

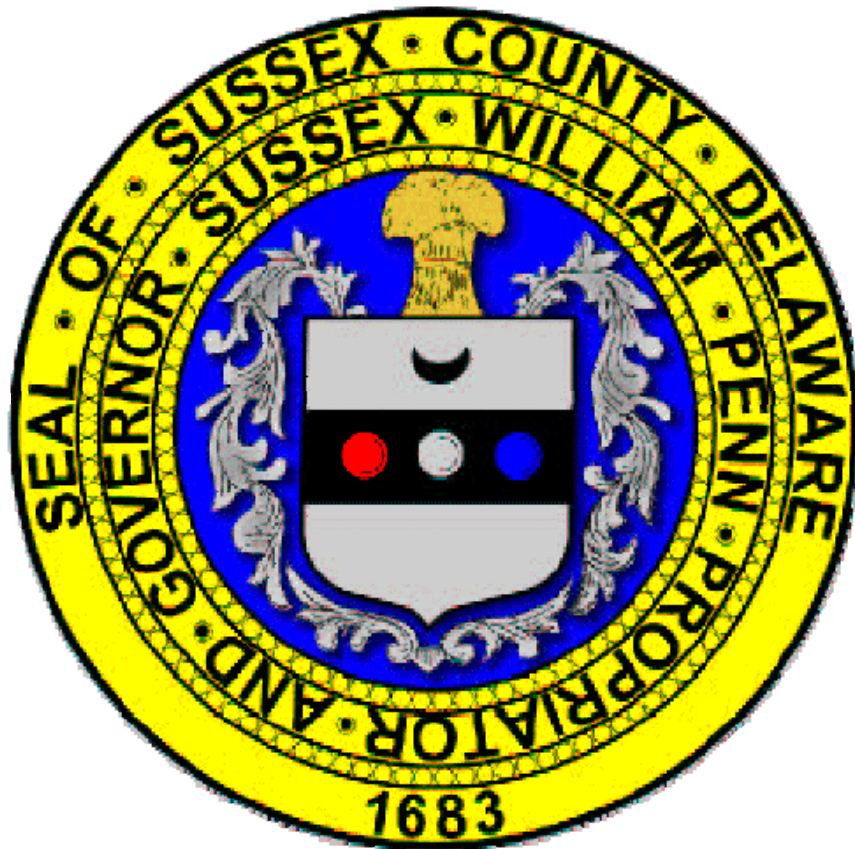
SUSSEX COUNTY, DELAWARE



Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2009

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2009



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

December 16, 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, 2009. 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, 2009, 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, 2009, 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 auditor.

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 192,019. 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 administrated 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 according to the U.S. Census Bureau. More people move to Sussex County than are being born here. The eastern portion of the County is home to most of Delaware's beaches and seaside resorts. Tourism is a major contributor as there are more than 25 miles of oceanfront beaches along the Delaware Bay and Atlantic Ocean. The western side of the County is the center of Delaware's agriculture industry with more acres of arable land under cultivation than anywhere else in the state. 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.

We are proud of Sussex County's unique tradition 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 512 employees, a reduction of 2.5% from last fiscal year. 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 is managed by an elected official, but the County government is responsible for their financial accountability.

The County provides a variety of grant-in-aid funding to its residents. The largest being grants to fire companies, State and local police, and the libraries. The County has entered into agreements with the State of Delaware to partially fund additional 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 and early construction phase. The sewer and water districts' operating budget for fiscal year 2009 was over \$30 million. The County's growing sewer disposal operations handle over 59,000 current customers. The number of sewer and water customers has increased significantly over 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 64 through 73 and on page 75, are also included.

Economic Condition of Sussex County

Local Economy

Sussex County employment is concentrated on a diverse assembly of sectors which interact continuously. This includes agriculture, tourism, healthcare, construction, retail sales and education. Agriculture is the biggest driver, followed by the tourism industry. Manufacturing has expanded to meet the needs of the growing aircraft industry while maintaining valuable support to agriculture. The level of healthcare and associated employment opportunities are

continually growing along with the number of retirees that put a demand on those health care services. Employment in all levels of government, educational, financial and business services are maintaining a balance, serving the needs of the existing population.

Agriculture related employment is the greatest in the County. Sussex County is the birthplace of the nation's broiler chicken industry and produces more broilers per year than any other County in the U.S.A. Top employers in the agricultural sector include some nationally recognized names in poultry production. They are: Allen family Foods, Mountaire Farms and Perdue Farms. Grain production is a stable employer supporting poultry. Specialty crop production is on the rise. Regionally known for our watermelon production, the fame extends now to include a Sussex County grower of lavender that was recently supplied to the White House. Sussex County has a growing farm market which complements the culinary coast and agri-tourism. Sussex County is ranked 54th out of all U.S. Counties for vegetable production.

Healthcare is becoming the fastest growing sector. The three major healthcare employers are: Bayhealth Medical Center, Beebe Hospital and the Nanticoke Memorial Hospital. Each is expanding services in order to accommodate the growing needs of the population. When healthcare support facilities are factored into the equation, it is obvious that they are a major contributor to the health and welfare of the County economy.

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.

Efforts are underway to improve the Manufacturing sector of our County. Currently, major employers can be found in areas of aircraft completions, fiber and dental production. Other manufacturers long associated with the County include a veterinary health corporation and an antacid subsidiary. Emerging businesses surround the fabrication industry in both metals and plastics. These industries support agriculture and aviation. Decrane Aerospace/PATS Aircraft Systems is located in the Sussex County Industrial Airpark. Since the 1990's, PATS Aircraft Systems has offered innovative solutions in response to the distinctive needs of the business aviation industry. Their capabilities range from research, development and systems design to manufacturing and modifications. DENTSPLY Caulk, the world's largest professional dental products manufacturer is located in Milford. Seaford is home to Invista, an integrated producer of polymers and fibers. Lewes is home to SPI Pharma, formerly Barcroft and Millsboro is the location of the former Intervet/Shering-Plough, now owned by Merck.

A flourishing sector in Sussex County is retail outlets. Along a two-mile stretch of Route 1, between Lewes and Rehoboth Beach, there are over 130 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. The year round population on the Delmarva Peninsula is relatively rural, so the retail and hospitality industry sectors are dependent on tourism. The Tanger Outlet Center in Rehoboth Beach, Delaware employs over 1,500 people in Sussex County. Coastal community's population surge is phenomenal during the summer months. Although the no-sales-tax advantage Delaware enjoys sustains the effort, current initiatives by County tourism are expanding the season and the profits. In 2004, the US Small Business Administration reported that 92.7% of Delaware companies were small businesses. There is a concentration of them in the form of restaurants and retailers along Delaware's Atlantic coast.

The population growth for Sussex County has been the highest in the State of Delaware and is expected to continue as the fastest growing county in the state for the next several 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 three-year national housing slump that has eroded home prices by as much as 20 percent and slowed sales. 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 a major revenue source, realty transfer tax. Tremors from the housing market's crash and the overall decline of our economy in general have strained budgets as revenue shortfalls can translate into spending cutbacks. During fiscal year 2009, 1,236 permits for new dwellings were issued. That was down from the 1,669 permits for new dwellings issued in fiscal year 2008, a decline of 26 percent.

Financial Planning

As we submit this report, there are still indefinite concerns with our national, state, and local economy. There is no doubt the economy has improved somewhat over the last year, however a full recovery still remains distant. We are implementing budget cuts during fiscal year 2010; however we have a strong financial foundation from which to work. The County is taking full advantage of the federal stimulus program and we have seen a modest pickup in housing construction. We are still mindful of a depressed real estate market, a lifeless credit market and high unemployment. We expect the recovery will be slow and continue to effect our current economic situation when budgeting.

The County has funded its non-sewer and water assets on a pay-as-you-go basis and avoided issuing debt. While activity has slowed considerably in private business, the County has continued to make capital improvements using funds we have reserved. This includes Airport

expansion, library expansions and Industrial Park improvements. The County plans to fund these projects with Federal Aviation Administration (FAA) grants, State grants, and County contributions.

During fiscal year 2009, five sewer districts were in the planning, design or construction stages. They are located in environmentally sensitive areas of the county. The fiscal year 2009 Five-Year Capital Improvement Plan includes \$215 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.

Significant Financial Policies

The County solicits bids weekly for collateralized certificates of deposit with banks. Collateralized money market accounts are also utilized to maximize interest earnings. The County conservatively requires collateralization with U.S. Treasury and accepted Agency Obligations. Our financial policy is to invest with local Sussex County banks that can provide this collateral held by third-party banks. Please see Note B, on page 41 and 42, for additional information regarding cash and collateralization.

The County funds a defined benefit pension plan and a post-retirement Employee Benefit Trust for its employees. They are treated as fiduciary funds in the financial sections. The Pension Trust fund is held with diversified but complimentary investment managers. A pension committee oversees the management of both these plans and is responsible for making recommendations to County Council regarding investments and funding. Because of all the uncertainty in the stock market, during fiscal year 2009, the County contracted with pension advisors to assist in providing the best strategy, protection and investing guidelines for our pension. With the market as volatile as it has been during fiscal years 2008 and 2009, we are taking a more protective approach as we acknowledge the precarious nature of our pension and post-retirement benefit investments.

Sussex County continues to strive for balanced budgets and sound financial planning in providing services for our residents. A comprehensive review is done monthly by the finance and accounting departments, analyzing department expenditure and budget reports. Department directors are held accountable for their expenditures. Quarterly these reviews are discussed in open forum with our County Council to keep them abreast of the current economic impacts on revenues. Also, we discuss relevant financial topics and future strategies with County Council.

Like so many other State and local governments, we are facing financial challenges and we are under pressure to demonstrate fiscally sound polices and serve the public with fewer revenues. During fiscal year 2009, the budget committee offered the County Council mid-year budget cuts in the form of reducing take home vehicles, reducing overtime, a hiring freeze, medical insurance changes and cutting back on capital purchases. These changes to our budget have worked to reduce our deficit down from early estimates that were made in mid-year.

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, 2008. This was the seventh 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/klr

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, 2008

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.



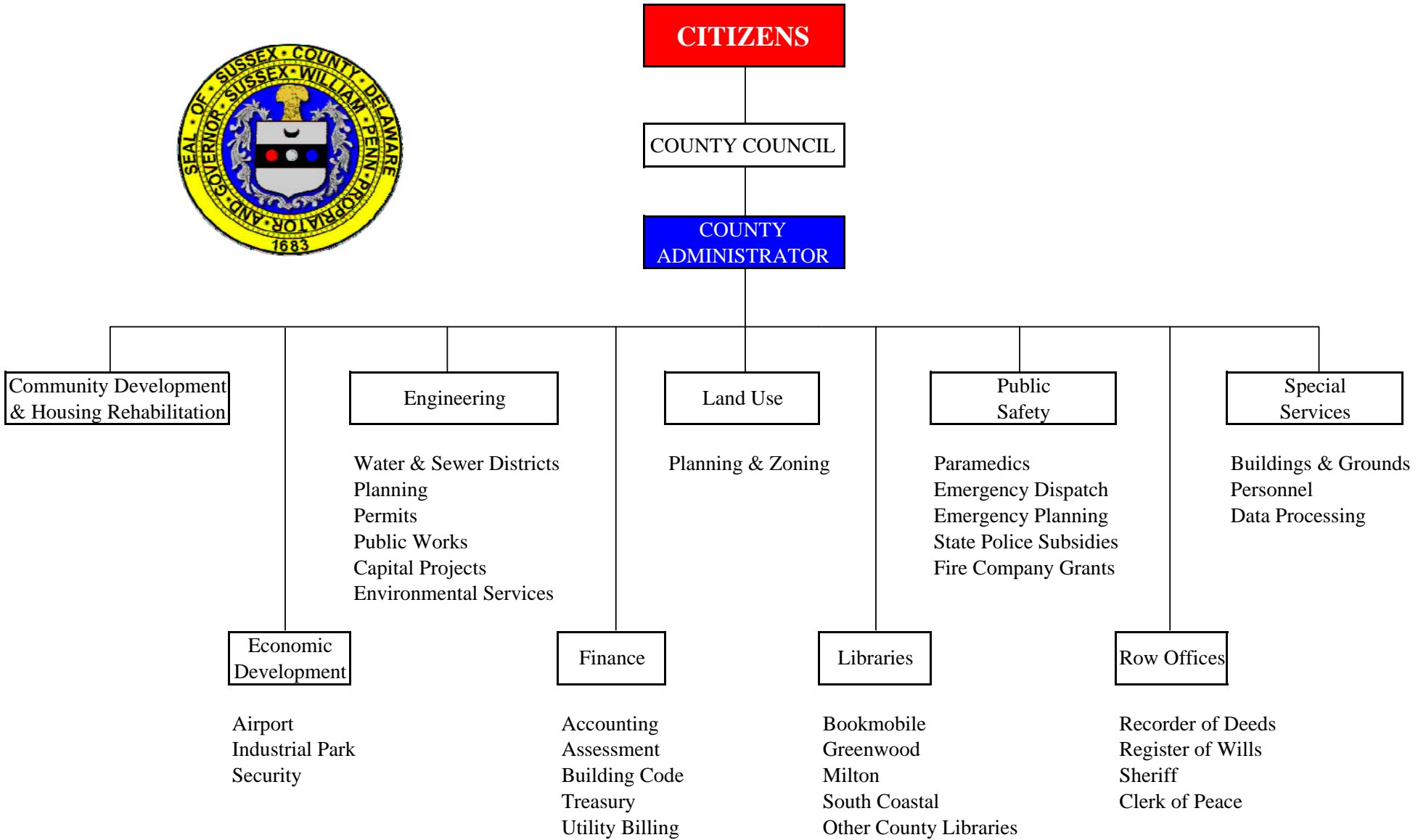
A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director

**SUSSEX COUNTY, DELAWARE
ORGANIZATIONAL CHART
FOR THE FISCAL YEAR 2009**



SUSSEX COUNTY, DELAWARE

LIST OF ELECTED OFFICIALS

JUNE 30, 2009

<u>COUNCIL</u>	<u>Length of Service</u>	<u>Term Expires</u>
<i>District 1</i>		
Michael H. Vincent	6 Months	Jan. 2012
<i>District 2</i>		
Samuel R. Wilson	6 Months	Jan. 2012
<i>District 3</i>		
Joan R. Deaver	6 Months	Jan. 2012
<i>District 4</i>		
George B. Cole (Vice-President)	23 Years	Jan. 2011
<i>District 5</i>		
Vance C. Phillips (President)	11 Years	Jan. 2011

<i>Clerk of the Peace</i>		
George Parish	4 Years	Jan. 2012
<i>Recorder of Deeds</i>		
John F. Brady	7 Years	Jan. 2011
<i>Register of Wills</i>		
Gregory Fuller, Sr.	6 Months	Jan. 2012
<i>Sheriff</i>		
Eric D. Swanson	3 Years	Jan. 2011

SUSSEX COUNTY, DELAWARE

COUNTY DEPARTMENT HEADS & OTHER OFFICIALS

JUNE 30, 2009

	<u>Length of Time in Position</u>	<u>Length of Service with the County</u>
<i>County Administrator</i> - David B. Baker	3 yrs.	31 years
<i>County Attorney</i> - James D. Griffin, Esquire	6 yrs.	6 years
<i>Finance Director</i> - Susan M. Webb, CPA (not in public practice)	3 yrs.	16 years
<i>County Engineer</i> - Michael A. Izzo, P.E.	13 yrs.	25 years
<i>Accounting Division Director</i> - Gina A. Jennings, MBA, MPA	3 yrs.	3 years
<i>Assessment Division Director</i> - Eddy J. Parker	19 yrs.	29 years
<i>Facilities Manager</i> - Ray W. Webb	30 yrs.	32 years
<i>Community Development Program Director</i> - William C. Lecates	19 yrs.	30 years
<i>Data Processing Director</i> - Bonnie O. Smith	22 yrs.	40 years
<i>Director of Sussex Airport and Industrial Park Operations</i> - James A. Hickin	3 yrs.	4 years
<i>Emergency Preparedness Director</i> - Joseph L. Thomas	12 yrs.	23 years
<i>Library Director</i> - Carol H. Fitzgerald	24 yrs.	24 years
<i>Paramedic Director</i> - Glenn H. Luedtke	9 yrs.	9 years
<i>Personnel Director</i> - Dennis V. Cordrey	29 yrs.	32 years
<i>Planning and Zoning Director</i> - Lawrence B. Lank	24 yrs.	40 years
<i>Treasury Division Director</i> - Amanda M. Bennett	3 yrs.	6 years
<i>Utility Billing Division Director</i> - Patricia Faucett	3 yrs.	9 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, 2009, 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, 2009, 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 December 16, 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 60 through 63, 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 also 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 & Sterner, P.A.

Georgetown, Delaware
December 16, 2009

SUSSEX COUNTY, DELAWARE

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

This section of the report offers an overview and analysis of the financial activity of Sussex County, Delaware, for the year ended June 30, 2009. 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, 2009, assets exceeded liabilities by \$426 million. Of this amount, \$59 million was unrestricted and may be used for ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$19 million during the year. The governmental activities' portion of the increase was \$8 million. The increase in the investment in capital assets, net of related debt was \$17 million. Restricted realty transfer tax decreased \$13 million because of the weak housing market and reimbursements that were transferred over to the general fund to cover eligible expenses. The business-type activities increase in net assets of \$11 million is due to growth-related capital costs, from additional sewer districts being built.
- The County has no outstanding General Fund bonded debt.

Fund Financial Statements

- As of June 30, 2009, the County's governmental funds reported an ending fund balance of \$93 million. This decreased \$9 million from the preceding year. About 12 percent, or \$11 million, was unreserved or available for spending at the County's discretion.
- The undesignated fund balance as of June 30, 2009 for the governmental funds was \$9 million or 20 percent of the fiscal year 2010 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 and connection fees.

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, is 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 twenty nonmajor sewer and water funds (see pages 24 through 31 and 76 through 99).
- *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 59 of this report, provide additional information that is important for a better understanding of the data provided in the financial statements.

Other Information

Pages 60 through 63 include required supplementary information regarding our fiduciary funds. Following on pages 64 through 75 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 100 through 173 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 \$426 million as of June 30, 2009. 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, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 130,141,568	\$ 140,897,861	\$ 93,498,171	\$ 87,686,189	\$ 223,639,739	\$ 228,584,050
Capital Assets	63,751,886	52,330,100	332,227,521	326,263,103	395,979,407	378,593,203
Total Assets	<u>\$ 193,893,454</u>	<u>\$ 193,227,961</u>	<u>\$ 425,725,692</u>	<u>\$ 413,949,292</u>	<u>\$ 619,619,146</u>	<u>\$ 607,177,253</u>
Current and Other Liabilities	21,592,489	26,335,127	3,368,564	3,166,902	24,961,053	29,502,029
Long-term Liabilities						
Outstanding	6,823,550	9,488,102	161,498,140	160,952,106	168,321,690	170,440,208
Total Liabilities	<u>\$ 28,416,039</u>	<u>\$ 35,823,229</u>	<u>\$ 164,866,704</u>	<u>\$ 164,119,008</u>	<u>\$ 193,282,743</u>	<u>\$ 199,942,237</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	63,679,024	52,193,513	172,029,870	166,434,682	235,708,894	218,628,195
Restricted	57,250,045	69,968,855	73,884,414	78,027,750	131,134,459	147,996,605
Unrestricted	44,548,346	35,242,364	14,944,704	5,367,852	59,493,050	40,610,216
Total Net Assets	<u>\$ 165,477,415</u>	<u>\$ 157,404,732</u>	<u>\$ 260,858,988</u>	<u>\$ 249,830,284</u>	<u>\$ 426,336,403</u>	<u>\$ 407,235,016</u>

A large portion of the County's net assets (55 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 \$17 million during fiscal year 2009, primarily due to County sewer project expansion.

Of the remaining \$191 million in net assets, \$74 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, \$57 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 a new County Administration Building (\$12 million), Industrial Park infrastructure (\$2.7 million) and County Airport improvements (\$1 million). Available 911 fees are restricted for specific emergency dispatch purposes, i.e., software to maintain addressing and mapping.

The remaining \$59 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 2009 and 2008.

SUSSEX COUNTY'S CHANGES IN NET ASSETS
For the Years Ended June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 13,156,864	\$ 10,698,851	\$ 15,148,124	\$ 14,445,865	\$ 28,304,988	\$ 25,144,716
Operating Grants and Contributions	7,526,184	6,787,014	15,926,530	21,288,672	23,452,714	28,075,686
Capital Grants and Contributions	4,727,502	4,475,526	6,370,290	12,252,630	11,097,792	16,728,156
General Revenues						
Property Taxes	12,763,282	12,315,444	-	-	12,763,282	12,315,444
Capitation Taxes	252,741	247,041	-	-	252,741	247,041
Fire Service Taxes	758,837	1,106,321	-	-	758,837	1,106,321
Realty Transfer Taxes	13,621,270	20,636,949	-	-	13,621,270	20,636,949
Investment Income	2,157,202	4,379,147	234,467	629,534	2,391,669	5,008,681
Total Revenues	\$ 54,963,882	\$ 60,646,293	\$ 37,679,411	\$ 48,616,701	\$ 92,643,293	\$ 109,262,994
Expenses:						
Primary Government:						
General Government	\$ 9,578,284	\$ 13,494,301	\$ -	\$ -	\$ 9,578,284	\$ 13,494,301
Grant-in-aid Programs	8,134,600	9,282,188	-	-	8,134,600	9,282,188
Planning and Zoning	1,289,323	1,512,879	-	-	1,289,323	1,512,879
Paramedic Program	12,079,831	12,802,503	-	-	12,079,831	12,802,503
Emergency Preparedness	2,661,089	2,764,937	-	-	2,661,089	2,764,937
Economic Development and Public Works	492,675	556,647	-	-	492,675	556,647
County Engineer	2,407,043	2,713,328	-	-	2,407,043	2,713,328
Airport	1,019,012	995,702	-	-	1,019,012	995,702
Library	3,880,816	3,924,788	-	-	3,880,816	3,924,788
Community Development and Housing Programs	1,508,755	1,501,117	-	-	1,508,755	1,501,117
Constitutional Offices	2,449,069	2,630,085	-	-	2,449,069	2,630,085
Business-type Activities	-	-	28,041,409	26,988,716	28,041,409	26,988,716
Total Expenses	\$ 45,500,497	\$ 52,178,475	\$ 28,041,409	\$ 26,988,716	\$ 73,541,906	\$ 79,167,191
Increase in Net Assets Before Transfers	\$ 9,463,385	\$ 8,467,818	\$ 9,638,002	\$ 21,627,985	\$ 19,101,387	\$ 30,095,803
Transfers	(1,390,702)	(2,543,355)	1,390,702	2,543,355	-	-
Increase in Net Assets	\$ 8,072,683	\$ 5,924,463	\$ 11,028,704	\$ 24,171,340	\$ 19,101,387	\$ 30,095,803
Net Assets – Beginning	157,404,732	151,480,269	249,830,284	225,658,944	407,235,016	377,139,213
Net Assets – Ending	\$ 165,477,415	\$ 157,404,732	\$ 260,858,988	\$ 249,830,284	\$ 426,336,403	\$ 407,235,016

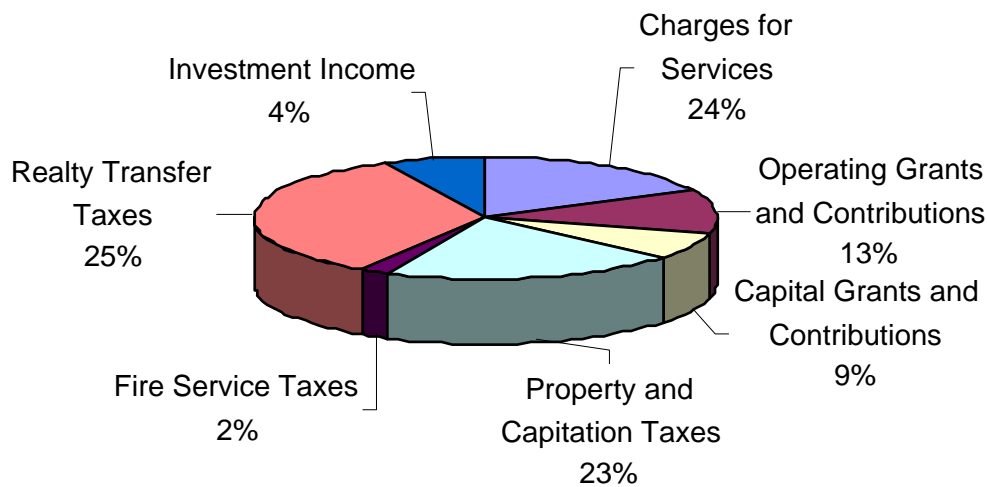
Governmental Activities

Governmental activities increased net assets by \$8 million during fiscal year 2009. This represents 42 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 \$27 million for fiscal year 2009 for governmental activities. This includes \$14 million received from realty transfer taxes. This is a \$7 million decline from fiscal year 2008, due to the sluggish real estate market. Realty transfer tax, once our largest source of revenue, has declined to the point that it is almost equal with our property tax revenue. This is a reflection of the effect of the frail housing market in Sussex County.

The pie chart below shows the allocation of our governmental revenues.

Revenues by Source - Governmental Activities

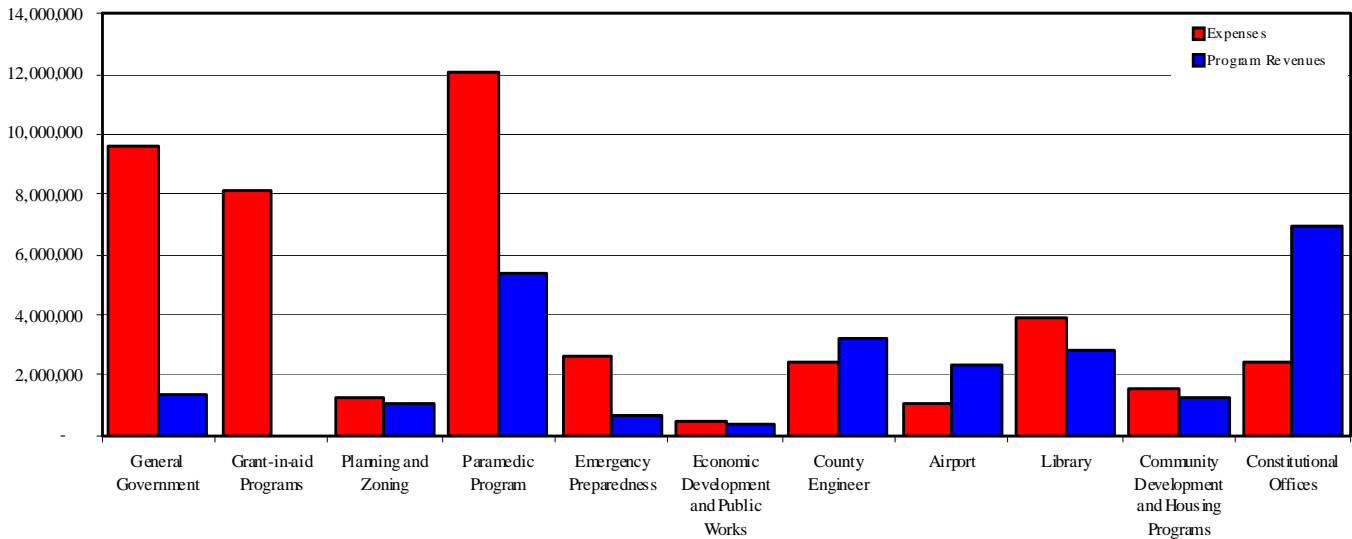


Charges for services reflect decreases in revenue from the Recorder of Deeds, Building Permit, and Building Inspection fees. These revenues were down \$2 million, or 21 percent, from the previous year. This reflects the continued downturn in the real estate market locally as well as mirroring the national real estate slump. Another indicator of precarious economic conditions is interest income. Interest income was down \$2 million, or 50% for fiscal year 2009.

Most all the governmental activity expenses have decreased, due to a reduced budget as revenues have continued to decline as a result of the slow housing market. Those departments that did have increases in expenses are mostly due to compensated absences payouts, re-allocation of employees or a new larger facility to support.

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

Expenses and Program Revenues - Governmental Activities



The population growth of the county over the last few years has impacted the paramedic department more than any other county service. This population is here to stay and relies on this County service but our revenues are down, making it harder to fund. Over the last five years two new paramedic stations have been added. The County has had to develop cost-saving procedures without jeopardizing the quality of service being provided by the paramedics. 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 2009, the County provided over \$8 million in grant-in-aid programs for a variety of local 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 continues to supplement the state police and local law enforcement through this grant program. In fiscal year 2009 \$2.3 million was granted to them. Grant funding for the volunteer fire service continued during fiscal year 2009. There was \$3.1 million granted to the fire service. Many community grants, \$1.3 million, are given to local non-project organizations, senior centers and housing assistance programs.

During fiscal year 2009, the County continued expansion projects at the County Airport. Storm water 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 also completed a crosswind runway project in fiscal year 2009. For future financial planning we realize that some of these expansion projects could possibly be delayed as we focus on our current economic uncertainties.

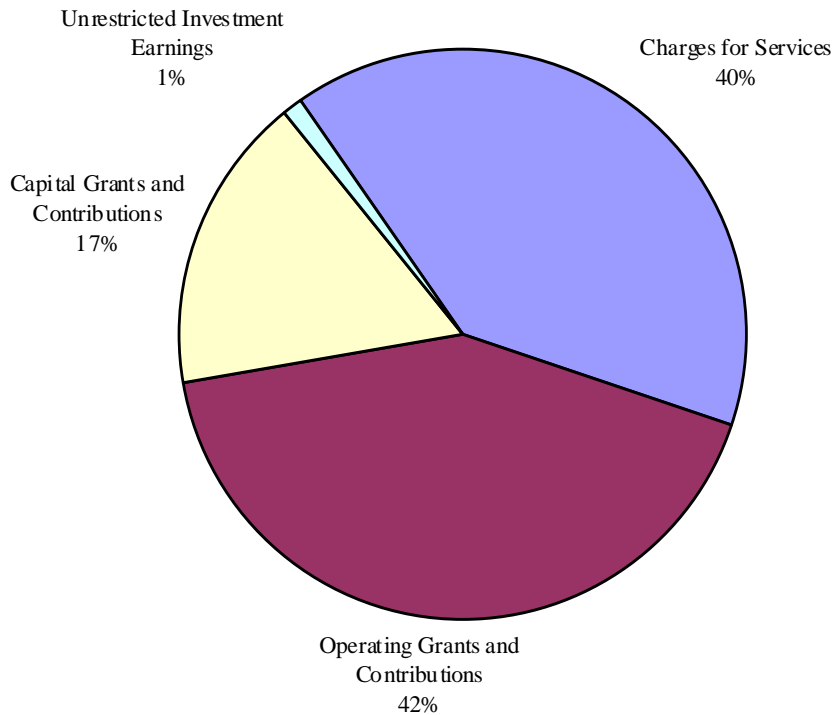
Library expansion continues in the County. All three county libraries are experiencing growth and are in some phase of an expansion project. Construction finished in fiscal year 2009 for the expansion of the South Coastal Library, a \$5 million project and the Milton Library, an \$800,000 project.

Fiscal year 2009 finished with a deficit of \$1.9 million, page 74 in the financial section shows a history of Sussex County's revenues and expenses from 1978. As seen we have had some sound years, in particular from 1991 through 2006. By being fiscally responsible we have adequate resources as evidence by our undesignated fund balance, which is 20% of our 2010 general fund budget.

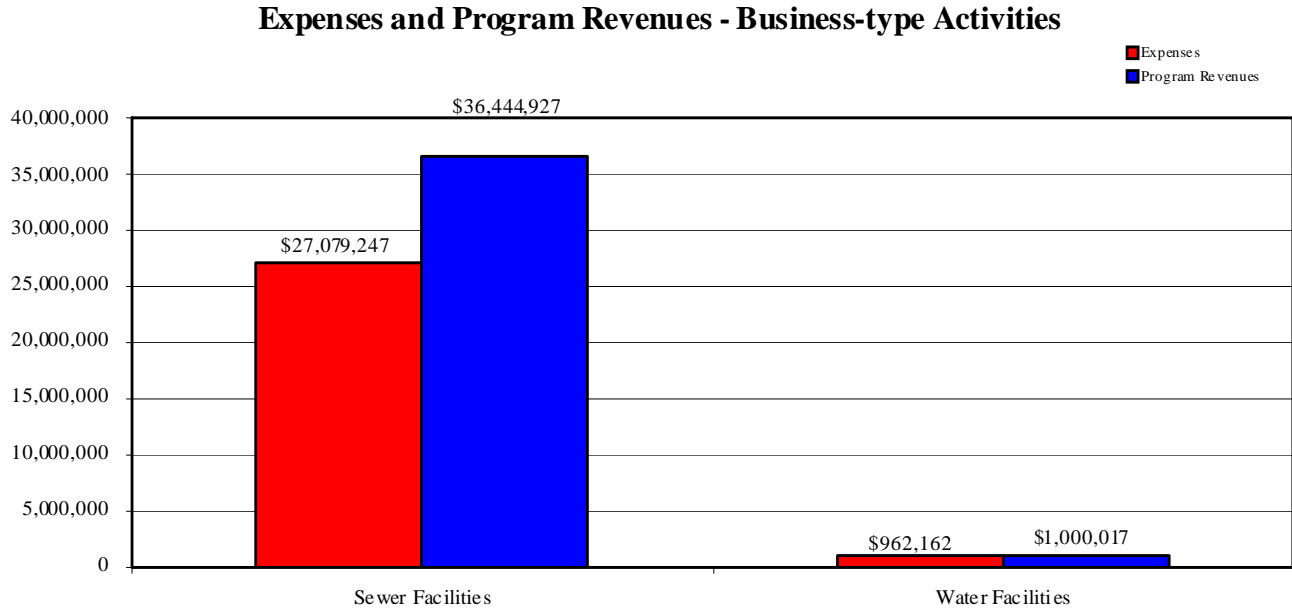
Business-type Activities

Sussex County's water and sewer funds have an increase in net assets of \$11 million during fiscal year 2009. Income before capital contributions and transfers was \$3.3 million. There is one significant reason there is an increase in fund net assets for business-type activities. Sewer construction in progress has added to the proprietary funds investment in net assets, \$6 million. There are currently six major sewer expansion projects in process. 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 \$2 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 \$4 million in connection fees for new growth in the sewer and water districts. Connection fee income decreased by 54% from fiscal year 2008. The housing market which directly affects our connection fee revenue is driving this decrease. County sewer and water districts' EDUs are growing at a much smaller pace now. Over the last five years sewer users were up 25% and over the last ten years the growth is 68%. One of the County's goals has always been to support our Inland bays by supporting affordable 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 2009, fund balances of the County's governmental funds decreased \$9 million to \$93 million. This is primarily due to the decrease in the residential housing demand in the County. The real estate market has stalled and that has caused revenues to drop. Noncurrent assets still remain large due

to our policy of interim financing of our sewer districts using our realty transfer tax. Restricted realty transfer tax cash has decreased \$13 million due to the drop in the realty transfer tax revenue as discussed earlier.

Some of the more significant designations in fund balance are for grants, reassessment and future information technology needs. 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, 2009, the General fund undesignated fund balance was \$9 million, 20% of the 2010 budget. 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. The County has not incurred any tax supported bonded debt for the general fund since then.

Fiduciary Funds

Sussex County's pension fund is a defined benefit plan. The annual contribution is determined through the budgetary process and with reference to the actuary. During fiscal year 2009 over \$2 million was contributed to the pension plan. The market crash significantly decreased the Plan's funding level, however the County is 95.5% funded according to the latest actuary report. By previously being almost 100% funded has enabled Sussex County to ride out the stock market's plunge in the recent year.

During fiscal year 2005, the County established an irrevocable fund for post-retirement employee benefits. The County has adopted 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. We are currently about 36 percent funded. As of June 30, 2009, net assets held in this account were valued at \$18 million. For fiscal year 2010, the contribution to this fund will be over \$2.7 million. Because of this commitment and forethought our net Other Post Employment Benefit Obligation, per the actuary report, is an asset rather than a liability.

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 \$89 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 revenue. Connection fees received are to be used for capital costs and assessment fees received 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 2009. 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), State dog control contract (\$290,727) and Building Code inspection contract (\$67,000).

Budget to Actual – Revenue

The fiscal 2009 budget decreased 5.4% from the fiscal 2008 budget. This reduction reflects decreasing revenues, as well as spending constraints. Actual general fund revenues and other financing sources were under budgeted revenues by \$4.5 million. This was because \$4.3 million of realty transfer tax was budgeted but not realized in actual revenue, a direct correlation to the depressed housing market in our area. The real estate market and building climate during fiscal year 2009 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, and road design fees. Interest income was under the budgeted revenues also as interest rates declined throughout the fiscal year.

Budget to Actual - Expenditures

Expenditures and other financing uses were under budgeted as well by \$5.2 million as noted on page 73. As reflected in the revenue drop in fiscal year 2009, expenditures related to revenue generating departments naturally are down as well. Building Code and Public Works departments previously contracted out plan review and inspection. 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. In fiscal years 2009 and 2008 we had many employees retire and we tried to replace from within freeing up other positions that were not necessarily replaced. Through attrition the County has been able to save. This can be seen in the budget to actual comparison, most all personal services and employee benefits are under budget. Our largest department, the paramedics actual was under budget by \$744,036 due largely to their personal services, savings in overtime paid.

Capital Asset and Debt Administration

Capital Assets

As per the chart below, capital assets (net of depreciation) are valued at \$396 million as of June 30, 2009. Note D, on pages 43 and 44, includes additional information.

SUSSEX COUNTY'S CAPITAL ASSETS
As of June 30, 2009 and 2008
 (net of depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Land	\$ 14,727,248	\$ 12,228,329	\$ 39,531,767	\$ 39,531,769	\$ 54,259,015	\$ 51,760,098
Construction in Progress	11,235,700	7,079,501	22,468,096	11,451,148	33,703,796	18,530,649
Buildings	29,713,497	24,616,064	26,425,820	26,254,375	56,139,317	50,870,439
Improvements Other Than Buildings	4,079,855	4,067,043	5,738,598	6,045,699	9,818,453	10,112,742
Machinery and Equipment	3,995,586	4,339,163	2,339,856	2,882,921	6,335,442	7,222,084
Infrastructure	-	-	235,723,384	240,097,191	235,723,384	240,097,191
Total	\$ 63,751,886	\$ 52,330,100	\$ 332,227,521	\$ 326,263,103	\$ 395,979,407	\$ 378,593,203

The following are highlights of the major capital projects done in fiscal year 2009.

- \$5.8 million was spent on airport expansion and improvements.
- \$3.6 million spent on library expansion projects.
- \$2.7 million was spent on property acquisitions and landfill buffers.

Sewer fund asset additions also include \$2 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 2009, 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 2009.
- The South Coastal Regional Wastewater Treatment Facility expansion went into operation in fiscal year 2008. The plant's capacity was expanded from 6 million gallons per day to 9 million gallons per day of average daily flow. New personnel offices and work areas are completed now as well.
- 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, Golf Village, Woodlands of Millsboro and the Oak Orchard expansion areas were in the sewer design or construction phase. It is estimated that central sewer will become available in one to three years in these areas. These sewer districts will take full advantage of the Federal Stimulus funds available.

Long-term Debt

As of June 30, 2009, the County had \$162 million in outstanding bonds payable. Of this amount, \$22 million was backed by specific sewer district revenues. The remaining \$140 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, 2009 and 2008

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ -	\$ -	\$ 139,857,414	\$ 137,819,192	\$ 139,857,414	\$ 137,819,192
Revenue Bonds	-	-	22,475,982	24,005,471	22,475,982	24,005,471
Total	\$ -	\$ -	\$ 162,333,396	\$ 161,824,663	\$ 162,333,396	\$ 161,824,663

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 funds were granted and borrowed from the State of Delaware Revolving Fund Loan Program and the United States Department of Agriculture for a variety of sewer construction. Securing funding from these agencies provides affordable sewer to our County residents. These funds that are borrowed are almost always set at a very low interest rate with a long term payoff.

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, 2009, there was \$208 million remaining as available general obligation debt margin.

Additional information is included in note "H" on pages 51 through 56 of the report.

Economic Factors in Next Year's Budgets and Rates

Economic Factors

The 2009 budget committee tried hard to forecast or anticipate the effect of the housing market decline and general bad economy on our budget. Those related fees had been budgeted at lower levels based upon local economic predictions. The challenge and goal is to maintain and supplement existing County services in the midst of a major economic downturn. Our rainy day fund is strong and healthy because of fiscally sound financial policies in the past.

- The County's economy is as evidenced by a 7.8 percent unemployment rate as of June 2009. This compares to 8.4 percent for the State of Delaware and 9.5 percent for the United States. Even with the national outlook dim Sussex County is resilient and has not experienced the same level of the housing crash as some parts of the country.
- There are signs that the economy is improving; federal stimulus funds being spent, low mortgage rates, declining housing prices, a bump in the housing and construction industries, some consumer confidence and global stock markets surging up.
- Retail sales are 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.

Fiscal Year 2010 Budget and Rates

The whole theme of the 2010 budget was where to cut back. 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 and where can we cutback expenditures to do this. The goal of the 2010 budget is to reflect the change in the economy and to continue to provide a strong financial base for the future. We balanced the 2010 general fund budget without using any of our reserves. Employees especially felt this as the take home vehicles were grounded, no cost of living increases were given and there were increases in employee medical contributions.

The 2010 General fund budget decreased by 16 percent, reflecting a realization that revenues were just not there. 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 County property tax rate remained at 44.5 cents for the 20th straight year. The County takes pride that for eight consecutive years there has not been any general fund bonded debt, especially when budgets are being cut so thin. Conservative budgeting now and in the past has enabled the County to continue not raising property taxes.

The 2010 capital improvements budget is using \$6 million of appropriated reserves. The focus of the 2010 capital improvements budget is to use funds set aside in previous years for these projects. Our goal will be to use available funds to develop these needed projects instead of borrowing through bond issues.

The fiscal year 2010 Sewer and Water budget for operations, maintenance and debt payments decreased by 2.7 percent. The fiscal year 2010 sewer and water budget included a minimal service charge rate

increase of \$8.00 per year. These fees will be used to offset the administrative costs paid for by the General Fund. The new budget also includes 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 project program of \$50 million includes \$35 million for water and sewer district expansion and major maintenance projects. The five-year capital improvement plan of \$166 million includes \$124 million for sewer projects and expansions and \$42 million for other projects such as airport expansion, industrial park expansion, 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 protecting 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, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,232,960	\$ 31,801,675	\$ 49,034,635
Receivables, net of allowance for doubtful accounts:			
Taxes	908,010	-	908,010
Service charges	-	1,273,542	1,273,542
Assessment, impact, connection, and expansion	330,037	942,771	1,272,808
Accrued interest	78,399	127,337	205,736
Miscellaneous	148,263	276,521	424,784
Due from other governmental agencies	2,365,749	4,068,091	6,433,840
Unbilled taxes	13,134,762	-	13,134,762
Internal balances	24,553,370	(24,553,370)	-
Inventory	9,732	12,796	22,528
Prepaid items	14,946	-	14,946
Net pension asset	10,975,002	2,743,751	13,718,753
Net other postemployment benefit asset	1,680,217	420,054	2,100,271
Restricted assets:			
Cash and cash equivalents	58,361,547	75,765,490	134,127,037
Economic development loans	348,574	-	348,574
Bond issue cost, net of amortization	-	619,513	619,513
Capital assets:			
Land, improvements, and construction in progress	25,962,948	61,999,863	87,962,811
Other capital assets, net of depreciation	37,788,938	270,227,658	308,016,596
TOTAL ASSETS	193,893,454	425,725,692	619,619,146
LIABILITIES			
Accounts payable and other current liabilities	2,438,470	2,934,513	5,372,983
Accrued interest payable	-	434,051	434,051
Employee health claims payable	844,110	-	844,110
Unearned revenue:			
Taxes	13,134,762	-	13,134,762
Other	259,817	-	259,817
Deposits	4,915,330	-	4,915,330
Long-term liabilities:			
Due within one year	2,976,058	8,350,894	11,326,952
Due in more than one year	3,847,492	153,147,246	156,994,738
TOTAL LIABILITIES	28,416,039	164,866,704	193,282,743
NET ASSETS			
Invested in capital assets, net of related debt	63,679,024	172,029,870	235,708,894
Restricted for:			
Realty transfer tax	54,874,036	-	54,874,036
911 Reporting	1,871,459	-	1,871,459
Grant funds	504,550	-	504,550
Construction and debt service	-	42,594,693	42,594,693
Revenue bond debt service	-	31,289,721	31,289,721
Unrestricted	44,548,346	14,944,704	59,493,050
TOTAL NET ASSETS	\$ 165,477,415	\$ 260,858,988	\$ 426,336,403

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

SUSSEX COUNTY, DELAWARE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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	\$ 9,578,284	\$ 1,307,616	\$ 23,000	\$ -	\$ (8,247,668)	\$ -	\$ (8,247,668)
Grant-in-aid programs	8,134,600	-	-	-	(8,134,600)	-	(8,134,600)
Planning and zoning	1,289,323	1,098,577	-	-	(190,746)	-	(190,746)
Paramedic program	12,079,831	-	5,220,451	180,392	(6,678,988)	-	(6,678,988)
Emergency preparedness	2,661,089	17,655	618,464	-	(2,024,970)	-	(2,024,970)
Economic development and public works	492,675	353,952	-	-	(138,723)	-	(138,723)
County engineer	2,407,043	3,223,485	19,933	-	836,375	-	836,375
Airport	1,019,012	187,933	-	2,126,440	1,295,361	-	1,295,361
Library	3,880,816	26,716	390,527	2,420,670	(1,042,903)	-	(1,042,903)
Community development and housing programs	1,508,755	-	1,253,809	-	(254,946)	-	(254,946)
Constitutional offices	2,449,069	6,940,930	-	-	4,491,861	-	4,491,861
TOTAL GOVERNMENTAL ACTIVITIES	45,500,497	13,156,864	7,526,184	4,727,502	(20,089,947)	-	(20,089,947)
BUSINESS-TYPE ACTIVITIES							
Sewer facilities	27,079,247	14,458,789	15,615,848	6,370,290	-	9,365,680	9,365,680
Water facilities	962,162	689,335	310,682	-	-	37,855	37,855
TOTAL BUSINESS-TYPE ACTIVITIES	28,041,409	15,148,124	15,926,530	6,370,290	-	9,403,535	9,403,535
TOTAL PRIMARY GOVERNMENT	\$ 73,541,906	\$ 28,304,988	\$ 23,452,714	\$ 11,097,792	(20,089,947)	9,403,535	(10,686,412)
GENERAL REVENUES							
Taxes: Property					12,763,282	-	12,763,282
Capitation					252,741	-	252,741
Fire service					758,837	-	758,837
Realty transfer					13,621,270	-	13,621,270
Unrestricted investment earnings					2,157,202	234,467	2,391,669
TRANSFERS					(1,390,702)	1,390,702	-
TOTAL GENERAL REVENUES AND TRANSFERS					28,162,630	1,625,169	29,787,799
CHANGE IN NET ASSETS					8,072,683	11,028,704	19,101,387
NET ASSETS - BEGINNING					157,404,732	249,830,284	407,235,016
NET ASSETS - ENDING					\$ 165,477,415	\$ 260,858,988	\$ 426,336,403

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

SUSSEX COUNTY, DELAWARE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

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	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 17,084,804	\$ 148,156	\$ 17,232,960
Receivables, net of allowance for doubtful accounts:			
Taxes	908,010	-	908,010
Assessment, impact, connection, and expansion	330,037	-	330,037
Accrued interest	42,193	36,206	78,399
Miscellaneous	148,263	-	148,263
Due from other governmental agencies	2,025,268	340,481	2,365,749
Unbilled taxes	13,134,762	-	13,134,762
Due from other funds	24,570,777	-	24,570,777
Inventory	9,732	-	9,732
Prepaid items	14,946	-	14,946
Restricted assets:			
Cash and cash equivalents	38,173,525	20,188,022	58,361,547
TOTAL ASSETS	<u>\$ 96,442,317</u>	<u>\$ 20,712,865</u>	<u>\$ 117,155,182</u>
LIABILITIES			
Accounts payable and other accrued expenditures	\$ 1,711,825	\$ 726,645	\$ 2,438,470
Due to other funds	-	17,407	17,407
Employee health claims payable	844,110	-	844,110
Deferred revenue:			
Taxes	13,966,093	-	13,966,093
Other	1,800,517	197,514	1,998,031
Deposits	4,915,330	-	4,915,330
TOTAL LIABILITIES	<u>23,237,875</u>	<u>941,566</u>	<u>24,179,441</u>
FUND BALANCES			
Reserved for:			
Encumbrances	175,283	-	175,283
Inventories and prepaid items	24,678	-	24,678
Non-current assets	24,922,511	-	24,922,511
911 funds	1,871,460	-	1,871,460
Realty transfer tax	34,686,014	20,188,022	54,874,036
Unreserved:			
Designated for subsequent years' expenditures	2,078,768	-	2,078,768
Undesignated	9,445,728	(416,723)	9,029,005
TOTAL FUND BALANCES	<u>73,204,442</u>	<u>19,771,299</u>	<u>92,975,741</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 96,442,317</u>	<u>\$ 20,712,865</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.			63,751,886
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			15,573,338
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			(6,823,550)
Net Assets of Governmental Activities			<u>\$ 165,477,415</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Taxes	\$ 27,291,166	\$ -	\$ 27,291,166
Intergovernmental	7,048,498	4,128,818	11,177,316
Charges for services	10,325,117	-	10,325,117
Fines and forfeits	23,971	-	23,971
Miscellaneous	2,272,109	1,366,481	3,638,590
TOTAL REVENUES	46,960,861	5,495,299	52,456,160
EXPENDITURES			
Current:			
General Government:			
General administration	1,207,110	-	1,207,110
Finance	5,347,433	-	5,347,433
Personnel	2,275,303	-	2,275,303
Buildings and grounds	1,652,089	-	1,652,089
Data processing	1,353,096	-	1,353,096
County constable	274,089	-	274,089
Grant-in-aid programs	8,284,600	-	8,284,600
Planning and zoning	1,279,394	-	1,279,394
Paramedic program	12,520,985	-	12,520,985
Emergency preparedness	2,305,965	-	2,305,965
Economic development and public works	479,096	-	479,096
County engineer	2,391,805	-	2,391,805
Airport	434,432	-	434,432
Library	3,709,309	-	3,709,309
Community development and housing programs	1,509,447	-	1,509,447
Constitutional offices	2,442,663	-	2,442,663
Capital projects	-	12,477,328	12,477,328
TOTAL EXPENDITURES	47,466,816	12,477,328	59,944,144
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(505,955)	(6,982,029)	(7,487,984)
OTHER FINANCING SOURCES (USES)			
Capital leases	5,442	-	5,442
Transfers in	162,793	3,289	166,082
Transfers out	(1,556,784)	-	(1,556,784)
TOTAL OTHER FINANCING SOURCES (USES)	(1,388,549)	3,289	(1,385,260)
NET CHANGE IN FUND BALANCES	(1,894,504)	(6,978,740)	(8,873,244)
FUND BALANCES - BEGINNING	75,098,946	26,750,039	101,848,985
FUND BALANCES - ENDING	\$ 73,204,442	\$ 19,771,299	\$ 92,975,741

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, 2009**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			\$ (8,873,244)
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 outlays (\$ 13,822,181) exceeded depreciation (\$ 2,377,899) in the current period.			11,444,282
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and contributions) is to increase (decrease) net assets.			(22,496)
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	\$	98,306	
Grants		<u>(370,047)</u>	(271,741)
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.			63,725
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		(175,173)	
Net pension obligation		1,328,643	
Net other postemployment benefit asset		1,680,217	
Economic development loans		122,470	
Postclosure landfill care costs		<u>2,776,000</u>	<u>5,732,157</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES			<u>\$ 8,072,683</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 31,872,441	\$ 31,872,441	\$ 27,291,166	\$ (4,581,275)
Intergovernmental	7,299,802	7,299,802	7,048,498	(251,304)
Charges for services	10,115,304	10,115,304	10,325,117	209,813
Fines and forfeits	31,500	31,500	23,971	(7,529)
Miscellaneous	2,331,300	2,331,300	2,272,109	(59,191)
TOTAL REVENUES	51,650,347	51,650,347	46,960,861	(4,689,486)
EXPENDITURES				
Current:				
General Government:				
General administration	1,406,376	1,333,089	1,207,110	125,979
Finance	6,010,347	5,749,544	5,347,433	402,111
Personnel	2,435,090	2,255,449	2,275,303	(19,854)
Buildings and grounds	1,988,955	1,742,590	1,652,089	90,501
Data processing	1,528,061	1,443,220	1,353,096	90,124
County constable	329,297	326,696	274,089	52,607
Grant-in-aid programs	9,919,070	8,318,006	8,284,600	33,406
Planning and zoning	1,525,771	1,444,848	1,279,394	165,454
Paramedic program	13,611,673	13,265,021	12,520,985	744,036
Emergency preparedness	2,515,314	2,531,686	2,305,965	225,721
Economic development and public works	573,154	580,604	479,096	101,508
County engineer	2,617,813	2,557,848	2,391,805	166,043
Airport	302,792	433,279	434,432	(1,153)
Library	4,049,661	4,005,583	3,709,309	296,274
Community development and housing programs	1,628,227	1,624,227	1,509,447	114,780
Constitutional offices	2,759,261	2,691,306	2,442,663	248,643
TOTAL EXPENDITURES	53,200,862	50,302,996	47,466,816	2,836,180
EXCESS OF REVENUES OVER EXPENDITURES	(1,550,515)	1,347,351	(505,955)	(1,853,306)
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	5,442	5,442
Transfers in	-	-	162,793	162,793
Transfers out	-	(1,385,000)	(1,556,784)	(171,784)
Reserved for contingencies	(1,000,000)	(2,512,866)	-	2,512,866
TOTAL OTHER FINANCING SOURCES (USES)	(1,000,000)	(3,897,866)	(1,388,549)	2,509,317
NET CHANGE IN FUND BALANCE	(2,550,515)	(2,550,515)	(1,894,504)	656,011
FUND BALANCE - BEGINNING	75,098,946	75,098,946	75,098,946	-
FUND BALANCE - ENDING	\$ 72,548,431	\$ 72,548,431	\$ 73,204,442	\$ 656,011

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

SUSSEX COUNTY, DELAWARE
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2009

	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,600,663	\$ 2,790,877	\$ 6,242,309
Receivables, net of allowance for doubtful accounts:			
Service charges	33,122	140,877	156,468
Assessment, impact, connection, and expansion	42,001	178,660	-
Accrued interest	17,032	10,584	42,422
Miscellaneous	12,785	94,331	56,566
Due from other governmental agencies	2,078,028	599,757	-
Due from other funds	41,863	-	1,512,448
Inventory	-	-	3,624
TOTAL CURRENT ASSETS	7,825,494	3,815,086	8,013,837
NONCURRENT ASSETS			
Restricted assets:			
Cash and cash equivalents	5,499,233	34,753,206	14,528,232
Bond issue cost, net of amortization	48,521	262,261	66,294
Net pension asset	164,869	651,893	986,209
Net other postemployment benefit asset	25,241	99,802	150,983
Noncurrent accounts receivable:			
Service charges	18,478	264,978	76,638
Assessment, impact, connection, and expansion	14,949	514,437	-
Capital assets:			
Land, improvements, and construction in progress	18,884,057	3,959,258	1,158,815
Other capital assets, net of depreciation	38,136,446	85,669,175	41,478,370
TOTAL NONCURRENT ASSETS	62,791,794	126,175,010	58,445,541
TOTAL ASSETS	70,617,288	129,990,096	66,459,378
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other current liabilities	587,038	185,891	850,489
Accrued interest payable	58,011	92,444	66,133
Due to other funds	7,769,911	769,320	8,676,710
Current portion of long-term liabilities	1,130,667	2,848,566	1,564,955
TOTAL CURRENT LIABILITIES	9,545,627	3,896,221	11,158,287
LONG-TERM LIABILITIES, LESS CURRENT PORTION	22,168,772	58,968,523	20,853,648
TOTAL LIABILITIES	31,714,399	62,864,744	32,011,935
NET ASSETS			
Invested in capital assets, net of related debt	33,799,209	28,120,330	20,686,024
Restricted for:			
Construction and debt service	5,079,440	3,444,272	13,985,213
Revenue bond debt service	-	31,289,721	-
Unrestricted	24,240	4,271,029	(223,794)
TOTAL NET ASSETS	\$ 38,902,889	\$ 67,125,352	\$ 34,447,443

(continued)

SUSSEX COUNTY, DELAWARE
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS - CONTINUED
JUNE 30, 2009

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,167,826	\$ 31,801,675
Receivables, net of allowance for doubtful accounts:		
Service charges	312,767	643,234
Assessment, impact, connection, and expansion	102,733	323,394
Accrued interest	57,299	127,337
Miscellaneous	112,839	276,521
Due from other governmental agencies	1,390,306	4,068,091
Due from other funds	98,622	1,652,933
Inventory	9,172	12,796
TOTAL CURRENT ASSETS	19,251,564	38,905,981
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	20,984,819	75,765,490
Bond issue cost, net of amortization	242,437	619,513
Net pension asset	940,780	2,743,751
Net other postemployment benefit asset	144,028	420,054
Noncurrent accounts receivable:		
Service charges	270,214	630,308
Assessment, impact, connection, and expansion	89,991	619,377
Capital assets:		
Land, improvements, and construction in progress	37,997,733	61,999,863
Other capital assets, net of depreciation	104,943,667	270,227,658
TOTAL NONCURRENT ASSETS	165,613,669	413,026,014
TOTAL ASSETS	184,865,233	451,931,995
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	1,311,095	2,934,513
Accrued interest payable	217,463	434,051
Due to other funds	8,990,362	26,206,303
Current portion of long-term liabilities	2,806,706	8,350,894
TOTAL CURRENT LIABILITIES	13,325,626	37,925,761
LONG-TERM LIABILITIES, LESS CURRENT PORTION	51,156,303	153,147,246
TOTAL LIABILITIES	64,481,929	191,073,007
NET ASSETS		
Invested in capital assets, net of related debt	89,424,307	172,029,870
Restricted for:		
Construction and debt service	20,085,768	42,594,693
Revenue bond debt service	-	31,289,721
Unrestricted	10,873,229	14,944,704
TOTAL NET ASSETS	\$ 120,383,304	\$ 260,858,988

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
OPERATING REVENUES			
Charges for services	\$ 589,543	\$ 4,358,674	\$ 4,383,640
Other operating revenue	175,436	143,576	186,151
TOTAL OPERATING REVENUES	764,979	4,502,250	4,569,791
OPERATING EXPENSES			
Amortization	7,843	19,167	8,268
Contractual services	71,387	479,709	740,275
Depreciation	1,005,941	2,523,668	1,978,062
Employee benefits	166,430	658,077	1,004,512
Equipment and tools	3,024	95,577	84,977
Maintenance and repairs	16,363	89,365	115,317
Miscellaneous	-	87,463	21,729
Process chemicals	11,733	25,305	165,757
Professional services	5,975	23,586	8,358
Salaries	240,363	1,005,232	1,509,194
Shared costs - operating	147,587	265,780	-
Supplies	-	67,593	90,125
Training and travel	-	82,552	117,169
Wastewater treatment	-	-	-
TOTAL OPERATING EXPENSES	1,676,646	5,423,074	5,843,743
OPERATING INCOME (LOSS)	(911,667)	(920,824)	(1,273,952)
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	211,652	300,425	460,889
Assessment and connection fees	2,115,650	5,611,379	2,204,554
Disposal of assets	-	2,150	-
Miscellaneous	-	-	2,810
Interest expense	(561,797)	(2,788,265)	(714,672)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,765,505	3,125,689	1,953,581
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	853,838	2,204,865	679,629
CAPITAL CONTRIBUTIONS	3,216,579	247,915	-
TRANSFERS IN	96,657	233,952	-
TRANSFERS OUT	-	(90,121)	-
CHANGE IN NET ASSETS	4,167,074	2,596,611	679,629
TOTAL NET ASSETS - BEGINNING	34,735,815	64,528,741	33,767,814
TOTAL NET ASSETS - ENDING	\$ 38,902,889	\$ 67,125,352	\$ 34,447,443

(continued)

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009**

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
OPERATING REVENUES		
Charges for services	\$ 4,899,042	\$ 14,230,899
Other operating revenue	152,139	657,302
TOTAL OPERATING REVENUES	5,051,181	14,888,201
OPERATING EXPENSES		
Amortization	17,052	52,330
Contractual services	848,939	2,140,310
Depreciation	4,000,634	9,508,305
Employee benefits	957,821	2,786,840
Equipment and tools	85,082	268,660
Maintenance and repairs	328,457	549,502
Miscellaneous	19,620	128,812
Process chemicals	33,242	236,037
Professional services	193,909	231,828
Salaries	1,432,956	4,187,745
Shared costs - operating	428,420	841,787
Supplies	98,673	256,391
Training and travel	87,603	287,324
Wastewater treatment	935,841	935,841
TOTAL OPERATING EXPENSES	9,468,249	22,411,712
OPERATING INCOME (LOSS)	(4,417,068)	(7,523,511)
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	668,723	1,641,689
Assessment and connection fees	4,587,725	14,519,308
Disposal of assets	9,300	11,450
Miscellaneous	245,663	248,473
Interest expense	(1,564,963)	(5,629,697)
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,946,448	10,791,223
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(470,620)	3,267,712
CAPITAL CONTRIBUTIONS	2,905,796	6,370,290
TRANSFERS IN	1,313,007	1,643,616
TRANSFERS OUT	(162,793)	(252,914)
CHANGE IN NET ASSETS	3,585,390	11,028,704
TOTAL NET ASSETS - BEGINNING	116,797,914	249,830,284
TOTAL NET ASSETS - ENDING	\$ 120,383,304	\$ 260,858,988

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, 2009

	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 630,139	\$ 4,297,299	\$ 4,375,012
Payments to suppliers	(247,760)	(1,094,479)	(1,208,600)
Payments to employees	(466,244)	(1,850,005)	(2,775,121)
Other receipts	175,436	143,576	188,961
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>91,571</u>	<u>1,496,391</u>	<u>580,252</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from other funds	7,735,237	1,104,961	26,458,926
Advances to other funds	(3,875,447)	(1,423,952)	(25,827,603)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>3,859,790</u>	<u>(318,991)</u>	<u>631,323</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(7,815,617)	(449,473)	(1,785,225)
Net payments on line of credit	-	-	(39,019)
Retirement of bonds and related costs	(1,054,895)	(2,640,895)	(1,302,737)
Bond proceeds	3,531,768	-	-
Assessment and connection fees	2,106,856	5,613,869	2,204,555
Capital contributions	694,032	44,533	-
Interest paid	(560,310)	(2,747,702)	(756,470)
Payments for bond issue costs	-	-	-
Transfers from other funds for capital activities	96,657	233,952	-
Transfers to other funds for capital activities	-	(90,121)	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,001,509)</u>	<u>(35,837)</u>	<u>(1,678,896)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	221,774	390,701	475,536
NET INCREASE (DECREASE) IN CASH	1,171,626	1,532,264	8,215
CASH AND CASH EQUIVALENTS - BEGINNING	<u>9,928,270</u>	<u>36,011,819</u>	<u>20,762,326</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 11,099,896</u>	<u>\$ 37,544,083</u>	<u>\$ 20,770,541</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET			
Cash and cash equivalents	\$ 5,600,663	\$ 2,790,877	\$ 6,242,309
Restricted cash and cash equivalents	5,499,233	34,753,206	14,528,232
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 11,099,896</u>	<u>\$ 37,544,083</u>	<u>\$ 20,770,541</u>

(continued)

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	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)	\$ (911,667)	\$ (920,824)	\$ (1,273,952)
Adjustments to reconcile operating income (loss) to net cash provided:			
Depreciation and amortization	1,013,784	2,542,835	1,986,330
Miscellaneous income	-	-	2,810
Changes in assets and liabilities:			
Accounts receivable	32,943	(61,375)	(65,478)
Due from other governmental agencies	-	-	-
Net pension asset	(21,991)	(93,413)	(108,746)
Net other postemployment benefit asset	(25,241)	(99,802)	(150,983)
Deposit	7,653	-	56,850
Compensated absences	(12,219)	6,519	(1,686)
Accounts payable	8,309	122,451	135,107
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 91,571	\$ 1,496,391	\$ 580,252
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital assets contributed from developers	\$ 555,448	\$ 83,301	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,870,307	\$ 14,172,757
Payments to suppliers	(3,133,592)	(5,684,431)
Payments to employees	(2,651,167)	(7,742,537)
Other receipts	396,308	904,281
	<u>(518,144)</u>	<u>1,650,070</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from other funds	4,303,104	39,602,228
Advances to other funds	(7,789,092)	(38,916,094)
	<u>(3,485,988)</u>	<u>686,134</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(3,685,323)	(13,735,638)
Net payments on line of credit	(153,520)	(192,539)
Retirement of bonds and related costs	(2,645,650)	(7,644,177)
Bond proceeds	4,621,142	8,152,910
Assessment and connection fees	4,590,211	14,515,491
Capital contributions	2,672,777	3,411,342
Interest paid	(1,578,529)	(5,643,011)
Payments for bond issue costs	(25,067)	(25,067)
Transfers from other funds for capital activities	1,313,007	1,643,616
Transfers to other funds for capital activities	(162,793)	(252,914)
	<u>4,946,255</u>	<u>230,013</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	694,741	1,782,752
	<u>694,741</u>	<u>1,782,752</u>
NET INCREASE (DECREASE) IN CASH		
	1,636,864	4,348,969
CASH AND CASH EQUIVALENTS - BEGINNING		
	36,515,781	103,218,196
CASH AND CASH EQUIVALENTS - ENDING		
	<u>\$ 38,152,645</u>	<u>\$ 107,567,165</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET		
Cash and cash equivalents	\$ 17,167,826	\$ 31,801,675
Restricted cash and cash equivalents	20,984,819	75,765,490
	<u>\$ 38,152,645</u>	<u>\$ 107,567,165</u>

(continued)

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (4,417,068)	\$ (7,523,511)
Adjustments to reconcile operating income (loss) to net cash provided:		
Depreciation and amortization	4,017,686	9,560,635
Miscellaneous income	245,663	248,473
Changes in assets and liabilities:		
Accounts receivable	(114,835)	(208,745)
Due from other governmental agencies	(1,494)	(1,494)
Net pension asset	(108,013)	(332,163)
Net other postemployment benefit asset	(144,028)	(420,054)
Deposit	86,100	150,603
Compensated absences	(8,349)	(15,735)
Accounts payable	(73,806)	192,061
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (518,144)	\$ 1,650,070
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital assets contributed from developers	\$ 1,075,331	\$ 1,714,080

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

SUSSEX COUNTY, DELAWARE
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2009

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	Pension and Other Employee Benefit Trusts
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 1,841,066
Investments	
U.S. Treasuries	4,810,847
Federal Home Loan Bank	100,469
Federal Home Loan Mortgage Corporation	101,688
Municipal obligations	279,924
Delaware Local Government Retirement Investment Pool	23,855,425
Delaware Local Government OPEB Pool	18,005,857
Mutual funds	<u>7,042,354</u>
Total Investments	56,037,630
Accrued interest	<u>54,174</u>
TOTAL ASSETS	<u>56,091,804</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	<u><u>\$ 56,091,804</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, 2009

- 33 -

	Pension and Other Employee Benefit Trusts
	<u> </u>
ADDITIONS	
Employer contributions	\$ 7,007,816
Investment:	
Net appreciation (depreciation) of investments	(8,061,260)
Interest and dividends	<u>705,946</u>
TOTAL ADDITIONS	(347,498)
DEDUCTIONS	
Beneficiary payments	<u>3,314,522</u>
NET DECREASE IN PLAN NET ASSETS	(3,662,020)
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING	<u>59,753,824</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - ENDING	<u><u>\$ 56,091,804</u></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. Major capital projects expenditures in fiscal year 2009 were for airport improvements and expansion, library expansion, and land purchases. As of June 30, 2009, the major projects being planned over the next five years include \$ 32.3 million for airport improvements and expansion, \$ 5 million for property acquisition, and \$ 1 million for various building improvements.

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 2009, Proprietary Fund interest expense is net of \$ 172,440 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 Budget Committee 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 Budget Committee then develops 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, 2009. 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	\$	348,574
Net pension asset		10,975,002
Net postemployment benefit asset		1,680,217
Deferred tax revenue		831,331
Other deferred revenue		<u>1,738,214</u>
Net Adjustment to Increase Net Assets	\$	<u><u>15,573,338</u></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, 2009, the carrying amount of the County's deposits was \$ 136,916,540 and the bank balance was \$ 143,455,236. None of the County's deposits were uninsured or uncollateralized at year end.

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% 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 (15.4%).

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, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries	\$ 35,897,339	\$ 31,530,594	\$ 2,606,621	\$ 1,760,124	\$ -
Federal Home Loan Bank	100,469	100,469	-	-	-
Federal Home Loan Mortgage Corporation	101,688	101,688	-	-	-
Municipal obligations	279,924	-	279,924	-	-
Repurchase agreements	16,989,983	16,989,983	-	-	-
Delaware Local Government Retirement Investment Pool	23,855,425	23,855,425	-	-	-
Delaware Local Government OPEB Pool	18,005,857	18,005,857	-	-	-
Mutual funds	7,042,354	7,042,354	-	-	-
Total Investments	\$ 102,273,039	\$ 97,626,370	\$ 2,886,545	\$ 1,760,124	\$ -

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

Cash on hand	\$ 9,723
Carrying amount of deposits	136,916,540
Carrying amount of investments	<u>102,273,039</u>
TOTAL	\$ 239,199,302
Cash and cash equivalents	\$ 49,034,635
Cash and cash equivalents - restricted	134,127,037
Fiduciary funds cash and investments (not included in government-wide statement)	<u>56,037,630</u>
TOTAL	\$ 239,199,302

NOTE C - ACCOUNTS RECEIVABLE

The allowance for uncollectible receivables at June 30, 2009 is \$ 12,866 for service and \$ 9,522 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, 2009, was as follows:

	Balance at June 30, 2008	Increases	Decreases	Balance at June 30, 2009
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 12,228,329	\$ 2,498,919	\$ -	\$ 14,727,248
Construction in progress	7,079,501	7,124,261	2,968,062	11,235,700
Total capital assets, not being depreciated	<u>19,307,830</u>	<u>9,623,180</u>	<u>2,968,062</u>	<u>25,962,948</u>
Other capital assets:				
Buildings	27,972,949	5,694,913	-	33,667,862
Improvements	10,194,572	348,690	-	10,543,262
Machinery and equipment	14,023,569	1,123,460	104,881	15,042,148
Total other capital assets	<u>52,191,090</u>	<u>7,167,063</u>	<u>104,881</u>	<u>59,253,272</u>
Less accumulated depreciation for:				
Buildings	3,356,885	597,480	-	3,954,365
Improvements	6,127,529	335,878	-	6,463,407
Machinery and equipment	9,684,406	1,444,541	82,385	11,046,562
Total accumulated depreciation	<u>19,168,820</u>	<u>2,377,899</u>	<u>82,385</u>	<u>21,464,334</u>
Other capital assets, net	33,022,270	4,789,164	22,496	37,788,938
Governmental Activities Capital Assets, Net	<u>\$ 52,330,100</u>	<u>\$ 14,412,344</u>	<u>\$ 2,990,558</u>	<u>\$ 63,751,886</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 39,531,767	\$ -	\$ -	\$ 39,531,767
Construction in progress	11,451,150	11,854,865	837,919	22,468,096
Total capital assets, not being depreciated	<u>50,982,917</u>	<u>11,854,865</u>	<u>837,919</u>	<u>61,999,863</u>
Other capital assets:				
Buildings	32,715,044	898,349	-	33,613,393
Improvements	10,375,184	45,549	-	10,420,733
Machinery and equipment	8,480,546	255,251	128,222	8,607,575
Infrastructure	322,672,529	3,256,628	-	325,929,157
Total other capital assets	<u>374,243,303</u>	<u>4,455,777</u>	<u>128,222</u>	<u>378,570,858</u>
Less accumulated depreciation for:				
Buildings	6,460,669	726,904	-	7,187,573
Improvements	4,329,485	352,650	-	4,682,135
Machinery and equipment	5,597,625	798,316	128,222	6,267,719
Infrastructure	82,575,338	7,630,435	-	90,205,773
Total accumulated depreciation	<u>98,963,117</u>	<u>9,508,305</u>	<u>128,222</u>	<u>108,343,200</u>
Other capital assets, net	275,280,186	(5,052,528)	-	270,227,658
Business-type Activities Capital Assets, Net	<u>\$ 326,263,103</u>	<u>\$ 6,802,337</u>	<u>\$ 837,919</u>	<u>\$ 332,227,521</u>

NOTE D - CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 470,290
Planning and zoning	14,890
Paramedic program	584,125
Emergency preparedness	434,982
Economic development and public works	20,825
County engineer	28,873
Airport	635,095
Engineering - solid waste	1,667
Library	133,138
Constitutional offices	54,014

Total governmental activities depreciation expense	\$ 2,377,899
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Business-type activities:

Water	\$ 108,382
Sewer	9,399,923

Total business-type activities depreciation expense	\$ 9,508,305
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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, 2009, total payroll was \$ 22,404,474. 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, 2009) 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>
245	271	516	128	69	\$ 20,322,690

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 15% 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, 2009 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 used include:

- A rate of return on the investment of present and future assets of 8% per year compounded annually;
- Salary increases of 5% per year compounded annually;
- 2% annual increase after retirement for cost of living increases;
- Inflation of 4% per year underlying the salary scale and interest rates; and
- Five-year phase-in of asset gains and losses 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	\$ 1,866,222
Interest on net pension obligation	(964,636)
Adjustment to annual required contribution	587,047
Annual Pension Cost	<u>1,488,633</u>
Contributions made	<u>3,149,437</u>
Increase in Net Pension Asset	(1,660,804)
Net Pension Obligation (Asset), Beginning of Year	<u>(12,057,949)</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (13,718,753)</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>
2007	\$ 1,924,133	159.5%	\$ (9,829,026)
2008	1,506,197	247.9	(12,057,947)
2009	1,488,633	211.6	(13,718,753)

Pension Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was 95.5% funded. The actuarial accrued liability for benefits was \$ 50.1 million, and the actuarial value of assets was \$ 47.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 2.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ 20.3 million, and the ratio of the UAAL to the covered payroll was 11.1%.

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	1996	\$ 1,175,078
1982	50,000	1997	1,157,975
1983	150,000	1998	896,732
1984	80,995	1999	881,820
1985	100,000	2000	1,946,139
1986	234,000	2001	1,440,572
1987	419,532	2002	1,544,934
1988	484,224	2003	2,034,321
1989	182,262	2004	2,670,566
1990	342,739	2005	3,338,208
1991	355,582	2006	4,590,808
1992	463,552	2007	3,273,371
1993	890,882	2008	3,840,278
1994	950,736	2009	2,332,889
1995	1,040,285		

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, Vanguard 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 38th 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, 2009 consist of:

	Fair Value
Delaware Local Retirement Investment Pool	\$ 23,855,425

Post-retirement Employee Benefit Plan Description and Provisions

For the year ended June 30, 2009, the County has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* ("GASB 45"). The requirement of this Statement was implemented prospectively. There was no recorded post-retirement employee benefit asset or liability to adjust upon implementation of this new standard.

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% 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, 2009) is as follows:

Total Actives	Retirees and Beneficiaries	Terminated Vested
516	118	27

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 \$ 4,674,927 were 23% 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, 2009 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:

- An investment return of 8% compounded annually;
- Projected salary increases of 5% per year compounded annually;
- 100% of actives and 50% of eligible vested terminated participants elect coverage upon retirement; and
- 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.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 2,408,669
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB Cost	<u>2,408,669</u>
Contributions made	<u>4,508,940</u>
Increase in Net OPEB Asset	(2,100,271)
Net OPEB Obligation (Asset), Beginning of Year	<u>-</u>
Net OPEB Obligation (Asset), End of Year	<u><u>\$ (2,100,271)</u></u>

Trend information is as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation Asset)</u>
2009	\$ 2,408,669	187.2 %	\$ (2,100,271)

Post-retirement Employee Benefit Plan Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was 36.7% funded. The actuarial accrued liability for benefits was \$ 41.6 million, and the actuarial value of assets was \$ 15.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 26.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ 20.3 million, and the ratio of the UAAL to the covered payroll was 129.7%.

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

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 post-retirement employee benefit plan was funded with contributions as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$ 5,837,419
2008	5,784,797
2009	4,674,927

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.

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2009**

	<u>Pension Trust</u>	<u>Post-retirement Employee Benefit Trust</u>	<u>Total</u>
ASSETS			
Cash	\$ 1,839,949	\$ 1,117	\$ 1,841,066
Investments:			
U.S. Treasuries	4,810,847	-	4,810,847
Federal Home Loan Bank	100,469	-	100,469
Federal Home Loan Mortgage Corporation	101,688	-	101,688
Municipal obligations	279,924	-	279,924
Delaware Local Government Retirement Investment Pool	23,855,425	-	23,855,425
Delaware Local Government OPEB Pool	-	18,005,857	18,005,857
Mutual funds	7,042,354	-	7,042,354
Accrued interest	54,174	-	54,174
TOTAL ASSETS	<u>38,084,830</u>	<u>18,006,974</u>	<u>56,091,804</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	<u>\$ 38,084,830</u>	<u>\$ 18,006,974</u>	<u>\$ 56,091,804</u>

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

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009**

	Pension Trust	Post-retirement Employee Benefit Trust	Total
ADDITIONS			
Employer contributions	\$ 2,332,889	\$ 4,674,927	\$ 7,007,816
Investment:			
Net appreciation (depreciation) of investments	(7,117,411)	(943,849)	(8,061,260)
Interest and dividends	212,373	493,573	705,946
TOTAL ADDITIONS	(4,572,149)	4,224,651	(347,498)
DEDUCTIONS			
Beneficiary payments	1,822,529	1,491,993	3,314,522
NET INCREASE IN PLAN NET ASSETS	(6,394,678)	2,732,658	(3,662,020)
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING	44,479,508	15,274,316	59,753,824
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - ENDING	\$ 38,084,830	\$ 18,006,974	\$ 56,091,804

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 between 3.2% and 3.85% at June 30, 2009. The County had \$ 25,000,000 of unused line of credit to be drawn upon as needed. Short-term debt activity for the year ended June 30, 2009, was as follows:

	June 30, 2008	Additions	Reductions	June 30, 2009
Notes payable	\$ 192,539	\$ -	\$ 192,539	\$ -

NOTE H - LONG-TERM LIABILITIES

Description of Bonds Payable

At June 30, 2009, 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%.	\$ 8,406,672
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.	6,550,982
1995A wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through March 9, 2035, interest at 4.5%.	3,064,425
1995B wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through June 27, 2035, interest at 4.5%.	5,606,810
1995C wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through September 26, 2035, interest at 4.5%.	5,122,676
1995D wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through December 22, 2035, interest at 4.5%.	2,574,180
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.	393,420
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.	6,467,847
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.	12,569,810
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.	1,307,785
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.	9,134,338
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.	3,224,623

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Description of Bonds Payable - Continued

	<u>Business-type</u>
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.	\$ 2,330,398
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.	11,786,910
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.	846,154
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.	1,316,336
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.	24,360,000
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.	764,221
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.	1,172,128
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.	1,842,604
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.	1,144,124
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.	6,552,514
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.	9,349,239
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.	6,720,220

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Description of Bonds Payable - Continued

	<u>Business-type</u>
2005 wastewater revenue refunding bonds (West Rehoboth 1995 refunding), due in semi-annual installments through June 15, 2025, interest ranging from 3.75% 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.	\$ 15,925,000
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.	6,564,704
2006 wastewater general obligation bonds (South Ocean View), due in semi-annual installments, interest 1.5%, final payment due June 30, 2040. Total bonds authorized are \$ 4,800,000.	4,736,360
2008 wastewater general obligation bonds (Dagsboro-Frankford), due in quarterly installments, interest 4.5%, final payment due December 12, 2048. Total bonds authorized are \$ 73,000.	72,667
2008 wastewater general obligation bonds (Oak Orchard), due in quarterly installments, interest 4.5%, final payment due September 26, 2048. Total bonds authorized are \$ 2,443,000.	<u>2,426,249</u>
Subtotal	162,333,396
Unamortized bond premium	741,087
Unamortized bond discount	(22,779)
Deferred amount on refunding, net of amortization	<u>(2,854,053)</u>
TOTAL BONDS PAYABLE	<u>\$ 160,197,651</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 \$ 163,650 for fiscal year 2009.

Contract Commitments

The County has obligated itself under contracts for various projects. At June 30, 2009, the obligated unpaid amount was approximately \$ 17,745,289. The County's payment of these contracts will be contingent upon the contractors' satisfactory performance.

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Bonds Authorized but Unissued

Bonds authorized but unissued at June 30, 2009 totaled \$ 50,912,396. The bonds are to finance various sewer district construction and improvement projects. Subsequent to year end, the County approved the issuance of \$ 10,500,000 general obligation bonds to finance the Johnson's Corner Sewer District, \$ 7,500,000 general obligation bonds to finance SCRWF, \$ 730,000 general obligation bonds to finance the Woodlands of Millsboro Sewer District, and \$ 9,800,000 general obligation bonds to finance Oak Orchard Expansion.

Long-term Liability Activity

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 4,733,515	\$ 2,640,631	\$ 2,465,458	\$ 4,908,688	\$2,465,458
Capital lease obligations	136,587	5,442	69,167	72,862	55,600
Estimated liability for landfill postclosure care	4,618,000	100,000	2,876,000	1,842,000	455,000
Total Governmental Activities	<u>\$ 9,488,102</u>	<u>\$ 2,746,073</u>	<u>\$ 5,410,625</u>	<u>\$ 6,823,550</u>	<u>\$2,976,058</u>
Business-type Activities:					
General obligation bonds	\$ 137,819,192	\$ 8,152,910	\$ 6,114,688	\$ 139,857,414	\$6,201,774
Revenue bond debt	24,005,471	-	1,529,489	22,475,982	1,561,781
Unamortized bond premium	850,462	-	109,375	741,087	-
Unamortized bond discount	(21,540)	-	1,239	(22,779)	-
Deferred amount of refunding, net of amortization	(3,017,703)	-	(163,650)	(2,854,053)	-
Total bonds payable	159,635,882	8,152,910	7,591,141	160,197,651	7,763,555
Compensated absences	1,316,224	571,604	587,339	1,300,489	587,339
Total Business-type Activities	<u>\$ 160,952,106</u>	<u>\$ 8,724,514</u>	<u>\$ 8,178,480</u>	<u>\$ 161,498,140</u>	<u>\$8,350,894</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>
2010	\$ 6,201,774	\$ 4,484,603	\$ 10,686,377
2011	6,577,037	4,267,524	10,844,561
2012	6,804,989	4,039,321	10,844,310
2013	7,045,986	3,815,375	10,861,361
2014	6,910,138	3,603,622	10,513,760
2015 - 2019	31,412,060	15,153,893	46,565,953
2020 - 2024	26,973,212	10,837,432	37,810,644
2025 - 2029	17,019,542	7,505,620	24,525,162
2030 - 2034	14,275,952	4,741,749	19,017,701
2035 - 2039	9,614,187	2,259,985	11,874,172
2040 - 2044	6,070,444	769,440	6,839,884
2045 - 2049	952,093	67,152	1,019,245
TOTAL	\$ 139,857,414	\$ 61,545,716	\$ 201,403,130

<u>Year ending June 30,</u>	<u>Business-type Activities - Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,732,822	584,588	2,317,410
2015 - 2019	7,050,425	2,217,412	9,267,837
2020 - 2024	5,855,000	1,080,288	6,935,288
2025	1,330,000	59,850	1,389,850
TOTAL	\$ 22,475,982	\$ 6,705,667	\$ 29,181,649

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 October 30, 2009 through June 30, 2011. Equipment with a cost basis of \$ 212,614 and accumulated depreciation of \$ 90,482 was being leased at June 30, 2009. 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>
2010	\$ 55,600
2011	17,262
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$ 72,862

NOTE I - INTERFUND BALANCES

Interfund balances at June 30, 2009 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	\$ 7,630,743	\$ 7,621,851
	West Rehoboth sewer fund	236,153	192,135
	Treatment plant - SCRWF	8,536,225	66,400
	Nonmajor enterprise funds	8,154,174	8,017,185
	Capital projects fund	13,482	-
		<u>24,570,777</u>	<u>15,897,571</u>
Bethany sewer fund	Treatment plant - SCRWF	41,863	41,863
Nonmajor enterprise funds	Treatment plant - SCRWF	98,622	-
Treatment plant - SCRWF	West Rehoboth sewer fund	533,167	-
	Bethany sewer fund	139,168	-
	Nonmajor enterprise funds	836,188	-
	Capital projects fund	3,925	-
		<u>1,512,448</u>	<u>-</u>
TOTAL		\$ 26,223,710	\$ 15,939,434

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, 2009, 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, 2009, consisted of the following:

Transfer to:	Transfer from			Total
	General Fund	Nonmajor Funds	West Rehoboth Sewer	
General fund	\$ -	\$ 162,793	\$ -	\$ 162,793
Capital projects fund	3,289	-	-	3,289
Bethany sewer fund	96,657	-	-	96,657
West Rehoboth sewer fund	233,952	-	-	233,952
Nonmajor enterprise funds	1,222,886	-	90,121	1,313,007
TOTAL	\$ 1,556,784	\$ 162,793	\$ 90,121	\$ 1,809,698

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 2009, 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 \$ 11,210,823 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, 2009 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. Costs related to these claims are normally paid within the following year and are therefore reported as a current liability. Changes in the employee health claims liability amounts in fiscal year 2009 and 2008 were as follows:

	Beginning of Year Balance	Current-Year Claims and Changes in Estimates	Claims Payments	End of Year Balance
2007 - 2008	\$ 778,265	\$ 7,598,575	\$ (7,855,482)	\$ 521,358
2008 - 2009	521,358	9,481,749	(9,158,997)	844,110

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 ten-year contract started on January 1, 2004 and has an option to renew for an additional ten 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 \$ 1,842,000 at June 30, 2009 represented the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. This amount is based on what it would cost to perform all postclosure care in 2009. 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 \$ 6,209,085 and accumulated depreciation of \$ 991,687, equipment with a cost basis of \$ 55,058 and accumulated depreciation of \$ 55,058, and improvements of \$ 69,207 and accumulated depreciation of \$ 11,252 were being leased as of June 30, 2009.

The minimum future rental revenue under leases as of June 30, 2009 for each of the next five years and in the aggregate are:

Year ending June 30,	Amount
2010	\$ 611,533
2011	591,371
2012	539,759
2013	516,021
2014	443,192
Thereafter	<u>3,308,623</u>
MINIMUM LEASE PAYMENTS RECEIVABLE	<u>\$ 6,010,499</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 balances outstanding total \$ 348,574 at June 30, 2009, which are not reflected on the governmental funds balance sheet. One loan bears interest at 1% per annum, matures on September 2017, and is secured with the full faith and credit of the borrowing municipality. The other loan bears interest at 2% per annum, matures on March 2019, and is secured with partner guarantees and a second mortgage on the property.

NOTE Q - SUBSEQUENT EVENTS

Major Contracts

Subsequent to June 30, 2009, the County has approved the award of contracts totaling \$ 26 million for the Johnson's Corner, Angola Neck and Oak Orchard sewer districts. The County received \$ 1.2 million in loan draws for the North Millville Expansion of the Bethany Beach Sewer District, subsequent to year end.

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, 2009

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a % of Covered Payroll</u>
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
01/01/2009	47,896,455	50,146,775	2,250,320	95.5	20,322,690	11.1

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST
FOR THE YEAR ENDED JUNE 30, 2009

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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
2009	1,866,222	168.8

SCHEDULE OF FUNDING PROGRESS - POST-RETIREMENT EMPLOYEE BENEFIT TRUST
FOR THE YEAR ENDED JUNE 30, 2009

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a % of Covered Payroll</u>
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
01/01/2009	15,274,216	41,635,802	26,361,586	36.7	20,322,690	129.7

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - POST-RETIREMENT EMPLOYEE BENEFIT TRUST
FOR THE YEAR ENDED JUNE 30, 2009

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 3,561,234	162.4 %
2009	2,408,669	194.1

**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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
TAXES			
Real property - County	\$ 11,115,672	\$ 11,220,163	\$ 104,491
Real property - library	1,303,294	1,314,625	11,331
Realty transfer	17,920,000	13,621,270	(4,298,730)
Capitation	239,475	247,034	7,559
Fire service	1,170,000	758,837	(411,163)
Penalties and interest	124,000	129,237	5,237
TOTAL TAXES	<u>31,872,441</u>	<u>27,291,166</u>	<u>(4,581,275)</u>
INTERGOVERNMENTAL			
Federal grants:			
Emergency preparedness	88,500	90,937	2,437
Emergency management	-	181,199	181,199
Housing and Urban Development	1,348,000	1,215,734	(132,266)
Project income	-	38,075	38,075
Federal payments in lieu of taxes	12,000	6,658	(5,342)
State grants:			
Library	333,668	376,859	43,191
Paramedic	5,444,669	4,996,654	(448,015)
Local emergency plan commission	62,965	-	(62,965)
State sewer study	-	119,382	119,382
Department of Health - rodents	10,000	10,000	-
Other	-	13,000	13,000
TOTAL INTERGOVERNMENTAL	<u>7,299,802</u>	<u>7,048,498</u>	<u>(251,304)</u>
CHARGES FOR SERVICES			
Constitutional Office Fees			
Clerk of the Peace	56,300	75,780	19,480
Prothonotary	100	1,272	1,172
Recorder of Deeds	3,850,000	3,509,778	(340,222)
Register of Wills	850,000	832,164	(17,836)
Sheriff	1,000,000	2,521,936	1,521,936
Total Constitutional Office Fees	<u>5,756,400</u>	<u>6,940,930</u>	<u>1,184,530</u>
General Government Fees			
Building permit and zoning fees	1,600,000	1,097,805	(502,195)
Industrial bond fees	-	250	250
Building inspections	1,073,000	886,569	(186,431)
Security identification cards	1,000	1,275	275
Mobile home placement	158,004	105,436	(52,568)
911 reporting	528,000	523,230	(4,770)
Total General Government Fees	<u>3,360,004</u>	<u>2,614,565</u>	<u>(745,439)</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
CHARGES FOR SERVICES - CONTINUED			
General Government Services			
Airport operations	\$ 173,900	\$ 187,933	\$ 14,033
Data processing	40,000	28,311	(11,689)
Private road inspections and design fees	658,000	351,218	(306,782)
Industrial park water and sewer	42,000	22,433	(19,567)
Sewer and water inspections	42,000	85,704	43,704
Total General Government Services	<u>955,900</u>	<u>675,599</u>	<u>(280,301)</u>
Other Charges			
Miscellaneous	43,000	94,023	51,023
TOTAL CHARGES FOR SERVICES	<u>10,115,304</u>	<u>10,325,117</u>	<u>209,813</u>
FINES AND FORFEITS			
Library fines	24,000	23,199	(801)
Zoning violations	7,500	772	(6,728)
TOTAL FINES AND FORFEITS	<u>31,500</u>	<u>23,971</u>	<u>(7,529)</u>
MISCELLANEOUS			
Interest earnings	1,766,000	1,648,812	(117,188)
Rents			
Industrial park	324,810	324,268	(542)
County office building	95,750	91,463	(4,287)
Other	17,740	23,542	5,802
Sale of assets	5,000	8,750	3,750
Other	122,000	175,274	53,274
TOTAL MISCELLANEOUS	<u>2,331,300</u>	<u>2,272,109</u>	<u>(59,191)</u>
TOTAL REVENUES	<u>51,650,347</u>	<u>46,960,861</u>	<u>(4,689,486)</u>
OTHER FINANCING SOURCES			
Capital leases	-	5,442	5,442
Transfer in	-	162,793	162,793
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>168,235</u>	<u>168,235</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 51,650,347</u>	<u>\$ 47,129,096</u>	<u>\$ (4,521,251)</u>

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
GENERAL ADMINISTRATION			
County Council			
Personal services	\$ 218,855	\$ 227,287	\$ (8,432)
Employee benefits	175,636	144,595	31,041
Contractual services	96,200	64,460	31,740
Supplies	19,000	17,230	1,770
Other expenditures	75,712	34,927	40,785
Travel and training	18,500	17,339	1,161
Total County Council	<u>603,903</u>	<u>505,838</u>	<u>98,065</u>
County Administration			
Personal services	303,518	303,247	271
Employee benefits	165,715	140,933	24,782
Contractual services	13,765	13,191	574
Supplies	3,810	3,285	525
Capital outlay	85	-	85
Travel and training	5,282	5,188	94
Total County Administration	<u>492,175</u>	<u>465,844</u>	<u>26,331</u>
Legal Department			
Professional services	237,011	235,428	1,583
TOTAL GENERAL ADMINISTRATION	<u>1,333,089</u>	<u>1,207,110</u>	<u>125,979</u>
FINANCE			
Financial Administration			
Personal services	377,114	377,114	-
Employee benefits	181,038	161,791	19,247
Professional services	33,881	33,881	-
Contractual services	163,603	163,553	50
Supplies	4,645	4,645	-
Travel and training	1,670	1,670	-
Total Financial Administration	<u>761,951</u>	<u>742,654</u>	<u>19,297</u>
Assessment			
Personal services	1,042,360	1,077,957	(35,597)
Employee benefits	794,835	663,567	131,268
Professional services	2,000	1,976	24
Contractual services	72,790	68,307	4,483
Supplies	44,789	42,975	1,814
Capital outlay	600	-	600
Travel and training	1,475	1,344	131
Total Assessment	<u>1,958,849</u>	<u>1,856,126</u>	<u>102,723</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
FINANCE - CONTINUED			
Building Code			
Personal services	\$ 324,546	\$ 354,895	\$ (30,349)
Employee benefits	258,274	224,737	33,537
Professional services	1,500	400	1,100
Contractual services	149,196	130,649	18,547
Supplies	32,939	21,530	11,409
Capital outlay	4,324	3,899	425
Travel and training	14,212	14,054	158
Total Building Code	<u>784,991</u>	<u>750,164</u>	<u>34,827</u>
Mapping and Addressing			
Personal services	304,434	299,673	4,761
Employee benefits	239,476	205,774	33,702
Professional services	66,500	63,944	2,556
Contractual services	43,829	27,484	16,345
Supplies	23,500	17,273	6,227
Capital outlay	42,500	30,479	12,021
Other expenditures	10,802	4,650	6,152
Travel and training	7,600	4,232	3,368
Total Mapping and Addressing	<u>738,641</u>	<u>653,509</u>	<u>85,132</u>
Accounting			
Personal services	367,445	362,450	4,995
Employee benefits	297,802	248,938	48,864
Professional services	129,540	117,650	11,890
Contractual services	30,641	28,369	2,272
Supplies	9,255	8,636	619
Travel and training	1,350	179	1,171
Total Accounting	<u>836,033</u>	<u>766,222</u>	<u>69,811</u>
Treasury			
Personal services	304,387	278,946	25,441
Employee benefits	237,770	196,444	41,326
Professional services	1,000	410	590
Contractual services	113,748	98,707	15,041
Supplies	7,580	3,386	4,194
Capital outlay	3,729	-	3,729
Travel and training	865	865	-
Total Treasury	<u>669,079</u>	<u>578,758</u>	<u>90,321</u>
TOTAL FINANCE	<u>5,749,544</u>	<u>5,347,433</u>	<u>402,111</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PERSONNEL			
Personnel Administration			
Personal services	\$ 247,575	\$ 247,575	\$ -
Employee benefits	174,153	151,002	23,151
Professional services	93,553	95,301	(1,748)
Contractual services	5,152	5,151	1
Supplies	4,112	4,112	-
Capital outlay	4,681	4,681	-
Other expenditures	91,739	91,739	-
Travel and training	3,390	3,389	1
Total Personnel Administration	<u>624,355</u>	<u>602,950</u>	<u>21,405</u>
General Employment and Retirement			
Employee and retiree benefits	1,603,678	1,643,641	(39,963)
Professional services	27,416	28,712	(1,296)
Total General Employment and Retirement	<u>1,631,094</u>	<u>1,672,353</u>	<u>(41,259)</u>
TOTAL PERSONNEL	<u>2,255,449</u>	<u>2,275,303</u>	<u>(19,854)</u>
BUILDING AND GROUNDS			
Maintenance			
Personal services	377,665	368,459	9,206
Employee benefits	280,250	237,361	42,889
Contractual services	30,057	30,056	1
Supplies	43,478	31,530	11,948
Other expenditures	1,500	1,500	-
Capital outlay	15,766	15,766	-
Total Maintenance	<u>748,716</u>	<u>684,672</u>	<u>64,044</u>
Operations - Administrative Buildings			
Personal services	299,400	299,399	1
Employee benefits	232,318	200,696	31,622
Contractual services	349,993	356,210	(6,217)
Supplies	76,782	75,760	1,022
Capital outlay	35,139	35,139	-
Other expenditures	50	21	29
Travel and training	192	192	-
Total Operations - Administrative Buildings	<u>993,874</u>	<u>967,417</u>	<u>26,457</u>
TOTAL BUILDING AND GROUNDS	<u>1,742,590</u>	<u>1,652,089</u>	<u>90,501</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
DATA PROCESSING			
Data Processing			
Personal services	\$ 281,953	\$ 280,013	\$ 1,940
Employee benefits	179,483	155,422	24,061
Contractual services	30,916	30,893	23
Supplies	14,542	12,827	1,715
Capital outlay	2,346	-	2,346
Travel and training	6,896	3,950	2,946
Total Data Processing	<u>516,136</u>	<u>483,105</u>	<u>33,031</u>
Information Systems			
Personal services	322,013	322,091	(78)
Employee benefits	217,061	188,671	28,390
Contractual services	274,524	246,438	28,086
Supplies	15,617	14,922	695
Capital outlay	78,258	78,258	-
Travel and training	19,611	19,611	-
Total Information Systems	<u>927,084</u>	<u>869,991</u>	<u>57,093</u>
TOTAL DATA PROCESSING	<u>1,443,220</u>	<u>1,353,096</u>	<u>90,124</u>
COUNTY CONSTABLE			
Personal services	163,026	144,802	18,224
Employee benefits	127,441	93,548	33,893
Contractual services	20,779	27,315	(6,536)
Supplies	8,625	7,382	1,243
Capital outlay	1,000	-	1,000
Other expenditures	5,600	1,042	4,558
Travel and training	225	-	225
TOTAL COUNTY CONSTABLE	<u>326,696</u>	<u>274,089</u>	<u>52,607</u>
GRANT-IN-AID PROGRAMS			
Fire companies	3,466,350	3,081,171	385,179
Agriculture Extension Work (4-H)	138,098	138,098	-
Erosion and sediment	228,595	228,595	-
Council grants	305,000	487,820	(182,820)
Cheers meal program	10,000	-	10,000
Sussex County Community Action Agency	10,000	10,000	-
Economic development stimulus loan	-	150,000	(150,000)
Sussex state police program	1,824,415	1,824,415	-
Sussex local police grants	525,000	525,000	-
Human service grants	145,000	144,400	600

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<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	100,000	95,172	4,828
Local library placement fee grants	158,004	105,702	52,302
Tax subsidy program	-	495	(495)
Local library grants	521,090	521,090	-
Dog control grant	581,454	581,454	-
County wastewater relief program	-	136,188	(136,188)
Open space land program grants	260,000	225,000	35,000
TOTAL GRANT-IN-AID PROGRAMS	<u>8,318,006</u>	<u>8,284,600</u>	<u>33,406</u>
PLANNING AND ZONING			
Administration			
Personal services	611,505	620,846	(9,341)
Employee benefits	424,358	365,504	58,854
Professional services	175,000	111,104	63,896
Contractual services	93,000	77,366	15,634
Supplies	33,910	29,305	4,605
Capital outlay	5,525	3,455	2,070
Other expenditures	1,050	404	646
Travel and training	3,000	910	2,090
Total Administration	<u>1,347,348</u>	<u>1,208,894</u>	<u>138,454</u>
Board of Adjustment			
Professional services	37,500	27,500	10,000
Commission			
Professional services	60,000	43,000	17,000
TOTAL PLANNING AND ZONING	<u>1,444,848</u>	<u>1,279,394</u>	<u>165,454</u>
PARAMEDIC PROGRAM			
Personal services	6,666,179	6,457,621	208,558
Employee benefits	4,135,074	3,802,464	332,610
Professional services	65,665	42,316	23,349
Contractual services	573,176	489,176	84,000
Supplies	519,920	462,808	57,112
Capital outlay	1,083,430	1,118,662	(35,232)
Other expenditures	121,002	78,107	42,895
Travel and training	100,575	69,831	30,744
TOTAL PARAMEDIC PROGRAM	<u>13,265,021</u>	<u>12,520,985</u>	<u>744,036</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EMERGENCY PREPAREDNESS			
Administration			
Personal services	\$ 95,668	\$ 95,668	\$ -
Employee benefits	60,125	53,957	6,168
Contractual services	113,721	115,692	(1,971)
Supplies	20,190	20,184	6
Capital outlay	5,300	5,233	67
Other expenditures	1,700	1,618	82
Total Administration	<u>296,704</u>	<u>292,352</u>	<u>4,352</u>
Emergency Operations Center			
Personal services	907,306	904,668	2,638
Employee benefits	627,881	528,675	99,206
Contractual services	145,800	128,144	17,656
Supplies	15,900	14,624	1,276
Capital outlay	16,000	15,651	349
Other expenditures	67,992	65,127	2,865
Travel and training	16,100	10,689	5,411
Total Emergency Operations Center	<u>1,796,979</u>	<u>1,667,578</u>	<u>129,401</u>
Communications System			
Personal services	191,582	175,113	16,469
Employee benefits	121,021	98,480	22,541
Contractual services	16,040	12,495	3,545
Supplies	36,139	28,337	7,802
Capital outlay	4,200	1,515	2,685
Total Communications System	<u>368,982</u>	<u>315,940</u>	<u>53,042</u>
Local Emergency Planning Community Program			
Personal services	35,750	15,494	20,256
Employee benefits	26,821	14,258	12,563
Contractual services	850	183	667
Supplies	2,200	160	2,040
Capital outlay	2,400	-	2,400
Travel and training	1,000	-	1,000
Total Local Emergency Planning Community Program	<u>69,021</u>	<u>30,095</u>	<u>38,926</u>
TOTAL EMERGENCY PREPAREDNESS	<u>2,531,686</u>	<u>2,305,965</u>	<u>225,721</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
ECONOMIC DEVELOPMENT AND PUBLIC WORKS			
Economic Development			
Personal services	\$ 59,041	\$ 52,099	\$ 6,942
Employee benefits	44,302	32,972	11,330
Contractual services	7,060	2,637	4,423
Supplies	9,275	9,257	18
Capital outlay	7,485	-	7,485
Other expenditures	11,500	5,587	5,913
Travel and training	1,820	741	1,079
Total Economic Development	<u>140,483</u>	<u>103,293</u>	<u>37,190</u>
Industrial Park			
Personal services	99,727	88,487	11,240
Employee benefits	69,714	50,374	19,340
Contractual services	158,267	146,822	11,445
Supplies	10,450	3,661	6,789
Capital outlay	5,845	5,369	476
Other expenditures	93,861	80,213	13,648
Travel and training	2,257	877	1,380
Total Industrial Park	<u>440,121</u>	<u>375,803</u>	<u>64,318</u>
TOTAL ECONOMIC DEVELOPMENT AND PUBLIC WORKS	<u>580,604</u>	<u>479,096</u>	<u>101,508</u>
COUNTY ENGINEER			
Administration			
Personal services	780,548	607,940	172,608
Employee benefits	719,471	567,472	151,999
Professional services	-	240,183	(240,183)
Contractual services	8,078	5,538	2,540
Supplies	19,572	15,730	3,842
Capital outlay	-	3,976	(3,976)
Other expenditures	-	30,316	(30,316)
Travel and training	1,330	970	360
Total Administration	<u>1,528,999</u>	<u>1,472,125</u>	<u>56,874</u>
Public Works			
Personal services	402,451	405,785	(3,334)
Employee benefits	277,535	223,776	53,759
Professional services	161,516	128,725	32,791
Contractual services	20,800	14,567	6,233
Supplies	28,264	24,155	4,109
Capital outlay	300	-	300
Other expenditures	134,000	118,934	15,066
Travel and training	3,983	3,738	245
Total Public Works	<u>1,028,849</u>	<u>919,680</u>	<u>109,169</u>
TOTAL COUNTY ENGINEER	<u>2,557,848</u>	<u>2,391,805</u>	<u>166,043</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

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	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
AIRPORT			
Personal services	\$ 103,568	\$ 114,146	\$ (10,578)
Employee benefits	79,860	71,874	7,986
Contractual services	132,405	131,955	450
Supplies	35,478	34,439	1,039
Capital outlay	50,508	50,508	-
Other expenditures	31,460	31,510	(50)
TOTAL AIRPORT	433,279	434,432	(1,153)
LIBRARY			
Library administration	869,478	807,244	62,234
Library facilities	1,832,811	1,598,771	234,040
Local libraries	1,303,294	1,303,294	-
TOTAL LIBRARY	4,005,583	3,709,309	296,274
COMMUNITY DEVELOPMENT AND HOUSING PROGRAMS			
Administration			
Personal services	247,591	247,563	28
Employee benefits	168,336	152,440	15,896
Professional services	2,000	7,203	(5,203)
Contractual services	7,000	6,155	845
Supplies	2,300	4,060	(1,760)
Travel and training	8,000	8,326	(326)
Total Administration	435,227	425,747	9,480
Rehabilitation			
Contractual services	1,189,000	1,083,700	105,300
TOTAL COMMUNITY DEVELOPMENT AND HOUSING PROGRAMS	1,624,227	1,509,447	114,780
CONSTITUTIONAL OFFICES			
Clerk of the Peace	167,345	151,138	16,207
Recorder of Deeds	1,392,319	1,265,853	126,466
Register of Wills	416,398	387,502	28,896
Sheriff	715,244	638,170	77,074
TOTAL CONSTITUTIONAL OFFICES	2,691,306	2,442,663	248,643
TOTAL EXPENDITURES	50,302,996	47,466,816	2,836,180
OTHER FINANCING USES			
Reserved for contingencies	2,512,866	-	2,512,866
Transfer out	1,385,000	1,556,784	(171,784)
TOTAL OTHER FINANCING USES	3,897,866	1,556,784	2,341,082
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 54,200,862	\$ 49,023,600	\$ 5,177,262

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF REVENUES AND EXPENDITURES (CONDENSED) - GENERAL FUND
 FOR THE THIRTY-TWO YEARS THROUGH JUNE 30, 2009

<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)
June 30, 2009	47,129,096	49,023,600	(1,894,504)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 154,000	\$ 154,000	\$ 4,128,818	\$ 3,974,818
Miscellaneous	250,000	250,000	1,366,481	1,116,481
TOTAL REVENUES	404,000	404,000	5,495,299	5,091,299
EXPENDITURES				
Capital projects	16,419,000	11,544,000	12,477,328	(933,328)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,015,000)	(11,140,000)	(6,982,029)	4,157,971
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,289	3,289
Reserved for contingencies	-	(4,875,000)	-	4,875,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(4,875,000)	3,289	4,878,289
NET CHANGE IN FUND BALANCE	(16,015,000)	(16,015,000)	(6,978,740)	9,036,260
FUND BALANCE - BEGINNING	26,750,039	26,750,039	26,750,039	-
FUND BALANCE - ENDING	\$ 10,735,039	\$ 10,735,039	\$ 19,771,299	\$ 9,036,260

ENTERPRISE FUNDS

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2009

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	\$ 807,852	\$ 768,747	\$ 1,765,005	\$ 3,043,932
Receivables, net of allowance for doubtful accounts:				
Service charges	49,558	82,213	18,767	20,585
Assessment, impact, connection, and expansion	4,507	1,775	918	2,534
Accrued interest	2,669	4,117	3,515	7,795
Miscellaneous	609	2,190	831	10,453
Due from other governmental agencies	-	227,635	-	-
Due from other funds	-	41,954	37,924	-
Inventory	9,172	-	-	-
TOTAL CURRENT ASSETS	<u>874,367</u>	<u>1,128,631</u>	<u>1,826,960</u>	<u>3,085,299</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	647,420	1,288,807	950,663	2,600,484
Bond issue cost, net of amortization	-	-	-	-
Net pension asset	85,539	30,777	59,495	96,517
Net other postemployment benefit asset	13,096	4,712	9,108	14,776
Noncurrent accounts receivable:				
Service charges	6,116	12,585	5,765	15,068
Assessment, impact, connection, and expansion	752	308	251	962
Capital assets:				
Land, improvements, and construction in progress	35,766	99,480	492,672	1,160,462
Other capital assets, net of depreciation	1,828,471	4,671,491	7,926,677	12,557,992
TOTAL NONCURRENT ASSETS	<u>2,617,160</u>	<u>6,108,160</u>	<u>9,444,631</u>	<u>16,446,261</u>
TOTAL ASSETS	<u>3,491,527</u>	<u>7,236,791</u>	<u>11,271,591</u>	<u>19,531,560</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	97,002	24,279	10,281	277,470
Accrued interest payable	-	4,065	227	4,821
Due to other funds	193,133	36,481	51,528	841,253
Current portion of long-term liabilities	18,311	54,270	18,043	133,152
TOTAL CURRENT LIABILITIES	<u>308,446</u>	<u>119,095</u>	<u>80,079</u>	<u>1,256,696</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>22,233</u>	<u>396,057</u>	<u>29,752</u>	<u>405,154</u>
TOTAL LIABILITIES	<u>330,679</u>	<u>515,152</u>	<u>109,831</u>	<u>1,661,850</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,864,237	4,335,232	8,399,753	13,225,896
Restricted for construction and debt service	647,420	1,288,807	950,663	2,331,651
Unrestricted	649,191	1,097,600	1,811,344	2,312,163
TOTAL NET ASSETS	<u>\$ 3,160,848</u>	<u>\$ 6,721,639</u>	<u>\$ 11,161,760</u>	<u>\$ 17,869,710</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2009

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	\$ 721,575	\$ 49,216	\$ 3,419,452	\$ 1,512,501
Receivables, net of allowance for doubtful accounts:				
Service charges	31,571	3,116	14,862	28,559
Assessment, impact, connection, and expansion	3,006	125	20,801	12,473
Accrued interest	1,045	121	15,189	7,131
Miscellaneous	-	-	12,243	74,395
Due from other governmental agencies	-	16,915	-	77,989
Due from other funds	11,428	7,316	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>768,625</u>	<u>76,809</u>	<u>3,482,547</u>	<u>1,713,048</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	152,796	34,125	5,045,343	2,769,134
Bond issue cost, net of amortization	-	-	152,866	18,233
Net pension asset	38,725	10,780	316,264	79,681
Net other postemployment benefit asset	5,929	1,650	48,418	12,199
Noncurrent accounts receivable:				
Service charges	85,040	-	14,783	64,081
Assessment, impact, connection, and expansion	3,675	-	40,139	14,809
Capital assets:				
Land, improvements, and construction in progress	98,402	4,273	1,500	3,918,672
Other capital assets, net of depreciation	1,493,948	1,150,637	22,250,361	6,423,001
TOTAL NONCURRENT ASSETS	<u>1,878,515</u>	<u>1,201,465</u>	<u>27,869,674</u>	<u>13,299,810</u>
TOTAL ASSETS	<u>2,647,140</u>	<u>1,278,274</u>	<u>31,352,221</u>	<u>15,012,858</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	10,044	1,524	83,398	24,656
Accrued interest payable	619	1,114	108,933	10,831
Due to other funds	92,784	7,820	224,084	2,281,870
Current portion of long-term liabilities	22,732	28,292	927,315	47,747
TOTAL CURRENT LIABILITIES	<u>126,179</u>	<u>38,750</u>	<u>1,343,730</u>	<u>2,365,104</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>58,367</u>	<u>84,910</u>	<u>10,678,824</u>	<u>1,181,176</u>
TOTAL LIABILITIES	<u>184,546</u>	<u>123,660</u>	<u>12,022,554</u>	<u>3,546,280</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,529,606	1,046,817	10,795,625	9,150,517
Restricted for construction and debt service	152,796	34,125	5,045,343	2,754,219
Unrestricted	780,192	73,672	3,488,699	(438,158)
TOTAL NET ASSETS	<u>\$ 2,462,594</u>	<u>\$ 1,154,614</u>	<u>\$ 19,329,667</u>	<u>\$ 11,466,578</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2009

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	\$ 1,440,252	\$ 429,943	\$ 725,192	\$ 248,005
Receivables, net of allowance for doubtful accounts:				
Service charges	1,874	31,461	6,787	2,064
Assessment, impact, connection, and expansion	-	20,359	14,752	2,986
Accrued interest	3,211	1,102	1,015	299
Miscellaneous	-	-	-	-
Due from other governmental agencies	-	298,511	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>1,445,337</u>	<u>781,376</u>	<u>747,746</u>	<u>253,354</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	324,284	325,756	1,125,434	312,952
Bond issue cost, net of amortization	1,839	10,904	11,978	2,610
Net pension asset	20,315	29,597	15,733	1,731
Net other postemployment benefit asset	3,110	4,531	2,409	265
Noncurrent accounts receivable:				
Service charges	976	46,019	2,412	279
Assessment, impact, connection, and expansion	-	14,614	14,481	-
Capital assets:				
Land, improvements, and construction in progress	-	43,696	218,762	-
Other capital assets, net of depreciation	8,568,340	7,216,796	11,073,161	3,202,189
TOTAL NONCURRENT ASSETS	<u>8,918,864</u>	<u>7,691,913</u>	<u>12,464,370</u>	<u>3,520,026</u>
TOTAL ASSETS	<u>10,364,201</u>	<u>8,473,289</u>	<u>13,212,116</u>	<u>3,773,380</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	979	16,564	78,206	242
Accrued interest payable	-	1,118	2,910	1,211
Due to other funds	14,332	1,105,279	19,674	1,680
Current portion of long-term liabilities	182,551	139,100	160,289	106,432
TOTAL CURRENT LIABILITIES	<u>197,862</u>	<u>1,262,061</u>	<u>261,079</u>	<u>109,565</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>2,690,827</u>	<u>3,965,217</u>	<u>4,733,877</u>	<u>1,864,241</u>
TOTAL LIABILITIES	<u>2,888,689</u>	<u>5,227,278</u>	<u>4,994,956</u>	<u>1,973,806</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,704,591	3,170,204	6,405,214	1,232,337
Restricted for construction and debt service	324,284	325,756	1,052,785	312,952
Unrestricted	1,446,637	(249,949)	759,161	254,285
TOTAL NET ASSETS	<u>\$ 7,475,512</u>	<u>\$ 3,246,011</u>	<u>\$ 8,217,160</u>	<u>\$ 1,799,574</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2009

ASSETS	<u>Sea Country Estates Sewer</u>	<u>Millers Creek Sewer</u>	<u>South Ocean View Sewer</u>	<u>Johnson's Corner Sewer</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 88,485	\$ 665,578	\$ 304,611	\$ -
Receivables, net of allowance for doubtful accounts:				
Service charges	485	2,355	2,161	-
Assessment, impact, connection, and expansion	-	7,457	7,976	-
Accrued interest	62	712	423	-
Miscellaneous	-	1,566	-	-
Due from other governmental agencies	-	630,711	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>89,032</u>	<u>1,308,379</u>	<u>315,171</u>	<u>-</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	268,223	29,230	11,819	318,077
Bond issue cost, net of amortization	280	3,925	9,643	418
Net pension asset	845	7,735	12,383	-
Net other postemployment benefit asset	129	1,184	1,896	-
Noncurrent accounts receivable:				
Service charges	-	700	-	-
Assessment, impact, connection, and expansion	-	-	-	-
Capital assets:				
Land, improvements, and construction in progress	-	179,907	-	614,767
Other capital assets, net of depreciation	569,168	8,636,476	5,945,744	-
TOTAL NONCURRENT ASSETS	<u>838,645</u>	<u>8,859,157</u>	<u>5,981,485</u>	<u>933,262</u>
TOTAL ASSETS	<u>927,677</u>	<u>10,167,536</u>	<u>6,296,656</u>	<u>933,262</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	37	4,578	640	126,185
Accrued interest payable	222	2,511	11,583	-
Due to other funds	789	3,533,408	9,950	6,579
Current portion of long-term liabilities	19,594	154,111	131,367	-
TOTAL CURRENT LIABILITIES	<u>20,642</u>	<u>3,694,608</u>	<u>153,540</u>	<u>132,764</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>341,353</u>	<u>3,074,179</u>	<u>4,610,863</u>	<u>-</u>
TOTAL LIABILITIES	<u>361,995</u>	<u>6,768,787</u>	<u>4,764,403</u>	<u>132,764</u>
NET ASSETS				
Invested in capital assets, net of related debt	208,622	5,591,760	1,209,384	614,767
Restricted for construction and debt service	268,223	25,258	11,622	193,348
Unrestricted	88,837	(2,218,269)	311,247	(7,617)
TOTAL NET ASSETS	<u>\$ 565,682</u>	<u>\$ 3,398,749</u>	<u>\$ 1,532,253</u>	<u>\$ 800,498</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2009

ASSETS	Angola Neck Sewer	Golf Village Sewer	Woodlands of Millsboro Sewer	Treatment Plant - IBRWF
CURRENT ASSETS				
Cash and cash equivalents	\$ 122,886	\$ -	\$ -	\$ 1,054,594
Receivables, net of allowance for doubtful accounts:				
Service charges	6,813	-	-	9,536
Assessment, impact, connection, and expansion	3,064	-	-	-
Accrued interest	106	-	-	8,787
Miscellaneous	1,668	-	-	8,884
Due from other governmental agencies	-	138,545	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	134,537	138,545	-	1,081,801
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	311,262	204,184	-	4,264,826
Bond issue cost, net of amortization	12,328	1,591	-	15,822
Net pension asset	13,093	-	-	121,570
Net other postemployment benefit asset	2,004	-	-	18,612
Noncurrent accounts receivable:				
Service charges	-	-	-	16,390
Assessment, impact, connection, and expansion	-	-	-	-
Capital assets:				
Land, improvements, and construction in progress	1,100,642	719,689	23,280	29,285,763
Other capital assets, net of depreciation	-	-	-	1,429,215
TOTAL NONCURRENT ASSETS	1,439,329	925,464	23,280	35,152,198
TOTAL ASSETS	1,573,866	1,064,009	23,280	36,233,999
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	203,489	297,035	710	53,776
Accrued interest payable	-	-	-	67,298
Due to other funds	21,243	390,012	22,570	135,893
Current portion of long-term liabilities	2,803	-	-	660,597
TOTAL CURRENT LIABILITIES	227,535	687,047	23,280	917,564
LONG-TERM LIABILITIES, LESS CURRENT PORTION	3,403	-	-	17,015,870
TOTAL LIABILITIES	230,938	687,047	23,280	17,933,434
NET ASSETS				
Invested in capital assets, net of related debt	1,100,642	719,689	23,280	13,096,134
Restricted for construction and debt service	124,995	-	-	4,241,521
Unrestricted	117,291	(342,727)	(23,280)	962,910
TOTAL NET ASSETS	\$ 1,342,928	\$ 376,962	\$ -	\$ 18,300,565

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2009

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ASSETS	Totals
CURRENT ASSETS	
Cash and cash equivalents	\$ 17,167,826
Receivables, net of allowance for doubtful accounts:	
Service charges	312,767
Assessment, impact, connection, and expansion	102,733
Accrued interest	57,299
Miscellaneous	112,839
Due from other governmental agencies	1,390,306
Due from other funds	98,622
Inventory	9,172
	<u>19,251,564</u>
TOTAL CURRENT ASSETS	
NONCURRENT ASSETS	
Restricted assets:	
Cash and cash equivalents	20,984,819
Bond issue cost, net of amortization	242,437
Net pension asset	940,780
Net other postemployment benefit asset	144,028
Noncurrent accounts receivable:	
Service charges	270,214
Assessment, impact, connection, and expansion	89,991
Capital assets:	
Land, improvements, and construction in progress	37,997,733
Other capital assets, net of depreciation	104,943,667
	<u>165,613,669</u>
TOTAL NONCURRENT ASSETS	
TOTAL ASSETS	
	<u>184,865,233</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and other current liabilities	1,311,095
Accrued interest payable	217,463
Due to other funds	8,990,362
Current portion of long-term liabilities	2,806,706
	<u>13,325,626</u>
TOTAL CURRENT LIABILITIES	
LONG-TERM LIABILITIES, LESS CURRENT PORTION	
	<u>51,156,303</u>
TOTAL LIABILITIES	
	<u>64,481,929</u>
NET ASSETS	
Invested in capital assets, net of related debt	89,424,307
Restricted for construction and debt service	20,085,768
Unrestricted	10,873,229
	<u>\$ 120,383,304</u>
TOTAL NET ASSETS	

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

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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	\$ 636,488	\$ 1,060,725	\$ 354,444	\$ 390,835
Other operating revenues	<u>6,357</u>	<u>3,558</u>	<u>45,268</u>	<u>23,201</u>
TOTAL OPERATING REVENUES	<u>642,845</u>	<u>1,064,283</u>	<u>399,712</u>	<u>414,036</u>
OPERATING EXPENSES				
Amortization	-	-	-	-
Contract services	392,248	33,587	28,578	29,516
Depreciation	108,382	196,894	228,672	421,267
Employee benefits	90,859	37,934	74,502	114,020
Equipment and tools	3,817	1,188	3,050	14,115
Maintenance and repairs	183,005	33,686	9,330	12,549
Miscellaneous	1,824	1,918	-	-
Process chemicals	-	-	483	491
Professional services	1,944	2,165	516	749
Salaries	124,191	42,969	84,020	160,239
Shared costs - operating	22,496	22,766	97,239	85,219
Supplies	16,141	11,845	308	-
Training and travel	17,255	17,572	-	-
Wastewater treatment	-	652,890	-	-
TOTAL OPERATING EXPENSES	<u>962,162</u>	<u>1,055,414</u>	<u>526,698</u>	<u>838,165</u>
OPERATING INCOME (LOSS)	<u>(319,317)</u>	<u>8,869</u>	<u>(126,986)</u>	<u>(424,129)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	33,400	46,417	42,721	88,453
Assessment and connection fees	278,143	166,531	129,219	343,254
Disposal of assets	-	-	-	-
Miscellaneous	46,490	-	-	-
Interest expense	-	(24,636)	(2,084)	(23,501)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>358,033</u>	<u>188,312</u>	<u>169,856</u>	<u>408,206</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	38,716	197,181	42,870	(15,923)
CAPITAL CONTRIBUTIONS	-	-	783,678	86,290
TRANSFERS IN	4,239	1,967	5,542	6,201
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	42,955	199,148	832,090	76,568
TOTAL NET ASSETS - BEGINNING	<u>3,117,893</u>	<u>6,522,491</u>	<u>10,329,670</u>	<u>17,793,142</u>
TOTAL NET ASSETS - ENDING	<u>\$ 3,160,848</u>	<u>\$ 6,721,639</u>	<u>\$ 11,161,760</u>	<u>\$ 17,869,710</u>

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
NONMAJOR PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Blades Sewer</u>	<u>Henlopen Sewer</u>	<u>Long Neck Sewer</u>	<u>Dagsboro- Frankford Sewer</u>
OPERATING REVENUES				
Charges for services	\$ 138,472	\$ 99,905	\$ 632,480	\$ 288,493
Other operating revenues	1,865	1,165	12,085	9,887
TOTAL OPERATING REVENUES	<u>140,337</u>	<u>101,070</u>	<u>644,565</u>	<u>298,380</u>
OPERATING EXPENSES				
Amortization	-	-	13,990	679
Contract services	9,256	5,278	78,453	64,242
Depreciation	98,817	44,954	690,793	381,521
Employee benefits	23,011	8,381	282,406	98,732
Equipment and tools	173	386	47,149	2,678
Maintenance and repairs	6,569	13,631	29,687	7,065
Miscellaneous	279	106	-	10,892
Process chemicals	-	-	14,482	3,502
Professional services	1,166	70	403	175,896
Salaries	61,321	17,434	500,919	109,692
Shared costs - operating	6,914	3,336	130,728	10,128
Supplies	1,729	667	194	16,121
Training and travel	2,642	1,005	-	5,366
Wastewater treatment	92,449	83,860	-	-
TOTAL OPERATING EXPENSES	<u>304,326</u>	<u>179,108</u>	<u>1,789,204</u>	<u>886,514</u>
OPERATING INCOME (LOSS)	<u>(163,989)</u>	<u>(78,038)</u>	<u>(1,144,639)</u>	<u>(588,134)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	13,377	2,362	153,233	91,116
Assessment and connection fees	47,542	24,884	1,589,010	349,283
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	1,345
Interest expense	(3,439)	(7,968)	(568,814)	(52,937)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>57,480</u>	<u>19,278</u>	<u>1,173,429</u>	<u>388,807</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(106,509)	(58,760)	28,790	(199,327)
CAPITAL CONTRIBUTIONS	-	-	85,424	114,217
TRANSFERS IN	1,145	4,100	30,306	99,237
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	(105,364)	(54,660)	144,520	14,127
TOTAL NET ASSETS - BEGINNING	<u>2,567,958</u>	<u>1,209,274</u>	<u>19,185,147</u>	<u>11,452,451</u>
TOTAL NET ASSETS - ENDING	<u>\$ 2,462,594</u>	<u>\$ 1,154,614</u>	<u>\$ 19,329,667</u>	<u>\$ 11,466,578</u>

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -

NONMAJOR PROPRIETARY FUNDS - CONTINUED

FOR THE YEAR ENDED JUNE 30, 2009

	Holts Landing Sewer	Ellendale Sewer	Oak Orchard Sewer	Bayview Estates Sewer
OPERATING REVENUES				
Charges for services	\$ 29,661	\$ 149,072	\$ 116,461	\$ 10,764
Other operating revenues	5,200	15,540	1,420	500
TOTAL OPERATING REVENUES	34,861	164,612	117,881	11,264
OPERATING EXPENSES				
Amortization	127	483	399	156
Contract services	8,106	10,611	7,935	1,560
Depreciation	314,787	336,623	287,002	94,140
Employee benefits	49,051	17,850	29,396	3,741
Equipment and tools	-	126	-	-
Maintenance and repairs	1,923	2,078	26	-
Miscellaneous	-	295	-	-
Process chemicals	-	7,224	-	-
Professional services	598	1,700	198	166
Salaries	22,978	48,413	18,199	700
Shared costs - operating	8,371	6,393	15,915	3,007
Supplies	-	1,831	-	-
Training and travel	-	2,786	-	-
Wastewater treatment	-	51,897	-	-
TOTAL OPERATING EXPENSES	405,941	488,310	359,070	103,470
OPERATING INCOME (LOSS)	(371,080)	(323,698)	(241,189)	(92,206)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	41,360	8,848	11,151	4,150
Assessment and connection fees	336,487	152,215	301,666	137,711
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	-
Interest expense	(44,934)	(103,446)	(128,742)	(30,503)
TOTAL NON-OPERATING REVENUES (EXPENSES)	332,913	57,617	184,075	111,358
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(38,167)	(266,081)	(57,114)	19,152
CAPITAL CONTRIBUTIONS	-	75,044	451,162	-
TRANSFERS IN	36,845	232,311	6,300	5,877
TRANSFERS OUT	(62,793)	-	-	-
CHANGE IN NET ASSETS	(64,115)	41,274	400,348	25,029
TOTAL NET ASSETS - BEGINNING	7,539,627	3,204,737	7,816,812	1,774,545
TOTAL NET ASSETS - ENDING	\$ 7,475,512	\$ 3,246,011	\$ 8,217,160	\$ 1,799,574

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	Sea Country Estates Sewer	Millers Creek Sewer	South Ocean View Sewer	Johnson's Corner Sewer
OPERATING REVENUES				
Charges for services	\$ 2,854	\$ 27,030	\$ 31,157	\$ -
Other operating revenues	-	11,100	5,700	-
TOTAL OPERATING REVENUES	<u>2,854</u>	<u>38,130</u>	<u>36,857</u>	<u>-</u>
OPERATING EXPENSES				
Amortization	17	212	328	-
Contract services	10	3,542	3,380	-
Depreciation	12,363	210,681	147,643	-
Employee benefits	1,049	608	3,526	-
Equipment and tools	-	-	-	-
Maintenance and repairs	-	-	34	-
Miscellaneous	-	-	-	-
Process chemicals	-	-	-	-
Professional services	-	1,212	310	-
Salaries	1,114	15,239	22,940	-
Shared costs - operating	798	7,750	4,523	-
Supplies	-	-	3	-
Training and travel	-	-	-	-
Wastewater treatment	-	-	-	-
TOTAL OPERATING EXPENSES	<u>15,351</u>	<u>239,244</u>	<u>182,687</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>(12,497)</u>	<u>(201,114)</u>	<u>(145,830)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	3,290	8,194	6,323	-
Assessment and connection fees	22,370	317,927	189,257	-
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	-
Interest expense	(5,622)	(43,756)	(70,340)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>20,038</u>	<u>282,365</u>	<u>125,240</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,541	81,251	(20,590)	-
CAPITAL CONTRIBUTIONS	-	733,019	-	200,000
TRANSFERS IN	2,068	30,743	19,939	-
TRANSFERS OUT	-	-	(100,000)	-
CHANGE IN NET ASSETS	9,609	845,013	(100,651)	200,000
TOTAL NET ASSETS - BEGINNING	<u>556,073</u>	<u>2,553,736</u>	<u>1,632,904</u>	<u>600,498</u>
TOTAL NET ASSETS - ENDING	<u>\$ 565,682</u>	<u>\$ 3,398,749</u>	<u>\$ 1,532,253</u>	<u>\$ 800,498</u>

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
NONMAJOR PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

	Angola Neck Sewer	Golf Village Sewer	Woodlands of Millsboro Sewer	Treatment Plant - IBRWF
OPERATING REVENUES				
Charges for services	\$ 198,022	\$ -	\$ -	\$ 732,179
Other operating revenues	6,293	-	-	3,000
TOTAL OPERATING REVENUES	204,315	-	-	735,179
OPERATING EXPENSES				
Amortization	-	-	-	661
Contract services	1,841	-	-	170,796
Depreciation	-	-	-	426,095
Employee benefits	6,387	-	-	116,368
Equipment and tools	-	-	-	12,400
Maintenance and repairs	754	-	-	28,120
Miscellaneous	-	-	-	4,306
Process chemicals	-	-	-	7,060
Professional services	281	-	-	6,535
Salaries	21,270	-	-	181,318
Shared costs - operating	2,837	-	-	-
Supplies	70	-	-	49,764
Training and travel	-	-	-	40,977
Wastewater treatment	54,745	-	-	-
TOTAL OPERATING EXPENSES	88,185	-	-	1,044,400
OPERATING INCOME (LOSS)	116,130	-	-	(309,221)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	748	-	-	113,580
Assessment and connection fees	40,690	-	-	161,536
Disposal of assets	-	-	-	9,300
Miscellaneous	-	-	-	197,828
Interest expense	-	-	-	(454,241)
TOTAL NON-OPERATING REVENUES (EXPENSES)	41,438	-	-	28,003
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	157,568	-	-	(281,218)
CAPITAL CONTRIBUTIONS	-	376,962	-	-
TRANSFERS IN	511,066	-	-	315,121
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	668,634	376,962	-	33,903
TOTAL NET ASSETS - BEGINNING	674,294	-	-	18,266,662
TOTAL NET ASSETS - ENDING	\$ 1,342,928	\$ 376,962	\$ -	\$ 18,300,565

(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, 2009

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	Totals
OPERATING REVENUES	
Charges for services	\$ 4,899,042
Other operating revenues	152,139
	<hr/>
TOTAL OPERATING REVENUES	5,051,181
	<hr/>
OPERATING EXPENSES	
Amortization	17,052
Contract services	848,939
Depreciation	4,000,634
Employee benefits	957,821
Equipment and tools	85,082
Maintenance and repairs	328,457
Miscellaneous	19,620
Process chemicals	33,242
Professional services	193,909
Salaries	1,432,956
Shared costs - operating	428,420
Supplies	98,673
Training and travel	87,603
Wastewater treatment	935,841
	<hr/>
TOTAL OPERATING EXPENSES	9,468,249
	<hr/>
OPERATING INCOME (LOSS)	(4,417,068)
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings	668,723
Assessment and connection fees	4,587,725
Disposal of assets	9,300
Miscellaneous	245,663
Interest expense	(1,564,963)
	<hr/>
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,946,448
	<hr/>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(470,620)
	<hr/>
CAPITAL CONTRIBUTIONS	2,905,796
TRANSFERS IN	1,313,007
TRANSFERS OUT	(162,793)
	<hr/>
CHANGE IN NET ASSETS	3,585,390
	<hr/>
TOTAL NET ASSETS - BEGINNING	116,797,914
	<hr/>
TOTAL NET ASSETS - ENDING	\$ 120,383,304
	<hr/> <hr/>

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Dewey Water</u>	<u>Dewey Sewer</u>	<u>South Bethany Sewer</u>	<u>Fenwick Island Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 632,950	\$ 1,053,091	\$ 359,160	\$ 385,000
Payments to suppliers	(612,631)	(770,818)	(143,993)	(156,736)
Payments to employees	(238,650)	(88,079)	(170,657)	(295,360)
Other receipts (payments)	52,847	2,140	45,268	23,201
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(165,484)</u>	<u>196,334</u>	<u>89,778</u>	<u>(43,895)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	292,581	264,155	213,411	948,707
Advances to other funds	(255,422)	(240,178)	(171,943)	(109,685)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>37,159</u>	<u>23,977</u>	<u>41,468</u>	<u>839,022</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(66,883)	(24,233)	(38,093)	(768,076)
Net payments on line of credit	-	(153,520)	-	-
Retirement of bonds and related costs	-	(45,033)	(5,124)	(108,612)
Bond proceeds	-	-	-	-
Assessment and connection fees	276,198	165,828	129,036	342,612
Capital contributions	-	-	-	-
Interest paid	-	(23,487)	(1,224)	(25,930)
Payments for bond issue costs	-	-	-	-
Transfers from other funds for capital activities	4,239	1,967	5,542	6,201
Transfers to other funds for capital activities	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>213,554</u>	<u>(78,478)</u>	<u>90,137</u>	<u>(553,805)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	34,649	47,605	44,665	92,872
NET INCREASE (DECREASE) IN CASH	119,878	189,438	266,048	334,194
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,335,394</u>	<u>1,868,116</u>	<u>2,449,620</u>	<u>5,310,222</u>
CASH AND EQUIVALENTS - ENDING	<u>\$ 1,455,272</u>	<u>\$ 2,057,554</u>	<u>\$ 2,715,668</u>	<u>\$ 5,644,416</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 807,852	\$ 768,747	\$ 1,765,005	\$ 3,043,932
Restricted cash and cash equivalents	647,420	1,288,807	950,663	2,600,484
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,455,272</u>	<u>\$ 2,057,554</u>	<u>\$ 2,715,668</u>	<u>\$ 5,644,416</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<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)	\$ (319,317)	\$ 8,869	\$ (126,986)	\$ (424,129)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	108,382	196,894	228,672	421,267
Miscellaneous income	46,490	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(11,688)	(21,220)	97	(10,934)
Due from other governmental agencies	-	(1,418)	-	-
Net pension asset	(3,647)	1,718	4,100	(18,696)
Net other postemployment benefit asset	(13,096)	(4,712)	(9,108)	(14,776)
Deposits	8,150	13,586	4,619	5,099
Compensated absences	(6,857)	(4,182)	(7,127)	12,371
Accounts payable	26,099	6,799	(4,489)	(14,097)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (165,484)</u>	<u>\$ 196,334</u>	<u>\$ 89,778</u>	<u>\$ (43,895)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed from developers	\$ -	\$ -	\$ 783,678	\$ 86,290

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

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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	\$ 137,221	\$ 99,893	\$ 644,245	\$ 285,067
Payments to suppliers	(125,391)	(108,663)	(288,402)	(294,417)
Payments to employees	(97,619)	(29,140)	(893,001)	(224,067)
Other receipts (payments)	1,865	1,089	12,085	11,232
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(83,924)</u>	<u>(36,821)</u>	<u>(525,073)</u>	<u>(222,185)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	162,116	28,565	613,338	348,541
Advances to other funds	(73,808)	(22,911)	(421,279)	(263,204)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>88,308</u>	<u>5,654</u>	<u>192,059</u>	<u>85,337</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(989)	(3,561)	(141,456)	(707,101)
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	(13,944)	(25,088)	(810,873)	(25,333)
Bond proceeds	-	-	-	73,000
Assessment and connection fees	46,612	24,759	1,580,449	345,716
Capital contributions	-	-	-	308,812
Interest paid	(3,329)	(5,989)	(544,869)	(53,653)
Payments for bond issue costs	-	-	-	(3,853)
Transfers from other funds for capital activities	1,145	4,100	30,306	99,237
Transfers to other funds for capital activities	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>29,495</u>	<u>(5,779)</u>	<u>113,557</u>	<u>36,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	13,734	2,419	161,006	92,565
NET INCREASE (DECREASE) IN CASH	47,613	(34,527)	(58,451)	(7,458)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>826,758</u>	<u>117,868</u>	<u>8,523,246</u>	<u>4,289,093</u>
CASH AND EQUIVALENTS - ENDING	<u>\$ 874,371</u>	<u>\$ 83,341</u>	<u>\$ 8,464,795</u>	<u>\$ 4,281,635</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 721,575	\$ 49,216	\$ 3,419,452	\$ 1,512,501
Restricted cash and cash equivalents	152,796	34,125	5,045,343	2,769,134
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 874,371</u>	<u>\$ 83,341</u>	<u>\$ 8,464,795</u>	<u>\$ 4,281,635</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<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)	\$ (163,989)	\$ (78,038)	\$ (1,144,639)	\$ (588,134)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	98,817	44,954	704,783	382,200
Miscellaneous income	-	-	-	1,345
Changes in assets and liabilities:				
Accounts receivable	(3,095)	(1,291)	(15,008)	(7,209)
Due from other governmental agencies	-	(76)	-	-
Net pension asset	(9,349)	(2,595)	(77,654)	8,937
Net other postemployment benefit asset	(5,929)	(1,650)	(48,418)	(12,199)
Deposits	1,844	1,279	26,773	3,783
Compensated absences	1,991	920	16,396	(12,381)
Accounts payable	(4,214)	(324)	12,694	1,473
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (83,924)</u>	<u>\$ (36,821)</u>	<u>\$ (525,073)</u>	<u>\$ (222,185)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed from developers	\$ -	\$ -	\$ 85,424	\$ 44,895

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

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	Holts Landing Sewer	Ellendale Sewer	Oak Orchard Sewer	Bayview Estates Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 31,908	\$ 139,113	\$ 113,559	\$ 10,238
Payments to suppliers	(21,268)	(95,194)	(23,914)	(20,623)
Payments to employees	(74,495)	(79,595)	(48,931)	(4,749)
Other receipts (payments)	5,200	15,540	1,420	500
	<u>(58,655)</u>	<u>(20,136)</u>	<u>42,134</u>	<u>(14,634)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	48,749	75,883	68,320	10,162
Advances to other funds	(150,042)	(54,947)	(2,040,444)	(9,211)
	<u>(101,293)</u>	<u>20,936</u>	<u>(1,972,124)</u>	<u>951</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(1,042)	(122,525)	-
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	(175,559)	(130,492)	(148,091)	(156,185)
Bond proceeds	-	-	2,443,000	-
Assessment and connection fees	337,282	152,385	308,909	135,926
Capital contributions	-	-	500,000	-
Interest paid	(44,934)	(103,474)	(127,513)	(30,692)
Payments for bond issue costs	-	-	(6,877)	-
Transfers from other funds for capital activities	36,845	232,311	6,300	5,877
Transfers to other funds for capital activities	(62,793)	-	-	-
	<u>90,841</u>	<u>149,688</u>	<u>2,853,203</u>	<u>(45,074)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	42,498	8,976	12,084	4,240
	<u>(26,609)</u>	<u>159,464</u>	<u>935,297</u>	<u>(54,517)</u>
NET INCREASE (DECREASE) IN CASH				
CASH AND CASH EQUIVALENTS - BEGINNING				
	<u>1,791,145</u>	<u>596,235</u>	<u>915,329</u>	<u>615,474</u>
CASH AND EQUIVALENTS - ENDING				
	<u>\$ 1,764,536</u>	<u>\$ 755,699</u>	<u>\$ 1,850,626</u>	<u>\$ 560,957</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 1,440,252	\$ 429,943	\$ 725,192	\$ 248,005
Restricted cash and cash equivalents	324,284	325,756	1,125,434	312,952
	<u>\$ 1,764,536</u>	<u>\$ 755,699</u>	<u>\$ 1,850,626</u>	<u>\$ 560,957</u>
TOTAL CASH AND CASH EQUIVALENTS				

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<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)	\$ (371,080)	\$ (323,698)	\$ (241,189)	\$ (92,206)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	314,914	337,106	287,401	94,296
Miscellaneous income	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	1,848	(11,646)	(8,299)	(664)
Due from other governmental agencies	-	-	-	-
Net pension asset	8,789	(11,870)	6,978	1,909
Net other postemployment benefit asset	(3,110)	(4,531)	(2,409)	(265)
Deposits	399	1,687	5,397	138
Compensated absences	(8,145)	3,069	(5,905)	(1,952)
Accounts payable	(2,270)	(10,253)	160	(15,890)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (58,655)</u>	<u>\$ (20,136)</u>	<u>\$ 42,134</u>	<u>\$ (14,634)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed from developers	\$ -	\$ 75,044	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

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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	\$ 2,894	\$ 24,425	\$ 30,141	\$ -
Payments to suppliers	(3,726)	(13,594)	(7,996)	-
Payments to employees	(2,212)	(20,935)	(32,780)	-
Other receipts (payments)	-	11,100	5,700	-
	<u>(3,044)</u>	<u>996</u>	<u>(4,935)</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	1,884	299,931	22,774	19,100
Advances to other funds	(1,166)	(1,780,372)	(1,809,652)	(16,979)
	<u>718</u>	<u>(1,480,441)</u>	<u>(1,786,878)</u>	<u>2,121</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(188,028)	(8,246)	(368,315)
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	(28,544)	(75,377)	(63,640)	-
Bond proceeds	-	1,062,539	1,042,603	-
Assessment and connection fees	22,370	320,233	192,212	-
Capital contributions	-	626,544	849,004	200,000
Interest paid	(5,656)	(45,264)	(68,150)	-
Payments for bond issue costs	-	-	-	(418)
Transfers from other funds for capital activities	2,068	30,743	19,939	-
Transfers to other funds for capital activities	-	-	(100,000)	-
	<u>(9,762)</u>	<u>1,731,390</u>	<u>1,863,722</u>	<u>(168,733)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	3,315	7,973	6,205	497
	<u>(8,773)</u>	<u>259,918</u>	<u>78,114</u>	<u>(166,115)</u>
NET INCREASE (DECREASE) IN CASH				
CASH AND CASH EQUIVALENTS - BEGINNING				
	<u>365,481</u>	<u>434,890</u>	<u>238,316</u>	<u>484,192</u>
CASH AND EQUIVALENTS - ENDING				
	<u>\$ 356,708</u>	<u>\$ 694,808</u>	<u>\$ 316,430</u>	<u>\$ 318,077</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 88,485	\$ 665,578	\$ 304,611	\$ -
Restricted cash and cash equivalents	268,223	29,230	11,819	318,077
	<u>\$ 356,708</u>	<u>\$ 694,808</u>	<u>\$ 316,430</u>	<u>\$ 318,077</u>
TOTAL CASH AND CASH EQUIVALENTS				

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<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)	\$ (12,497)	\$ (201,114)	\$ (145,830)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	12,380	210,893	147,971	-
Miscellaneous income	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	3	(2,930)	(1,402)	-
Due from other governmental agencies	-	-	-	-
Net pension asset	261	(7,292)	(8,386)	-
Net other postemployment benefit asset	(129)	(1,184)	(1,896)	-
Deposits	37	325	386	-
Compensated absences	(181)	3,388	3,968	-
Accounts payable	(2,918)	(1,090)	254	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (3,044)</u>	<u>\$ 996</u>	<u>\$ (4,935)</u>	<u>\$ -</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed from developers	\$ -	\$ -	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	Angola Neck Sewer	Golf Village Sewer	Woodlands of Millsboro Sewer	Treatment Plant - IBRWF
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 195,919	\$ -	\$ -	\$ 725,483
Payments to suppliers	(47,162)	-	-	(399,064)
Payments to employees	(32,575)	-	-	(318,322)
Other receipts (payments)	6,293	-	-	200,828
	<u>122,475</u>	<u>-</u>	<u>-</u>	<u>208,925</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
	<u>122,475</u>	<u>-</u>	<u>-</u>	<u>208,925</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	22,060	390,011	22,570	450,246
Advances to other funds	(18,172)	(4,012)	-	(345,665)
	<u>3,888</u>	<u>385,999</u>	<u>22,570</u>	<u>104,581</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
	<u>3,888</u>	<u>385,999</u>	<u>22,570</u>	<u>104,581</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(672,177)	(419,671)	(22,570)	(132,357)
Net payments on line of credit	-	-	-	-
Retirement of bonds and related costs	-	-	-	(833,755)
Bond proceeds	-	-	-	-
Assessment and connection fees	38,848	-	-	170,836
Capital contributions	-	188,417	-	-
Interest paid	-	-	-	(494,365)
Payments for bond issue costs	(12,328)	(1,591)	-	-
Transfers from other funds for capital activities	511,066	-	-	315,121
Transfers to other funds for capital activities	-	-	-	-
	<u>(134,591)</u>	<u>(232,845)</u>	<u>(22,570)</u>	<u>(974,520)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
	<u>(134,591)</u>	<u>(232,845)</u>	<u>(22,570)</u>	<u>(974,520)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	1,087	-	-	118,351
	<u>(7,141)</u>	<u>153,154</u>	<u>-</u>	<u>(542,663)</u>
NET INCREASE (DECREASE) IN CASH				
	<u>(7,141)</u>	<u>153,154</u>	<u>-</u>	<u>(542,663)</u>
CASH AND CASH EQUIVALENTS - BEGINNING				
	<u>441,289</u>	<u>51,030</u>	<u>-</u>	<u>5,862,083</u>
CASH AND EQUIVALENTS - ENDING				
	<u>\$ 434,148</u>	<u>\$ 204,184</u>	<u>\$ -</u>	<u>\$ 5,319,420</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 122,886	\$ -	\$ -	\$ 1,054,594
Restricted cash and cash equivalents	311,262	204,184	-	4,264,826
	<u>\$ 434,148</u>	<u>\$ 204,184</u>	<u>\$ -</u>	<u>\$ 5,319,420</u>
TOTAL CASH AND CASH EQUIVALENTS				
	<u>\$ 434,148</u>	<u>\$ 204,184</u>	<u>\$ -</u>	<u>\$ 5,319,420</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Angola Neck Sewer</u>	<u>Golf Village Sewer</u>	<u>South Ocean View Sewer</u>	<u>Treatment Plant - IBRWF</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 116,130	\$ -	\$ -	\$ (309,221)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	-	-	-	426,756
Miscellaneous income	-	-	-	197,828
Changes in assets and liabilities:				
Accounts receivable	(5,124)	-	-	(16,273)
Due from other governmental agencies	-	-	-	-
Net pension asset	(4,123)	-	-	2,907
Net other postemployment benefit asset	(2,004)	-	-	(18,612)
Deposits	3,021	-	-	9,577
Compensated absences	1,209	-	-	(4,931)
Accounts payable	13,366	-	-	(79,106)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 122,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,925</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed from developers	\$ -	\$ -	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

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	Totals
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 4,870,307
Payments to suppliers	(3,133,592)
Payments to employees	(2,651,167)
Other receipts (payments)	<u>396,308</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(518,144)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances from other funds	4,303,104
Advances to other funds	<u>(7,789,092)</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(3,485,988)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(3,685,323)
Net payments on line of credit	(153,520)
Retirement of bonds and related costs	(2,645,650)
Bond proceeds	4,621,142
Assessment and connection fees	4,590,211
Capital contributions	2,672,777
Interest paid	(1,578,529)
Payments for bond issue costs	(25,067)
Transfers from other funds for capital activities	1,313,007
Transfers to other funds for capital activities	<u>(162,793)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>4,946,255</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>694,741</u>
NET INCREASE (DECREASE) IN CASH	1,636,864
CASH AND CASH EQUIVALENTS - BEGINNING	<u>36,515,781</u>
CASH AND EQUIVALENTS - ENDING	<u><u>\$ 38,152,645</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET	
Cash and cash equivalents	\$ 17,167,826
Restricted cash and cash equivalents	<u>20,984,819</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 38,152,645</u></u>

(continued)

SUSSEX COUNTY, DELAWARE
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (4,417,068)
Adjustments to reconcile operating income (loss) to net cash provided:	
Depreciation and amortization	4,017,686
Miscellaneous income	245,663
Changes in assets and liabilities:	
Accounts receivable	(114,835)
Due from other governmental agencies	(1,494)
Net pension asset	(108,013)
Net other postemployment benefit asset	(144,028)
Deposits	86,100
Compensated absences	(8,349)
Accounts payable	<u>(73,806)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (518,144)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Capital assets contributed from developers	\$ 1,075,331

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>	101 - 105
<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>	106 - 109
<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>	110 - 113
<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>	114 - 115
<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>	116 - 118
<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>	119 - 173

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 SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	\$ 63,679,024
Restricted	15,914,734	26,751,718	47,805,783	65,642,834	72,996,872	69,968,855	57,250,045
Unrestricted	<u>34,836,034</u>	<u>45,108,733</u>	<u>39,791,889</u>	<u>37,870,448</u>	<u>35,105,979</u>	<u>35,242,364</u>	<u>44,548,346</u>
Total governmental activities net assets	<u>\$ 71,270,880</u>	<u>\$ 93,638,573</u>	<u>\$ 114,627,650</u>	<u>\$ 137,653,550</u>	<u>\$ 151,480,269</u>	<u>\$ 157,404,732</u>	<u>\$ 165,477,415</u>
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	\$ 172,029,870
Restricted	34,600,947	35,967,259	45,585,060	60,903,962	81,095,890	78,027,750	73,884,414
Unrestricted	<u>2,670,928</u>	<u>8,115,999</u>	<u>18,923,370</u>	<u>22,596,611</u>	<u>(5,622,038)</u>	<u>5,367,852</u>	<u>14,944,704</u>
Total business-type activities net assets	<u>\$ 97,283,976</u>	<u>\$ 123,262,740</u>	<u>\$ 158,034,650</u>	<u>\$ 195,447,975</u>	<u>\$ 225,658,944</u>	<u>\$ 249,830,284</u>	<u>\$ 260,858,988</u>
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	\$ 235,708,894
Restricted	50,515,681	62,718,977	93,390,843	126,546,796	154,092,762	147,996,605	131,134,459
Unrestricted	<u>37,506,962</u>	<u>53,224,732</u>	<u>58,715,259</u>	<u>60,467,059</u>	<u>29,483,941</u>	<u>40,610,216</u>	<u>59,493,050</u>
Total primary government net assets	<u>\$ 168,554,856</u>	<u>\$ 216,901,313</u>	<u>\$ 272,662,300</u>	<u>\$ 333,101,525</u>	<u>\$ 377,139,213</u>	<u>\$ 407,235,016</u>	<u>\$ 426,336,403</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
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 8,416,614	\$ 9,622,999	\$ 11,592,273	\$ 11,293,426	\$ 13,627,710	\$ 13,494,301	\$ 9,578,284
Grant-in-aid programs	4,120,039	6,892,065	7,293,058	10,255,326	9,014,248	9,282,188	8,134,600
Planning and zoning	917,317	1,012,053	1,045,230	1,208,841	1,430,741	1,512,879	1,289,323
Paramedic program	5,914,818	6,840,784	8,467,637	9,963,348	11,626,354	12,802,503	12,079,831
Emergency preparedness	1,726,567	1,889,708	1,984,888	2,263,691	2,213,396	2,764,937	2,661,089
Economic development and public works	423,154	428,025	528,814	497,316	532,760	556,647	492,675
County engineer	1,418,560	1,079,543	2,025,846	3,332,568	2,994,201	2,713,328	2,407,043
Airport	375,629	532,414	601,236	731,785	1,281,765	995,702	1,019,012
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	3,880,816
Community development and housing programs	1,522,300	1,488,969	1,829,012	2,561,943	1,959,365	1,501,117	1,508,755
Constitutional offices	1,728,453	1,985,946	2,268,066	2,372,219	2,486,465	2,630,085	2,449,069
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>	<u>45,500,497</u>
Business-type activities:							
Sewer facilities	19,264,562	18,676,091	21,327,548	23,011,584	25,102,767	26,132,596	27,079,247
Water facilities	771,541	747,923	770,503	812,592	852,902	856,120	962,162
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>	<u>28,041,409</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>	<u>\$ 73,541,906</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	\$ 1,307,616
Planning and zoning	1,761,250	2,024,755	2,343,693	2,782,428	2,079,324	1,599,688	1,098,577
Emergency preparedness	25,652	29,543	26,545	27,485	24,145	17,065	17,655
Economic development and public works	73,492	85,527	65,055	408,260	362,699	373,579	353,952
County engineer	709,021	1,535,980	2,080,536	2,681,308	1,206,998	599,865	3,223,485
Airport	179,815	137,766	179,471	182,375	195,398	176,979	187,933
Engineering - solid waste	4,828	13,465	-	-	-	-	-
Library	15,214	33,664	20,249	25,320	26,422	25,911	26,716
Constitutional offices	6,517,134	7,049,799	6,684,859	6,852,532	6,171,154	6,356,764	6,940,930
Operating grants and contributions	6,562,723	6,790,770	6,065,343	7,510,097	7,599,645	6,787,014	7,526,184
Capital grants and contributions	601,631	318,157	3,001,477	1,166,791	1,494,572	4,475,526	4,727,502
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>	<u>25,410,550</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.

(continued)

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	\$ 14,458,789
Water facilities	568,271	583,897	583,889	591,991	635,186	695,038	689,335
Operating grants and contributions	14,535,829	16,033,341	18,806,360	22,841,920	21,060,417	21,288,672	15,926,530
Capital grants and contributions	7,015,899	15,113,921	15,586,276	17,112,386	17,606,829	12,252,630	6,370,290
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>	<u>37,444,944</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>	<u>\$ 62,855,494</u>
Net (Expense)/Revenue							
Governmental activities	\$ (12,626,734)	\$ (14,316,271)	\$ (17,728,961)	\$ (23,190,688)	\$ (29,567,462)	\$ (30,217,084)	\$ (20,089,947)
Business-type activities	11,540,479	22,855,415	24,951,377	30,313,715	26,704,274	20,998,451	9,403,535
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>	<u>\$ (10,686,412)</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	\$ 12,763,282
Capitation taxes	221,690	237,282	224,294	241,699	240,030	247,041	252,741
Fire service taxes	1,285,885	1,510,691	1,785,613	2,093,729	1,535,864	1,106,321	758,837
Realty transfer taxes	17,917,521	27,399,572	36,329,843	35,269,800	27,058,083	20,636,949	13,621,270
Unrestricted investment earnings	890,505	892,938	1,747,718	4,216,741	5,829,443	4,379,147	2,157,202
Transfers	(2,153,000)	(2,925,040)	(9,530,548)	(6,297,450)	(2,790,587)	(2,543,355)	(1,390,702)
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>	<u>28,162,630</u>
Business-type activities:							
Unrestricted investment earnings	190,215	198,309	289,985	802,160	716,108	629,534	234,467
Transfers	2,153,000	2,925,040	9,530,548	6,297,450	2,790,587	2,543,355	1,390,702
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>	<u>1,625,169</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>	<u>\$ 29,787,799</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	\$ 8,072,683
Business-type activities	13,883,694	25,978,764	34,771,910	37,413,325	30,210,969	24,171,340	11,028,704
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>	<u>\$ 19,101,387</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 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	\$ 61,679,946
Unreserved										
Designated	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	2,078,768
Undesignated	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	9,445,728
Total general fund	<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>	<u>\$ 73,204,442</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	\$ 20,188,022
Unreserved - Capital Projects										
Designated	446,638	59,415	2,539,171	2,454,184	4,541,774	5,341,810	-	-	-	-
Undesignated	-	-	-	647,432	56,264	-	-	53,901	(711,332)	(416,723)
Total all other governmental funds	<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>	<u>\$ 19,771,299</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
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%
2009	2,197,966,019	418,057,225	116,526,199	113,690,921	208,199,836	230,109,902	2,824,330,298	0.445	36,537,261,294	7.7%

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County Direct										
County Tax	\$ 0.3697	\$ 0.3697	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.3983	\$ 0.3983	\$ 0.3983
County Bond	0.0320	0.0320	-	-	-	-	-	-	-	-
Library	0.0433	0.0433	0.0433	0.0433	0.0433	0.0433	0.0433	0.0467	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	1.8000	1.9810	2.0990	2.0990	2.1610	2.2360	2.9980	2.9980	2.8770	2.6660
Delmar	3.3500	3.2500	3.2300	3.2200	3.2100	3.2000	3.2000	3.1500	3.1500	3.1400
Indian River (3)	1.8540	1.9970	2.0290	1.9460	2.2130	2.2400	2.4470	2.5450	2.4750	2.5550
Laurel	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.4900
Milford	2.6970	2.6690	2.7490	2.6210	2.7930	3.2897	3.3978	3.5468	3.5803	3.5101
Seaford	2.3100	2.3900	2.4700	2.4800	2.5800	2.5800	3.2300	3.2300	3.2300	3.2300
Woodbridge	2.2000	2.4000	2.9130	2.9030	2.9990	2.9990	3.3280	3.2950	3.2950	3.2850
Vo-Tech	0.2312	0.2277	0.2277	0.2293	0.2293	0.2293	0.2269	0.2363	0.2480	0.2676
Town Rates (2)										
Bethany Beach	1.1000	1.1000	1.1000	0.0800	0.0800	0.0800	0.0800	0.1600	0.1600	0.1650
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	1.4000	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	1.7300	1.7300	1.7300	1.7300
Dagsboro	*	*	*	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Delmar	1.1000	1.1000	1.1000	1.1000	1.3100	1.3100	1.3100	1.3100	1.3100	0.5000
Dewey Beach	*	*	*	0.4000	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	1.6000	1.6000	1.9200	1.9200	1.9200	1.9200
Frankford	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.9500	2.0500	2.2000
Georgetown	1.6500	1.6500	2.1500	2.1500	2.1500	2.4500	2.5300	2.5300	2.5300	2.5300
Greenwood	*	*	*	0.6000	0.6000	1.0000	1.2000	1.4000	1.7000	1.7000
Henlopen Acres	1.4500	1.4500	1.4500	1.4500	1.4500	1.8800	1.8800	1.8800	1.8800	2.1700
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	0.3900	0.3900	0.3900	0.3900	0.4900
Milford	0.3100	0.3100	0.3100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4600	0.4600
Millsboro	0.4100	0.4600	0.4600	0.4600	0.4600	0.4600	0.5100	0.5100	0.5100	0.5100
Millville	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.5000	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	0.0981	0.0981	0.1059
Rehoboth Beach	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.5500	1.5500	1.5500	1.5500
Seaford	0.4500	0.4500	0.4800	0.4800	0.5200	0.5200	0.5700	0.5700	0.2650	0.2800
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	1.3000

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 2000 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 SIX YEARS AGO**

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Taxpayer	Fiscal Year 2009			Fiscal Year 2003		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Verizon	\$ 45,667,905	1	1.61%	\$ 35,639,325	1	1.79%
Delmarva Power & Light Co. (2)	22,591,385	2	0.79	19,734,824	2	0.99
Indian River Power LLC	12,786,471	3	0.45	12,737,071	3	0.64
Eastern Shore Natural Gas Co.	11,648,070	4	0.41	3,147,731	9	0.16
E. I. duPont de Nemours Company	9,261,400	5	0.32	9,484,250	4	0.48
Chesapeake Utilities Corporation	6,686,376	6	0.23	3,230,324	8	0.16
Delaware Electric Cooperative, Inc.	4,925,860	7	0.17	4,308,748	6	0.22
Mountaire Farms of Delaware, Inc.	4,354,200	8	0.15	4,355,000	5	0.22
Sussex Sports Amenities LLC	3,906,500	9	0.13	-	-	-
Allen's Hatchery Inc.	3,326,200	10	0.11	-	-	-
M & T Bank	-	-	-	3,135,800	10	0.16
Carl M. Freeman Associates Inc.	-	-	-	3,327,600	7	0.17
	<u>\$ 125,154,367</u>		<u>4.37%</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
2000	\$ 8,013,922	\$ 94,224	\$ 8,108,146	\$ 7,835,808	96.6%	\$ 254,023	\$ 8,089,831	99.8%
2001	8,351,274	109,727	8,461,001	8,156,366	96.4	281,978	8,438,344	99.7
2002	8,740,663	102,636	8,843,299	8,527,586	96.4	286,376	8,813,962	99.7
2003	9,113,367	106,521	9,219,888	8,904,011	96.6	278,545	9,182,556	99.6
2004	9,578,379	140,252	9,718,631	9,393,462	96.7	279,624	9,673,086	99.5
2005	8,161,305	120,699	8,282,004	8,014,809	96.8	213,144	8,227,953	99.3
2006	10,686,666	175,555	10,862,221	10,584,949	97.4	208,233	10,793,182	99.4
2007	11,468,314	217,171	11,685,485	11,403,418	97.6	189,036	11,592,454	99.2
2008	12,329,504	140,690	12,470,194	12,206,827	97.9	119,091	12,325,918	98.8
2009	12,827,188	85,976	12,913,164	12,580,435	97.4	-	12,580,435	97.4

- 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	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	General Obligation Bonds	Sewer Revenue Bonds				
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	2.68	874
2008	136,587	137,819,192	24,005,471		161,961,250	*	859
2009	72,862	139,857,414	22,475,982		162,406,258	*	846

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 DEBT
JUNE 30, 2009**

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<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	\$ 37,996,980	100%	\$ 37,996,980
Delmar	2,725,225	100%	2,725,225
Indian River	41,999,767	100%	41,999,767
Laurel	323,097	100%	323,097
Milford	11,971,690	59%	7,063,297
Seaford	5,576,150	100%	5,576,150
Sussex Tech	5,500,485	100%	5,500,485
Woodbridge	4,172,427	99%	4,130,703
Total School Districts			<u>105,315,704</u>
Municipalities:			
Bethany Beach	1,325,000	100%	1,325,000
Blades	505,518	100%	505,518
Bridgeville	6,289,563	100%	6,289,563
Dagsboro	1,825,038	100%	1,825,038
Frankford	982,332	100%	982,332
Georgetown	15,557,834	100%	15,557,834
Greenwood	1,460,230	100%	1,460,230
Laurel	6,108,124	100%	6,108,124
Lewes	17,335,000	100%	17,335,000
Milford	10,110,000	70%	7,077,000
Millsboro	15,499,378	100%	15,499,378
Ocean View	4,542,536	100%	4,542,536
Rehoboth Beach	5,261,688	100%	5,261,688
Seaford	6,017,394	100%	6,017,394
Selbyville	7,422,172	100%	7,422,172
Total Municipalities			<u>97,208,807</u>
Subtotal, overlapping debt			202,524,511
County direct debt			<u>139,857,414</u>
Total direct and overlapping debt			<u>\$ 342,381,925</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General obligation bonds	\$ 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	\$ 139,857,414
Percentage of estimated actual property value	0.63%	0.68%	0.63%	0.51%	0.46%	0.38%	0.37%	0.34%	0.35%	0.36%
Per capita	515	605	618	596	698	689	741	734	731	728
Total net debt applicable to debt limit	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	139,857,414
Legal debt limit	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	347,637,021
Legal debt margin	<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>	<u>\$ 207,779,607</u>
Total net debt applicable to the limit as a percentage of debt limit	36.48%	41.93%	42.04%	39.59%	45.02%	42.81%	43.94%	44.65%	40.56%	40.23%

Legal debt margin calculation for fiscal year 2009	
Assessed value	\$ 2,896,975,173
Debt limit (12% of assessed value)	347,637,021
Total net debt applicable to limit	<u>139,857,414</u>
Legal debt margin	<u>\$ 207,779,607</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, 2009.
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	
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
2009	10,416,204	2,899,406	7,516,798	1,529,488	789,210	3.24

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**

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)
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	6,001,783	32,647	42.1	24,818	3.0%
2008	188,597	*	*	*	25,104	4.1%
2009	192,019	*	*	*	25,307	7.8%

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 SEVEN YEARS AGO**

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<u>Type of Employer</u>	<u>2009</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	12,845	1	18.2%	11,790	1	19.3%
Retail trade	11,260	2	16.0	10,681	2	17.4
Accommodation and food services	8,792	3	12.5	7,363	3	12.0
Health care and social assistance	8,448	4	12.0	6,628	4	10.8
Government	7,778	5	11.0	6,032	5	9.9
Construction	4,880	6	6.9	4,564	6	7.5
Administrative and waste services	2,929	7	4.2	2,354	8	3.8
Other services, except public administration	2,256	8	3.2	1,792	9	3.9
Real estate and rental and leasing	2,004	9	2.8	1,471	10	2.9
Finance and insurance	1,901	10	2.7	2,391	7	2.4
	<u>63,093</u>		<u>89.5%</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>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>	<u>2009</u>
General government										
General administration	8	8	8	8	8	8	10	11	11	11
Finance	61	74	70	80	85	86	89	90	86	81
Personnel	3	4	5	5	5	5	6	6	6	6
Buildings and grounds	25	25	25	26	27	28	25	33	26	21
Data processing	6	6	5	10	13	13	13	12	14	12
County constable	4	4	3	3	4	4	4	3	4	4
Planning and zoning	13	14	14	14	14	14	15	16	15	14
Paramedic program	67	70	76	79	90	94	108	110	109	112
Emergency preparedness	20	25	27	27	28	27	29	28	28	27
Economic development and public works	8	10	9	9	10	14	13	12	10	10
County engineer	79	92	105	112	115	120	132	132	139	141
Airport	1	1	1	1	1	1	1	1	2	2
Library	26	25	27	28	35	32	30	41	33	31
Community development and housing programs	5	6	6	6	6	6	6	7	6	6
Constitutional offices	30	35	35	33	36	33	33	37	36	34
Total	<u>356</u>	<u>399</u>	<u>416</u>	<u>441</u>	<u>477</u>	<u>485</u>	<u>514</u>	<u>539</u>	<u>525</u>	<u>512</u>

Note: Data for years 2000 through 2006 have been updated, due to improved data collections.

Source: County Accounting Department

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

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Planning and Zoning										
Permits issued	8,511	8,459	9,388	9,741	10,811	11,075	11,299	9,896	8,436	6,553
Public Safety										
Paramedic incidents dispatched	13,677	11,207	12,236	10,421	11,018	11,612	11,955	12,701	13,759	13,500
911 calls	66,448	78,594	78,594	91,511	89,446	85,243	94,858	99,659	104,623	97,230
Sewer and Water Services										
Sewer customers, EDU's billed	34,516	36,640	40,786	41,431	44,240	47,524	50,809	53,439	56,200	57,673
Water customers, EDU's billed	3,427	3,504	3,523	3,530	3,548	3,530	3,543	3,553	3,574	3,600
Libraries										
Circulation (1)	890,573	928,640	1,002,827	1,062,779	1,197,367	1,182,767	1,137,880	1,170,327	1,221,697	1,299,830
Airport										
Number of landings (2) (3)	*	*	16,811	15,106	16,306	18,625	17,508	19,259	20,222	20,000
Industrial Park										
Number of businesses	12	12	19	18	18	20	20	20	18	18
Number of jobs provided by business (2)	*	665	715	650	681	752	860	944	1,048	989

Source: Individual County Departments

Notes:

1. The numbers for years 2002 and 2003 have been updated, due to improved data collections.
2. The number of landings and number of jobs provided are unavailable prior to fiscal years 2002 and 2001 respectively.
3. 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**

<u>Function/Program</u>	Fiscal Year									
	<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>	<u>2009</u>
Public Safety										
Paramedic stations	6	6	6	7	7	7	7	8	8	9
Volunteer fire and ambulance companies	24	24	24	24	24	24	24	24	24	24
Additional state police officers funded by County	12	12	16	16	20	24	28	32	36	40
Sewer and Water Services										
Miles of underground sanitary sewer pipe	474	481	506	517	554	595	655	682	747	770
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	223	237	252	261	256	357	370	384	397	418
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	7,330	7,330	7,330	7,330	7,330
Number of hangars	17	17	20	20	20	24	27	28	30	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, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1994
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
December 20, 1933	4.50	133,193	5,894
March 20, 2034	4.50	134,692	4,395
June 20, 2034	4.50	136,207	2,880
September 20, 2034	4.50	118,611	1,348
December 20, 2034	4.50	131,711	7,376
		\$ 8,406,672	\$ 5,761,074

(continued)

SUSSEX COUNTY, DELAWARE
SRF SUBORDINATE OBLIGATION - 1994
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	459,856	3,452
		<u>\$ 6,550,982</u>	<u>\$ 422,645</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 A
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
September 9, 2020	4.50	26,098	24,326
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
December 9, 2021	4.50	27,600	22,824
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 A
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		\$ 3,064,425	\$ 2,123,088

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 B
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	29,718	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
June 27, 2022	4.50	50,840	40,966
September 27, 2022	4.50	51,413	40,393

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 B
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	75,684	844
		\$ 5,606,810	\$ 3,925,737

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 C
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 26, 2009	4.50 %	\$ 25,821	\$ 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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 C
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
March 26, 2035	4.50	80,820	2,640
June 26, 2035	4.50	81,730	1,730
September 26, 2035	4.50	71,176	809
		\$ 5,122,676	\$ 3,629,151

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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
		\$ 2,574,180	\$ 1,843,540

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
BONDED DEBT GENERAL OBLIGATION - 1996
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 393,420</u>	<u>\$ 290,313</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1997
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		\$ 6,467,847	\$ 647,817

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2000
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	480,300	3,604
		\$ 12,569,810	\$ 1,463,376

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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2000
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 1,307,785</u>	<u>\$ 152,249</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		\$ 9,134,338	\$ 8,133,917

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 11, 2009	1.50 %	\$ 75,943	\$ 24,184
April 11, 2010	1.50	76,512	23,615
October 11, 2010	1.50	77,086	23,041
April 11, 2011	1.50	77,664	22,463
October 11, 2011	1.50	78,247	21,880
April 11, 2012	1.50	78,833	21,294
October 11, 2012	1.50	79,425	20,702
April 11, 2013	1.50	80,020	20,107
October 11, 2013	1.50	80,621	19,506
April 11, 2014	1.50	81,225	18,902
October 11, 2014	1.50	81,834	18,293
April 11, 2015	1.50	82,448	17,679
October 11, 2015	1.50	83,066	17,061
April 11, 2016	1.50	83,689	16,438
October 11, 2016	1.50	84,317	15,810
April 11, 2017	1.50	84,950	15,177
October 11, 2017	1.50	85,587	14,540
April 11, 2018	1.50	86,229	13,898
October 11, 2018	1.50	86,875	13,252
April 11, 2019	1.50	87,527	12,600
October 11, 2019	1.50	88,183	11,944
April 11, 2020	1.50	88,845	11,282
October 11, 2020	1.50	89,511	10,616
April 11, 2021	1.50	90,182	9,945
October 11, 2021	1.50	90,859	9,268
April 11, 2022	1.50	91,540	8,587
October 11, 2022	1.50	92,227	7,900
April 11, 2023	1.50	92,918	7,209
October 11, 2023	1.50	93,615	6,512
April 11, 2024	1.50	94,317	5,810
October 11, 2024	1.50	95,025	5,102
April 11, 2025	1.50	95,737	4,390
October 11, 2025	1.50	96,455	3,672
April 11, 2026	1.50	97,179	2,948
October 11, 2026	1.50	97,908	2,219
April 11, 2027	1.50	98,642	1,485
October 11, 2027	1.50	99,382	745
		\$ 3,224,623	\$ 480,076

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 15, 2009	1.50 %	\$ 62,502	\$ 17,478
June 15, 2010	1.50	62,972	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
		<u>\$ 2,330,398</u>	<u>\$ 308,956</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 13, 2009	3.18 %	\$ 254,313	\$ 187,412
June 13, 2010	3.18	258,356	183,368
December 13, 2010	3.18	262,464	179,260
June 13, 2011	3.18	266,637	175,087
December 13, 2011	3.18	270,877	170,848
June 13, 2012	3.18	275,184	166,541
December 13, 2012	3.18	279,559	162,165
June 13, 2013	3.18	284,004	157,720
December 13, 2013	3.18	288,520	153,205
June 13, 2014	3.18	293,107	148,617
December 13, 2014	3.18	297,768	143,957
June 13, 2015	3.18	302,502	139,222
December 13, 2015	3.18	307,312	134,413
June 13, 2016	3.18	312,198	129,526
December 13, 2016	3.18	317,162	124,562
June 13, 2017	3.18	322,205	119,519
December 13, 2017	3.18	327,328	114,396
June 13, 2018	3.18	332,533	109,192
December 13, 2018	3.18	337,820	103,905
June 13, 2019	3.18	343,191	98,533
December 13, 2019	3.18	348,648	93,077
June 13, 2020	3.18	354,191	87,533
December 13, 2020	3.18	359,823	81,901
June 13, 2021	3.18	365,544	76,180
December 13, 2021	3.18	371,356	70,368
June 13, 2022	3.18	377,261	64,464
December 13, 2022	3.18	383,259	58,465
June 13, 2023	3.18	389,353	52,371
December 13, 2023	3.18	395,544	46,181
June 13, 2024	3.18	401,833	39,891
December 13, 2024	3.18	408,222	33,502
June 13, 2025	3.18	414,713	27,012
December 13, 2025	3.18	421,307	20,418
June 13, 2026	3.18	428,006	13,719
December 13, 2026	3.18	434,810	6,917
		<u>\$ 11,786,910</u>	<u>\$ 3,673,447</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	-
June 13, 2035	-	12,821	-
December 13, 2035	-	12,820	-

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 846,154</u>	<u>\$ -</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 8, 2009	2.00 %	\$ 37,842	\$ 13,163
June 8, 2010	2.00	38,221	12,785
December 8, 2010	2.00	38,603	12,403
June 8, 2011	2.00	38,989	12,017
December 8, 2011	2.00	39,379	11,627
June 8, 2012	2.00	39,772	11,233
December 8, 2012	2.00	40,170	10,835
June 8, 2013	2.00	40,572	10,434
December 8, 2013	2.00	40,978	10,028
June 8, 2014	2.00	41,387	9,618
December 8, 2014	2.00	41,801	9,204
June 8, 2015	2.00	42,219	8,786
December 8, 2015	2.00	42,642	8,364
June 8, 2016	2.00	43,068	7,938
December 8, 2016	2.00	43,499	7,507
June 8, 2017	2.00	43,934	7,072
December 8, 2017	2.00	44,373	6,633
June 8, 2018	2.00	44,817	6,189
December 8, 2018	2.00	45,265	5,741
June 8, 2019	2.00	45,717	5,288
December 8, 2019	2.00	46,175	4,831
June 8, 2020	2.00	46,636	4,369
December 8, 2020	2.00	47,103	3,903
June 8, 2021	2.00	47,574	3,432
December 8, 2021	2.00	48,050	2,956
June 8, 2022	2.00	48,530	2,476
December 8, 2022	2.00	49,015	1,990
June 8, 2023	2.00	49,505	1,500
December 8, 2023	2.00	50,001	1,005
June 8, 2024	2.00	50,499	502
		\$ 1,316,336	\$ 213,829

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	15,000	356
		\$ 24,360,000	\$ 5,695,947

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	2,580	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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		<u>\$ 764,221</u>	<u>\$ 689,160</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		<u>\$ 1,172,128</u>	<u>\$ 1,057,082</u>

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	6,221	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
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

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	22,145	235
		<u>\$ 1,842,604</u>	<u>\$ 1,661,921</u>

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 27, 2009	1.50 %	\$ 28,708	\$ 8,581
June 27, 2010	1.50	28,923	8,366
December 27, 2010	1.50	29,140	8,149
June 27, 2011	1.50	29,359	7,930
December 27, 2011	1.50	29,579	7,710
June 27, 2012	1.50	29,801	7,488
December 27, 2012	1.50	30,024	7,265
June 27, 2013	1.50	30,250	7,039
December 27, 2013	1.50	30,476	6,813
June 27, 2014	1.50	30,705	6,584
December 27, 2014	1.50	30,935	6,354
June 27, 2015	1.50	31,167	6,122
December 27, 2015	1.50	31,401	5,888
June 27, 2016	1.50	31,637	5,652
December 27, 2016	1.50	31,874	5,415
June 27, 2017	1.50	32,113	5,176
December 27, 2017	1.50	32,354	4,935
June 27, 2018	1.50	32,596	4,693
December 27, 2018	1.50	32,841	4,448
June 27, 2019	1.50	33,087	4,202
December 27, 2019	1.50	33,335	3,954
June 27, 2020	1.50	33,585	3,704
December 27, 2020	1.50	33,837	3,452
June 27, 2021	1.50	34,091	3,198
December 27, 2021	1.50	34,347	2,942
June 27, 2022	1.50	34,604	2,685
December 27, 2022	1.50	34,864	2,425
June 27, 2023	1.50	35,125	2,164
December 27, 2023	1.50	35,389	1,900
June 27, 2024	1.50	35,654	1,635
December 27, 2024	1.50	35,921	1,367
June 27, 2025	1.50	36,191	1,098
December 27, 2025	1.50	36,462	827
June 27, 2026	1.50	36,736	553
December 27, 2026	1.50	37,013	275
		\$ 1,144,124	\$ 160,989

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		\$ 6,552,514	\$ 6,269,954

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 9,349,239</u>	<u>\$ 1,391,917</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
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

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	87,451	895
		\$ 6,720,220	\$ 6,260,447

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT REVENUE BONDS - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 15,925,000</u>	<u>\$ 6,283,022</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
November 1, 2009	1.5 %	\$ -	\$ 49,035
May 1, 2010	1.5	-	49,235
November 1, 2010	1.5	83,556	49,235
May 1, 2011	1.5	84,182	48,609
November 1, 2011	1.5	84,814	47,977
May 1, 2012	1.5	85,450	47,341
November 1, 2012	1.5	86,091	46,700
May 1, 2013	1.5	86,736	46,055
November 1, 2013	1.5	87,387	45,404
May 1, 2014	1.5	88,042	44,749
November 1, 2014	1.5	88,703	44,088
May 1, 2015	1.5	89,368	43,423
November 1, 2015	1.5	90,038	42,753
May 1, 2016	1.5	90,713	42,078
November 1, 2016	1.5	91,394	41,397
May 1, 2017	1.5	92,079	40,712
November 1, 2017	1.5	92,770	40,021
May 1, 2018	1.5	93,466	39,325
November 1, 2018	1.5	94,167	38,624
May 1, 2019	1.5	94,873	37,918
November 1, 2019	1.5	95,584	37,207
May 1, 2020	1.5	96,301	36,490
November 1, 2020	1.5	97,023	35,768
May 1, 2021	1.5	97,751	35,040
November 1, 2021	1.5	98,484	34,307
May 1, 2022	1.5	99,222	33,568
November 1, 2022	1.5	99,967	32,824
May 1, 2023	1.5	100,716	32,074
November 1, 2023	1.5	101,472	31,319
May 1, 2024	1.5	102,233	30,558
November 1, 2024	1.5	103,000	29,791
May 1, 2025	1.5	103,772	29,019
November 1, 2025	1.5	104,550	28,240
May 1, 2026	1.5	105,334	27,456
November 1, 2026	1.5	106,124	26,666
May 1, 2027	1.5	106,920	25,870
November 1, 2027	1.5	107,722	25,068
May 1, 2028	1.5	108,530	24,260
November 1, 2028	1.5	109,334	23,446
May 1, 2029	1.5	110,164	22,626
November 1, 2029	1.5	110,990	21,800
May 1, 2030	1.5	111,823	20,968
November 1, 2030	1.5	112,662	20,129
May 1, 2031	1.5	113,507	19,284
November 1, 2031	1.5	114,358	18,433
May 1, 2032	1.5	115,216	17,575
November 1, 2032	1.5	116,080	16,711
May 1, 2033	1.5	116,950	15,840
November 1, 2033	1.5	117,827	14,963
May 1, 2034	1.5	118,711	14,079
November 1, 2034	1.5	119,601	13,189
May 1, 2035	1.5	120,498	12,292
November 1, 2035	1.5	121,402	11,388

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
May 1, 2036	1.5 %	\$ 122,313	\$ 10,478
November 1, 2036	1.5	123,230	9,561
May 1, 2037	1.5	124,154	8,636
November 1, 2037	1.5	125,085	7,705
May 1, 2038	1.5	126,024	6,767
November 1, 2038	1.5	126,969	5,822
May 1, 2039	1.5	127,921	4,870
November 1, 2039	1.5	128,880	3,910
May 1, 2040	1.5	129,847	2,944
November 1, 2040	1.5	130,821	1,970
May 1, 2041	1.5	131,803	988
		<u>\$ 6,564,704</u>	<u>\$ 1,766,578</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
November 1, 2009	1.5 %	\$ 64,117	\$ 35,523
May 1, 2010	1.5	64,597	35,042
November 1, 2010	1.5	65,083	34,558
May 1, 2011	1.5	65,571	34,069
November 1, 2011	1.5	66,063	33,577
May 1, 2012	1.5	66,558	33,082
November 1, 2012	1.5	67,057	32,583
May 1, 2013	1.5	67,560	32,080
November 1, 2013	1.5	68,067	31,573
May 1, 2014	1.5	68,577	31,063
November 1, 2014	1.5	69,092	30,548
May 1, 2015	1.5	69,610	30,030
November 1, 2015	1.5	70,132	29,508
May 1, 2016	1.5	70,658	28,982
November 1, 2016	1.5	71,188	28,452
May 1, 2017	1.5	71,722	27,918
November 1, 2017	1.5	72,260	27,380
May 1, 2018	1.5	72,802	26,838
November 1, 2018	1.5	73,348	26,292
May 1, 2019	1.5	73,898	25,742
November 1, 2019	1.5	74,452	25,188
May 1, 2020	1.5	75,011	24,630
November 1, 2020	1.5	75,573	24,067
May 1, 2021	1.5	76,140	23,500
November 1, 2021	1.5	76,711	22,929
May 1, 2022	1.5	77,286	22,354
November 1, 2022	1.5	77,866	21,774
May 1, 2023	1.5	78,450	21,190
November 1, 2023	1.5	79,038	20,602
May 1, 2024	1.5	79,631	20,009
November 1, 2024	1.5	80,228	19,412
May 1, 2025	1.5	80,830	18,810
November 1, 2025	1.5	81,436	18,204
May 1, 2026	1.5	82,047	17,593
November 1, 2026	1.5	82,662	16,978
May 1, 2027	1.5	83,282	16,358
November 1, 2027	1.5	83,907	15,733
May 1, 2028	1.5	84,536	15,104
November 1, 2028	1.5	85,170	14,470
May 1, 2029	1.5	85,809	13,831
November 1, 2029	1.5	86,453	13,187
May 1, 2030	1.5	87,101	12,539
November 1, 2030	1.5	87,754	11,886
May 1, 2031	1.5	88,412	11,228
November 1, 2031	1.5	89,076	10,565
May 1, 2032	1.5	89,744	9,897
November 1, 2032	1.5	90,417	9,223
May 1, 2033	1.5	91,095	8,545
November 1, 2033	1.5	91,778	7,862
May 1, 2034	1.5	92,466	7,174
November 1, 2034	1.5	93,160	6,480
May 1, 2035	1.5	93,859	5,782
November 1, 2035	1.5	94,562	5,078

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
May 1, 2036	1.5 %	\$ 95,272	\$ 4,368
November 1, 2036	1.5	95,986	3,654
May 1, 2037	1.5	96,706	2,934
November 1, 2037	1.5	97,431	2,209
May 1, 2038	1.5	98,162	1,478
November 1, 2038	1.5	98,901	741
		<u>\$ 4,736,360</u>	<u>\$ 1,142,406</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 12, 2009	4.5 %	\$ 170	\$ 818
December 12, 2009	4.5	172	816
March 12, 2010	4.5	173	814
June 12, 2010	4.5	175	812
September 12, 2010	4.5	177	810
December 12, 2010	4.5	179	808
March 12, 2011	4.5	181	806
June 12, 2011	4.5	183	804
September 12, 2011	4.5	185	802
December 12, 2011	4.5	187	800
March 12, 2012	4.5	190	797
June 12, 2012	4.5	192	795
September 12, 2012	4.5	194	793
December 12, 2012	4.5	196	791
March 12, 2013	4.5	198	789
June 12, 2013	4.5	200	787
September 12, 2013	4.5	203	784
December 12, 2013	4.5	205	782
March 12, 2014	4.5	207	780
June 12, 2014	4.5	210	777
September 12, 2014	4.5	212	775
December 12, 2014	4.5	214	773
March 12, 2015	4.5	217	770
June 12, 2015	4.5	219	768
September 12, 2015	4.5	222	765
December 12, 2015	4.5	224	763
March 12, 2016	4.5	227	760
June 12, 2016	4.5	229	758
September 12, 2016	4.5	232	755
December 12, 2016	4.5	234	753
March 12, 2017	4.5	237	750
June 12, 2017	4.5	240	747
September 12, 2017	4.5	243	745
December 12, 2017	4.5	245	742
March 12, 2018	4.5	248	739
June 12, 2018	4.5	251	736
September 12, 2018	4.5	254	733
December 12, 2018	4.5	256	731
March 12, 2019	4.5	259	728
June 12, 2019	4.5	262	725
September 12, 2019	4.5	265	722
December 12, 2019	4.5	268	719
March 12, 2020	4.5	271	716
June 12, 2020	4.5	274	713
September 12, 2020	4.5	277	710
December 12, 2020	4.5	280	707
March 12, 2021	4.5	284	703
June 12, 2021	4.5	287	700
September 12, 2021	4.5	290	697
December 12, 2021	4.5	293	694
March 12, 2022	4.5	297	690
June 12, 2022	4.5	300	687
September 12, 2022	4.5	303	684

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 12, 2022	4.5 %	\$ 307	\$ 680
March 12, 2023	4.5	310	677
June 12, 2023	4.5	314	673
September 12, 2023	4.5	317	670
December 12, 2023	4.5	321	666
March 12, 2024	4.5	324	663
June 12, 2024	4.5	328	659
September 12, 2024	4.5	332	655
December 12, 2024	4.5	335	652
March 12, 2025	4.5	339	648
June 12, 2025	4.5	343	644
September 12, 2025	4.5	347	640
December 12, 2025	4.5	351	636
March 12, 2026	4.5	355	632
June 12, 2026	4.5	359	628
September 12, 2026	4.5	363	624
December 12, 2026	4.5	367	620
March 12, 2027	4.5	371	616
June 12, 2027	4.5	375	612
September 12, 2027	4.5	379	608
December 12, 2027	4.5	384	603
March 12, 2028	4.5	388	599
June 12, 2028	4.5	392	595
September 12, 2028	4.5	397	590
December 12, 2028	4.5	401	586
March 12, 2029	4.5	406	581
June 12, 2029	4.5	410	577
September 12, 2029	4.5	415	572
December 12, 2029	4.5	419	568
March 12, 2030	4.5	424	563
June 12, 2030	4.5	429	558
September 12, 2030	4.5	434	553
December 12, 2030	4.5	439	548
March 12, 2031	4.5	444	543
June 12, 2031	4.5	449	538
September 12, 2031	4.5	455	533
December 12, 2031	4.5	459	528
March 12, 2032	4.5	464	523
June 12, 2032	4.5	469	518
September 12, 2032	4.5	474	513
December 12, 2032	4.5	480	507
March 12, 2033	4.5	485	502
June 12, 2033	4.5	491	496
September 12, 2033	4.5	496	491
December 12, 2033	4.5	502	485
March 12, 2034	4.5	507	480
June 12, 2034	4.5	513	474
September 12, 2034	4.5	519	468
December 12, 2034	4.5	525	462
March 12, 2035	4.5	531	456
June 12, 2035	4.5	537	450
September 12, 2035	4.5	543	444
December 12, 2035	4.5	549	438

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 12, 2036	4.5 %	\$ 554	\$ 433
June 12, 2036	4.5	561	426
September 12, 2036	4.5	567	420
December 12, 2036	4.5	573	414
March 12, 2037	4.5	580	407
June 12, 2037	4.5	586	401
September 12, 2037	4.5	593	394
December 12, 2037	4.5	600	387
March 12, 2038	4.5	606	381
June 12, 2038	4.5	613	374
September 12, 2038	4.5	620	367
December 12, 2038	4.5	627	360
March 12, 2039	4.5	634	353
June 12, 2039	4.5	641	346
September 12, 2039	4.5	649	338
December 12, 2039	4.5	656	331
March 12, 2040	4.5	664	323
June 12, 2040	4.5	671	316
September 12, 2040	4.5	679	308
December 12, 2040	4.5	686	301
March 12, 2041	4.5	694	293
June 12, 2041	4.5	702	285
September 12, 2041	4.5	710	277
December 12, 2041	4.5	718	269
March 12, 2042	4.5	726	261
June 12, 2042	4.5	734	253
September 12, 2042	4.5	742	245
December 12, 2042	4.5	751	236
March 12, 2043	4.5	759	228
June 12, 2043	4.5	767	220
September 12, 2043	4.5	776	211
December 12, 2043	4.5	785	202
March 12, 2044	4.5	794	193
June 12, 2044	4.5	803	184
September 12, 2044	4.5	812	175
December 12, 2044	4.5	821	166
March 12, 2045	4.5	830	157
June 12, 2045	4.5	839	148
September 12, 2045	4.5	849	138
December 12, 2045	4.5	858	129
March 12, 2046	4.5	868	119
June 12, 2046	4.5	878	109
September 12, 2046	4.5	888	99
December 12, 2046	4.5	898	89
March 12, 2047	4.5	908	79
June 12, 2047	4.5	918	69
September 12, 2047	4.5	928	59
December 12, 2047	4.5	939	48
March 12, 2048	4.5	949	38
June 12, 2048	4.5	960	27
September 12, 2048	4.5	971	16
December 12, 2048	4.5	474	5
		<u>\$ 72,667</u>	<u>\$ 82,775</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 26, 2009	4.5 %	\$ 5,710	\$ 27,295
December 26, 2009	4.5	5,774	27,231
March 26, 2010	4.5	5,839	27,166
June 26, 2010	4.5	5,904	27,100
September 26, 2010	4.5	5,971	27,034
December 26, 2010	4.5	6,038	26,967
March 26, 2011	4.5	6,106	26,899
June 26, 2011	4.5	6,175	26,830
September 26, 2011	4.5	6,244	26,761
December 26, 2011	4.5	6,315	26,690
March 26, 2012	4.5	6,385	26,619
June 26, 2012	4.5	6,458	26,548
September 26, 2012	4.5	6,530	26,475
December 26, 2012	4.5	6,603	26,401
March 26, 2013	4.5	6,678	26,327
June 26, 2013	4.5	6,753	26,252
September 26, 2013	4.5	6,829	26,176
December 26, 2013	4.5	6,906	26,099
March 26, 2014	4.5	6,983	26,022
June 26, 2014	4.5	7,062	25,943
September 26, 2014	4.5	7,141	25,863
December 26, 2014	4.5	7,222	25,783
March 26, 2015	4.5	7,303	25,702
June 26, 2015	4.5	7,385	25,620
September 26, 2015	4.5	7,468	25,537
December 26, 2015	4.5	7,552	25,452
March 26, 2016	4.5	7,637	25,368
June 26, 2016	4.5	7,723	25,282
September 26, 2016	4.5	7,810	25,195
December 26, 2016	4.5	7,898	25,107
March 26, 2017	4.5	7,987	25,018
June 26, 2017	4.5	8,076	24,928
September 26, 2017	4.5	8,168	24,837
December 26, 2017	4.5	8,259	24,746
March 26, 2018	4.5	8,352	24,653
June 26, 2018	4.5	8,446	24,559
September 26, 2018	4.5	8,541	24,464
December 26, 2018	4.5	8,637	24,368
March 26, 2019	4.5	8,735	24,270
June 26, 2019	4.5	8,833	24,172
September 26, 2019	4.5	8,932	24,073
December 26, 2019	4.5	9,033	23,972
March 26, 2020	4.5	9,134	23,871
June 26, 2020	4.5	9,237	23,768
September 26, 2020	4.5	9,341	23,664
December 26, 2020	4.5	9,446	23,559
March 26, 2021	4.5	9,552	23,453
June 26, 2021	4.5	9,660	23,345
September 26, 2021	4.5	9,768	23,237
December 26, 2021	4.5	9,878	23,127
March 26, 2022	4.5	9,990	23,015
June 26, 2022	4.5	10,102	22,903
September 26, 2022	4.5	10,216	22,789

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 26, 2022	4.5 %	\$ 10,330	\$ 22,675
March 26, 2023	4.5	10,447	22,559
June 26, 2023	4.5	10,564	22,441
September 26, 2023	4.5	10,683	22,322
December 26, 2023	4.5	10,803	22,202
March 26, 2024	4.5	10,925	22,080
June 26, 2024	4.5	11,047	21,958
September 26, 2024	4.5	11,172	21,833
December 26, 2024	4.5	11,297	21,708
March 26, 2025	4.5	11,425	21,580
June 26, 2025	4.5	11,553	21,452
September 26, 2025	4.5	11,683	21,322
December 26, 2025	4.5	11,815	21,191
March 26, 2026	4.5	11,947	21,058
June 26, 2026	4.5	12,082	20,923
September 26, 2026	4.5	12,218	20,787
December 26, 2026	4.5	12,355	20,650
March 26, 2027	4.5	12,494	20,511
June 26, 2027	4.5	12,635	20,370
September 26, 2027	4.5	12,777	20,228
December 26, 2027	4.5	12,921	20,084
March 26, 2028	4.5	13,066	19,939
June 26, 2028	4.5	13,213	19,792
September 26, 2028	4.5	13,362	19,643
December 26, 2028	4.5	13,512	19,493
March 26, 2029	4.5	13,664	19,341
June 26, 2029	4.5	13,818	19,187
September 26, 2029	4.5	13,973	19,032
December 26, 2029	4.5	14,131	18,875
March 26, 2030	4.5	14,289	18,716
June 26, 2030	4.5	14,450	18,555
September 26, 2030	4.5	14,613	18,392
December 26, 2030	4.5	14,777	18,228
March 26, 2031	4.5	14,943	18,062
June 26, 2031	4.5	15,112	17,894
September 26, 2031	4.5	15,282	17,724
December 26, 2031	4.5	15,453	17,552
March 26, 2032	4.5	15,627	17,378
June 26, 2032	4.5	15,803	17,202
September 26, 2032	4.5	15,981	17,024
December 26, 2032	4.5	16,161	16,845
March 26, 2033	4.5	16,342	16,663
June 26, 2033	4.5	16,526	16,479
September 26, 2033	4.5	16,712	16,293
December 26, 2033	4.5	16,900	16,105
March 26, 2034	4.5	17,090	15,915
June 26, 2034	4.5	17,283	15,723
September 26, 2034	4.5	17,477	15,528
December 26, 2034	4.5	17,674	15,331
March 26, 2035	4.5	17,872	15,133
June 26, 2035	4.5	18,073	14,931
September 26, 2035	4.5	18,277	14,728
December 26, 2035	4.5	18,482	14,522

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2009

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 26, 2036	4.5 %	\$ 18,690	\$ 14,315
June 26, 2036	4.5	18,901	14,104
September 26, 2036	4.5	19,113	13,892
December 26, 2036	4.5	19,328	13,677
March 26, 2037	4.5	19,546	13,459
June 26, 2037	4.5	19,766	13,239
September 26, 2037	4.5	19,988	13,017
December 26, 2037	4.5	20,213	12,792
March 26, 2038	4.5	20,440	12,565
June 26, 2038	4.5	20,670	12,335
September 26, 2038	4.5	20,903	12,102
December 26, 2038	4.5	21,138	11,867
March 26, 2039	4.5	21,376	11,629
June 26, 2039	4.5	21,616	11,389
September 26, 2039	4.5	21,859	11,146
December 26, 2039	4.5	22,105	10,900
March 26, 2040	4.5	22,354	10,651
June 26, 2040	4.5	22,606	10,399
September 26, 2040	4.5	22,860	10,145
December 26, 2040	4.5	23,117	9,888
March 26, 2041	4.5	23,377	9,628
June 26, 2041	4.5	23,640	9,365
September 26, 2041	4.5	23,906	9,099
December 26, 2041	4.5	24,175	8,830
March 26, 2042	4.5	24,447	8,558
June 26, 2042	4.5	24,722	8,283
September 26, 2042	4.5	25,000	8,005
December 26, 2042	4.5	25,281	7,724
March 26, 2043	4.5	25,566	7,439
June 26, 2043	4.5	25,853	7,152
September 26, 2043	4.5	26,144	6,861
December 26, 2043	4.5	26,438	6,567
March 26, 2044	4.5	26,736	6,269
June 26, 2044	4.5	27,036	5,969
September 26, 2044	4.5	27,340	5,665
December 26, 2044	4.5	27,648	5,357
March 26, 2045	4.5	27,959	5,046
June 26, 2045	4.5	28,274	4,731
September 26, 2045	4.5	28,592	4,413
December 26, 2045	4.5	28,914	4,091
March 26, 2046	4.5	29,239	3,766
June 26, 2046	4.5	29,568	3,437
September 26, 2046	4.5	29,900	3,105
December 26, 2046	4.5	30,237	2,768
March 26, 2047	4.5	30,577	2,428
June 26, 2047	4.5	30,921	2,084
September 26, 2047	4.5	31,269	1,736
December 26, 2047	4.5	31,620	1,385
March 26, 2048	4.5	31,976	1,029
June 26, 2048	4.5	32,336	669
September 26, 2048	4.5	27,133	305
		<u>\$ 2,426,249</u>	<u>\$ 2,749,969</u>



SINGLE AUDIT SUPPLEMENT



SUSSEX COUNTY, DELAWARE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<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 07-08 HPG 08-09	\$ 19,355
Water and Waste Disposal Systems for Rural Communities*	10.760		4,456,879
ARRA - Water and Waste Disposal Systems for Rural Communities*	10.781		<u>119,891</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>4,596,125</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 03-06 CDBG 03-07 CDBG 03-08	1,097,499
Home Investment Partnerships Program	14.239	HM 03-07 HM 03-08	<u>101,614</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,199,113</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
Airport Improvement Program	20.106	3-10-0007-020-2006 3-10-0007-021-2007 3-10-0007-019-2008 3-10-0007-022-2008	2,097,011
Passed through State - Delaware Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	2008 HMEDE8030160	<u>2,329</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>2,099,340</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2009

<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. 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 90000021 90000023	\$ 3,401,206
ARRA - Capitalization Grants for Clean Water State Revolving Funds			88,034
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			3,489,240
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through State - Delaware Emergency Management Agency:			
Emergency Management Performance Grants	97.042	2007-EM-E7-0029 2008-EM-E8-0001	90,937
Citizen Corps	97.053	2007-GE-T7-0020	4,298
Homeland Security Grant Program	97.067	2005-GE-T5-0011 2006-GE-T6-0060 2007-GE-T7-0020	231,314
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			326,549
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,710,367

*Denotes major program.

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, 2009.

Cluster/Program Title	Federal CFDA Number	Loan Amount
Water and Waste Disposal Systems for Rural Communities	10.760	\$ 4,258,046
ARRA - Water and Waste Disposal Systems for Rural Communities	10.781	119,891
Capitalization Grants for Clean Water State Revolving Funds	66.458	1,676,442
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	88,034

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

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 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, 2009. 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, 2009.

Internal Control Over Compliance

The management of Sussex County, Delaware is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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 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 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
December 16, 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, 2009, which collectively comprise Sussex County, Delaware's basic financial statements and have issued our report thereon dated December 16, 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 opinions 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 Sussex County, Delaware'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 Sussex County, Delaware's financial statements that is more than inconsequential will not be prevented or detected by Sussex County, Delaware'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 Sussex County, Delaware'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, Delaware in a separate letter dated December 16, 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
December 16, 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>PROGRAM NAME</u>	<u>CFDA Number(s)</u>
Water and Waste Disposal Systems for Rural Communities	10.760
ARRA - Water and Waste Disposal Systems for Rural Communities	10.781

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