	720,750	720,750	1,525,367	804,617
TOTAL REVENUES	9,296,872	9,296,872	4,277,048	(5,019,824)
EXPENDITURES				
Capital projects	10,468,000	10,468,000	9,535,878	932,122
EXCESS OF REVENUES OVER EXPENDITURES	(1,171,128)	(1,171,128)	(5,258,830)	(4,087,702)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,194,721	4,194,721
NET CHANGE IN FUND BALANCE	(1,171,128)	(1,171,128)	(1,064,109)	107,019
FUND BALANCE - BEGINNING	27,814,148	27,814,148	27,814,148	-
FUND BALANCE - ENDING	\$ 26,643,020	\$ 26,643,020	\$ 26,750,039	\$ 107,019

ENTERPRISE FUNDS

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2008

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ASSETS	<u>Dewey Water</u>	<u>Dewey Sewer</u>	<u>South Bethany Sewer</u>	<u>Fenwick Island Sewer</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 714,062	\$ 493,470	\$ 1,519,795	\$ 2,675,552
Receivables, net of allowance for doubtful accounts:				
Service charges	39,292	65,457	19,305	19,017
Assessment, impact, connection, and expansion	2,562	1,072	735	1,892
Accrued interest	3,918	5,305	5,459	12,214
Miscellaneous	421	-	1,269	4,794
Due from other governmental agencies	-	226,217	-	-
Due from other funds	-	41,954	37,924	-
Inventory	9,172	-	-	-
TOTAL CURRENT ASSETS	<u>769,427</u>	<u>833,475</u>	<u>1,584,487</u>	<u>2,713,469</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	621,332	1,374,646	929,825	2,634,670
Bond issue cost, net of amortization	-	-	-	-
Net pension asset	81,892	32,495	63,595	77,821
Noncurrent accounts receivable:				
Service charges	4,643	10,198	5,098	11,668
Assessment, impact, connection, and expansion	991	421	39	655
Capital assets:				
Land, improvements, and construction in progress	35,766	99,480	492,672	126,399
Other capital assets, net of depreciation	1,869,970	4,844,152	7,333,578	12,892,970
TOTAL NONCURRENT ASSETS	<u>2,614,594</u>	<u>6,361,392</u>	<u>8,824,807</u>	<u>15,744,183</u>
TOTAL ASSETS	<u>3,384,021</u>	<u>7,194,867</u>	<u>10,409,294</u>	<u>18,457,652</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	62,753	3,894	10,151	20,482
Accrued interest payable	-	4,584	284	6,016
Due to other funds	155,974	12,504	10,060	2,231
Notes payable	-	153,520	-	-
Current portion of long-term liabilities	21,610	53,591	21,230	123,829
TOTAL CURRENT LIABILITIES	<u>240,337</u>	<u>228,093</u>	<u>41,725</u>	<u>152,558</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>25,791</u>	<u>444,283</u>	<u>37,899</u>	<u>511,952</u>
TOTAL LIABILITIES	<u>266,128</u>	<u>672,376</u>	<u>79,624</u>	<u>664,510</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,905,736	4,311,008	7,802,447	12,416,965
Restricted for construction and debt service	621,332	1,374,646	929,825	2,631,823
Unrestricted	590,825	836,837	1,597,398	2,744,354
TOTAL NET ASSETS	<u>\$ 3,117,893</u>	<u>\$ 6,522,491</u>	<u>\$ 10,329,670</u>	<u>\$ 17,793,142</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2008

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ASSETS	<u>Blades Sewer</u>	<u>Henlopen Sewer</u>	<u>Long Neck Sewer</u>	<u>Dagsboro- Frankford Sewer</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 680,798	\$ 81,196	\$ 3,540,218	\$ 1,486,906
Receivables, net of allowance for doubtful accounts:				
Service charges	26,507	1,825	14,124	31,535
Assessment, impact, connection, and expansion	2,076	-	12,239	8,906
Accrued interest	1,402	178	22,962	8,580
Miscellaneous	11,008	-	10,740	66,021
Due from other governmental agencies	-	16,839	-	317,479
Due from other funds	11,428	7,316	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>733,219</u>	<u>107,354</u>	<u>3,600,283</u>	<u>1,919,427</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	145,960	36,672	4,983,028	2,802,187
Bond issue cost, net of amortization	-	-	166,857	15,059
Net pension asset	29,376	8,185	238,610	88,618
Noncurrent accounts receivable:				
Service charges	76,220	-	10,936	64,349
Assessment, impact, connection, and expansion	3,456	-	31,219	12,730
Capital assets:				
Land, improvements, and construction in progress	98,402	4,273	1,500	3,901,546
Other capital assets, net of depreciation	1,591,776	1,192,030	22,714,274	6,169,306
TOTAL NONCURRENT ASSETS	<u>1,945,190</u>	<u>1,241,160</u>	<u>28,146,424</u>	<u>13,053,795</u>
TOTAL ASSETS	<u>2,678,409</u>	<u>1,348,514</u>	<u>31,746,707</u>	<u>14,973,222</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	12,414	569	43,931	119,054
Accrued interest payable	772	1,389	118,680	11,054
Due to other funds	4,476	2,166	32,025	2,196,533
Notes payable	-	-	-	-
Current portion of long-term liabilities	21,404	26,998	871,740	47,863
TOTAL CURRENT LIABILITIES	<u>39,066</u>	<u>31,122</u>	<u>1,066,376</u>	<u>2,374,504</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>71,385</u>	<u>108,118</u>	<u>11,495,184</u>	<u>1,146,267</u>
TOTAL LIABILITIES	<u>110,451</u>	<u>139,240</u>	<u>12,561,560</u>	<u>3,520,771</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,613,753	1,065,376	10,482,357	8,926,870
Restricted for construction and debt service	145,960	36,672	4,972,547	2,687,618
Unrestricted	808,245	107,226	3,730,243	(162,037)
TOTAL NET ASSETS	<u>\$ 2,567,958</u>	<u>\$ 1,209,274</u>	<u>\$ 19,185,147</u>	<u>\$ 11,452,451</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2008

ASSETS	<u>Holts Landing Sewer</u>	<u>Ellendale Sewer</u>	<u>Oak Orchard Sewer</u>	<u>Bayview Estates Sewer</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,357,803	\$ 296,518	\$ 622,524	\$ 303,128
Receivables, net of allowance for doubtful accounts:				
Service charges	1,256	37,180	7,508	1,679
Assessment, impact, connection, and expansion	796	20,530	21,996	1,201
Accrued interest	4,349	1,230	1,948	389
Miscellaneous	-	-	69	-
Due from other governmental agencies	-	298,511	48,838	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>1,364,204</u>	<u>653,969</u>	<u>702,883</u>	<u>306,397</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	433,342	299,717	292,805	312,346
Bond issue cost, net of amortization	1,965	11,386	5,499	2,766
Net pension asset	29,104	17,727	22,711	3,640
Noncurrent accounts receivable:				
Service charges	1,435	32,548	1,270	-
Assessment, impact, connection, and expansion	2,007	10,720	6,534	-
Capital assets:				
Land, improvements, and construction in progress	-	43,696	62,469	-
Other capital assets, net of depreciation	8,883,127	7,477,333	11,322,107	3,296,329
TOTAL NONCURRENT ASSETS	<u>9,350,980</u>	<u>7,893,127</u>	<u>11,713,395</u>	<u>3,615,081</u>
TOTAL ASSETS	<u>10,715,184</u>	<u>8,547,096</u>	<u>12,416,278</u>	<u>3,921,478</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	2,850	25,130	825	15,994
Accrued interest payable	-	1,146	1,681	1,400
Due to other funds	115,625	1,084,343	1,991,798	729
Notes payable	-	-	-	-
Current portion of long-term liabilities	183,662	135,488	137,432	157,416
TOTAL CURRENT LIABILITIES	<u>302,137</u>	<u>1,246,107</u>	<u>2,131,736</u>	<u>175,539</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>2,873,420</u>	<u>4,096,252</u>	<u>2,467,730</u>	<u>1,971,394</u>
TOTAL LIABILITIES	<u>3,175,557</u>	<u>5,342,359</u>	<u>4,599,466</u>	<u>2,146,933</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,843,819	3,300,249	8,792,776	1,170,292
Restricted for construction and debt service	433,342	299,717	291,980	312,346
Unrestricted	1,262,466	(395,229)	(1,267,944)	291,907
TOTAL NET ASSETS	<u>\$ 7,539,627</u>	<u>\$ 3,204,737</u>	<u>\$ 7,816,812</u>	<u>\$ 1,774,545</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2008

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ASSETS	Sea Country Estates Sewer	Millers Creek Sewer	South Ocean View Sewer	Johnson's Corner Sewer
CURRENT ASSETS				
Cash and cash equivalents	\$ 99,567	\$ 419,958	\$ 213,189	\$ -
Receivables, net of allowance for doubtful accounts:				
Service charges	488	466	759	-
Assessment, impact, connection, and expansion	-	9,763	10,931	-
Accrued interest	87	491	305	497
Miscellaneous	-	416	-	-
Due from other governmental agencies	-	524,236	849,004	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	100,142	955,330	1,074,188	497
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	265,914	14,932	25,127	484,192
Bond issue cost, net of amortization	297	4,137	9,971	-
Net pension asset	1,106	443	3,997	-
Noncurrent accounts receivable:				
Service charges	-	809	-	-
Assessment, impact, connection, and expansion	-	-	-	-
Capital assets:				
Land, improvements, and construction in progress	-	77,379	-	128,484
Other capital assets, net of depreciation	581,531	8,761,657	6,085,141	-
TOTAL NONCURRENT ASSETS	848,848	8,859,357	6,124,236	612,676
TOTAL ASSETS	948,990	9,814,687	7,198,424	613,173
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	2,918	5,343	-	8,217
Accrued interest payable	256	4,019	9,393	-
Due to other funds	71	5,013,849	1,796,828	4,458
Notes payable	-	-	-	-
Current portion of long-term liabilities	28,844	51,234	50,684	-
TOTAL CURRENT LIABILITIES	32,089	5,074,445	1,856,905	12,675
LONG-TERM LIABILITIES, LESS CURRENT PORTION	360,828	2,186,506	3,708,615	-
TOTAL LIABILITIES	392,917	7,260,951	5,565,520	12,675
NET ASSETS				
Invested in capital assets, net of related debt	192,441	6,601,575	2,327,744	128,484
Restricted for construction and debt service	265,914	9,609	25,127	475,999
Unrestricted	97,718	(4,057,448)	(719,967)	(3,985)
TOTAL NET ASSETS	\$ 556,073	\$ 2,553,736	\$ 1,632,904	\$ 600,498

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2008

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ASSETS	Angola Neck Sewer	Golf Village Sewer	Treatment Plant - IBRWF	Totals
CURRENT ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 863,107	\$ 15,367,791
Receivables, net of allowance for doubtful accounts:				
Service charges	2,526	-	8,507	277,431
Assessment, impact, connection, and expansion	1,222	-	-	95,921
Accrued interest	445	-	13,558	83,317
Miscellaneous	831	-	-	95,569
Due from other governmental agencies	-	-	-	2,281,124
Due from other funds	-	-	-	98,622
Inventory	-	-	-	9,172
TOTAL CURRENT ASSETS	5,024	-	885,172	18,308,947
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	441,289	51,030	4,998,976	21,147,990
Bond issue cost, net of amortization	-	-	16,483	234,420
Net pension asset	8,970	-	124,477	832,767
Noncurrent accounts receivable:				
Service charges	-	-	10,030	229,204
Assessment, impact, connection, and expansion	-	-	-	68,772
Capital assets:				
Land, improvements, and construction in progress	247,299	2,983	29,219,654	34,542,002
Other capital assets, net of depreciation	-	-	1,765,757	106,781,038
TOTAL NONCURRENT ASSETS	697,558	54,013	36,135,377	163,836,193
TOTAL ASSETS	702,582	54,013	37,020,549	182,145,140
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	5,936	50,000	100,000	490,461
Accrued interest payable	-	-	107,422	268,096
Due to other funds	17,355	4,013	31,312	12,476,350
Notes payable	-	-	-	153,520
Current portion of long-term liabilities	2,279	-	862,272	2,797,576
TOTAL CURRENT LIABILITIES	25,570	54,013	1,101,006	16,186,003
LONG-TERM LIABILITIES, LESS CURRENT PORTION	2,718	-	17,652,881	49,161,223
TOTAL LIABILITIES	28,288	54,013	18,753,887	65,347,226
NET ASSETS				
Invested in capital assets, net of related debt	247,299	2,983	12,532,812	89,664,986
Restricted for construction and debt service	436,188	51,030	4,998,976	21,000,651
Unrestricted	(9,193)	(54,013)	734,874	6,132,277
TOTAL NET ASSETS	\$ 674,294	\$ -	\$ 18,266,662	\$ 116,797,914

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Dewey Water</u>	<u>Dewey Sewer</u>	<u>South Bethany Sewer</u>	<u>Fenwick Island Sewer</u>
OPERATING REVENUES				
Charges for services	\$ 634,947	\$ 1,059,914	\$ 384,634	\$ 414,813
Other operating revenues	19,810	4,168	12,082	53,580
TOTAL OPERATING REVENUES	<u>654,757</u>	<u>1,064,082</u>	<u>396,716</u>	<u>468,393</u>
OPERATING EXPENSES				
Amortization	-	-	-	-
Contract services	391,546	35,613	30,942	29,601
Depreciation	105,330	203,251	212,041	414,893
Employee benefits	97,574	43,395	92,302	152,427
Equipment and tools	7,827	13,836	49,568	30,814
Maintenance and repairs	14,883	7,548	4,770	22,733
Miscellaneous	1,810	1,845	-	-
Process chemicals	-	-	722	807
Professional services	854	1,235	210	603
Salaries	153,783	60,963	113,794	70,330
Shared costs - operating	43,628	58,231	92,944	69,889
Supplies	13,358	10,998	-	443
Training and travel	25,527	26,012	-	-
Wastewater treatment	-	489,017	-	-
TOTAL OPERATING EXPENSES	<u>856,120</u>	<u>951,944</u>	<u>597,293</u>	<u>792,540</u>
OPERATING INCOME (LOSS)	<u>(201,363)</u>	<u>112,138</u>	<u>(200,577)</u>	<u>(324,147)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	52,452	82,208	94,942	189,986
Assessment and connection fees	309,836	289,772	135,244	390,931
Disposal of assets	(579)	(580)	-	-
Miscellaneous	40,860	-	-	-
Interest expense	-	(34,149)	(1,587)	(25,551)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>402,569</u>	<u>337,251</u>	<u>228,599</u>	<u>555,366</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	201,206	449,389	28,022	231,219
CAPITAL CONTRIBUTIONS	-	1,733,478	39,500	839,247
TRANSFERS IN	3,609	1,620	5,479	5,736
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	204,815	2,184,487	73,001	1,076,202
TOTAL NET ASSETS - BEGINNING	<u>2,913,078</u>	<u>4,338,004</u>	<u>10,256,669</u>	<u>16,716,940</u>
TOTAL NET ASSETS - ENDING	<u>\$ 3,117,893</u>	<u>\$ 6,522,491</u>	<u>\$ 10,329,670</u>	<u>\$ 17,793,142</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Blades Sewer</u>	<u>Henlopen Sewer</u>	<u>Long Neck Sewer</u>	<u>Dagsboro- Frankford Sewer</u>
OPERATING REVENUES				
Charges for services	\$ 157,010	\$ 99,635	\$ 641,024	\$ 278,169
Other operating revenues	6,290	1,325	70,994	35,243
TOTAL OPERATING REVENUES	<u>163,300</u>	<u>100,960</u>	<u>712,018</u>	<u>313,412</u>
OPERATING EXPENSES				
Amortization	-	-	13,990	637
Contract services	10,219	5,063	80,767	67,986
Depreciation	99,547	45,968	685,360	366,885
Employee benefits	22,257	11,854	327,400	79,308
Equipment and tools	935	4,936	17,115	9,722
Maintenance and repairs	485	64	25,677	3,132
Miscellaneous	303	106	283	2,592
Process chemicals	-	-	15,221	3,588
Professional services	1,230	42	5,628	180,016
Salaries	56,488	13,273	405,008	163,045
Shared costs - operating	16,606	9,845	128,611	17,529
Supplies	1,817	630	-	10,956
Training and travel	4,281	1,495	-	7,472
Wastewater treatment	93,293	54,984	-	-
TOTAL OPERATING EXPENSES	<u>307,461</u>	<u>148,260</u>	<u>1,705,060</u>	<u>912,868</u>
OPERATING INCOME (LOSS)	<u>(144,161)</u>	<u>(47,300)</u>	<u>(993,042)</u>	<u>(599,456)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	29,480	6,079	340,867	169,634
Assessment and connection fees	61,424	22,198	1,564,267	305,961
Disposal of assets	(19)	(8)	-	(2,989)
Miscellaneous	-	-	-	7,572
Interest expense	(3,384)	(7,803)	(605,519)	(53,139)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>87,501</u>	<u>20,466</u>	<u>1,299,615</u>	<u>427,039</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(56,660)</u>	<u>(26,834)</u>	<u>306,573</u>	<u>(172,417)</u>
CAPITAL CONTRIBUTIONS	13,001	-	293,794	451,818
TRANSFERS IN	100,974	12,746	30,901	93,952
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	<u>57,315</u>	<u>(14,088)</u>	<u>631,268</u>	<u>373,353</u>
TOTAL NET ASSETS - BEGINNING	<u>2,510,643</u>	<u>1,223,362</u>	<u>18,553,879</u>	<u>11,079,098</u>
TOTAL NET ASSETS - ENDING	<u>\$ 2,567,958</u>	<u>\$ 1,209,274</u>	<u>\$ 19,185,147</u>	<u>\$ 11,452,451</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Holts Landing Sewer</u>	<u>Ellendale Sewer</u>	<u>Oak Orchard Sewer</u>	<u>Bayview Estates Sewer</u>
OPERATING REVENUES				
Charges for services	\$ 32,066	\$ 128,616	\$ 120,382	\$ 11,867
Other operating revenues	5,354	12,556	2,700	3,902
TOTAL OPERATING REVENUES	<u>37,420</u>	<u>141,172</u>	<u>123,082</u>	<u>15,769</u>
OPERATING EXPENSES				
Amortization	141	759	267	156
Contract services	8,475	11,533	8,539	1,782
Depreciation	313,814	329,241	286,021	94,137
Employee benefits	58,804	25,267	39,887	3,962
Equipment and tools	6,305	870	-	-
Maintenance and repairs	943	2,365	29	-
Miscellaneous	-	453	-	-
Process chemicals	-	8,253	-	-
Professional services	1,247	222	2,016	131
Salaries	46,684	33,811	45,557	10,501
Shared costs - operating	13,257	15,527	28,568	964
Supplies	-	1,746	35	-
Training and travel	-	4,120	-	-
Wastewater treatment	-	64,242	-	-
TOTAL OPERATING EXPENSES	<u>449,670</u>	<u>498,409</u>	<u>410,919</u>	<u>111,633</u>
OPERATING INCOME (LOSS)	<u>(412,250)</u>	<u>(357,237)</u>	<u>(287,837)</u>	<u>(95,864)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	77,291	19,417	20,366	9,189
Assessment and connection fees	347,319	191,065	299,636	144,750
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	-
Interest expense	(47,538)	(55,338)	(43,777)	(32,308)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>377,072</u>	<u>155,144</u>	<u>276,225</u>	<u>121,631</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(35,178)	(202,093)	(11,612)	25,767
CAPITAL CONTRIBUTIONS	-	103,823	-	722,001
TRANSFERS IN	35,393	120,807	338,314	10,153
TRANSFERS OUT	<u>(106,574)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(106,359)	22,537	326,702	757,921
TOTAL NET ASSETS - BEGINNING	<u>7,645,986</u>	<u>3,182,200</u>	<u>7,490,110</u>	<u>1,016,624</u>
TOTAL NET ASSETS - ENDING	<u>\$ 7,539,627</u>	<u>\$ 3,204,737</u>	<u>\$ 7,816,812</u>	<u>\$ 1,774,545</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	Sea Country Estates Sewer	Millers Creek Sewer	South Ocean View Sewer	Johnson's Corner Sewer
OPERATING REVENUES				
Charges for services	\$ 3,129	\$ 8,127	\$ 9,107	\$ -
Other operating revenues	2	32,400	23,200	-
TOTAL OPERATING REVENUES	<u>3,131</u>	<u>40,527</u>	<u>32,307</u>	<u>-</u>
OPERATING EXPENSES				
Amortization	17	106	285	-
Contract services	82	245	674	-
Depreciation	12,361	132,302	138,868	-
Employee benefits	2,538	7,005	22,113	-
Equipment and tools	-	-	-	-
Maintenance and repairs	-	-	-	-
Miscellaneous	-	-	-	-
Process chemicals	-	-	-	-
Professional services	-	-	-	-
Salaries	2,205	(2,402)	7,117	-
Shared costs - operating	231	158	11,239	-
Supplies	-	-	-	-
Training and travel	-	-	-	-
Wastewater treatment	-	-	-	-
TOTAL OPERATING EXPENSES	<u>17,434</u>	<u>137,414</u>	<u>180,296</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>(14,303)</u>	<u>(96,887)</u>	<u>(147,989)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	11,193	7,814	5,877	498
Assessment and connection fees	22,861	127,313	167,125	-
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	-
Interest expense	(5,912)	(8,238)	(32,407)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>28,142</u>	<u>126,889</u>	<u>140,595</u>	<u>498</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	13,839	30,002	(7,394)	498
CAPITAL CONTRIBUTIONS	132,149	572,367	1,189,604	100,000
TRANSFERS IN	15,201	7,942	88,767	500,000
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	161,189	610,311	1,270,977	600,498
TOTAL NET ASSETS - BEGINNING	<u>394,884</u>	<u>1,943,425</u>	<u>361,927</u>	<u>-</u>
TOTAL NET ASSETS - ENDING	<u>\$ 556,073</u>	<u>\$ 2,553,736</u>	<u>\$ 1,632,904</u>	<u>\$ 600,498</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	Angola Neck Sewer	Golf Village Sewer	Treatment Plant - IBRWF	Totals
OPERATING REVENUES				
Charges for services	\$ 2,966	\$ -	\$ 846,258	\$ 4,832,664
Other operating revenues	77,898	-	199,364	560,868
TOTAL OPERATING REVENUES	<u>80,864</u>	<u>-</u>	<u>1,045,622</u>	<u>5,393,532</u>
OPERATING EXPENSES				
Amortization	-	-	707	17,065
Contract services	662	-	169,890	853,619
Depreciation	-	-	425,155	3,865,174
Employee benefits	-	-	78,758	1,064,851
Equipment and tools	-	-	30,173	172,101
Maintenance and repairs	308	-	14,192	97,129
Miscellaneous	-	-	8,730	16,122
Process chemicals	-	-	7,188	35,779
Professional services	132	-	16,348	209,914
Salaries	19,911	-	216,640	1,416,708
Shared costs - operating	999	-	-	508,226
Supplies	-	-	39,412	79,395
Training and travel	-	-	55,013	123,920
Wastewater treatment	-	-	-	701,536
TOTAL OPERATING EXPENSES	<u>22,012</u>	<u>-</u>	<u>1,062,206</u>	<u>9,161,539</u>
OPERATING INCOME (LOSS)	<u>58,852</u>	<u>-</u>	<u>(16,584)</u>	<u>(3,768,007)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	517	-	257,769	1,375,579
Assessment and connection fees	20,248	-	183,483	4,583,433
Disposal of assets	-	-	(754)	(4,929)
Miscellaneous	-	-	81,745	130,177
Interest expense	-	-	(564,987)	(1,521,637)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>20,765</u>	<u>-</u>	<u>(42,744)</u>	<u>4,562,623</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>79,617</u>	<u>-</u>	<u>(59,328)</u>	<u>794,616</u>
CAPITAL CONTRIBUTIONS	89,132	-	-	6,279,914
TRANSFERS IN	505,545	-	630,242	2,507,381
TRANSFERS OUT	-	-	-	(106,574)
CHANGE IN NET ASSETS	<u>674,294</u>	<u>-</u>	<u>570,914</u>	<u>9,475,337</u>
TOTAL NET ASSETS - BEGINNING	<u>-</u>	<u>-</u>	<u>17,695,748</u>	<u>107,322,577</u>
TOTAL NET ASSETS - ENDING	<u>\$ 674,294</u>	<u>\$ -</u>	<u>\$ 18,266,662</u>	<u>\$ 116,797,914</u>

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

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	Dewey Water	Dewey Sewer	South Bethany Sewer	Fenwick Island Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 628,350	\$ 1,050,762	\$ 372,389	\$ 403,188
Payments to suppliers	(497,978)	(699,874)	(169,351)	(135,809)
Payments to employees	(260,194)	(107,929)	(214,739)	(221,351)
Other receipts (payments)	60,670	4,168	12,082	53,580
NET CASH FLOWS FROM OPERATING ACTIVITIES	(69,152)	247,127	381	99,608
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	203,202	144,977	113,291	109,086
Advances to other funds	(195,512)	(313,603)	(243,449)	(270,020)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	7,690	(168,626)	(130,158)	(160,934)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(45,931)	(38,883)	(30,712)	(83,069)
Net payments on line of credit	-	(142,378)	-	-
Retirement of bonds and related costs	-	(42,825)	(4,758)	(100,854)
Bond proceeds	-	-	-	-
Assessment and connection fees	308,296	288,758	135,068	390,470
Capital contributions	-	-	-	-
Interest paid	-	(34,221)	(1,470)	(31,169)
Transfers from other funds for capital activities	3,609	1,620	5,479	5,736
Transfers to other funds for capital activities	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	265,974	32,071	103,607	181,114
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	53,957	88,543	97,990	195,621
NET INCREASE (DECREASE) IN CASH	258,469	199,115	71,820	315,409
CASH AND CASH EQUIVALENTS - BEGINNING	1,076,925	1,669,001	2,377,800	4,994,813
CASH AND EQUIVALENTS - ENDING	\$ 1,335,394	\$ 1,868,116	\$ 2,449,620	\$ 5,310,222
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 714,062	\$ 493,470	\$ 1,519,795	\$ 2,675,552
Restricted cash and cash equivalents	621,332	1,374,646	929,825	2,634,670
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,335,394	\$ 1,868,116	\$ 2,449,620	\$ 5,310,222

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Dewey Water</u>	<u>Dewey Sewer</u>	<u>South Bethany Sewer</u>	<u>Fenwick Island Sewer</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (201,363)	\$ 112,138	\$ (200,577)	\$ (324,147)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	105,330	203,251	212,041	414,893
Miscellaneous income	40,860	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(6,597)	(9,152)	(12,245)	(11,625)
Due from other governmental agencies	-	(25,700)	-	-
Inventory	643	-	-	-
Net pension asset	(21,149)	(8,512)	(17,005)	30,691
Deposits	-	-	-	-
Compensated absences	12,312	4,941	8,362	(29,285)
Accounts payable	812	(29,839)	9,805	19,081
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (69,152)</u>	<u>\$ 247,127</u>	<u>\$ 381</u>	<u>\$ 99,608</u>
NONCASH TRANSACTIONS				
Contributed property	\$ -	\$ 1,733,478	\$ 39,500	\$ 839,247

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Blades Sewer</u>	<u>Henlopen Sewer</u>	<u>Long Neck Sewer</u>	<u>Dagsboro- Frankford Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 140,227	\$ 99,235	\$ 637,631	\$ 273,441
Payments to suppliers	(148,102)	(79,331)	(256,455)	(298,330)
Payments to employees	(85,333)	(26,645)	(744,491)	(253,903)
Other receipts (payments)	6,290	1,325	70,994	42,815
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(86,918)</u>	<u>(5,416)</u>	<u>(292,321)</u>	<u>(235,977)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	48,198	16,265	330,260	125,114
Advances to other funds	(97,581)	(32,354)	(712,489)	(227,450)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(49,383)</u>	<u>(16,089)</u>	<u>(382,229)</u>	<u>(102,336)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(17,520)	(1,581)	(116,614)	(454,840)
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	(12,948)	(23,296)	(775,426)	(25,000)
Bond proceeds	-	-	-	-
Assessment and connection fees	62,573	22,190	1,556,754	302,801
Capital contributions	13,001	-	-	44,302
Interest paid	(4,001)	(7,199)	(584,526)	(53,262)
Transfers from other funds for capital activities	100,974	12,746	30,901	93,952
Transfers to other funds for capital activities	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>142,079</u>	<u>2,860</u>	<u>111,089</u>	<u>(92,047)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	30,860	6,416	359,996	181,434
NET INCREASE (DECREASE) IN CASH	36,638	(12,229)	(203,465)	(248,926)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>790,120</u>	<u>130,097</u>	<u>8,726,711</u>	<u>4,538,019</u>
CASH AND EQUIVALENTS - ENDING	<u>\$ 826,758</u>	<u>\$ 117,868</u>	<u>\$ 8,523,246</u>	<u>\$ 4,289,093</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 680,798	\$ 81,196	\$ 3,540,218	\$ 1,486,906
Restricted cash and cash equivalents	145,960	36,672	4,983,028	2,802,187
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 826,758</u>	<u>\$ 117,868</u>	<u>\$ 8,523,246</u>	<u>\$ 4,289,093</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Blades Sewer</u>	<u>Henlopen Sewer</u>	<u>Long Neck Sewer</u>	<u>Dagsboro- Frankford Sewer</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (144,161)	\$ (47,300)	\$ (993,042)	\$ (599,456)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	99,547	45,968	699,350	367,522
Miscellaneous income	-	-	-	7,572
Changes in assets and liabilities:				
Accounts receivable	(16,783)	(400)	(3,393)	(4,728)
Due from other governmental agencies	-	(2,735)	-	-
Inventory	-	-	-	-
Net pension asset	(14,239)	(2,288)	(18,636)	(24,926)
Deposits	-	-	-	-
Compensated absences	7,651	770	6,553	13,376
Accounts payable	(18,933)	569	16,847	4,663
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (86,918)</u></u>	<u><u>\$ (5,416)</u></u>	<u><u>\$ (292,321)</u></u>	<u><u>\$ (235,977)</u></u>
NONCASH TRANSACTIONS				
Contributed property	\$ -	\$ -	\$ 293,794	\$ 90,037

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	Holts Landing Sewer	Ellendale Sewer	Oak Orchard Sewer	Bayview Estates Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 30,543	\$ 115,972	\$ 108,835	\$ 10,883
Payments to suppliers	(27,716)	(159,455)	(42,227)	(924)
Payments to employees	(99,082)	(58,603)	(89,108)	(897)
Other receipts (payments)	5,354	12,556	2,700	3,902
NET CASH FLOWS FROM OPERATING ACTIVITIES	(90,901)	(89,530)	(19,800)	12,964
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	42,517	150,312	37,427	8,448
Advances to other funds	(86,145)	(85,057)	(1,191,876)	(457,570)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(43,628)	65,255	(1,154,449)	(449,122)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(8,786)	(108,116)	(63,045)	(115)
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	(172,955)	(128,280)	(73,094)	(51,275)
Bond proceeds	-	-	741,467	-
Assessment and connection fees	348,187	190,345	297,674	144,988
Capital contributions	-	-	414,140	722,001
Interest paid	(47,538)	(55,338)	(43,777)	(32,278)
Transfers from other funds for capital activities	35,393	120,807	338,314	10,153
Transfers to other funds for capital activities	(106,574)	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	47,727	19,418	1,611,679	793,474
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	79,924	19,520	20,650	9,022
NET INCREASE (DECREASE) IN CASH	(6,878)	14,663	458,080	366,338
CASH AND CASH EQUIVALENTS - BEGINNING	1,798,023	581,572	457,249	249,136
CASH AND EQUIVALENTS - ENDING	\$ 1,791,145	\$ 596,235	\$ 915,329	\$ 615,474
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 1,357,803	\$ 296,518	\$ 622,524	\$ 303,128
Restricted cash and cash equivalents	433,342	299,717	292,805	312,346
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,791,145	\$ 596,235	\$ 915,329	\$ 615,474

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Holts Landing Sewer</u>	<u>Ellendale Sewer</u>	<u>Oak Orchard Sewer</u>	<u>Bayview Estates Sewer</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (412,250)	\$ (357,237)	\$ (287,837)	\$ (95,864)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	313,955	330,000	286,288	94,293
Miscellaneous income	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(1,523)	(12,644)	(11,547)	(984)
Due from other governmental agencies	-	-	-	-
Inventory	-	-	-	-
Net pension asset	12,768	(625)	(9,344)	(2,657)
Deposits	-	-	-	-
Compensated absences	(6,362)	1,100	5,680	2,223
Accounts payable	2,511	(50,124)	(3,040)	15,953
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (90,901)</u>	<u>\$ (89,530)</u>	<u>\$ (19,800)</u>	<u>\$ 12,964</u>
NONCASH TRANSACTIONS				
Contributed property	\$ -	\$ -	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	Sea Country Estates Sewer	Millers Creek Sewer	South Ocean View Sewer	Johnson's Corner Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,774	\$ 7,410	\$ 8,348	\$ -
Payments to suppliers	(313)	(1,754)	(31,000)	-
Payments to employees	(2,370)	(2,186)	(33,285)	-
Other receipts (payments)	2	32,400	23,200	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>93</u>	<u>35,870</u>	<u>(32,737)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	1,116	6,667,133	2,183,395	4,458
Advances to other funds	(1,702)	(2,589,095)	(4,014,202)	(3,187)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(586)</u>	<u>4,078,038</u>	<u>(1,830,807)</u>	<u>1,271</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(6,145,824)	(2,225,512)	(117,080)
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	(9,385)	-	-	-
Bond proceeds	-	2,011,335	3,757,397	-
Assessment and connection fees	23,654	117,550	156,194	-
Capital contributions	132,149	48,131	340,600	100,000
Interest paid	(5,907)	(8,238)	(23,014)	-
Transfers from other funds for capital activities	15,201	7,942	88,767	500,000
Transfers to other funds for capital activities	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>155,712</u>	<u>(3,969,104)</u>	<u>2,094,432</u>	<u>482,920</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	11,221	7,757	5,575	1
NET INCREASE (DECREASE) IN CASH	166,440	152,561	236,463	484,192
CASH AND CASH EQUIVALENTS - BEGINNING	<u>199,041</u>	<u>282,329</u>	<u>1,853</u>	<u>-</u>
CASH AND EQUIVALENTS - ENDING	<u>\$ 365,481</u>	<u>\$ 434,890</u>	<u>\$ 238,316</u>	<u>\$ 484,192</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 99,567	\$ 419,958	\$ 213,189	\$ -
Restricted cash and cash equivalents	265,914	14,932	25,127	484,192
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 365,481</u>	<u>\$ 434,890</u>	<u>\$ 238,316</u>	<u>\$ 484,192</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

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	<u>Sea Country Estates Sewer</u>	<u>Millers Creek Sewer</u>	<u>South Ocean View Sewer</u>	<u>Johnson's Corner Sewer</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (14,303)	\$ (96,887)	\$ (147,989)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	12,378	132,408	139,153	-
Miscellaneous income	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(355)	(717)	(759)	-
Due from other governmental agencies	-	-	-	-
Inventory	-	-	-	-
Net pension asset	(909)	5,651	(3,211)	-
Deposits	-	-	-	-
Compensated absences	465	(3,234)	1,441	-
Accounts payable	2,817	(1,351)	(21,372)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 93</u>	<u>\$ 35,870</u>	<u>\$ (32,737)</u>	<u>\$ -</u>
NONCASH TRANSACTIONS				
Contributed property	\$ -	\$ -	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	Angola Neck Sewer	Golf Village Sewer	Treatment Plant - IBRWF	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 440	\$ -	\$ 837,265	\$ 4,727,693
Payments to suppliers	(3,149)	-	(258,262)	(2,810,030)
Payments to employees	(22,836)	-	(333,512)	(2,556,464)
Other receipts (payments)	77,067	50,000	281,109	740,214
NET CASH FLOWS FROM OPERATING ACTIVITIES	51,522	50,000	526,600	101,413
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	17,355	4,013	254,550	10,461,117
Advances to other funds	-	-	(439,182)	(10,960,474)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	17,355	4,013	(184,632)	(499,357)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(241,363)	(2,983)	(246,040)	(9,948,014)
Net payments on line of credit	-	-	-	(142,378)
Retirement of bonds and related costs	-	-	(175,272)	(1,595,368)
Bond proceeds	-	-	-	6,510,199
Assessment and connection fees	19,026	-	182,729	4,547,257
Capital contributions	89,132	-	-	1,903,456
Interest paid	-	-	(549,152)	(1,481,090)
Transfers from other funds for capital activities	505,545	-	630,242	2,507,381
Transfers to other funds for capital activities	-	-	-	(106,574)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	372,340	(2,983)	(157,493)	2,194,869
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	72	-	260,492	1,429,051
NET INCREASE (DECREASE) IN CASH	441,289	51,030	444,967	3,225,976
CASH AND CASH EQUIVALENTS - BEGINNING	-	-	5,417,116	33,289,805
CASH AND EQUIVALENTS - ENDING	\$ 441,289	\$ 51,030	\$ 5,862,083	\$ 36,515,781
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ -	\$ -	\$ 863,107	\$ 15,367,791
Restricted cash and cash equivalents	441,289	51,030	4,998,976	21,147,990
TOTAL CASH AND CASH EQUIVALENTS	\$ 441,289	\$ 51,030	\$ 5,862,083	\$ 36,515,781

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Angola Neck Sewer</u>	<u>Golf Village Sewer</u>	<u>Treatment Plant - IBRWF</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 58,852	\$ -	\$ (16,584)	\$ (3,768,007)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	-	-	425,862	3,882,239
Miscellaneous income	-	-	81,745	130,177
Changes in assets and liabilities:				
Accounts receivable	(3,357)	-	(8,993)	(105,802)
Due from other governmental agencies	-	-	-	(28,435)
Inventory	-	-	-	643
Net pension asset	(8,970)	-	(68,058)	(151,419)
Deposits	-	50,000	-	50,000
Compensated absences	4,997	-	29,944	60,934
Accounts payable	-	-	82,684	31,083
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 51,522</u>	<u>\$ 50,000</u>	<u>\$ 526,600</u>	<u>\$ 101,413</u>
NONCASH TRANSACTIONS				
Contributed property	\$ -	\$ -	\$ -	\$ 2,996,056





STATISTICAL SECTION

This part of Sussex County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Pages</u>
<p>Financial Trends <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i></p>	96 - 100
<p>Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.</i></p>	101 - 104
<p>Debt Capacity <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i></p>	105 - 108
<p>Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time with other governments.</i></p>	109 - 110
<p>Operating Information <i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i></p>	111 - 113
<p>Bonded Debt Information <i>These schedules contain information about the County's principal and interest payments on bonded debt outstanding at the fiscal year end.</i></p>	114 - 164

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement Number 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

SUSSEX COUNTY, DELAWARE
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 20,520,112	\$ 21,778,122	\$ 27,029,978	\$ 34,140,268	\$ 43,377,418	\$ 52,193,513
Restricted	15,914,734	26,751,718	47,805,783	65,642,834	72,996,872	69,968,855
Unrestricted	34,836,034	45,108,733	39,791,889	37,870,448	35,105,979	35,242,364
Total governmental activities net assets	\$ 71,270,880	\$ 93,638,573	\$ 114,627,650	\$ 137,653,550	\$ 151,480,269	\$ 157,404,732
Business-type activities						
Invested in capital assets, net of related debt	\$ 60,012,101	\$ 79,179,482	\$ 93,526,220	\$ 111,947,402	\$ 150,185,092	\$ 166,434,682
Restricted	34,600,947	35,967,259	45,585,060	60,903,962	81,095,890	78,027,750
Unrestricted	2,670,928	8,115,999	18,923,370	22,596,611	(5,622,038)	5,367,852
Total business-type activities net assets	\$ 97,283,976	\$ 123,262,740	\$ 158,034,650	\$ 195,447,975	\$ 225,658,944	\$ 249,830,284
Primary government						
Invested in capital assets, net of related debt	\$ 80,532,213	\$ 100,957,604	\$ 120,556,198	\$ 146,087,670	\$ 193,562,510	\$ 218,628,195
Restricted	50,515,681	62,718,977	93,390,843	126,546,796	154,092,762	147,996,605
Unrestricted	37,506,962	53,224,732	58,715,259	60,467,059	29,483,941	40,610,216
Total primary government net assets	\$ 168,554,856	\$ 216,901,313	\$ 272,662,300	\$ 333,101,525	\$ 377,139,213	\$ 407,235,016

Note: Accrual basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement Number 34 was implemented.

SUSSEX COUNTY, DELAWARE
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 8,416,614	\$ 9,622,999	\$ 11,592,273	\$ 11,293,426	\$ 13,627,710	\$ 13,494,301
Grant-in-aid programs	4,120,039	6,892,065	7,293,058	10,255,326	9,014,248	9,282,188
Planning and zoning	917,317	1,012,053	1,045,230	1,208,841	1,430,741	1,512,879
Paramedic program	5,914,818	6,840,784	8,467,637	9,963,348	11,626,354	12,802,503
Emergency preparedness	1,726,567	1,889,708	1,984,888	2,263,691	2,213,396	2,764,937
Economic development and public works	423,154	428,025	528,814	497,316	532,760	556,647
County engineer	1,418,560	1,079,543	2,025,846	3,332,568	2,994,201	2,713,328
Airport	375,629	532,414	601,236	731,785	1,281,765	995,702
Engineering - solid waste	1,956,518	33,544	-	-	-	-
Library	2,780,506	2,729,492	3,140,156	3,354,026	3,747,511	3,924,788
Community development and housing programs	1,522,300	1,488,969	1,829,012	2,561,943	1,959,365	1,501,117
Constitutional offices	1,728,453	1,985,946	2,268,066	2,372,219	2,486,465	2,630,085
Interest on long-term debt	-	-	-	-	3,285	-
Total governmental activities expenses	<u>31,300,475</u>	<u>34,535,542</u>	<u>40,776,216</u>	<u>47,834,489</u>	<u>50,917,801</u>	<u>52,178,475</u>
Business-type activities:						
Sewer facilities	19,264,562	18,676,091	21,327,548	23,011,584	25,102,767	26,132,596
Water facilities	771,541	747,923	770,503	812,592	852,902	856,120
Total business-type activities expenses	<u>20,036,103</u>	<u>19,424,014</u>	<u>22,098,051</u>	<u>23,824,176</u>	<u>25,955,669</u>	<u>26,988,716</u>
Total primary government expenses	<u>\$ 51,336,578</u>	<u>\$ 53,959,556</u>	<u>\$ 62,874,267</u>	<u>\$ 71,658,665</u>	<u>\$ 76,873,470</u>	<u>\$ 79,167,191</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 2,222,981	\$ 2,199,845	\$ 2,580,027	\$ 3,007,205	\$ 2,189,982	\$ 1,549,000
Planning and zoning	1,761,250	2,024,755	2,343,693	2,782,428	2,079,324	1,599,688
Emergency preparedness	25,652	29,543	26,545	27,485	24,145	17,065
Economic development and public works	73,492	85,527	65,055	408,260	362,699	373,579
County engineer	709,021	1,535,980	2,080,536	2,681,308	1,206,998	599,865
Airport	179,815	137,766	179,471	182,375	195,398	176,979
Engineering - solid waste	4,828	13,465	-	-	-	-
Library	15,214	33,664	20,249	25,320	26,422	25,911
Constitutional offices	6,517,134	7,049,799	6,684,859	6,852,532	6,171,154	6,356,764
Operating grants and contributions	6,562,723	6,790,770	6,065,343	7,510,097	7,599,645	6,787,014
Capital grants and contributions	601,631	318,157	3,001,477	1,166,791	1,494,572	4,475,526
Total governmental activities program revenues	<u>18,673,741</u>	<u>20,219,271</u>	<u>23,047,255</u>	<u>24,643,801</u>	<u>21,350,339</u>	<u>21,961,391</u>

Note: Accrual basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement Number 34 was implemented.

SUSSEX COUNTY, DELAWARE
CHANGES IN NET ASSETS - CONTINUED
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services:						
Sewer facilities	\$ 9,456,583	\$ 10,548,270	\$ 12,072,903	\$ 13,591,594	\$ 13,357,511	\$ 13,750,827
Water facilities	568,271	583,897	583,889	591,991	635,186	695,038
Operating grants and contributions	14,535,829	16,033,341	18,806,360	22,841,920	21,060,417	21,288,672
Capital grants and contributions	7,015,899	15,113,921	15,586,276	17,112,386	17,606,829	12,252,630
Total business-type activities program revenues	<u>31,576,582</u>	<u>42,279,429</u>	<u>47,049,428</u>	<u>54,137,891</u>	<u>52,659,943</u>	<u>47,987,167</u>
Total primary government program revenues	<u>\$ 50,250,323</u>	<u>\$ 62,498,700</u>	<u>\$ 70,096,683</u>	<u>\$ 78,781,692</u>	<u>\$ 74,010,282</u>	<u>\$ 69,948,558</u>
Net (Expense)/Revenue						
Governmental activities	\$ (12,626,734)	\$ (14,316,271)	\$ (17,728,961)	\$ (23,190,688)	\$ (29,567,462)	\$ (30,217,084)
Business-type activities	<u>11,540,479</u>	<u>22,855,415</u>	<u>24,951,377</u>	<u>30,313,715</u>	<u>26,704,274</u>	<u>20,998,451</u>
Total primary government net expense	<u>\$ (1,086,255)</u>	<u>\$ 8,539,144</u>	<u>\$ 7,222,416</u>	<u>\$ 7,123,027</u>	<u>\$ (2,863,188)</u>	<u>\$ (9,218,633)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 9,114,721	\$ 9,568,521	\$ 8,161,118	\$ 10,692,069	\$ 11,521,348	\$ 12,315,444
Capitation taxes	221,690	237,282	224,294	241,699	240,030	247,041
Fire service taxes	1,285,885	1,510,691	1,785,613	2,093,729	1,535,864	1,106,321
Realty transfer taxes	17,917,521	27,399,572	36,329,843	35,269,800	27,058,083	20,636,949
Unrestricted investment earnings	890,505	892,938	1,747,718	4,216,741	5,829,443	4,379,147
Transfers	<u>(2,153,000)</u>	<u>(2,925,040)</u>	<u>(9,530,548)</u>	<u>(6,297,450)</u>	<u>(2,790,587)</u>	<u>(2,543,355)</u>
Total governmental activities	<u>27,277,322</u>	<u>36,683,964</u>	<u>38,718,038</u>	<u>46,216,588</u>	<u>43,394,181</u>	<u>36,141,547</u>
Business-type activities:						
Unrestricted investment earnings	190,215	198,309	289,985	802,160	716,108	629,534
Transfers	<u>2,153,000</u>	<u>2,925,040</u>	<u>9,530,548</u>	<u>6,297,450</u>	<u>2,790,587</u>	<u>2,543,355</u>
Total business-type activities	<u>2,343,215</u>	<u>3,123,349</u>	<u>9,820,533</u>	<u>7,099,610</u>	<u>3,506,695</u>	<u>3,172,889</u>
Total primary government program revenues	<u>\$ 29,620,537</u>	<u>\$ 39,807,313</u>	<u>\$ 48,538,571</u>	<u>\$ 53,316,198</u>	<u>\$ 46,900,876</u>	<u>\$ 39,314,436</u>
Change in Net Assets						
Governmental activities	\$ 14,650,588	\$ 22,367,693	\$ 20,989,077	\$ 23,025,900	\$ 13,826,719	\$ 5,924,463
Business-type activities	<u>13,883,694</u>	<u>25,978,764</u>	<u>34,771,910</u>	<u>37,413,325</u>	<u>30,210,969</u>	<u>24,171,340</u>
Total primary government	<u>\$ 28,534,282</u>	<u>\$ 48,346,457</u>	<u>\$ 55,760,987</u>	<u>\$ 60,439,225</u>	<u>\$ 44,037,688</u>	<u>\$ 30,095,803</u>

Note: Accrual basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement Number 34 was implemented.

SUSSEX COUNTY, DELAWARE
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 7,439,155	\$ 12,814,987	\$ 18,704,187	\$ 17,578,416	\$ 23,135,130	\$ 36,610,789	\$ 41,702,138	\$ 56,560,314	\$ 64,675,385	\$ 67,436,807
Unreserved										
Designated	7,027,239	6,295,718	2,490,323	9,100,374	14,023,982	11,585,639	14,509,355	11,257,954	3,859,850	2,706,165
Undesignated	7,135,873	6,373,575	6,962,181	7,732,890	9,784,231	10,169,005	13,957,648	13,254,683	9,885,684	4,955,974
Total general fund	<u>\$ 21,602,267</u>	<u>\$ 25,484,280</u>	<u>\$ 28,156,691</u>	<u>\$ 34,411,680</u>	<u>\$ 46,943,343</u>	<u>\$ 58,365,433</u>	<u>\$ 70,169,141</u>	<u>\$ 81,072,951</u>	<u>\$ 78,420,919</u>	<u>\$ 75,098,946</u>
All Other Governmental Funds										
Reserved	\$ -	\$ 9,403	\$ 121,097	\$ 167,543	\$ 2,427,669	\$ 9,803,499	\$ 12,800,198	\$ 21,203,720	\$ 27,760,247	\$ 27,461,371
Unreserved										
Designated	381,495	446,638	59,415	2,539,171	2,454,184	4,541,774	5,341,810	-	-	-
Undesignated	(32,817)	-	-	-	647,432	56,264	-	-	53,901	(711,332)
Total all other governmental funds	<u>\$ 348,678</u>	<u>\$ 456,041</u>	<u>\$ 180,512</u>	<u>\$ 2,706,714</u>	<u>\$ 5,529,285</u>	<u>\$ 14,401,537</u>	<u>\$ 18,142,008</u>	<u>\$ 21,203,720</u>	<u>\$ 27,814,148</u>	<u>\$ 26,750,039</u>

**SUSSEX COUNTY, DELAWARE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Residential Property	Business Property	Agriculture Property	Trailer	Other	Less: Tax - Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1999	\$ 1,232,229,514	\$ 296,189,430	\$ 99,152,650	\$ 90,925,508	\$ 171,167,822	\$ 197,216,160	\$ 1,692,448,764	\$0.445	\$ 12,444,476,206	13.6%
2000	1,285,161,590	306,304,813	100,901,800	93,596,708	173,549,797	199,526,129	1,759,988,579	0.445	12,846,631,964	13.7%
2001	1,342,992,942	319,903,005	100,151,600	95,787,671	175,547,479	200,879,428	1,833,503,269	0.445	14,213,203,636	12.9%
2002	1,409,687,109	326,990,073	103,165,650	98,085,008	179,958,129	204,715,276	1,913,170,693	0.445	15,943,089,108	12.0%
2003	1,480,149,764	333,231,570	104,807,150	99,705,208	182,243,422	205,965,614	1,994,171,500	0.445	19,744,272,277	10.1%
2004	1,564,853,342	346,300,218	105,925,330	102,131,908	184,584,322	208,371,893	2,095,423,227	0.445	26,192,790,338	8.0%
2005	1,668,856,812	349,668,986	109,717,513	107,313,408	189,749,972	215,012,079	2,210,294,612	0.445	31,575,637,314	7.0%
2006	1,788,672,680	358,027,255	111,038,978	112,213,158	191,692,422	216,246,316	2,345,398,177	0.445	36,083,048,877	6.5%
2007	1,942,430,139	367,785,080	113,725,678	111,714,076	202,949,661	218,117,769	2,520,486,865	0.445	39,630,296,619	6.4%
2008	2,101,384,126	406,044,024	115,469,649	113,419,034	200,009,962	222,961,073	2,713,365,722	0.445	39,324,140,899	6.9%

Notes:

1. Assessed values reflect the values utilized for initial property tax billings for each fiscal year, which are based on the May 1 assessments.
2. Real property is appraised based on 1973 market values.
3. The assessed value is 50% of the appraised value.
4. Assessed value ratio estimates were developed by the University of Delaware.
5. Assessed values are based on taxable assessments.

Sources: Sussex County Assessment Division and University of Delaware.

**SUSSEX COUNTY, DELAWARE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

	Year Taxes Are Payable									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct										
County Tax	\$ 0.3697	\$ 0.3697	\$ 0.3697	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.3983	\$ 0.3983
County Bond	0.0320	0.0320	0.0320	-	-	-	-	-	-	-
Library	0.0433	0.0433	0.0433	0.0433	0.0433	0.0433	0.0433	0.0433	0.0467	0.0467
Total direct rate	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450
School Districts										
Cape Henlopen	1.6950	1.8000	1.9810	2.0990	2.0990	2.1610	2.2360	2.9980	2.9980	2.8770
Delmar	3.4000	3.3500	3.2500	3.2300	3.2200	3.2100	3.2000	3.2000	3.1500	3.1500
Indian River (3)	1.9030	1.8540	1.9970	2.0290	1.9460	2.2130	2.2400	2.4470	2.5450	2.4750
Laurel	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900
Milford	2.9090	2.6970	2.6690	2.7490	2.6210	2.7930	3.2897	3.3978	3.5468	3.5803
Seaford	2.2000	2.3100	2.3900	2.4700	2.4800	2.5800	2.5800	3.2300	3.2300	3.2300
Woodbridge	2.1010	2.2000	2.4000	2.9130	2.9030	2.9990	2.9990	3.3280	3.2950	3.2950
Vo-Tech	0.2155	0.2312	0.2277	0.2277	0.2293	0.2293	0.2293	0.2269	0.2363	0.2480
Town Rates (2)										
Bethany Beach	1.1000	1.1000	1.1000	1.1000	0.0800	0.0800	0.0800	0.0800	0.1600	0.1600
Bethel	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Blades	1.2500	1.2500	1.2500	1.2500	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000
Bridgeville	1.8300	1.8300	1.8300	1.8300	1.8300	1.8300	1.8300	1.7300	1.7300	1.7300
Dagsboro	*	*	*	*	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Delmar	1.1000	1.1000	1.1000	1.1000	1.1000	1.3100	1.3100	1.3100	1.3100	0.4000
Dewey Beach	*	*	*	*	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Ellendale	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Fenwick Island	1.4500	1.4500	1.4500	1.4500	1.4500	1.6000	1.6000	1.9200	1.9200	1.9200
Frankford	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.9500	2.0500
Georgetown	1.6500	1.6500	1.6500	2.1500	2.1500	2.1500	2.4500	2.5300	2.5300	2.5300
Greenwood	*	*	*	*	0.6000	0.6000	1.0000	1.2000	1.4000	1.7000
Henlopen Acres	1.4500	1.4500	1.4500	1.4500	1.4500	1.4500	1.8800	1.8800	1.8800	1.8800
Laurel	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100
Lewes	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.3900	0.3900	0.3900	0.3900
Milford	0.3100	0.3100	0.3100	0.3100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4600
Millsboro	0.4100	0.4100	0.4600	0.4600	0.4600	0.4600	0.4600	0.5100	0.5100	0.5100
Millville	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.5000
Milton	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Ocean View	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.0981	0.0981
Rehoboth Beach	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.5500	1.5500	1.5500
Seaford	0.3900	0.4500	0.4500	0.4800	0.4800	0.5200	0.5200	0.5700	0.5700	0.2650
Selbyville	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500
Slaughter Beach	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
South Bethany	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500

Notes:

1. The above rates are per \$100 of assessed value.
2. The town rate shown for Bethany Beach, Blades, Dagsboro, Delmar, Lewes, Milford, Millsboro, Milton, Ocean View, Rehoboth Beach, and Seaford are based on assessments established by the individual towns. The other town rates are based on County assessments.
3. The Indian River School District charged \$1.903, \$1.950, \$2.087, \$2.115, \$2.027, and \$2.289 for non-residential properties in fiscal years 2001 through 2005 respectively.

Source:

The Sussex County Department of Finance, Treasury Division, University of Delaware and various Sussex County Towns' offices.

* Figures not available

**SUSSEX COUNTY, DELAWARE
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND FIVE YEARS AGO**

<u>Taxpayer</u>	<u>Fiscal Year 2008</u>			<u>Fiscal Year 2003</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Verizon	\$ 52,133,895	1	1.92%	\$ 35,639,325	1	1.79%
Delmarva Power & Light Co. (2)	21,938,783	2	0.81	19,734,824	2	0.99
Indian River Power LLC	12,786,471	3	0.47	12,737,071	3	0.64
E. I. duPont de Nemours Company	9,261,400	4	0.34	9,484,250	4	0.48
Delaware Electric Cooperative, Inc.	4,816,525	5	0.18	4,308,748	6	0.22
Chesapeake Utilities Corporation	4,536,567	6	0.17	3,230,324	8	0.16
Mountaire Farms of Delaware, Inc.	4,354,200	7	0.16	4,355,000	5	0.22
Eastern Shore Natural Gas Co.	4,269,450	8	0.16	3,147,731	9	0.16
Sussex Sports Amenities LLC	3,906,500	9	0.14	-	-	-
M & T Bank	3,135,800	10	0.12	3,135,800	10	0.16
Carl M. Freeman Associates Inc.	-	-	-	3,327,600	7	0.17
	<u>\$ 121,139,591</u>		<u>4.47%</u>	<u>\$ 99,100,673</u>		<u>4.99%</u>

Notes:

1. Fiscal year 2003 is as far back as this information is available.
2. Taxpayer's name changed in Fiscal Year 2005 from Conectiv Power Delivery to Delmarva Power & Light, Co.

Sources: Sussex County Government Data Processing and Assessment Departments, Georgetown, Delaware.

**SUSSEX COUNTY, DELAWARE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for Fiscal Year (Original Levy)		Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments			Current Tax Collections	Percent of Levy		Amount	Percentage of Adjusted Levy
1999	\$ 7,704,299	\$ 87,355	\$ 7,791,654	\$ 7,566,993	97.1%	\$ 208,211	\$ 7,775,204	99.8%
2000	8,013,922	94,224	8,108,146	7,835,808	96.6	251,304	8,087,112	99.7
2001	8,351,274	109,727	8,461,001	8,156,366	96.4	278,355	8,434,721	99.7
2002	8,740,663	102,636	8,843,299	8,527,586	96.4	281,507	8,809,093	99.6
2003	9,113,367	106,521	9,219,888	8,904,011	96.6	272,167	9,176,178	99.5
2004	9,578,379	140,252	9,718,631	9,393,462	96.7	272,232	9,665,694	99.5
2005	8,161,305	120,699	8,282,004	8,014,809	96.8	202,838	8,217,647	99.2
2006	10,686,666	175,555	10,862,221	10,584,949	97.4	192,156	10,777,105	99.2
2007	11,468,314	217,171	11,685,485	11,403,418	97.6	153,228	11,556,646	98.9
2008	12,329,504	140,690	12,470,194	12,206,827	97.9	-	12,206,827	97.9

- Notes:
1. Total tax levy includes initial annual levy plus quarterly supplemental additions.
 2. The property tax levy for fiscal year 2005 is shown net of \$ 1,922,507 credit applied to eligible taxpayers under the 25% property tax credit program.

Source: Sussex County Treasury Division

SUSSEX COUNTY, DELAWARE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases		General Obligation Bonds	Sewer Revenue Bonds			
1999	\$	68,562	\$ 76,262,212	\$34,779,886	\$ 111,110,660	3.14%	\$ 792
2000		54,271	80,647,661	33,981,148	114,683,080	3.01	732
2001		71,844	96,831,574	34,288,385	131,191,803	3.22	819
2002		146,042	100,745,953	31,829,251	132,721,246	3.11	814
2003		324,574	100,088,975	30,609,794	131,023,343	2.89	780
2004		267,259	119,930,460	29,359,095	149,556,814	3.04	870
2005		259,744	121,162,608	28,076,986	149,499,338	2.83	850
2006		181,346	133,549,727	26,953,295	160,684,368	2.84	891
2007		165,271	134,977,468	25,497,849	160,640,588	*	874
2008		136,587	137,819,192	24,005,471	161,961,250	*	859

Note: The personal income and population data information is presented on the demographic and economic statistics schedule.

* Figures not available

SUSSEX COUNTY, DELAWARE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
School Districts:			
Cape Henlopen	\$ 40,227,547	100%	\$ 40,227,547
Delmar	2,967,695	100%	2,967,695
Indian River	45,198,676	100%	45,198,676
Laurel	452,340	100%	452,340
Milford	6,843,930	59%	4,037,919
Seaford	6,043,410	100%	6,043,410
Sussex Tech	5,650,988	100%	5,650,988
Woodbridge	4,566,331	99%	4,520,668
Total School Districts			<u>109,099,243</u>
Municipalities:			
Bethany Beach	1,505,000	100%	1,505,000
Blades	529,665	100%	529,665
Bridgeville	7,325,553	100%	7,325,553
Dagsboro	1,760,076	100%	1,760,076
Frankford	670,753	100%	670,753
Georgetown	15,253,819	100%	15,253,819
Henlopen Acres	-	100%	-
Laurel	6,440,268	100%	6,440,268
Lewes	36,514,360	100%	36,514,360
Milford	10,840,000	70%	7,588,000
Millsboro	9,074,946	100%	9,074,946
Ocean View	5,800,000	100%	5,800,000
Rehoboth Beach	5,911,355	100%	5,911,355
Seaford	4,796,334	100%	4,796,334
Selbyville	7,631,534	100%	7,631,534
Total Municipalities			<u>110,801,663</u>
Subtotal, overlapping debt			219,900,906
County direct debt			<u>137,819,192</u>
Total direct and overlapping debt			<u>\$ 357,720,098</u>

Note: This report includes general obligation debt. It does not include revenue bonds or short-term debt.

Sources: Sussex County Department of Finance, Delaware State Treasurer's Office, and Sussex County Towns

SUSSEX COUNTY, DELAWARE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General obligation bonds	\$ 76,262,212	\$ 80,647,661	\$ 96,831,574	\$ 100,745,953	\$ 100,088,975	\$ 119,930,460	\$ 121,162,608	\$ 133,549,727	\$ 134,977,468	\$ 137,819,192
Percentage of estimated actual property value	0.61%	0.63%	0.68%	0.63%	0.51%	0.46%	0.38%	0.37%	0.34%	0.35%
Per capita	544	515	605	618	596	698	689	741	734	731
Total net debt applicable to debt limit	76,262,212	80,647,661	96,831,574	100,745,953	100,088,975	119,930,460	121,162,608	133,549,727	134,977,468	137,819,192
Legal debt limit	211,827,213	221,083,093	230,935,967	239,653,693	252,815,042	266,391,788	283,050,019	303,961,496	302,316,074	339,750,295
Legal debt margin	<u>\$ 135,565,001</u>	<u>\$ 140,435,432</u>	<u>\$ 134,104,393</u>	<u>\$ 138,907,740</u>	<u>\$ 152,726,067</u>	<u>\$ 146,461,328</u>	<u>\$ 161,887,411</u>	<u>\$ 170,411,769</u>	<u>\$ 167,338,606</u>	<u>\$ 201,931,103</u>
Total net debt applicable to the limit as a percentage of debt limit	36.00%	36.48%	41.93%	42.04%	39.59%	45.02%	42.81%	43.94%	44.65%	40.56%

Legal debt margin calculation for fiscal year 2008

Assessed value	\$ 2,831,252,461
Debt limit (12% of assessed value)	339,750,295
Total net debt applicable to limit	<u>137,819,192</u>
Legal debt margin	<u>\$ 201,931,103</u>

Source: Sussex County Assessment Division

Note:

1. The statutory limitation for debt is 12% of the assessed value of taxable property as of June 30, 2008.
2. The personal income and population data information is presented on the demographic and economic statistics schedule.

**SUSSEX COUNTY, DELAWARE
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year	Sewer Revenue Bonds					Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
1999	\$ 5,863,597	\$ 1,081,311	\$ 4,782,286	\$ 707,397	\$ 1,495,296	2.17
2000	7,426,137	1,265,139	6,160,998	879,231	1,478,462	2.61
2001	8,321,294	1,556,882	6,764,412	1,199,777	1,388,114	2.61
2002	9,455,029	1,458,191	7,996,838	1,819,103	735,163	3.13
2003	11,006,550	1,694,092	9,312,458	1,219,457	1,242,289	3.78
2004	10,861,191	1,805,308	9,055,883	1,250,698	1,209,897	3.68
2005	10,799,139	1,985,003	8,814,136	1,282,109	1,175,703	3.59
2006	13,550,763	2,140,366	11,410,397	1,293,972	991,553	4.99
2007	11,272,131	2,804,306	8,467,825	1,455,446	860,325	3.66
2008	11,999,456	2,743,615	9,255,841	1,492,378	825,293	3.99

Notes:

1. Operating expenses do not include depreciation or interest expense, as per the bond indenture.
2. Utility service charges do not include capitalization fees, or capital contributions.
3. Debt service requirement reflects minimum amounts due for revenue bonds. It does not include any debt service amounts for additional bonds which are paid from district funds and are general obligation bonds. It does not include accrued interest. It does not include interest capitalized prior to the initial date of operations, December 29, 1995.
4. The coverage requirement per Bond resolutions is 1.25.
5. In April 1994, the County issued \$19,000,000 in revenue bonds which were advance refunded in December 1995 by revenue bonds totaling \$20,825,000. In 2006 the County refinanced the December 1995 issue for the Series 2005 revenue bond issue for \$18,500,000.
6. In April 1994, the County issued \$13,000,000 and \$4,000,000 in revenue bonds to the State of Delaware program. Debt service for these SRF bonds is based on level debt service payments.
7. The West Rehoboth system was under construction during fiscal year 1993, 1994 and 1995 and was placed in service on December 29, 1995. Receipt of revenues began during fiscal year 1996. Debt service paid prior to then was paid from capital funding. Interest was capitalized until fiscal year 1996.
8. The following revenue bond issues are included here as part of the debt service requirements:

	<u>Issuance Amount</u>
a. Series 2005 revenue bonds	\$ 18,500,000
b. Subordinated Obligations 1994 SRF-A	13,000,000
c. Subordinated Obligations 1994 SRF-B	4,000,000

**SUSSEX COUNTY, DELAWARE
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
1999	140,308	\$ 3,538,564	\$ 21,423	36.0	21,432	3.9%
2000	156,638	3,816,094	22,185	41.1	21,781	2.9%
2001	160,172	4,077,122	23,232	*	21,878	3.9%
2002	163,085	4,263,433	25,471	*	21,547	4.0%
2003	167,904	4,533,723	26,832	*	25,055	2.7%
2004	171,923	4,927,085	28,609	42.4	24,210	3.3%
2005	175,818	5,278,405	29,959	42.4	24,278	3.2%
2006	180,275	5,650,513	31,385	41.8	24,531	3.1%
2007	183,798	*	*	*	24,818	3.0%
2008	188,597	*	*	*	25,104	4.1%

Sources:

1. U.S. Bureau of the Census and Delaware Population Consortium
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. U.S. Bureau of the Census, American Community Survey
4. Delaware Department of Education
5. Office of Occupational & Labor Market Information

Note: Total personal income is in thousands of dollars

* Figures not available

**SUSSEX COUNTY, DELAWARE
EMPLOYMENT BY TYPE OF EMPLOYER
CURRENT YEAR AND SIX YEARS AGO**

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<u>Type of Employer</u>	<u>2008</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Manufacturing	13,074	1	18.5%	11,790	1	19.3%
Retail trade	11,271	2	15.9	10,681	2	17.4
Accommodation and food services	8,607	3	12.2	7,363	3	12.0
Health care and social assistance	8,151	4	11.5	6,628	4	10.8
Government	7,659	5	10.8	6,032	5	9.9
Construction	5,552	6	7.8	4,564	6	7.5
Administrative and waste services	2,655	7	3.7	2,354	8	3.8
Other services, except public administration	2,370	8	3.3	1,792	9	3.9
Real estate and rental and leasing	2,052	9	2.9	1,471	10	2.9
Transportation and warehousing	1,920	10	2.7	-	-	-
Finance and Insurance	-	-	-	2,391	7	2.4
	<u>63,311</u>		<u>89.3%</u>	<u>55,066</u>		<u>89.9%</u>

Source: Delaware Department of Labor Office of Occupational & Labor Market Information

Note: Data reported is for March of the respective year.

Top employer information is deemed confidential pursuant to 20 Code of Federal regulations Part 603.

Information prior to 2002 is not available using the NAICS code system that is used today to collect industry data.

SUSSEX COUNTY, DELAWARE
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government										
General administration	8	8	8	8	8	8	8	10	11	11
Finance	55	61	64	68	76	83	82	90	90	86
Personnel	3	3	3	4	4	5	4	5	6	6
Buildings and grounds	23	25	25	26	27	27	28	31	33	26
Data processing	6	6	6	5	8	9	11	13	12	14
County constable	4	4	4	3	3	4	4	4	3	4
Planning and zoning	11	13	14	13	15	15	15	16	16	15
Paramedic program	60	67	69	80	82	94	98	109	110	109
Emergency preparedness	19	20	24	24	27	26	27	29	28	28
Economic development and public works	8	8	8	8	8	9	13	13	12	10
County engineer	80	79	87	100	104	109	117	129	132	139
Airport	1	1	1	1	1	1	1	1	1	2
Library	23	26	29	33	34	37	38	36	41	33
Community development and housing programs	5	5	6	7	6	6	6	6	7	6
Constitutional offices	26	30	30	27	28	32	30	34	37	36
Total	<u>332</u>	<u>356</u>	<u>378</u>	<u>407</u>	<u>431</u>	<u>465</u>	<u>482</u>	<u>526</u>	<u>539</u>	<u>525</u>

Source: County Personnel Office

**SUSSEX COUNTY, DELAWARE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

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Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Planning and Zoning										
Permits issued	8,641	8,511	8,459	9,388	9,741	10,811	11,075	11,299	9,896	8,436
Public Safety										
Paramedic incidents dispatched	12,757	13,677	11,207	12,236	10,421	11,018	11,612	11,955	12,701	13,759
911 calls	65,604	66,448	78,594	78,594	91,511	89,446	85,243	94,858	99,659	104,623
Sewer and Water Services										
Sewer customers, EDU's billed	32,264	34,516	36,640	40,786	41,431	44,240	47,524	50,809	53,439	56,200
Water customers, EDU's billed	3,344	3,427	3,504	3,523	3,530	3,548	3,530	3,543	3,553	3,574
Libraries										
Circulation	855,273	890,573	928,640	1,003,652	915,491	1,197,367	1,182,767	1,137,880	1,170,327	1,221,697
Airport										
Number of landings (1) (2)	*	*	*	16,811	15,106	16,306	18,625	17,508	19,259	20,222
Industrial Park										
Number of businesses	12	12	12	19	18	18	20	20	20	18
Number of jobs provided by business (1)	*	*	665	715	650	681	752	860	944	1,048

Source: Individual County Departments

Notes:

1. The number of landings and number of jobs provided are unavailable prior to fiscal years 2002 and 2001 respectively.
2. The number of landings is an estimate provided by Sussex County's Airport FBO.

* Figures not available

**SUSSEX COUNTY, DELAWARE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Paramedic stations	6	6	6	6	7	7	7	7	8	8
Volunteer fire and ambulance companies	24	24	24	24	24	24	24	24	24	24
Additional state police officers funded by County	12	12	12	16	16	20	24	28	32	36
Sewer and Water Services										
Miles of underground sanitary sewer pipe	448	474	481	506	517	554	595	655	682	747
Number of feet of ocean outfall sewer pipe	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Pump stations	201	223	237	252	261	256	357	370	384	397
Lagoon treatment facilities with land application	3	3	3	3	3	3	3	3	3	3
Tertiary treatment facility with ocean discharge	1	1	1	1	1	1	1	1	1	1
Libraries										
Directly administered	3	3	3	3	3	3	3	3	3	3
Number of County funded, with independent board	11	11	11	11	11	11	11	11	11	11
Bookmobiles	1	1	1	1	1	1	1	1	1	1
Airport										
Paved runway footage	7,300	7,300	7,300	7,300	7,300	7,300	7,330	7,330	7,330	7,330
Number of hangars	17	17	17	20	20	20	24	27	28	30
Number of runways	2	2	2	2	2	2	2	2	2	2

Source: Individual County Departments

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1994
 (PRINCIPAL AND INTEREST PAYMENTS ONLY)
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 20, 2008	4.50 %	\$ 42,551	\$ 96,536
December 20, 2008	4.50	43,030	96,057
March 20, 2009	4.50	43,514	95,573
June 20, 2009	4.50	44,003	95,084
September 20, 2009	4.50	44,499	94,588
December 20, 2009	4.50	44,999	94,088
March 20, 2010	4.50	45,505	93,582
June 20, 2010	4.50	46,017	93,070
September 20, 2010	4.50	46,535	92,552
December 20, 2010	4.50	47,059	92,028
March 20, 2011	4.50	47,588	91,499
June 20, 2011	4.50	48,123	90,964
September 20, 2011	4.50	48,665	90,422
December 20, 2011	4.50	49,212	89,875
March 20, 2012	4.50	49,766	89,321
June 20, 2012	4.50	50,326	88,761
September 20, 2012	4.50	50,892	88,195
December 20, 2012	4.50	51,464	87,623
March 20, 2013	4.50	52,043	87,044
June 20, 2013	4.50	52,629	86,458
September 20, 2013	4.50	53,221	85,866
December 20, 2013	4.50	53,820	85,267
March 20, 2014	4.50	54,425	84,662
June 20, 2014	4.50	55,037	84,050
September 20, 2014	4.50	55,657	83,430
December 20, 2014	4.50	56,283	82,804
March 20, 2015	4.50	56,916	82,171
June 20, 2015	4.50	57,556	81,531
September 20, 2015	4.50	58,204	80,883
December 20, 2015	4.50	58,858	80,229
March 20, 2016	4.50	59,521	79,566
June 20, 2016	4.50	60,190	78,897
September 20, 2016	4.50	60,867	78,220
December 20, 2016	4.50	61,552	77,535
March 20, 2017	4.50	62,245	76,842
June 20, 2017	4.50	62,945	76,142
September 20, 2017	4.50	63,653	75,434
December 20, 2017	4.50	64,369	74,718
March 20, 2018	4.50	65,093	73,994
June 20, 2018	4.50	65,826	73,261
September 20, 2018	4.50	66,566	72,521
December 20, 2018	4.50	67,315	71,772
March 20, 2019	4.50	68,072	71,015
June 20, 2019	4.50	68,838	70,249
September 20, 2019	4.50	69,612	69,475
December 20, 2019	4.50	70,396	68,691
March 20, 2020	4.50	71,188	67,899
June 20, 2020	4.50	71,988	67,099
September 20, 2020	4.50	72,798	66,289
December 20, 2020	4.50	73,617	65,470
March 20, 2021	4.50	74,445	64,642
June 20, 2021	4.50	75,283	63,804
September 20, 2021	4.50	76,130	62,957

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1994
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 20, 2021	4.50 %	\$ 76,986	\$ 62,101
March 20, 2022	4.50	77,852	61,235
June 20, 2022	4.50	78,728	60,359
September 20, 2022	4.50	79,614	59,473
December 20, 2022	4.50	80,510	58,577
March 20, 2023	4.50	81,415	57,672
June 20, 2023	4.50	82,331	56,756
September 20, 2023	4.50	83,258	55,829
December 20, 2023	4.50	84,194	54,893
March 20, 2024	4.50	85,141	53,946
June 20, 2024	4.50	86,099	52,988
September 20, 2024	4.50	87,068	52,019
December 20, 2024	4.50	88,047	51,040
March 20, 2025	4.50	89,038	50,049
June 20, 2025	4.50	90,040	49,047
September 20, 2025	4.50	91,053	48,034
December 20, 2025	4.50	92,077	47,010
March 20, 2026	4.50	93,113	45,974
June 20, 2026	4.50	94,160	44,927
September 20, 2026	4.50	95,220	43,867
December 20, 2026	4.50	96,291	42,796
March 20, 2027	4.50	97,374	41,713
June 20, 2027	4.50	98,469	40,618
September 20, 2027	4.50	99,577	39,510
December 20, 2027	4.50	100,698	38,389
March 20, 2028	4.50	101,830	37,257
June 20, 2028	4.50	102,976	36,111
September 20, 2028	4.50	104,134	34,953
December 20, 2028	4.50	105,306	33,781
March 20, 2029	4.50	106,491	32,596
June 20, 2029	4.50	107,689	31,398
September 20, 2029	4.50	108,900	30,187
December 20, 2029	4.50	110,125	28,962
March 20, 2030	4.50	111,364	27,723
June 20, 2030	4.50	112,617	26,470
September 20, 2030	4.50	113,884	25,203
December 20, 2030	4.50	115,165	23,922
March 20, 2031	4.50	116,461	22,626
June 20, 2031	4.50	117,771	21,316
September 20, 2031	4.50	119,096	19,991
December 20, 2031	4.50	120,436	18,651
March 20, 2032	4.50	121,791	17,296
June 20, 2032	4.50	123,161	15,926
September 20, 2032	4.50	124,546	14,541
December 20, 2032	4.50	125,947	13,140
March 20, 2033	4.50	127,364	11,723
June 20, 2033	4.50	128,797	10,290
September 20, 2033	4.50	130,246	8,841
March 20, 2034	4.50	133,193	5,894
June 20, 2034	4.50	134,692	4,395
September 20, 2034	4.50	136,207	2,880
December 20, 2034	4.50	118,611	1,348
December 20, 2033	4.50	131,711	7,376
		<u>\$ 8,579,770</u>	<u>\$ 6,144,324</u>

(continued)

SUSSEX COUNTY, DELAWARE
SRF SUBORDINATE OBLIGATION - 1994
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
June 15, 2009	1.50 %	\$ 819,488	\$ 110,557
June 15, 2010	1.50	831,781	98,264
June 15, 2011	1.50	844,258	85,788
June 15, 2012	1.50	856,921	73,125
June 15, 2013	1.50	869,775	60,271
June 15, 2014	1.50	882,822	47,224
June 15, 2015	1.50	896,064	33,981
June 15, 2016	1.50	909,505	20,540
December 15, 2016	1.50	459,857	3,452
		<u>\$ 7,370,471</u>	<u>\$ 533,202</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 A
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 9, 2008	4.50 %	\$ 15,255	\$ 35,169
December 9, 2008	4.50	15,426	34,998
March 9, 2009	4.50	15,600	34,824
June 9, 2009	4.50	15,775	34,649
September 9, 2009	4.50	15,953	34,471
December 9, 2009	4.50	16,132	34,292
March 9, 2010	4.50	16,314	34,110
June 9, 2010	4.50	16,497	33,927
September 9, 2010	4.50	16,683	33,741
December 9, 2010	4.50	16,870	33,554
March 9, 2011	4.50	17,060	33,364
June 9, 2011	4.50	17,252	33,172
September 9, 2011	4.50	17,446	32,978
December 9, 2011	4.50	17,643	32,781
March 9, 2012	4.50	17,841	32,583
June 9, 2012	4.50	18,042	32,382
September 9, 2012	4.50	18,245	32,179
December 9, 2012	4.50	18,450	31,974
March 9, 2013	4.50	18,658	31,766
June 9, 2013	4.50	18,867	31,557
September 9, 2013	4.50	19,080	31,344
December 9, 2013	4.50	19,294	31,130
March 9, 2014	4.50	19,511	30,913
June 9, 2014	4.50	19,731	30,693
September 9, 2014	4.50	19,953	30,471
December 9, 2014	4.50	20,177	30,247
March 9, 2015	4.50	20,404	30,020
June 9, 2015	4.50	20,634	29,790
September 9, 2015	4.50	20,866	29,558
December 9, 2015	4.50	21,101	29,323
March 9, 2016	4.50	21,338	29,086
June 9, 2016	4.50	21,578	28,846
September 9, 2016	4.50	21,821	28,603
December 9, 2016	4.50	22,066	28,358
March 9, 2017	4.50	22,315	28,109
June 9, 2017	4.50	22,566	27,858
September 9, 2017	4.50	22,820	27,604
December 9, 2017	4.50	23,076	27,348
March 9, 2018	4.50	23,336	27,088
June 9, 2018	4.50	23,598	26,826
September 9, 2018	4.50	23,864	26,560
December 9, 2018	4.50	24,132	26,292
March 9, 2019	4.50	24,404	26,020
June 9, 2019	4.50	24,678	25,746
September 9, 2019	4.50	24,956	25,468
December 9, 2019	4.50	25,237	25,187
March 9, 2020	4.50	25,521	24,903
June 9, 2020	4.50	25,808	24,616
December 9, 2020	4.50	26,392	24,032
March 9, 2021	4.50	26,689	23,735
June 9, 2021	4.50	26,989	23,435
September 9, 2021	4.50	27,293	23,131
September 9, 2020	4.50	26,098	24,326
December 9, 2021	4.50	27,600	22,824

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 A
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 9, 2022	4.50 %	\$ 27,910	\$ 22,514
June 9, 2022	4.50	28,224	22,200
September 9, 2022	4.50	28,542	21,882
December 9, 2022	4.50	28,863	21,561
March 9, 2023	4.50	29,187	21,237
June 9, 2023	4.50	29,516	20,908
September 9, 2023	4.50	29,848	20,576
December 9, 2023	4.50	30,184	20,240
March 9, 2024	4.50	30,523	19,901
June 9, 2024	4.50	30,867	19,557
September 9, 2024	4.50	31,214	19,210
December 9, 2024	4.50	31,565	18,859
March 9, 2025	4.50	31,920	18,504
June 9, 2025	4.50	32,279	18,145
September 9, 2025	4.50	32,642	17,782
December 9, 2025	4.50	33,010	17,414
March 9, 2026	4.50	33,381	17,043
June 9, 2026	4.50	33,756	16,668
September 9, 2026	4.50	34,136	16,288
December 9, 2026	4.50	34,520	15,904
March 9, 2027	4.50	34,909	15,515
June 9, 2027	4.50	35,301	15,123
September 9, 2027	4.50	35,698	14,726
December 9, 2027	4.50	36,100	14,324
March 9, 2028	4.50	36,506	13,918
June 9, 2028	4.50	36,917	13,507
September 9, 2028	4.50	37,332	13,092
December 9, 2028	4.50	37,752	12,672
March 9, 2029	4.50	38,177	12,247
June 9, 2029	4.50	38,606	11,818
September 9, 2029	4.50	39,041	11,383
December 9, 2029	4.50	39,480	10,944
March 9, 2030	4.50	39,924	10,500
June 9, 2030	4.50	40,373	10,051
September 9, 2030	4.50	40,827	9,597
December 9, 2030	4.50	41,287	9,137
March 9, 2031	4.50	41,751	8,673
June 9, 2031	4.50	42,221	8,203
September 9, 2031	4.50	42,696	7,728
December 9, 2031	4.50	43,176	7,248
March 9, 2032	4.50	43,662	6,762
June 9, 2032	4.50	44,153	6,271
September 9, 2032	4.50	44,650	5,774
December 9, 2032	4.50	45,152	5,272
March 9, 2033	4.50	45,660	4,764
June 9, 2033	4.50	46,174	4,250
September 9, 2033	4.50	46,693	3,731
December 9, 2033	4.50	47,219	3,205
March 9, 2034	4.50	47,750	2,674
June 9, 2034	4.50	48,287	2,137
September 9, 2034	4.50	48,830	1,594
December 9, 2034	4.50	49,380	1,044
March 9, 2035	4.50	43,775	490
		<u>\$ 3,126,481</u>	<u>\$ 2,262,728</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 B
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 27, 2008	4.50 %	\$ 27,479	\$ 64,327
December 27, 2008	4.50	27,788	64,018
March 27, 2009	4.50	28,100	63,706
June 27, 2009	4.50	28,416	63,390
September 27, 2009	4.50	28,736	63,070
December 27, 2009	4.50	29,059	62,747
March 27, 2010	4.50	29,386	62,420
June 27, 2010	4.50	29,717	62,089
September 27, 2010	4.50	30,051	61,755
December 27, 2010	4.50	30,389	61,417
March 27, 2011	4.50	30,731	61,075
June 27, 2011	4.50	31,077	60,729
September 27, 2011	4.50	31,426	60,380
December 27, 2011	4.50	31,780	60,026
March 27, 2012	4.50	32,138	59,668
June 27, 2012	4.50	32,499	59,307
September 27, 2012	4.50	32,865	58,941
December 27, 2012	4.50	33,234	58,572
March 27, 2013	4.50	33,608	58,198
June 27, 2013	4.50	33,986	57,820
September 27, 2013	4.50	34,369	57,437
December 27, 2013	4.50	34,755	57,051
March 27, 2014	4.50	35,146	56,660
June 27, 2014	4.50	35,542	56,264
September 27, 2014	4.50	35,942	55,864
December 27, 2014	4.50	36,346	55,460
March 27, 2015	4.50	36,755	55,051
June 27, 2015	4.50	37,168	54,638
September 27, 2015	4.50	37,587	54,219
December 27, 2015	4.50	38,009	53,797
March 27, 2016	4.50	38,437	53,369
June 27, 2016	4.50	38,869	52,937
September 27, 2016	4.50	39,307	52,499
December 27, 2016	4.50	39,749	52,057
March 27, 2017	4.50	40,196	51,610
June 27, 2017	4.50	40,648	51,158
September 27, 2017	4.50	41,106	50,700
December 27, 2017	4.50	41,568	50,238
March 27, 2018	4.50	42,036	49,770
June 27, 2018	4.50	42,509	49,297
September 27, 2018	4.50	42,987	48,819
December 27, 2018	4.50	43,470	48,336
March 27, 2019	4.50	43,959	47,847
June 27, 2019	4.50	44,454	47,352
September 27, 2019	4.50	44,954	46,852
December 27, 2019	4.50	45,460	46,346
March 27, 2020	4.50	45,971	45,835
June 27, 2020	4.50	46,488	45,318
September 27, 2020	4.50	47,011	44,795
December 27, 2020	4.50	47,540	44,266
March 27, 2021	4.50	48,075	43,731
June 27, 2021	4.50	48,616	43,190
September 27, 2021	4.50	49,163	42,643
December 27, 2021	4.50	49,716	42,090
March 27, 2022	4.50	50,275	41,531

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 B
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
June 27, 2022	4.50 %	\$ 50,840	\$ 40,966
September 27, 2022	4.50	51,413	40,393
December 27, 2022	4.50	51,991	39,815
March 27, 2023	4.50	52,576	39,230
June 27, 2023	4.50	53,168	38,638
September 27, 2023	4.50	53,766	38,040
December 27, 2023	4.50	54,371	37,435
March 27, 2024	4.50	54,982	36,824
June 27, 2024	4.50	55,601	36,205
September 27, 2024	4.50	56,226	35,580
December 27, 2024	4.50	56,859	34,947
March 27, 2025	4.50	57,499	34,307
June 27, 2025	4.50	58,145	33,661
September 27, 2025	4.50	58,799	33,007
December 27, 2025	4.50	59,461	32,345
March 27, 2026	4.50	60,130	31,676
June 27, 2026	4.50	60,806	31,000
September 27, 2026	4.50	61,490	30,316
December 27, 2026	4.50	62,182	29,624
March 27, 2027	4.50	62,882	28,924
June 27, 2027	4.50	63,589	28,217
September 27, 2027	4.50	64,305	27,501
December 27, 2027	4.50	65,028	26,778
March 27, 2028	4.50	65,760	26,046
June 27, 2028	4.50	66,499	25,307
September 27, 2028	4.50	67,247	24,559
December 27, 2028	4.50	68,004	23,802
March 27, 2029	4.50	68,769	23,037
June 27, 2029	4.50	69,543	22,263
September 27, 2029	4.50	70,325	21,481
December 27, 2029	4.50	71,116	20,690
March 27, 2030	4.50	71,916	19,890
June 27, 2030	4.50	72,725	19,081
September 27, 2030	4.50	73,544	18,262
December 27, 2030	4.50	74,371	17,435
March 27, 2031	4.50	75,208	16,598
June 27, 2031	4.50	76,054	15,752
September 27, 2031	4.50	76,909	14,897
December 27, 2031	4.50	77,775	14,031
March 27, 2032	4.50	78,649	13,157
June 27, 2032	4.50	79,534	12,272
September 27, 2032	4.50	80,429	11,377
December 27, 2032	4.50	81,334	10,472
March 27, 2033	4.50	82,249	9,557
June 27, 2033	4.50	83,174	8,632
September 27, 2033	4.50	84,110	7,696
December 27, 2033	4.50	85,056	6,750
March 27, 2034	4.50	86,013	5,793
June 27, 2034	4.50	86,981	4,825
September 27, 2034	4.50	87,959	3,847
December 27, 2034	4.50	88,949	2,857
March 27, 2035	4.50	89,949	1,857
June 27, 2035	4.50	75,685	844
		\$ 5,718,593	\$ 4,181,178

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 C
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 26, 2008	4.50 %	\$ 24,690	\$ 58,770
December 26, 2008	4.50	24,967	58,493
March 26, 2009	4.50	25,248	58,212
June 26, 2009	4.50	25,533	57,928
September 26, 2009	4.50	25,820	57,640
December 26, 2009	4.50	26,110	57,350
March 26, 2010	4.50	26,404	57,056
June 26, 2010	4.50	26,701	56,759
September 26, 2010	4.50	27,001	56,459
December 26, 2010	4.50	27,305	56,155
March 26, 2011	4.50	27,612	55,848
June 26, 2011	4.50	27,923	55,537
September 26, 2011	4.50	28,237	55,223
December 26, 2011	4.50	28,555	54,905
March 26, 2012	4.50	28,876	54,584
June 26, 2012	4.50	29,201	54,259
September 26, 2012	4.50	29,529	53,931
December 26, 2012	4.50	29,861	53,599
March 26, 2013	4.50	30,197	53,263
June 26, 2013	4.50	30,537	52,923
September 26, 2013	4.50	30,881	52,579
December 26, 2013	4.50	31,228	52,232
March 26, 2014	4.50	31,579	51,881
June 26, 2014	4.50	31,935	51,525
September 26, 2014	4.50	32,294	51,166
December 26, 2014	4.50	32,657	50,803
March 26, 2015	4.50	33,025	50,435
June 26, 2015	4.50	33,396	50,064
September 26, 2015	4.50	33,772	49,688
December 26, 2015	4.50	34,152	49,308
March 26, 2016	4.50	34,536	48,924
June 26, 2016	4.50	34,925	48,535
September 26, 2016	4.50	35,317	48,143
December 26, 2016	4.50	35,715	47,745
March 26, 2017	4.50	36,117	47,343
June 26, 2017	4.50	36,523	46,937
September 26, 2017	4.50	36,934	46,526
December 26, 2017	4.50	37,349	46,111
March 26, 2018	4.50	37,769	45,691
June 26, 2018	4.50	38,194	45,266
September 26, 2018	4.50	38,624	44,836
December 26, 2018	4.50	39,059	44,401
March 26, 2019	4.50	39,498	43,962
June 26, 2019	4.50	39,942	43,518
September 26, 2019	4.50	40,392	43,068
December 26, 2019	4.50	40,846	42,614
March 26, 2020	4.50	41,306	42,154
June 26, 2020	4.50	41,770	41,690
September 26, 2020	4.50	42,240	41,220
December 26, 2020	4.50	42,715	40,745
March 26, 2021	4.50	43,196	40,264
June 26, 2021	4.50	43,682	39,778
September 26, 2021	4.50	44,173	39,287

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 C
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
December 26, 2021	4.50 %	\$ 44,670	\$ 38,790
March 26, 2022	4.50	45,173	38,287
June 26, 2022	4.50	45,681	37,779
September 26, 2022	4.50	46,195	37,265
December 26, 2022	4.50	46,715	36,745
March 26, 2023	4.50	47,240	36,220
June 26, 2023	4.50	47,772	35,688
September 26, 2023	4.50	48,309	35,151
December 26, 2023	4.50	48,852	34,608
March 26, 2024	4.50	49,402	34,058
June 26, 2024	4.50	49,958	33,502
September 26, 2024	4.50	50,520	32,940
December 26, 2024	4.50	51,088	32,372
March 26, 2025	4.50	51,663	31,797
June 26, 2025	4.50	52,244	31,216
September 26, 2025	4.50	52,832	30,628
December 26, 2025	4.50	53,426	30,034
March 26, 2026	4.50	54,027	29,433
June 26, 2026	4.50	54,635	28,825
September 26, 2026	4.50	55,250	28,210
December 26, 2026	4.50	55,871	27,589
March 26, 2027	4.50	56,500	26,960
June 26, 2027	4.50	57,135	26,325
September 26, 2027	4.50	57,778	25,682
December 26, 2027	4.50	58,428	25,032
March 26, 2028	4.50	59,086	24,374
June 26, 2028	4.50	59,750	23,710
September 26, 2028	4.50	60,422	23,038
December 26, 2028	4.50	61,102	22,358
March 26, 2029	4.50	61,790	21,670
June 26, 2029	4.50	62,485	20,975
September 26, 2029	4.50	63,188	20,272
December 26, 2029	4.50	63,899	19,561
March 26, 2030	4.50	64,617	18,843
June 26, 2030	4.50	65,344	18,116
September 26, 2030	4.50	66,080	17,381
December 26, 2030	4.50	66,823	16,637
March 26, 2031	4.50	67,575	15,885
June 26, 2031	4.50	68,335	15,125
September 26, 2031	4.50	69,104	14,356
December 26, 2031	4.50	69,881	13,579
March 26, 2032	4.50	70,667	12,793
June 26, 2032	4.50	71,462	11,998
September 26, 2032	4.50	72,266	11,194
December 26, 2032	4.50	73,079	10,381
March 26, 2033	4.50	73,901	9,559
June 26, 2033	4.50	74,733	8,727
September 26, 2033	4.50	75,573	7,887
December 26, 2033	4.50	76,424	7,036
March 26, 2034	4.50	77,283	6,177
June 26, 2034	4.50	78,153	5,307
September 26, 2034	4.50	79,032	4,428
December 26, 2034	4.50	79,921	3,539

(continued)

SUSSEX COUNTY, DELAWARE
BONDED DEBT GENERAL OBLIGATION - 1995 C
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 26, 2035	4.50 %	\$ 80,820	\$ 2,640
June 26, 2035	4.50	81,730	1,730
September 26, 2035	4.50	71,177	809
		<u>\$ 5,223,114</u>	<u>\$ 3,862,554</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
September 22, 2008	4.50 %	\$ 12,208	\$ 29,523
December 22, 2008	4.50	12,345	29,385
March 22, 2009	4.50	12,484	29,246
June 22, 2009	4.50	12,623	29,106
September 22, 2009	4.50	12,766	28,964
December 22, 2009	4.50	12,910	28,820
March 22, 2010	4.50	13,055	28,675
June 22, 2010	4.50	13,202	28,528
September 22, 2010	4.50	13,350	28,380
December 22, 2010	4.50	13,500	28,229
March 22, 2011	4.50	13,653	28,077
June 22, 2011	4.50	13,806	27,924
September 22, 2011	4.50	13,961	27,768
December 22, 2011	4.50	14,118	27,612
March 22, 2012	4.50	14,277	27,453
June 22, 2012	4.50	14,438	27,292
September 22, 2012	4.50	14,600	27,131
December 22, 2012	4.50	14,765	26,965
March 22, 2013	4.50	14,931	26,799
June 22, 2013	4.50	15,099	26,631
September 22, 2013	4.50	15,269	26,461
December 22, 2013	4.50	15,440	26,290
March 22, 2014	4.50	15,614	26,116
June 22, 2014	4.50	15,790	25,940
September 22, 2014	4.50	15,967	25,763
December 22, 2014	4.50	16,147	25,583
March 22, 2015	4.50	16,329	25,401
June 22, 2015	4.50	16,512	25,218
September 22, 2015	4.50	16,698	25,032
December 22, 2015	4.50	16,886	24,844
March 22, 2016	4.50	17,076	24,654
June 22, 2016	4.50	17,268	24,462
September 22, 2016	4.50	17,462	24,267
December 22, 2016	4.50	17,659	24,071
March 22, 2017	4.50	17,857	23,873
June 22, 2017	4.50	18,058	23,672
September 22, 2017	4.50	18,261	23,469
December 22, 2017	4.50	18,467	23,263
March 22, 2018	4.50	18,675	23,055
June 22, 2018	4.50	18,885	22,845
September 22, 2018	4.50	19,097	22,633
December 22, 2018	4.50	19,312	22,418
March 22, 2019	4.50	19,529	22,201
June 22, 2019	4.50	19,749	21,981
September 22, 2019	4.50	19,971	21,759
December 22, 2019	4.50	20,196	21,534
March 22, 2020	4.50	20,423	21,307
June 22, 2020	4.50	20,653	21,077
September 22, 2020	4.50	20,885	20,845
December 22, 2020	4.50	21,120	20,610
March 22, 2021	4.50	21,358	20,372
June 22, 2021	4.50	21,598	20,132
September 22, 2021	4.50	21,841	19,889

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 22, 2021	4.50 \$	\$ 22,087	\$ 19,643
March 22, 2022	4.50	22,335	19,395
June 22, 2022	4.50	22,586	19,144
September 22, 2022	4.50	22,840	18,889
December 22, 2022	4.50	23,097	18,633
March 22, 2023	4.50	23,357	18,373
June 22, 2023	4.50	23,620	18,110
September 22, 2023	4.50	23,886	17,843
December 22, 2023	4.50	24,154	17,576
March 22, 2024	4.50	24,426	17,304
June 22, 2024	4.50	24,701	17,029
September 22, 2024	4.50	24,979	16,751
December 22, 2024	4.50	25,260	16,470
March 22, 2025	4.50	25,544	16,186
June 22, 2025	4.50	25,831	15,899
September 22, 2025	4.50	26,122	15,608
December 22, 2025	4.50	26,416	15,314
March 22, 2026	4.50	26,713	15,017
June 22, 2026	4.50	27,014	14,716
September 22, 2026	4.50	27,318	14,413
December 22, 2026	4.50	27,625	14,105
March 22, 2027	4.50	27,936	13,794
June 22, 2027	4.50	28,250	13,480
September 22, 2027	4.50	28,568	13,162
December 22, 2027	4.50	28,889	12,841
March 22, 2028	4.50	29,214	12,516
June 22, 2028	4.50	29,543	12,187
September 22, 2028	4.50	29,875	11,855
December 22, 2028	4.50	30,211	11,519
March 22, 2029	4.50	30,551	11,179
June 22, 2029	4.50	30,895	10,835
September 22, 2029	4.50	31,242	10,488
December 22, 2029	4.50	31,594	10,136
March 22, 2030	4.50	31,949	9,781
June 22, 2030	4.50	32,309	9,421
September 22, 2030	4.50	32,672	9,057
December 22, 2030	4.50	33,040	8,690
March 22, 2031	4.50	33,411	8,319
June 22, 2031	4.50	33,787	7,943
September 22, 2031	4.50	34,167	7,563
December 22, 2031	4.50	34,552	7,178
March 22, 2032	4.50	34,941	6,790
June 22, 2032	4.50	35,334	6,396
September 22, 2032	4.50	35,731	6,000
December 22, 2032	4.50	36,133	5,597
March 22, 2033	4.50	36,540	5,190
June 22, 2033	4.50	36,951	4,779
September 22, 2033	4.50	37,366	4,364
December 22, 2033	4.50	37,787	3,943
March 22, 2034	4.50	38,212	3,518
June 22, 2034	4.50	38,642	3,088
September 22, 2034	4.50	39,076	2,654
December 22, 2034	4.50	39,516	2,214

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 22, 2035	4.50 %	\$ 39,961	\$ 1,769
June 22, 2035	4.50	40,410	1,320
September 22, 2035	4.50	40,865	865
December 22, 2035	4.50	35,666	406
		<u>\$ 2,623,840</u>	<u>\$ 1,960,800</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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Date of Maturity	Coupon	Principal Maturity	Interest Payable
July 17, 2008	4.50 %	\$ 1,766	\$ 4,490
October 17, 2008	4.50	1,786	4,470
January 17, 2009	4.50	1,806	4,450
April 17, 2009	4.50	1,826	4,430
July 17, 2009	4.50	1,847	4,409
October 17, 2009	4.50	1,868	4,388
January 17, 2010	4.50	1,889	4,367
April 17, 2010	4.50	1,910	4,346
July 17, 2010	4.50	1,932	4,324
October 17, 2010	4.50	1,953	4,303
January 17, 2011	4.50	1,975	4,281
April 17, 2011	4.50	1,997	4,259
July 17, 2011	4.50	2,020	4,236
October 17, 2011	4.50	2,043	4,213
January 17, 2012	4.50	2,066	4,190
April 17, 2012	4.50	2,089	4,167
July 17, 2012	4.50	2,112	4,144
October 17, 2012	4.50	2,136	4,120
January 17, 2013	4.50	2,160	4,096
April 17, 2013	4.50	2,184	4,072
July 17, 2013	4.50	2,209	4,047
October 17, 2013	4.50	2,234	4,022
January 17, 2014	4.50	2,259	3,997
April 17, 2014	4.50	2,284	3,972
July 17, 2014	4.50	2,310	3,946
October 17, 2014	4.50	2,336	3,920
January 17, 2015	4.50	2,362	3,894
April 17, 2015	4.50	2,389	3,867
July 17, 2015	4.50	2,415	3,840
October 17, 2015	4.50	2,443	3,813
January 17, 2016	4.50	2,471	3,785
April 17, 2016	4.50	2,498	3,758
July 17, 2016	4.50	2,526	3,730
October 17, 2016	4.50	2,555	3,701
January 17, 2017	4.50	2,584	3,672
April 17, 2017	4.50	2,613	3,643
July 17, 2017	4.50	2,642	3,614
October 17, 2017	4.50	2,672	3,584
January 17, 2018	4.50	2,702	3,554
April 17, 2018	4.50	2,732	3,524
July 17, 2018	4.50	2,763	3,493
October 17, 2018	4.50	2,794	3,462
January 17, 2019	4.50	2,825	3,431
April 17, 2019	4.50	2,857	3,398
July 17, 2019	4.50	2,889	3,367
October 17, 2019	4.50	2,923	3,334
January 17, 2020	4.50	2,955	3,301
April 17, 2020	4.50	2,988	3,268
July 17, 2020	4.50	3,022	3,234
October 17, 2020	4.50	3,056	3,200
January 17, 2021	4.50	3,090	3,166
April 17, 2021	4.50	3,125	3,131
July 17, 2021	4.50	3,160	3,096

(continued)

BONDED DEBT GENERAL OBLIGATION - 1996

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 17, 2021	4.50 %	\$ 3,195	\$ 3,061
January 17, 2022	4.50	3,231	3,025
April 17, 2022	4.50	3,268	2,988
July 17, 2022	4.50	3,305	2,951
October 17, 2022	4.50	3,342	2,914
January 17, 2023	4.50	3,379	2,877
April 17, 2023	4.50	3,417	2,839
July 17, 2023	4.50	3,456	2,800
October 17, 2023	4.50	3,495	2,761
January 17, 2024	4.50	3,534	2,722
April 17, 2024	4.50	3,574	2,682
July 17, 2024	4.50	3,614	2,642
October 17, 2024	4.50	3,655	2,601
January 17, 2025	4.50	3,696	2,560
April 17, 2025	4.50	3,737	2,519
July 17, 2025	4.50	3,779	2,477
October 17, 2025	4.50	3,822	2,434
January 17, 2026	4.50	3,865	2,391
April 17, 2026	4.50	3,908	2,348
July 17, 2026	4.50	3,952	2,304
October 17, 2026	4.50	3,997	2,259
January 17, 2027	4.50	4,042	2,214
April 17, 2027	4.50	4,087	2,169
July 17, 2027	4.50	4,133	2,123
October 17, 2027	4.50	4,180	2,076
January 17, 2028	4.50	4,227	2,029
April 17, 2028	4.50	4,274	1,982
July 17, 2028	4.50	4,322	1,934
October 17, 2028	4.50	4,371	1,885
January 17, 2029	4.50	4,420	1,836
April 17, 2029	4.50	4,470	1,786
July 17, 2029	4.50	4,520	1,736
October 17, 2029	4.50	4,571	1,685
January 17, 2030	4.50	4,622	1,634
April 17, 2030	4.50	4,674	1,582
July 17, 2030	4.50	4,727	1,529
October 17, 2030	4.50	4,780	1,476
January 17, 2031	4.50	4,834	1,422
April 17, 2031	4.50	4,888	1,368
July 17, 2031	4.50	4,943	1,313
October 17, 2031	4.50	4,999	1,257
January 17, 2032	4.50	5,055	1,201
April 17, 2032	4.50	5,112	1,144
July 17, 2032	4.50	5,170	1,086
October 17, 2032	4.50	5,228	1,028
January 17, 2033	4.50	5,287	969
April 17, 2033	4.50	5,346	910
July 17, 2033	4.50	5,406	850
October 17, 2033	4.50	5,467	789
January 17, 2034	4.50	5,528	728
April 17, 2034	4.50	5,590	665
July 17, 2034	4.50	5,654	602
October 17, 2034	4.50	5,717	539

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
January 17, 2035	4.50 %	\$ 5,781	\$ 475
April 17, 2035	4.50	5,847	409
July 17, 2035	4.50	5,912	344
October 17, 2035	4.50	5,979	277
January 17, 2036	4.50	6,046	210
April 17, 2036	4.50	6,114	142
July 17, 2036	4.50	5,141	73
October 17, 2036	4.50	2,871	2
		<u>\$ 400,604</u>	<u>\$ 308,153</u>

(continued)

SUSSEX COUNTY, DELAWARE
BONDED DEBT GENERAL OBLIGATION - 1997
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
June 15, 2009	1.50 %	\$ 488,625	\$ 104,347
June 15, 2010	1.50	495,954	97,018
June 15, 2011	1.50	503,394	89,578
June 15, 2012	1.50	510,945	82,027
June 15, 2013	1.50	518,609	74,363
June 15, 2014	1.50	526,388	66,584
June 15, 2015	1.50	534,284	58,688
June 15, 2016	1.50	542,298	50,674
June 15, 2017	1.50	550,432	42,540
June 15, 2018	1.50	558,689	34,283
June 15, 2019	1.50	567,069	25,903
June 15, 2020	1.50	575,575	17,397
June 15, 2021	1.50	584,210	8,762
		<u>\$ 6,956,472</u>	<u>\$ 752,164</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2000
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2008	1.50 %	\$ 383,850	\$ 100,053
June 30, 2009	1.50	386,729	97,174
December 31, 2009	1.50	389,629	94,274
June 30, 2010	1.50	392,552	91,351
December 31, 2010	1.50	395,496	88,407
June 30, 2011	1.50	398,462	85,441
December 31, 2011	1.50	401,450	82,452
June 30, 2012	1.50	404,461	79,442
December 31, 2012	1.50	407,495	76,408
June 30, 2013	1.50	410,551	73,352
December 31, 2013	1.50	413,630	70,273
June 30, 2014	1.50	416,732	67,171
December 31, 2014	1.50	419,858	64,045
June 30, 2015	1.50	423,007	60,896
December 31, 2015	1.50	426,179	57,724
June 30, 2016	1.50	429,376	54,527
December 31, 2016	1.50	432,596	51,307
June 30, 2017	1.50	435,840	48,063
December 31, 2017	1.50	439,109	44,794
June 30, 2018	1.50	442,403	41,500
December 31, 2018	1.50	445,721	38,182
June 30, 2019	1.50	449,063	34,839
December 31, 2019	1.50	452,431	31,472
June 30, 2020	1.50	455,825	28,078
December 31, 2020	1.50	459,243	24,660
June 30, 2021	1.50	462,688	21,215
December 31, 2021	1.50	466,158	17,745
June 30, 2022	1.50	469,654	14,249
December 31, 2022	1.50	473,176	10,727
June 30, 2023	1.50	476,725	7,178
December 31, 2023	1.50	480,301	3,604
		<u>\$ 13,340,390</u>	<u>\$ 1,660,603</u>

Accrued interest during construction will be included in the principal amount and amortized over the life of the loan upon project completion.

(continued)

BONDED DEBT GENERAL OBLIGATION - 2000

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 15, 2008	1.50 %	\$ 39,936	\$ 10,410
June 15, 2009	1.50	40,236	10,110
December 15, 2009	1.50	40,538	9,808
June 15, 2010	1.50	40,842	9,504
December 15, 2010	1.50	41,148	9,198
June 15, 2011	1.50	41,457	8,889
December 15, 2011	1.50	41,768	8,579
June 15, 2012	1.50	42,081	8,265
December 15, 2012	1.50	42,396	7,950
June 15, 2013	1.50	42,714	7,632
December 15, 2013	1.50	43,035	7,311
June 15, 2014	1.50	43,358	6,989
December 15, 2014	1.50	43,683	6,663
June 15, 2015	1.50	44,010	6,336
December 15, 2015	1.50	44,340	6,006
June 15, 2016	1.50	44,673	5,673
December 15, 2016	1.50	45,008	5,338
June 15, 2017	1.50	45,346	5,001
December 15, 2017	1.50	45,686	4,660
June 15, 2018	1.50	46,028	4,318
December 15, 2018	1.50	46,374	3,973
June 15, 2019	1.50	46,721	3,625
December 15, 2019	1.50	47,072	3,274
June 15, 2020	1.50	47,425	2,921
December 15, 2020	1.50	47,780	2,566
June 15, 2021	1.50	48,139	2,207
December 15, 2021	1.50	48,500	1,846
June 15, 2022	1.50	48,864	1,482
December 15, 2022	1.50	49,230	1,116
June 15, 2023	1.50	49,599	747
December 15, 2023	1.50	49,970	372
		<u>\$ 1,387,957</u>	<u>\$ 172,769</u>

(continued)

BONDED DEBT GENERAL OBLIGATION - 2001

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
September 1, 2008	4.50 %	\$ 30,911	\$ 104,176
December 1, 2008	4.50	31,259	103,828
March 1, 2009	4.50	31,610	103,477
June 1, 2009	4.50	31,966	103,120
September 1, 2009	4.50	32,326	102,761
December 1, 2009	4.50	32,689	102,398
March 1, 2010	4.50	33,057	102,030
June 1, 2010	4.50	33,429	101,658
September 1, 2010	4.50	33,805	101,282
December 1, 2010	4.50	34,185	100,902
March 1, 2011	4.50	34,570	100,517
June 1, 2011	4.50	34,959	100,128
September 1, 2011	4.50	35,352	99,735
December 1, 2011	4.50	35,750	99,337
March 1, 2012	4.50	36,152	98,935
June 1, 2012	4.50	36,559	98,528
September 1, 2012	4.50	36,970	98,117
December 1, 2012	4.50	37,386	97,701
March 1, 2013	4.50	37,807	97,280
June 1, 2013	4.50	38,232	96,855
September 1, 2013	4.50	38,662	96,425
December 1, 2013	4.50	39,097	95,990
March 1, 2014	4.50	39,537	95,550
June 1, 2014	4.50	39,982	95,105
September 1, 2014	4.50	40,431	94,656
December 1, 2014	4.50	40,886	94,201
March 1, 2015	4.50	41,346	93,741
June 1, 2015	4.50	41,811	93,276
September 1, 2015	4.50	42,282	92,805
December 1, 2015	4.50	42,757	92,330
March 1, 2016	4.50	43,238	91,849
June 1, 2016	4.50	43,725	91,362
September 1, 2016	4.50	44,217	90,870
December 1, 2016	4.50	44,714	90,373
March 1, 2017	4.50	45,217	89,870
June 1, 2017	4.50	45,726	89,361
September 1, 2017	4.50	46,240	88,847
December 1, 2017	4.50	46,761	88,326
March 1, 2018	4.50	47,287	87,800
June 1, 2018	4.50	47,819	87,268
September 1, 2018	4.50	48,357	86,730
December 1, 2018	4.50	48,901	86,186
March 1, 2019	4.50	49,451	85,636
June 1, 2019	4.50	50,007	85,080
September 1, 2019	4.50	50,570	84,517
December 1, 2019	4.50	51,138	83,949
March 1, 2020	4.50	51,714	83,373
June 1, 2020	4.50	52,296	82,791
September 1, 2020	4.50	52,884	82,203
December 1, 2020	4.50	53,479	81,608
March 1, 2021	4.50	54,080	81,007
June 1, 2021	4.50	54,689	80,398
September 1, 2021	4.50	55,304	79,783

(continued)

BONDED DEBT GENERAL OBLIGATION - 2001

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 1, 2021	4.50 %	\$ 55,926	\$ 79,161
March 1, 2022	4.50	56,555	78,532
June 1, 2022	4.50	57,192	77,895
September 1, 2022	4.50	57,835	77,252
December 1, 2022	4.50	58,486	76,601
March 1, 2023	4.50	59,144	75,943
June 1, 2023	4.50	59,809	75,278
September 1, 2023	4.50	60,482	74,605
December 1, 2023	4.50	61,162	73,925
March 1, 2024	4.50	61,850	73,237
June 1, 2024	4.50	62,546	72,541
September 1, 2024	4.50	63,250	71,837
December 1, 2024	4.50	63,961	71,126
March 1, 2025	4.50	64,681	70,406
June 1, 2025	4.50	65,409	69,678
September 1, 2025	4.50	66,145	68,942
December 1, 2025	4.50	66,889	68,198
March 1, 2026	4.50	67,641	67,446
June 1, 2026	4.50	68,402	66,685
September 1, 2026	4.50	69,172	65,915
December 1, 2026	4.50	69,950	65,137
March 1, 2027	4.50	70,737	64,350
June 1, 2027	4.50	71,533	63,554
September 1, 2027	4.50	72,337	62,750
December 1, 2027	4.50	73,151	61,936
March 1, 2028	4.50	73,974	61,113
June 1, 2028	4.50	74,806	60,281
September 1, 2028	4.50	75,648	59,439
December 1, 2028	4.50	76,499	58,588
March 1, 2029	4.50	77,359	57,728
June 1, 2029	4.50	78,230	56,857
September 1, 2029	4.50	79,110	55,977
December 1, 2029	4.50	80,000	55,087
March 1, 2030	4.50	80,900	54,187
June 1, 2030	4.50	81,810	53,277
September 1, 2030	4.50	82,730	52,357
December 1, 2030	4.50	83,661	51,426
March 1, 2031	4.50	84,602	50,485
June 1, 2031	4.50	85,554	49,533
September 1, 2031	4.50	86,517	48,570
December 1, 2031	4.50	87,490	47,597
March 1, 2032	4.50	88,474	46,613
June 1, 2032	4.50	89,469	45,618
September 1, 2032	4.50	90,476	44,611
December 1, 2032	4.50	91,494	43,593
March 1, 2033	4.50	92,523	42,564
June 1, 2033	4.50	93,564	41,523
September 1, 2033	4.50	94,617	40,470
December 1, 2033	4.50	95,681	39,406
March 1, 2034	4.50	96,757	38,330
June 1, 2034	4.50	97,846	37,241
September 1, 2034	4.50	98,947	36,140
December 1, 2034	4.50	100,060	35,027

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 1, 2035	4.50 %	\$ 101,186	\$ 33,901
June 1, 2035	4.50	102,324	32,763
September 1, 2035	4.50	103,475	31,612
December 1, 2035	4.50	104,639	30,448
March 1, 2036	4.50	105,816	29,271
June 1, 2036	4.50	107,007	28,080
September 1, 2036	4.50	108,211	26,876
December 1, 2036	4.50	109,428	25,659
March 1, 2037	4.50	110,659	24,428
June 1, 2037	4.50	111,904	23,183
September 1, 2037	4.50	113,163	21,924
December 1, 2037	4.50	114,436	20,651
March 1, 2038	4.50	115,723	19,364
June 1, 2038	4.50	117,025	18,062
September 1, 2038	4.50	118,342	16,745
December 1, 2038	4.50	119,673	15,414
March 1, 2039	4.50	121,019	14,068
June 1, 2039	4.50	122,381	12,706
September 1, 2039	4.50	123,758	11,329
December 1, 2039	4.50	125,150	9,937
March 1, 2040	4.50	126,558	8,529
June 1, 2040	4.50	127,982	7,105
September 1, 2040	4.50	129,421	5,666
December 1, 2040	4.50	130,877	4,210
March 1, 2041	4.50	132,350	2,737
June 1, 2041	4.50	110,955	1,251
		\$ 9,260,084	\$ 8,548,518

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2008	1.50 %	\$ -	\$ 16,781
June 30, 2009	1.50	51,107	16,781
December 31, 2009	1.50	51,490	16,398
June 30, 2010	1.50	51,877	16,011
December 31, 2010	1.50	52,266	15,622
June 30, 2011	1.50	52,658	15,230
December 31, 2011	1.50	53,053	14,835
June 30, 2012	1.50	53,451	14,438
December 31, 2012	1.50	53,851	14,037
June 30, 2013	1.50	54,255	13,633
December 31, 2013	1.50	54,662	13,226
June 30, 2014	1.50	55,072	12,816
December 31, 2014	1.50	55,485	12,403
June 30, 2015	1.50	55,901	11,987
December 31, 2015	1.50	56,321	11,567
June 30, 2016	1.50	56,743	11,145
December 31, 2016	1.50	57,169	10,720
June 30, 2017	1.50	57,597	10,291
December 31, 2017	1.50	58,029	9,859
June 30, 2018	1.50	58,465	9,424
December 31, 2018	1.50	58,903	8,985
June 30, 2019	1.50	59,345	8,543
December 31, 2019	1.50	59,790	8,098
June 30, 2020	1.50	60,238	7,650
December 31, 2020	1.50	60,690	7,198
June 30, 2021	1.50	61,145	6,743
December 31, 2021	1.50	61,604	6,284
June 30, 2022	1.50	62,066	5,822
December 31, 2022	1.50	62,531	5,357
June 30, 2023	1.50	63,000	4,888
December 31, 2023	1.50	63,473	4,415
June 30, 2024	1.50	63,949	3,939
December 31, 2024	1.50	64,429	3,460
June 30, 2025	1.50	64,912	2,976
December 31, 2025	1.50	65,399	2,490
June 30, 2026	1.50	65,889	1,999
December 31, 2026	1.50	66,383	1,505
June 30, 2027	1.50	66,881	1,007
December 31, 2027	1.50	67,382	504
		<u>\$ 2,237,461</u>	<u>\$ 359,067</u>

(continued)

BONDED DEBT GENERAL OBLIGATION - 2002

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 15, 2008	1.50 %	\$ 122,692	\$ 37,268
June 15, 2009	1.50	62,038	17,943
December 15, 2009	1.50	62,502	17,478
June 15, 2010	1.50	62,971	17,009
December 15, 2010	1.50	63,443	16,537
June 15, 2011	1.50	63,919	16,061
December 15, 2011	1.50	64,399	15,582
June 15, 2012	1.50	64,882	15,099
December 15, 2012	1.50	65,368	14,612
June 15, 2013	1.50	65,859	14,122
December 15, 2013	1.50	66,352	13,628
June 15, 2014	1.50	66,850	13,130
December 15, 2014	1.50	67,351	12,629
June 15, 2015	1.50	67,857	12,124
December 15, 2015	1.50	68,366	11,615
June 15, 2016	1.50	68,878	11,102
December 15, 2016	1.50	69,395	10,586
June 15, 2017	1.50	69,915	10,065
December 15, 2017	1.50	70,440	9,541
June 15, 2018	1.50	70,968	9,012
December 15, 2018	1.50	71,500	8,480
June 15, 2019	1.50	72,037	7,944
December 15, 2019	1.50	72,577	7,404
June 15, 2020	1.50	73,121	6,859
December 15, 2020	1.50	73,670	6,311
June 15, 2021	1.50	74,222	5,758
December 15, 2021	1.50	74,779	5,202
June 15, 2022	1.50	75,340	4,641
December 15, 2022	1.50	75,905	4,076
June 15, 2023	1.50	76,474	3,507
December 15, 2023	1.50	77,047	2,933
June 15, 2024	1.50	77,625	2,355
December 15, 2024	1.50	78,207	1,773
June 15, 2025	1.50	78,794	1,186
December 15, 2025	1.50	79,384	595
		\$ 2,515,127	\$ 364,167

(continued)

BONDED DEBT GENERAL OBLIGATION - 2002

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 13, 2008	3.175 %	\$ 246,414	\$ 195,310
June 13, 2009	3.175	250,332	191,392
December 13, 2009	3.175	254,313	187,412
June 13, 2010	3.175	258,356	183,368
December 13, 2010	3.175	262,464	179,260
June 13, 2011	3.175	266,637	175,087
December 13, 2011	3.175	270,877	170,848
June 13, 2012	3.175	275,184	166,541
December 13, 2012	3.175	279,559	162,165
June 13, 2013	3.175	284,004	157,720
December 13, 2013	3.175	288,520	153,205
June 13, 2014	3.175	293,107	148,617
December 13, 2014	3.175	297,768	143,957
June 13, 2015	3.175	302,502	139,222
December 13, 2015	3.175	307,312	134,413
June 13, 2016	3.175	312,198	129,526
December 13, 2016	3.175	317,162	124,562
June 13, 2017	3.175	322,205	119,519
December 13, 2017	3.175	327,328	114,396
June 13, 2018	3.175	332,533	109,192
December 13, 2018	3.175	337,820	103,905
June 13, 2019	3.175	343,191	98,533
December 13, 2019	3.175	348,648	93,077
June 13, 2020	3.175	354,191	87,533
December 13, 2020	3.175	359,823	81,901
June 13, 2021	3.175	365,544	76,180
December 13, 2021	3.175	371,356	70,368
June 13, 2022	3.175	377,261	64,464
December 13, 2022	3.175	383,259	58,465
June 13, 2023	3.175	389,353	52,371
December 13, 2023	3.175	395,544	46,181
June 13, 2024	3.175	401,833	39,891
December 13, 2024	3.175	408,222	33,502
June 13, 2025	3.175	414,713	27,012
December 13, 2025	3.175	421,307	20,418
June 13, 2026	3.175	428,006	13,719
December 13, 2026	3.175	434,811	6,917
		\$ 12,283,657	\$ 4,060,149

(continued)

BONDED DEBT GENERAL OBLIGATION - 2002

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 13, 2008	-	\$ 12,820	\$ -
June 13, 2009	%	12,821	-
December 13, 2009	-	12,820	-
June 13, 2010	-	12,821	-
December 13, 2010	-	12,820	-
June 13, 2011	-	12,821	-
December 13, 2011	-	12,820	-
June 13, 2012	-	12,821	-
December 13, 2012	-	12,820	-
June 13, 2013	-	12,821	-
December 13, 2013	-	12,820	-
June 13, 2014	-	12,821	-
December 13, 2014	-	12,820	-
June 13, 2015	-	12,821	-
December 13, 2015	-	12,820	-
June 13, 2016	-	12,821	-
December 13, 2016	-	12,820	-
June 13, 2017	-	12,821	-
December 13, 2017	-	12,820	-
June 13, 2018	-	12,821	-
December 13, 2018	-	12,820	-
June 13, 2019	-	12,821	-
December 13, 2019	-	12,820	-
June 13, 2020	-	12,821	-
December 13, 2020	-	12,820	-
June 13, 2021	-	12,821	-
December 13, 2021	-	12,820	-
June 13, 2022	-	12,821	-
December 13, 2022	-	12,820	-
June 13, 2023	-	12,821	-
December 13, 2023	-	12,820	-
June 13, 2024	-	12,821	-
December 13, 2024	-	12,820	-
June 13, 2025	-	12,821	-
December 13, 2025	-	12,820	-
June 13, 2026	-	12,821	-
December 13, 2026	-	12,820	-
June 13, 2027	-	12,821	-
December 13, 2027	-	12,820	-
June 13, 2028	-	12,821	-
December 13, 2028	-	12,820	-
June 13, 2029	-	12,821	-
December 13, 2029	-	12,820	-
June 13, 2030	-	12,821	-
December 13, 2030	-	12,820	-
June 13, 2031	-	12,821	-
December 13, 2031	-	12,820	-
June 13, 2032	-	12,821	-
December 13, 2032	-	12,820	-
June 13, 2033	-	12,821	-
December 13, 2033	-	12,820	-
June 13, 2034	-	12,821	-
December 13, 2034	-	12,820	-

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
June 13, 2035	- %	\$ 12,821	\$ -
December 13, 2035	-	12,820	-
June 13, 2036	-	12,821	-
December 13, 2036	-	12,820	-
June 13, 2037	-	12,821	-
December 13, 2037	-	12,820	-
June 13, 2038	-	12,821	-
December 13, 2038	-	12,820	-
June 13, 2039	-	12,821	-
December 13, 2039	-	12,820	-
June 13, 2040	-	12,821	-
December 13, 2040	-	12,820	-
June 13, 2041	-	12,821	-
December 13, 2041	-	12,820	-
June 13, 2042	-	12,822	-
		<u>\$ 871,795</u>	<u>\$ -</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2008	2.00 %	\$ 37,097	\$ 13,909
June 30, 2009	2.00	37,467	13,538
December 31, 2009	2.00	37,842	13,163
June 30, 2010	2.00	38,221	12,785
December 31, 2010	2.00	38,603	12,403
June 30, 2011	2.00	38,989	12,017
December 31, 2011	2.00	39,379	11,627
June 30, 2012	2.00	39,772	11,233
December 31, 2012	2.00	40,170	10,835
June 30, 2013	2.00	40,572	10,434
December 31, 2013	2.00	40,978	10,028
June 30, 2014	2.00	41,387	9,618
December 31, 2014	2.00	41,801	9,204
June 30, 2015	2.00	42,219	8,786
December 31, 2015	2.00	42,642	8,364
June 30, 2016	2.00	43,068	7,938
December 31, 2016	2.00	43,499	7,507
June 30, 2017	2.00	43,934	7,072
December 31, 2017	2.00	44,373	6,633
June 30, 2018	2.00	44,817	6,189
December 31, 2018	2.00	45,265	5,741
June 30, 2019	2.00	45,717	5,288
December 31, 2019	2.00	46,175	4,831
June 30, 2020	2.00	46,636	4,369
December 31, 2020	2.00	47,103	3,903
June 30, 2021	2.00	47,574	3,432
December 31, 2021	2.00	48,050	2,956
June 30, 2022	2.00	48,530	2,476
December 31, 2022	2.00	49,015	1,990
June 30, 2023	2.00	49,505	1,500
December 31, 2023	2.00	50,001	1,005
June 30, 2024	2.00	50,499	502
		<u>\$ 1,390,900</u>	<u>\$ 241,276</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 15, 2008	5.000 %	\$ 2,295,000	\$ 594,438
April 15, 2009		-	537,063
October 15, 2009	5.000	2,425,000	537,063
April 15, 2010	-	-	476,438
October 15, 2010	5.000	2,540,000	476,438
April 15, 2011	-	-	412,938
October 15, 2011	5.000	2,670,000	412,938
April 15, 2012	-	-	346,188
October 15, 2012	4.000	2,810,000	346,188
April 15, 2013	-	-	289,988
October 15, 2013	4.000	2,570,000	289,988
April 15, 2014	-	-	238,588
October 15, 2014	4.000	1,945,000	238,588
April 15, 2015	-	-	199,688
October 15, 2015	4.000	1,790,000	199,688
April 15, 2016	-	-	163,888
October 15, 2016	4.125	1,875,000	163,888
April 15, 2017	-	-	125,216
October 15, 2017	4.250	1,185,000	125,216
April 15, 2018	-	-	100,034
October 15, 2018	4.250	1,235,000	100,034
April 15, 2019	-	-	73,791
October 15, 2019	4.375	1,290,000	73,791
April 15, 2020	-	-	45,572
October 15, 2020	4.375	1,345,000	45,572
April 15, 2021	-	-	16,150
October 15, 2021	4.750	45,000	16,150
April 15, 2022	-	-	15,081
October 15, 2022	4.750	50,000	15,081
April 15, 2023	-	-	13,894
October 15, 2023	4.750	50,000	13,894
April 15, 2024	-	-	12,706
October 15, 2024	4.750	55,000	12,706
April 15, 2025	-	-	11,400
October 15, 2025	4.750	55,000	11,400
April 15, 2026	-	-	10,094
October 15, 2026	4.750	60,000	10,094
April 15, 2027	-	-	8,669
October 15, 2027	4.750	65,000	8,669
April 15, 2028	-	-	7,125
October 15, 2028	4.750	65,000	7,125
April 15, 2029	-	-	5,581
October 15, 2029	4.750	70,000	5,581
April 15, 2030	-	-	3,919
October 15, 2030	4.750	75,000	3,919
April 15, 2031	-	-	2,138
October 15, 2031	4.750	75,000	2,138
April 15, 2032	-	-	356
October 15, 2032	4.750	15,002	356
		\$ 26,655,002	\$ 6,827,448

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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Date of Maturity	Coupon	Principal Maturity	Interest Payable
September 25, 2008	4.25 %	\$ 2,397	\$ 8,223
December 25, 2008	4.25	2,422	8,198
March 25, 2009	4.25	2,448	8,172
June 25, 2009	4.25	2,473	8,146
September 25, 2009	4.25	2,500	8,120
December 25, 2009	4.25	2,527	8,093
March 25, 2010	4.25	2,554	8,066
June 25, 2010	4.25	2,581	8,039
September 25, 2010	4.25	2,608	8,012
December 25, 2010	4.25	2,636	7,984
March 25, 2011	4.25	2,664	7,956
June 25, 2011	4.25	2,692	7,928
September 25, 2011	4.25	2,721	7,899
December 25, 2011	4.25	2,750	7,870
March 25, 2012	4.25	2,779	7,841
June 25, 2012	4.25	2,808	7,812
September 25, 2012	4.25	2,838	7,782
December 25, 2012	4.25	2,868	7,752
March 25, 2013	4.25	2,899	7,721
June 25, 2013	4.25	2,930	7,690
September 25, 2013	4.25	2,961	7,659
December 25, 2013	4.25	2,992	7,628
March 25, 2014	4.25	3,024	7,596
June 25, 2014	4.25	3,056	7,564
September 25, 2014	4.25	3,089	7,531
December 25, 2014	4.25	3,121	7,499
March 25, 2015	4.25	3,155	7,465
June 25, 2015	4.25	3,188	7,432
September 25, 2015	4.25	3,222	7,398
December 25, 2015	4.25	3,256	7,364
March 25, 2016	4.25	3,291	7,329
June 25, 2016	4.25	3,326	7,294
September 25, 2016	4.25	3,361	7,259
December 25, 2016	4.25	3,397	7,223
March 25, 2017	4.25	3,433	7,187
June 25, 2017	4.25	3,469	7,151
September 25, 2017	4.25	3,506	7,114
December 25, 2017	4.25	3,544	7,076
March 25, 2018	4.25	3,581	7,039
June 25, 2018	4.25	3,619	7,001
September 25, 2018	4.25	3,658	6,962
December 25, 2018	4.25	3,697	6,923
March 25, 2019	4.25	3,736	6,884
June 25, 2019	4.25	3,776	6,844
September 25, 2019	4.25	3,816	6,804
December 25, 2019	4.25	3,856	6,764
March 25, 2020	4.25	3,897	6,723
June 25, 2020	4.25	3,939	6,681
September 25, 2020	4.25	3,980	6,640
December 25, 2020	4.25	4,023	6,597
March 25, 2021	4.25	4,065	6,555
June 25, 2021	4.25	4,109	6,511
September 25, 2021	4.25	4,152	6,468

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 25, 2021	4.25 %	\$ 4,196	\$ 6,424
March 25, 2022	4.25	4,241	6,379
June 25, 2022	4.25	4,286	6,334
September 25, 2022	4.25	4,332	6,288
December 25, 2022	4.25	4,378	6,242
March 25, 2023	4.25	4,424	6,196
June 25, 2023	4.25	4,471	6,149
September 25, 2023	4.25	4,519	6,101
December 25, 2023	4.25	4,567	6,053
March 25, 2024	4.25	4,615	6,005
June 25, 2024	4.25	4,664	5,956
September 25, 2024	4.25	4,714	5,906
December 25, 2024	4.25	4,764	5,856
March 25, 2025	4.25	4,814	5,806
June 25, 2025	4.25	4,866	5,754
September 25, 2025	4.25	4,917	5,703
December 25, 2025	4.25	4,970	5,650
March 25, 2026	4.25	5,022	5,598
June 25, 2026	4.25	5,076	5,544
September 25, 2026	4.25	5,130	5,490
December 25, 2026	4.25	5,184	5,436
March 25, 2027	4.25	5,239	5,381
June 25, 2027	4.25	5,295	5,325
September 25, 2027	4.25	5,351	5,269
December 25, 2027	4.25	5,408	5,212
March 25, 2028	4.25	5,465	5,155
June 25, 2028	4.25	5,524	5,096
September 25, 2028	4.25	5,582	5,038
December 25, 2028	4.25	5,642	4,978
March 25, 2029	4.25	5,702	4,919
June 25, 2029	4.25	5,762	4,858
September 25, 2029	4.25	5,823	4,797
December 25, 2029	4.25	5,885	4,735
March 25, 2030	4.25	5,948	4,672
June 25, 2030	4.25	6,011	4,609
September 25, 2030	4.25	6,075	4,545
December 25, 2030	4.25	6,139	4,481
March 25, 2031	4.25	6,205	4,415
June 25, 2031	4.25	6,271	4,350
September 25, 2031	4.25	6,337	4,283
December 25, 2031	4.25	6,404	4,216
March 25, 2032	4.25	6,472	4,148
June 25, 2032	4.25	6,541	4,079
September 25, 2032	4.25	6,611	4,009
December 25, 2032	4.25	6,681	3,939
March 25, 2033	4.25	6,752	3,868
June 25, 2033	4.25	6,824	3,796
September 25, 2033	4.25	6,896	3,724
December 25, 2033	4.25	6,969	3,651
March 25, 2034	4.25	7,044	3,576
June 25, 2034	4.25	7,118	3,502
September 25, 2034	4.25	7,194	3,426
December 25, 2034	4.25	7,270	3,350

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 25, 2035	4.25 %	\$ 7,348	\$ 3,272
June 25, 2035	4.25	7,426	3,194
September 25, 2035	4.25	7,505	3,115
December 25, 2035	4.25	7,584	3,036
March 25, 2036	4.25	7,665	2,955
June 25, 2036	4.25	7,746	2,874
September 25, 2036	4.25	7,829	2,791
December 25, 2036	4.25	7,912	2,708
March 25, 2037	4.25	7,996	2,624
June 25, 2037	4.25	8,081	2,539
September 25, 2037	4.25	8,167	2,453
December 25, 2037	4.25	8,254	2,366
March 25, 2038	4.25	8,341	2,279
June 25, 2038	4.25	8,430	2,190
September 25, 2038	4.25	8,519	2,101
December 25, 2038	4.25	8,610	2,010
March 25, 2039	4.25	8,701	1,919
June 25, 2039	4.25	8,794	1,826
September 25, 2039	4.25	8,887	1,733
December 25, 2039	4.25	8,982	1,638
March 25, 2040	4.25	9,077	1,543
June 25, 2040	4.25	9,174	1,446
September 25, 2040	4.25	9,271	1,349
December 25, 2040	4.25	9,370	1,250
March 25, 2041	4.25	9,469	1,151
June 25, 2041	4.25	9,570	1,050
September 25, 2041	4.25	9,672	949
December 25, 2041	4.25	9,774	846
March 25, 2042	4.25	9,878	742
June 25, 2042	4.25	9,983	637
September 25, 2042	4.25	10,089	531
December 25, 2042	4.25	10,196	424
March 25, 2043	4.25	10,305	315
June 25, 2043	4.25	10,414	206
September 25, 2043	4.25	8,963	96
		\$ 773,962	\$ 721,899

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BONDED DEBT GENERAL OBLIGATION - 2003

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 25, 2008	4.25 %	\$ 3,675	\$ 12,613
December 25, 2008	4.25	3,714	12,574
March 25, 2009	4.25	3,754	12,534
June 25, 2009	4.25	3,795	12,494
September 25, 2009	4.25	3,834	12,454
December 25, 2009	4.25	3,875	12,413
March 25, 2010	4.25	3,916	12,372
June 25, 2010	4.25	3,958	12,330
September 25, 2010	4.25	4,000	12,288
December 25, 2010	4.25	4,042	12,246
March 25, 2011	4.25	4,085	12,203
June 25, 2011	4.25	4,129	12,159
September 25, 2011	4.25	4,172	12,116
December 25, 2011	4.25	4,217	12,071
March 25, 2012	4.25	4,262	12,026
June 25, 2012	4.25	4,307	11,981
September 25, 2012	4.25	4,353	11,935
December 25, 2012	4.25	4,399	11,889
March 25, 2013	4.25	4,446	11,842
June 25, 2013	4.25	4,493	11,795
September 25, 2013	4.25	4,541	11,747
December 25, 2013	4.25	4,589	11,699
March 25, 2014	4.25	4,638	11,650
June 25, 2014	4.25	4,687	11,601
September 25, 2014	4.25	4,737	11,551
December 25, 2014	4.25	4,787	11,501
March 25, 2015	4.25	4,838	11,450
June 25, 2015	4.25	4,889	11,399
September 25, 2015	4.25	4,941	11,347
December 25, 2015	4.25	4,994	11,294
March 25, 2016	4.25	5,047	11,241
June 25, 2016	4.25	5,100	11,188
September 25, 2016	4.25	5,155	11,133
December 25, 2016	4.25	5,209	11,079
March 25, 2017	4.25	5,265	11,023
June 25, 2017	4.25	5,321	10,967
September 25, 2017	4.25	5,377	10,911
December 25, 2017	4.25	5,434	10,854
March 25, 2018	4.25	5,492	10,796
June 25, 2018	4.25	5,550	10,738
September 25, 2018	4.25	5,609	10,679
December 25, 2018	4.25	5,669	10,619
March 25, 2019	4.25	5,729	10,559
June 25, 2019	4.25	5,790	10,498
September 25, 2019	4.25	5,852	10,436
December 25, 2019	4.25	5,914	10,374
March 25, 2020	4.25	5,977	10,311
June 25, 2020	4.25	6,040	10,248
September 25, 2020	4.25	6,104	10,184
December 25, 2020	4.25	6,169	10,119
March 25, 2021	4.25	6,235	10,053
June 25, 2021	4.25	6,301	9,987
September 25, 2021	4.25	6,368	9,920

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
December 25, 2021	4.25 %	\$ 6,435	\$ 9,853
March 25, 2022	4.25	6,504	9,784
June 25, 2022	4.25	6,573	9,715
September 25, 2022	4.25	6,643	9,645
December 25, 2022	4.25	6,713	9,575
March 25, 2023	4.25	6,785	9,503
June 25, 2023	4.25	6,857	9,431
September 25, 2023	4.25	6,930	9,358
December 25, 2023	4.25	7,003	9,285
March 25, 2024	4.25	7,078	9,210
June 25, 2024	4.25	7,153	9,135
September 25, 2024	4.25	7,229	9,059
December 25, 2024	4.25	7,306	8,982
March 25, 2025	4.25	7,383	8,905
June 25, 2025	4.25	7,462	8,826
September 25, 2025	4.25	7,541	8,747
December 25, 2025	4.25	7,621	8,667
March 25, 2026	4.25	7,702	8,586
June 25, 2026	4.25	7,784	8,504
September 25, 2026	4.25	7,867	8,421
December 25, 2026	4.25	7,950	8,338
March 25, 2027	4.25	8,035	8,253
June 25, 2027	4.25	8,120	8,168
September 25, 2027	4.25	8,206	8,082
December 25, 2027	4.25	8,294	7,994
March 25, 2028	4.25	8,382	7,906
June 25, 2028	4.25	8,471	7,817
September 25, 2028	4.25	8,561	7,727
December 25, 2028	4.25	8,652	7,636
March 25, 2029	4.25	8,744	7,544
June 25, 2029	4.25	8,837	7,451
September 25, 2029	4.25	8,930	7,358
December 25, 2029	4.25	9,025	7,263
March 25, 2030	4.25	9,121	7,167
June 25, 2030	4.25	9,218	7,070
September 25, 2030	4.25	9,316	6,972
December 25, 2030	4.25	9,415	6,873
March 25, 2031	4.25	9,515	6,773
June 25, 2031	4.25	9,616	6,672
September 25, 2031	4.25	9,718	6,570
December 25, 2031	4.25	9,822	6,466
March 25, 2032	4.25	9,926	6,362
June 25, 2032	4.25	10,031	6,257
September 25, 2032	4.25	10,138	6,150
December 25, 2032	4.25	10,246	6,042
March 25, 2033	4.25	10,355	5,933
June 25, 2033	4.25	10,465	5,823
September 25, 2033	4.25	10,576	5,712
December 25, 2033	4.25	10,688	5,600
March 25, 2034	4.25	10,802	5,486
June 25, 2034	4.25	10,916	5,372
September 25, 2034	4.25	11,032	5,256
December 25, 2034	4.25	11,150	5,138

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 25, 2035	4.25 %	\$ 11,268	\$ 5,020
June 25, 2035	4.25	11,388	4,900
September 25, 2035	4.25	11,509	4,779
December 25, 2035	4.25	11,631	4,657
March 25, 2036	4.25	11,755	4,533
June 25, 2036	4.25	11,880	4,408
September 25, 2036	4.25	12,006	4,282
December 25, 2036	4.25	12,133	4,155
March 25, 2037	4.25	12,262	4,026
June 25, 2037	4.25	12,393	3,895
September 25, 2037	4.25	12,524	3,764
December 25, 2037	4.25	12,657	3,631
March 25, 2038	4.25	12,792	3,496
June 25, 2038	4.25	12,928	3,360
September 25, 2038	4.25	13,065	3,223
December 25, 2038	4.25	13,204	3,084
March 25, 2039	4.25	13,344	2,944
June 25, 2039	4.25	13,486	2,802
September 25, 2039	4.25	13,629	2,659
December 25, 2039	4.25	13,774	2,514
March 25, 2040	4.25	13,920	2,368
June 25, 2040	4.25	14,068	2,220
September 25, 2040	4.25	14,218	2,070
December 25, 2040	4.25	14,369	1,919
March 25, 2041	4.25	14,522	1,766
June 25, 2041	4.25	14,676	1,612
September 25, 2041	4.25	14,832	1,456
December 25, 2041	4.25	14,989	1,299
March 25, 2042	4.25	15,149	1,139
June 25, 2042	4.25	15,310	978
September 25, 2042	4.25	15,472	816
December 25, 2042	4.25	15,637	651
March 25, 2043	4.25	15,803	485
June 25, 2043	4.25	15,971	317
September 25, 2043	4.25	13,886	156
		\$ 1,187,066	\$ 1,107,297

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
September 19, 2008	4.25 %	\$ 5,777	\$ 19,827
December 19, 2008	4.25	5,838	19,766
March 19, 2009	4.25	5,900	19,704
June 19, 2009	4.25	5,963	19,641
September 19, 2009	4.25	6,026	19,578
December 19, 2009	4.25	6,090	19,514
March 19, 2010	4.25	6,155	19,449
June 19, 2010	4.25	6,220	19,384
September 19, 2010	4.25	6,287	19,317
December 19, 2010	4.25	6,353	19,251
March 19, 2011	4.25	6,421	19,183
June 19, 2011	4.25	6,489	19,115
September 19, 2011	4.25	6,558	19,046
December 19, 2011	4.25	6,628	18,976
March 19, 2012	4.25	6,698	18,906
June 19, 2012	4.25	6,769	18,835
September 19, 2012	4.25	6,841	18,763
December 19, 2012	4.25	6,914	18,690
March 19, 2013	4.25	6,987	18,617
June 19, 2013	4.25	7,062	18,542
September 19, 2013	4.25	7,137	18,467
December 19, 2013	4.25	7,212	18,392
March 19, 2014	4.25	7,289	18,315
June 19, 2014	4.25	7,367	18,237
September 19, 2014	4.25	7,445	18,159
December 19, 2014	4.25	7,524	18,080
March 19, 2015	4.25	7,604	18,000
June 19, 2015	4.25	7,685	17,919
September 19, 2015	4.25	7,766	17,838
December 19, 2015	4.25	7,849	17,755
March 19, 2016	4.25	7,932	17,672
June 19, 2016	4.25	8,016	17,588
September 19, 2016	4.25	8,102	17,502
December 19, 2016	4.25	8,188	17,416
March 19, 2017	4.25	8,275	17,329
June 19, 2017	4.25	8,363	17,241
September 19, 2017	4.25	8,452	17,152
December 19, 2017	4.25	8,541	17,063
March 19, 2018	4.25	8,632	16,972
June 19, 2018	4.25	8,724	16,880
September 19, 2018	4.25	8,816	16,788
December 19, 2018	4.25	8,910	16,694
March 19, 2019	4.25	9,005	16,599
June 19, 2019	4.25	9,100	16,504
September 19, 2019	4.25	9,197	16,407
December 19, 2019	4.25	9,295	16,309
March 19, 2020	4.25	9,394	16,210
June 19, 2020	4.25	9,493	16,111
September 19, 2020	4.25	9,594	16,010
December 19, 2020	4.25	9,696	15,908
March 19, 2021	4.25	9,799	15,805
June 19, 2021	4.25	9,903	15,701
September 19, 2021	4.25	10,009	15,595

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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Date of Maturity	Coupon	Principal Maturity	Interest Payable
December 19, 2021	4.25 %	\$ 10,115	\$ 15,489
March 19, 2022	4.25	10,222	15,382
June 19, 2022	4.25	10,331	15,273
September 19, 2022	4.25	10,441	15,163
December 19, 2022	4.25	10,552	15,052
March 19, 2023	4.25	10,664	14,940
June 19, 2023	4.25	10,777	14,827
September 19, 2023	4.25	10,892	14,712
December 19, 2023	4.25	11,007	14,597
March 19, 2024	4.25	11,124	14,480
June 19, 2024	4.25	11,243	14,361
September 19, 2024	4.25	11,362	14,242
December 19, 2024	4.25	11,483	14,121
March 19, 2025	4.25	11,605	13,999
June 19, 2025	4.25	11,728	13,876
September 19, 2025	4.25	11,853	13,751
December 19, 2025	4.25	11,979	13,625
March 19, 2026	4.25	12,106	13,498
June 19, 2026	4.25	12,234	13,370
September 19, 2026	4.25	12,364	13,240
December 19, 2026	4.25	12,496	13,108
March 19, 2027	4.25	12,629	12,975
June 19, 2027	4.25	12,763	12,841
September 19, 2027	4.25	12,898	12,706
December 19, 2027	4.25	13,035	12,569
March 19, 2028	4.25	13,174	12,430
June 19, 2028	4.25	13,314	12,290
September 19, 2028	4.25	13,455	12,149
December 19, 2028	4.25	13,598	12,006
March 19, 2029	4.25	13,743	11,861
June 19, 2029	4.25	13,889	11,715
September 19, 2029	4.25	14,036	11,568
December 19, 2029	4.25	14,186	11,418
March 19, 2030	4.25	14,336	11,268
June 19, 2030	4.25	14,489	11,115
September 19, 2030	4.25	14,643	10,961
December 19, 2030	4.25	14,798	10,806
March 19, 2031	4.25	14,955	10,649
June 19, 2031	4.25	15,114	10,490
September 19, 2031	4.25	15,275	10,329
December 19, 2031	4.25	15,437	10,167
March 19, 2032	4.25	15,601	10,003
June 19, 2032	4.25	15,767	9,837
September 19, 2032	4.25	15,934	9,670
December 19, 2032	4.25	16,104	9,500
March 19, 2033	4.25	16,275	9,329
June 19, 2033	4.25	16,448	9,156
September 19, 2033	4.25	16,623	8,981
December 19, 2033	4.25	16,799	8,805
March 19, 2034	4.25	16,978	8,626
June 19, 2034	4.25	17,158	8,446
September 19, 2034	4.25	17,340	8,264
December 19, 2034	4.25	17,525	8,079

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 19, 2035	4.25 %	\$ 17,711	\$ 7,893
June 19, 2035	4.25	17,899	7,705
September 19, 2035	4.25	18,089	7,515
December 19, 2035	4.25	18,281	7,323
March 19, 2036	4.25	18,476	7,128
June 19, 2036	4.25	18,672	6,932
September 19, 2036	4.25	18,870	6,734
December 19, 2036	4.25	19,071	6,533
March 19, 2037	4.25	19,273	6,331
June 19, 2037	4.25	19,478	6,126
September 19, 2037	4.25	19,685	5,919
December 19, 2037	4.25	19,894	5,710
March 19, 2038	4.25	20,106	5,498
June 19, 2038	4.25	20,319	5,285
September 19, 2038	4.25	20,535	5,069
December 19, 2038	4.25	20,753	4,851
March 19, 2039	4.25	20,974	4,630
June 19, 2039	4.25	21,197	4,407
September 19, 2039	4.25	21,422	4,182
December 19, 2039	4.25	21,649	3,955
March 19, 2040	4.25	21,880	3,724
June 19, 2040	4.25	22,112	3,492
September 19, 2040	4.25	22,347	3,257
December 19, 2040	4.25	22,584	3,020
March 19, 2041	4.25	22,824	2,780
June 19, 2041	4.25	23,067	2,537
September 19, 2041	4.25	23,312	2,292
December 19, 2041	4.25	23,560	2,044
March 19, 2042	4.25	23,810	1,794
June 19, 2042	4.25	24,063	1,541
September 19, 2042	4.25	24,319	1,285
December 19, 2042	4.25	24,577	1,027
March 19, 2043	4.25	24,838	766
June 19, 2043	4.25	25,102	502
September 19, 2043	4.25	22,146	234
		\$ 1,866,082	\$ 1,740,858

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2008	1.50 %	\$ 28,282	\$ 9,007
June 30, 2009	1.50	28,494	8,795
December 31, 2009	1.50	28,708	8,581
June 30, 2010	1.50	28,923	8,366
December 31, 2010	1.50	29,140	8,149
June 30, 2011	1.50	29,359	7,930
December 31, 2011	1.50	29,579	7,710
June 30, 2012	1.50	29,801	7,488
December 31, 2012	1.50	30,024	7,265
June 30, 2013	1.50	30,250	7,039
December 31, 2013	1.50	30,476	6,813
June 30, 2014	1.50	30,705	6,584
December 31, 2014	1.50	30,935	6,354
June 30, 2015	1.50	31,167	6,122
December 31, 2015	1.50	31,401	5,888
June 30, 2016	1.50	31,637	5,652
December 31, 2016	1.50	31,874	5,415
June 30, 2017	1.50	32,113	5,176
December 31, 2017	1.50	32,354	4,935
June 30, 2018	1.50	32,596	4,693
December 31, 2018	1.50	32,841	4,448
June 30, 2019	1.50	33,087	4,202
December 31, 2019	1.50	33,335	3,954
June 30, 2020	1.50	33,585	3,704
December 31, 2020	1.50	33,837	3,452
June 30, 2021	1.50	34,091	3,198
December 31, 2021	1.50	34,347	2,942
June 30, 2022	1.50	34,604	2,685
December 31, 2022	1.50	34,864	2,425
June 30, 2023	1.50	35,125	2,164
December 31, 2023	1.50	35,389	1,900
June 30, 2024	1.50	35,654	1,635
December 31, 2024	1.50	35,921	1,367
June 30, 2025	1.50	36,191	1,098
December 31, 2025	1.50	36,462	827
June 30, 2026	1.50	36,736	553
December 31, 2026	1.50	37,013	275
		\$ 1,200,900	\$ 178,791

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
September 22, 2008	4.375 %	\$ 19,184	\$ 72,521
December 22, 2008	4.375	19,394	72,311
March 22, 2009	4.375	19,606	72,099
June 22, 2009	4.375	19,819	71,885
September 22, 2009	4.375	20,037	71,668
December 22, 2009	4.375	20,256	71,449
March 22, 2010	4.375	20,478	71,227
June 22, 2010	4.375	20,702	71,003
September 22, 2010	4.375	20,928	70,777
December 22, 2010	4.375	21,157	70,548
March 22, 2011	4.375	21,388	70,317
June 22, 2011	4.375	21,622	70,083
September 22, 2011	4.375	21,859	69,846
December 22, 2011	4.375	22,098	69,607
March 22, 2012	4.375	22,339	69,366
June 22, 2012	4.375	22,584	69,121
September 22, 2012	4.375	22,831	68,874
December 22, 2012	4.375	23,081	68,624
March 22, 2013	4.375	23,333	68,372
June 22, 2013	4.375	23,588	68,117
September 22, 2013	4.375	23,846	67,859
December 22, 2013	4.375	24,107	67,598
March 22, 2014	4.375	24,371	67,334
June 22, 2014	4.375	24,637	67,068
September 22, 2014	4.375	24,907	66,798
December 22, 2014	4.375	25,179	66,526
March 22, 2015	4.375	25,455	66,250
June 22, 2015	4.375	25,733	65,972
September 22, 2015	4.375	26,014	65,691
December 22, 2015	4.375	26,299	65,406
March 22, 2016	4.375	26,587	65,118
June 22, 2016	4.375	26,877	64,828
September 22, 2016	4.375	27,171	64,534
December 22, 2016	4.375	27,469	64,237
March 22, 2017	4.375	27,769	63,936
June 22, 2017	4.375	28,073	63,632
September 22, 2017	4.375	28,380	63,325
December 22, 2017	4.375	28,690	63,015
March 22, 2018	4.375	29,004	62,701
June 22, 2018	4.375	29,321	62,384
September 22, 2018	4.375	29,642	62,063
December 22, 2018	4.375	29,966	61,739
March 22, 2019	4.375	30,294	61,411
June 22, 2019	4.375	30,625	61,080
September 22, 2019	4.375	30,960	60,745
December 22, 2019	4.375	31,299	60,406
March 22, 2020	4.375	31,641	60,064
June 22, 2020	4.375	31,987	59,718
September 22, 2020	4.375	32,337	59,368
December 22, 2020	4.375	32,691	59,014
March 22, 2021	4.375	33,048	58,657
June 22, 2021	4.375	33,410	58,295
September 22, 2021	4.375	33,775	57,930

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

Date of Maturity	Coupon	Principal Maturity	Interest Payable
December 22, 2021	4.375 %	\$ 34,145	\$ 57,560
March 22, 2022	4.375	34,518	57,187
June 22, 2022	4.375	34,896	56,809
September 22, 2022	4.375	35,277	56,428
December 22, 2022	4.375	35,663	56,042
March 22, 2023	4.375	36,053	55,652
June 22, 2023	4.375	36,447	55,258
September 22, 2023	4.375	36,846	54,859
December 22, 2023	4.375	37,249	54,456
March 22, 2024	4.375	37,657	54,049
June 22, 2024	4.375	38,068	53,637
September 22, 2024	4.375	38,485	53,220
December 22, 2024	4.375	38,906	52,799
March 22, 2025	4.375	39,331	52,374
June 22, 2025	4.375	39,761	51,944
September 22, 2025	4.375	40,196	51,509
December 22, 2025	4.375	40,636	51,069
March 22, 2026	4.375	41,080	50,625
June 22, 2026	4.375	41,530	50,175
September 22, 2026	4.375	41,984	49,721
December 22, 2026	4.375	42,443	49,262
March 22, 2027	4.375	42,907	48,798
June 22, 2027	4.375	43,377	48,328
September 22, 2027	4.375	43,851	47,854
December 22, 2027	4.375	44,331	47,374
March 22, 2028	4.375	44,816	46,889
June 22, 2028	4.375	45,306	46,399
September 22, 2028	4.375	45,801	45,904
December 22, 2028	4.375	46,302	45,403
March 22, 2029	4.375	46,809	44,896
June 22, 2029	4.375	47,321	44,384
September 22, 2029	4.375	47,838	43,867
December 22, 2029	4.375	48,361	43,344
March 22, 2030	4.375	48,890	42,815
June 22, 2030	4.375	49,425	42,280
September 22, 2030	4.375	49,966	41,739
December 22, 2030	4.375	50,512	41,193
March 22, 2031	4.375	51,065	40,640
June 22, 2031	4.375	51,623	40,082
September 22, 2031	4.375	52,188	39,517
December 22, 2031	4.375	52,759	38,946
March 22, 2032	4.375	53,336	38,369
June 22, 2032	4.375	53,919	37,786
September 22, 2032	4.375	54,509	37,196
December 22, 2032	4.375	55,105	36,600
March 22, 2033	4.375	55,708	35,997
June 22, 2033	4.375	56,317	35,388
September 22, 2033	4.375	56,933	34,772
December 22, 2033	4.375	57,556	34,149
March 22, 2034	4.375	58,185	33,520
June 22, 2034	4.375	58,822	32,883
September 22, 2034	4.375	59,465	32,240
December 22, 2034	4.375	60,115	31,590

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 22, 2035	4.375 %	\$ 60,773	\$ 30,932
June 22, 2035	4.375	61,438	30,268
September 22, 2035	4.375	62,110	29,596
December 22, 2035	4.375	62,789	28,916
March 22, 2036	4.375	63,476	28,229
June 22, 2036	4.375	64,170	27,535
September 22, 2036	4.375	64,872	26,833
December 22, 2036	4.375	65,581	26,124
March 22, 2037	4.375	66,299	25,406
June 22, 2037	4.375	67,024	24,681
September 22, 2037	4.375	67,757	23,948
December 22, 2037	4.375	68,498	23,207
March 22, 2038	4.375	69,247	22,458
June 22, 2038	4.375	70,004	21,701
September 22, 2038	4.375	70,770	20,935
December 22, 2038	4.375	71,544	20,161
March 22, 2039	4.375	72,327	19,378
June 22, 2039	4.375	73,118	18,588
September 22, 2039	4.375	73,917	17,788
December 22, 2039	4.375	74,726	16,979
March 22, 2040	4.375	75,543	16,162
June 22, 2040	4.375	76,369	15,336
September 22, 2040	4.375	77,205	14,500
December 22, 2040	4.375	78,049	13,656
March 22, 2041	4.375	78,903	12,802
June 22, 2041	4.375	79,766	11,939
September 22, 2041	4.375	80,638	11,067
December 22, 2041	4.375	81,520	10,185
March 22, 2042	4.375	82,412	9,293
June 22, 2042	4.375	83,313	8,392
September 22, 2042	4.375	84,225	7,480
December 22, 2042	4.375	85,146	6,559
March 22, 2043	4.375	86,077	5,628
June 22, 2043	4.375	87,018	4,687
September 22, 2043	4.375	87,970	3,735
December 22, 2043	4.375	88,932	2,773
March 22, 2044	4.375	89,905	1,800
June 22, 2044	4.375	74,649	819
		\$ 6,630,517	\$ 6,558,770

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2008	1.50 %	\$ 432,218	\$ 148,385
June 30, 2009	1.50	218,543	71,758
December 31, 2009	1.50	220,182	70,119
June 30, 2010	1.50	221,834	68,468
December 31, 2010	1.50	223,497	66,804
June 30, 2011	1.50	225,174	65,128
December 31, 2011	1.50	226,862	63,439
June 30, 2012	1.50	228,564	61,738
December 31, 2012	1.50	230,278	60,023
June 30, 2013	1.50	232,005	58,296
December 31, 2013	1.50	233,745	56,556
June 30, 2014	1.50	235,498	54,803
December 31, 2014	1.50	237,265	53,037
June 30, 2015	1.50	239,044	51,258
December 31, 2015	1.50	240,837	49,465
June 30, 2016	1.50	242,643	47,658
December 31, 2016	1.50	244,463	45,839
June 30, 2017	1.50	246,296	44,005
December 31, 2017	1.50	248,144	42,158
June 30, 2018	1.50	250,005	40,297
December 31, 2018	1.50	251,880	38,422
June 30, 2019	1.50	253,769	36,533
December 31, 2019	1.50	255,672	34,629
June 30, 2020	1.50	257,590	32,712
December 31, 2020	1.50	259,522	30,780
June 30, 2021	1.50	261,468	28,834
December 31, 2021	1.50	263,429	26,873
June 30, 2022	1.50	265,405	24,897
December 31, 2022	1.50	267,395	22,906
June 30, 2023	1.50	269,401	20,901
December 31, 2023	1.50	271,421	18,880
June 30, 2024	1.50	273,457	16,845
December 31, 2024	1.50	275,508	14,794
June 30, 2025	1.50	277,574	12,727
December 31, 2025	1.50	279,656	10,646
June 30, 2026	1.50	281,753	8,548
December 31, 2026	1.50	283,867	6,435
June 30, 2027	1.50	285,996	4,306
December 31, 2027	1.50	288,140	2,158
		<u>\$ 10,000,000</u>	<u>\$ 1,612,060</u>

(continued)

BONDED DEBT GENERAL OBLIGATION - 2005

(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED

JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
July 21, 2008	4.125 %	\$ 19,414	\$ 70,116
October 21, 2008	4.125	19,615	69,915
January 21, 2009	4.125	19,817	69,713
April 21, 2009	4.125	20,021	69,509
July 21, 2009	4.125	20,228	69,302
October 21, 2009	4.125	20,436	69,094
January 21, 2010	4.125	20,647	68,883
April 21, 2010	4.125	20,860	68,670
July 21, 2010	4.125	21,075	68,455
October 21, 2010	4.125	21,292	68,238
January 21, 2011	4.125	21,512	68,018
April 21, 2011	4.125	21,734	67,796
July 21, 2011	4.125	21,958	67,572
October 21, 2011	4.125	22,184	67,346
January 21, 2012	4.125	22,413	67,117
April 21, 2012	4.125	22,644	66,886
July 21, 2012	4.125	22,878	66,652
October 21, 2012	4.125	23,114	66,416
January 21, 2013	4.125	23,352	66,178
April 21, 2013	4.125	23,593	65,937
July 21, 2013	4.125	23,836	65,694
October 21, 2013	4.125	24,082	65,448
January 21, 2014	4.125	24,330	65,200
April 21, 2014	4.125	24,581	64,949
July 21, 2014	4.125	24,835	64,695
October 21, 2014	4.125	25,091	64,439
January 21, 2015	4.125	25,350	64,180
April 21, 2015	4.125	25,611	63,919
July 21, 2015	4.125	25,875	63,655
October 21, 2015	4.125	26,142	63,388
January 21, 2016	4.125	26,412	63,118
April 21, 2016	4.125	26,684	62,846
July 21, 2016	4.125	26,959	62,571
October 21, 2016	4.125	27,237	62,293
January 21, 2017	4.125	27,518	62,012
April 21, 2017	4.125	27,802	61,728
July 21, 2017	4.125	28,089	61,441
October 21, 2017	4.125	28,378	61,152
January 21, 2018	4.125	28,671	60,859
April 21, 2018	4.125	28,967	60,563
July 21, 2018	4.125	29,265	60,265
October 21, 2018	4.125	29,567	59,963
January 21, 2019	4.125	29,872	59,658
April 21, 2019	4.125	30,180	59,350
July 21, 2019	4.125	30,491	59,039
October 21, 2019	4.125	30,806	58,724
January 21, 2020	4.125	31,123	58,407
April 21, 2020	4.125	31,444	58,086
July 21, 2020	4.125	31,769	57,761
October 21, 2020	4.125	32,096	57,434
January 21, 2021	4.125	32,427	57,103
April 21, 2021	4.125	32,762	56,768
July 21, 2021	4.125	33,100	56,430

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 21, 2021	4.125 \$	\$ 33,441	\$ 56,089
January 21, 2022	4.125	33,786	55,744
April 21, 2022	4.125	34,134	55,396
July 21, 2022	4.125	34,486	55,044
October 21, 2022	4.125	34,842	54,688
January 21, 2023	4.125	35,201	54,329
April 21, 2023	4.125	35,564	53,966
July 21, 2023	4.125	35,931	53,599
October 21, 2023	4.125	36,301	53,229
January 21, 2024	4.125	36,676	52,854
April 21, 2024	4.125	37,054	52,476
July 21, 2024	4.125	37,436	52,094
October 21, 2024	4.125	37,822	51,708
January 21, 2025	4.125	38,212	51,318
April 21, 2025	4.125	38,606	50,924
July 21, 2025	4.125	39,004	50,526
October 21, 2025	4.125	39,407	50,123
January 21, 2026	4.125	39,813	49,717
April 21, 2026	4.125	40,224	49,306
July 21, 2026	4.125	40,638	48,892
October 21, 2026	4.125	41,058	48,472
January 21, 2027	4.125	41,481	48,049
April 21, 2027	4.125	41,909	47,621
July 21, 2027	4.125	42,341	47,189
October 21, 2027	4.125	42,778	46,752
January 21, 2028	4.125	43,219	46,311
April 21, 2028	4.125	43,664	45,866
July 21, 2028	4.125	44,115	45,415
October 21, 2028	4.125	44,570	44,960
January 21, 2029	4.125	45,029	44,501
April 21, 2029	4.125	45,494	44,036
July 21, 2029	4.125	45,963	43,567
October 21, 2029	4.125	46,437	43,093
January 21, 2030	4.125	46,916	42,614
April 21, 2030	4.125	47,399	42,131
July 21, 2030	4.125	47,888	41,642
October 21, 2030	4.125	48,382	41,148
January 21, 2031	4.125	48,881	40,649
April 21, 2031	4.125	49,385	40,145
July 21, 2031	4.125	49,894	39,636
October 21, 2031	4.125	50,409	39,121
January 21, 2032	4.125	50,929	38,601
April 21, 2032	4.125	51,454	38,076
July 21, 2032	4.125	51,985	37,545
October 21, 2032	4.125	52,521	37,009
January 21, 2033	4.125	53,062	36,468
April 21, 2033	4.125	53,609	35,921
July 21, 2033	4.125	54,162	35,368
October 21, 2033	4.125	54,721	34,809
January 21, 2034	4.125	55,285	34,245
April 21, 2034	4.125	55,855	33,675
July 21, 2034	4.125	56,431	33,099
October 21, 2034	4.125	57,013	32,517

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
January 21, 2035	4.125 %	\$ 57,601	\$ 31,929
April 21, 2035	4.125	58,195	31,335
July 21, 2035	4.125	58,795	30,735
October 21, 2035	4.125	59,402	30,128
January 21, 2036	4.125	60,014	29,516
April 21, 2036	4.125	60,633	28,897
July 21, 2036	4.125	61,258	28,272
October 21, 2036	4.125	61,890	27,640
January 21, 2037	4.125	62,528	27,002
April 21, 2037	4.125	63,173	26,357
July 21, 2037	4.125	63,825	25,705
October 21, 2037	4.125	64,483	25,047
January 21, 2038	4.125	65,148	24,382
April 21, 2038	4.125	65,820	23,710
July 21, 2038	4.125	66,499	23,032
October 21, 2038	4.125	67,184	22,346
January 21, 2039	4.125	67,877	21,653
April 21, 2039	4.125	68,577	20,953
July 21, 2039	4.125	69,284	20,246
October 21, 2039	4.125	69,999	19,531
January 21, 2040	4.125	70,721	18,809
April 21, 2040	4.125	71,450	18,080
July 21, 2040	4.125	72,187	17,343
October 21, 2040	4.125	72,931	16,599
January 21, 2041	4.125	73,683	15,847
April 21, 2041	4.125	74,443	15,087
July 21, 2041	4.125	75,211	14,319
October 21, 2041	4.125	75,986	13,544
January 21, 2042	4.125	76,770	12,760
April 21, 2042	4.125	77,562	11,968
July 21, 2042	4.125	78,362	11,168
October 21, 2042	4.125	79,170	10,360
January 21, 2043	4.125	79,986	9,544
April 21, 2043	4.125	80,811	8,719
July 21, 2043	4.125	81,644	7,886
October 21, 2043	4.125	82,486	7,044
January 21, 2044	4.125	83,337	6,193
April 21, 2044	4.125	84,196	5,334
July 21, 2044	4.125	85,065	4,465
October 21, 2044	4.125	85,942	3,588
January 21, 2045	4.125	86,828	2,702
April 21, 2045	4.125	87,724	1,806
July 21, 2045	4.125	87,449	895
		<u>\$ 6,799,085</u>	<u>\$ 6,539,700</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT REVENUE BONDS - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 15, 2008	- %	\$ -	\$ 339,326
June 15, 2009	3.500	710,000	339,326
December 15, 2009	-	-	326,901
June 15, 2010	3.750	730,000	326,901
December 15, 2010	-	-	313,213
June 15, 2011	3.750	765,000	313,213
December 15, 2011	-	-	298,869
June 15, 2012	3.750	790,000	298,869
December 15, 2012	-	-	284,057
June 15, 2013	3.750	820,000	284,057
December 15, 2013	-	-	268,682
June 15, 2014	3.750	850,000	268,682
December 15, 2014	-	-	252,744
June 15, 2015	4.000	885,000	252,744
December 15, 2015	-	-	235,044
June 15, 2016	4.000	920,000	235,044
December 15, 2016	-	-	216,644
June 15, 2017	4.000	955,000	216,644
December 15, 2017	-	-	197,544
June 15, 2018	4.000	990,000	197,544
December 15, 2018	-	-	177,744
June 15, 2019	4.250	1,035,000	177,744
December 15, 2019	-	-	155,751
June 15, 2020	4.250	1,070,000	155,751
December 15, 2020	-	-	133,013
June 15, 2021	4.250	1,120,000	133,013
December 15, 2021	-	-	109,213
June 15, 2022	4.250	1,170,000	109,213
December 15, 2022	-	-	84,351
June 15, 2023	4.350	1,220,000	84,351
December 15, 2023	-	-	57,816
June 15, 2024	4.375	1,275,000	57,816
December 15, 2024	-	-	29,925
June 15, 2025	4.500	1,330,000	29,925
		<u>\$ 16,635,000</u>	<u>\$ 6,961,674</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 30, 2008	1.5 %	\$ -	\$ 15,331
April 30, 2009	1.5	-	22,747
October 30, 2009	1.5	-	22,747
April 30, 2010	1.5	38,603	22,747
October 30, 2010	1.5	38,893	22,458
April 30, 2011	1.5	39,184	22,166
October 30, 2011	1.5	39,478	21,872
April 30, 2012	1.5	39,774	21,576
October 30, 2012	1.5	40,073	21,278
April 30, 2013	1.5	40,373	20,977
October 30, 2013	1.5	40,676	20,674
April 30, 2014	1.5	40,981	20,369
October 30, 2014	1.5	41,288	20,062
April 30, 2015	1.5	41,598	19,752
October 30, 2015	1.5	41,910	19,440
April 30, 2016	1.5	42,224	19,126
October 30, 2016	1.5	42,541	18,809
April 30, 2017	1.5	42,860	18,490
October 30, 2017	1.5	43,181	18,169
April 30, 2018	1.5	43,505	17,845
October 30, 2018	1.5	43,832	17,518
April 30, 2019	1.5	44,160	17,190
October 3, 2019	1.5	44,492	16,859
April 30, 2020	1.5	44,825	16,525
October 30, 2020	1.5	45,161	16,189
April 30, 2021	1.5	45,500	15,850
October 30, 2021	1.5	45,841	15,509
April 30, 2022	1.5	46,185	15,165
October 30, 2022	1.5	46,532	14,819
April 30, 2023	1.5	46,881	14,469
October 30, 2023	1.5	47,232	14,118
April 30, 2024	1.5	47,586	13,763
October 30, 2024	1.5	47,943	13,407
April 30, 2025	1.5	48,303	13,047
October 30, 2025	1.5	48,665	12,685
April 30, 2026	1.5	49,030	12,320
October 30, 2026	1.5	49,398	11,952
April 30, 2027	1.5	49,768	11,582
October 30, 2027	1.5	50,142	11,208
April 30, 2028	1.5	50,518	10,832
October 30, 2028	1.5	50,897	10,453
April 30, 2029	1.5	51,278	10,072
October 30, 2029	1.5	51,663	9,687
April 30, 2030	1.5	52,050	9,300
October 30, 2030	1.5	52,441	8,909
April 30, 2031	1.5	52,834	8,516
October 30, 2031	1.5	53,230	8,120
April 30, 2032	1.5	53,630	7,721
October 3, 2032	1.5	54,032	7,318
April 30, 2033	1.5	54,437	6,913
October 30, 2033	1.5	54,845	6,505
April 30, 2034	1.5	55,257	6,093
October 30, 2034	1.5	55,671	5,679

(continued)

SUSSEX COUNTY, DELAWARE
BONDED DEBT GENERAL OBLIGATION - 2006
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
April 30, 2035	1.5 %	\$ 56,089	\$ 5,262
October 30, 2035	1.5	56,509	4,841
April 30, 2036	1.5	56,933	4,417
October 30, 2036	1.5	57,360	3,990
April 30, 2037	1.5	57,790	3,560
October 30, 2037	1.5	58,224	3,126
April 30, 2038	1.5	58,660	2,690
October 30, 2038	1.5	59,100	2,250
April 30, 2039	1.5	59,544	1,807
October 30, 2039	1.5	59,990	1,360
April 30, 2040	1.5	60,440	910
October 30, 2040	1.5	60,896	453
		<u>\$ 3,032,936</u>	<u>\$ 831,594</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2008

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2008	1.5 %	\$ -	\$ 28,180
June 30, 2009	1.5	49,817	28,180
December 31, 2009	1.5	50,191	27,807
June 30, 2010	1.5	50,567	27,430
December 31, 2010	1.5	50,946	27,051
June 30, 2011	1.5	51,328	26,669
December 31, 2011	1.5	51,713	26,284
June 30, 2012	1.5	52,101	25,896
December 31, 2012	1.5	52,492	25,505
June 30, 2013	1.5	52,886	25,112
December 31, 2013	1.5	53,282	24,715
June 30, 2014	1.5	53,682	24,316
December 31, 2014	1.5	54,084	23,913
June 30, 2015	1.5	54,490	23,507
December 31, 2015	1.5	54,899	23,099
June 30, 2016	1.5	55,311	22,687
December 31, 2016	1.5	55,725	22,272
June 30, 2017	1.5	56,143	21,854
December 31, 2017	1.5	56,564	21,433
June 30, 2018	1.5	56,989	21,009
December 31, 2018	1.5	57,416	20,581
June 30, 2019	1.5	57,847	20,151
December 31, 2019	1.5	58,280	19,717
June 30, 2020	1.5	58,718	19,280
December 31, 2020	1.5	59,158	18,839
June 30, 2021	1.5	59,602	18,396
December 31, 2021	1.5	60,049	17,949
June 30, 2022	1.5	60,499	17,498
December 31, 2022	1.5	60,953	17,045
June 30, 2023	1.5	61,410	16,588
December 31, 2023	1.5	61,870	16,127
June 30, 2024	1.5	62,334	15,663
December 31, 2024	1.5	62,802	15,195
June 30, 2025	1.5	63,273	14,724
December 31, 2025	1.5	63,748	14,250
June 30, 2026	1.5	64,226	13,772
December 31, 2026	1.5	64,707	13,290
June 30, 2027	1.5	65,193	12,805
December 31, 2027	1.5	65,682	12,316
June 30, 2028	1.5	66,174	11,823
December 31, 2028	1.5	66,671	11,327
June 30, 2029	1.5	67,171	10,827
December 31, 2029	1.5	67,674	10,323
June 30, 2030	1.5	68,182	9,815
December 31, 2030	1.5	68,693	9,304
June 30, 2031	1.5	69,208	8,789
December 31, 2031	1.5	69,728	8,270
June 30, 2032	1.5	70,250	7,747
December 31, 2032	1.5	70,777	7,220
June 30, 2033	1.5	71,308	6,689
December 31, 2033	1.5	71,843	6,154
June 30, 2034	1.5	72,382	5,616
December 31, 2034	1.5	72,925	5,073

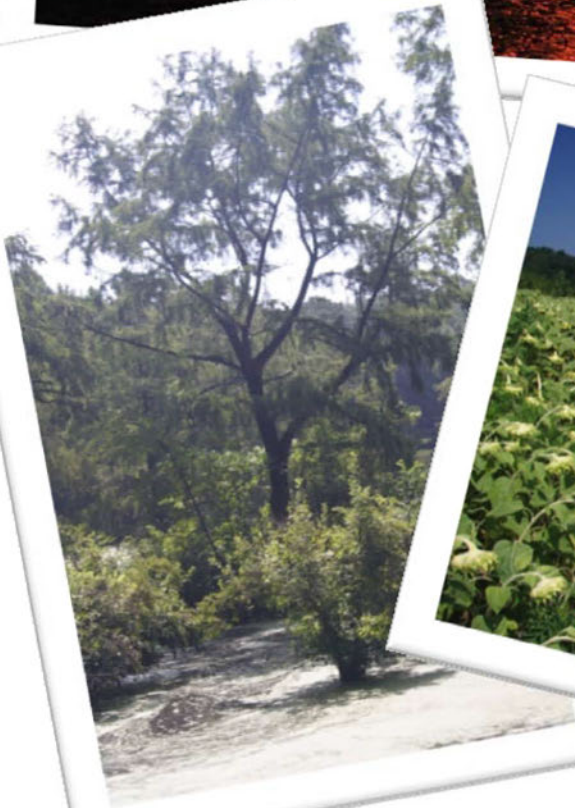
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SUSSEX COUNTY, DELAWARE
BONDED DEBT GENERAL OBLIGATION - 2006
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2008

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
June 30, 2035	1.5 %	\$ 73,472	\$ 4,526
December 31, 2035	1.5	74,023	3,974
June 30, 2036	1.5	74,578	3,419
December 31, 2036	1.5	75,137	2,860
June 30, 2037	1.5	75,701	2,296
December 31, 2037	1.5	76,268	1,729
June 30, 2038	1.5	76,840	1,157
December 31, 2038	1.5	77,415	583
		<u>\$ 3,757,397</u>	<u>\$ 950,626</u>





SINGLE AUDIT SUPPLEMENT

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

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<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs:			
Rural Housing Preservation Grants	10.433	HPG 06-07 HPG 07-08	\$ 26,488
Water and Waste Disposal Systems for Rural Communities	10.760		<u>6,159,628</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>6,186,116</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through State - Delaware State Housing Authority:			
Community Development Block Grants/ State's Program*	14.228	CDBG 03-04 CDBG 03-06 CDBG 03-07	998,391
HOME Investment Partnerships Program	14.239	HM 03-07	<u>97,886</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,096,277</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
Airport Improvement Program	20.106	3-10-0007-019-2005 3-10-0007-020-2006 3-10-0007-021-2007 3-10-0007-022-2008	<u>2,152,709</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed through State - Department of Natural Resources and Environmental Control:			
Capitalization Grants for Clean Water State Revolving Funds*	66.458	S-2003 S-2006 S-2012 S-2015 S-2016 S-2022 S-2023 S-2028 S-2030 12100001 12100002	<u>4,713,483</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through State - Delaware Emergency Management Agency:			
State Domestic Preparedness Equipment Support Program	97.004	2003-MU-T3-0039 2004-GE-T4-0021	123,632
Homeland Security Grant Program	97.067	2005-GE-T5-0011 2006-GE-T6-0060	<u>169,022</u>
CLUSTER SUBTOTAL			292,654
Emergency Management Performance Grants	97.042	2007-EM-E7-0029 2008-EM-E8-0001	<u>90,849</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>383,503</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 14,532,088</u>

*Denotes major program.

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Sussex County, Delaware (the County). The County's reporting entity is defined in Note A of the notes to basic financial statements. Federal awards that are passed through other governmental agencies are included on the schedule. Matching funds are excluded from the schedule and program income generated from federal grants is classified as federal expenditures when spent.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual and the modified accrual bases of accounting, which are described in Note A of the notes to basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - LOANS

The County had the following federal expenditures that have been or will be funded by loans from the U.S. Department of Agriculture and the U.S. Environmental Protection Agency for the year ended June 30, 2008.

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Loan Amount</u>
Water and Waste Disposal Systems for Rural Communities	10.760	\$ 5,466,424
Capitalization Grants for Clean Water State Revolving Funds	66.458	4,305,655

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Council
Sussex County, Delaware
Georgetown, Delaware

Compliance

We have audited the compliance of Sussex County, Delaware with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Sussex County, Delaware's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Sussex County, Delaware's management. Our responsibility is to express an opinion on Sussex County, Delaware's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sussex County, Delaware's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Sussex County, Delaware's compliance with those requirements.

In our opinion, Sussex County, Delaware complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Sussex County, Delaware is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Sussex County, Delaware's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sussex County, Delaware's internal control over compliance.

Internal Control Over Compliance - Continued

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management, the County Council, federal awarding agencies and pass-through entities, is not intended to be, and should not be used by anyone other than these specified parties.

Jefferson, Urian, Doane & Sterner, P.A.

Georgetown, Delaware
January 26, 2009

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**INDEPENDENT AUDITOR'S 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 County Council
Sussex County, Delaware
Georgetown, Delaware

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Sussex County, Delaware as of and for the year ended June 30, 2008, which collectively comprise Sussex County, Delaware's basic financial statements and have issued our report thereon dated January 26, 2009. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sussex County, Delaware's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sussex County, Delaware's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sussex County, Delaware's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sussex County, Delaware's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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*.

We noted certain other matters that we reported to management of Sussex County in a separate letter dated January 26, 2009.

This report is intended solely for the information and use of management, the County Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jefferson, Urian, Doane & Sterner, P.A.

Georgetown, Delaware
January 26, 2009

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes No

Identification of Major Programs:

<u>PROGRAMNAME</u>	<u>CFDA Number(s)</u>
Community Development Block Grants / State's Program	14.228
Capitalization Grants for Clean Water State Revolving Funds	66.458

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
 Auditee qualified as low-risk auditee? Yes No

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

None - Current and Prior

SECTION III - FINDINGS RELATED TO THE FEDERAL AWARDS

None - Current and Prior