

SUSSEX COUNTY,



DELAWARE

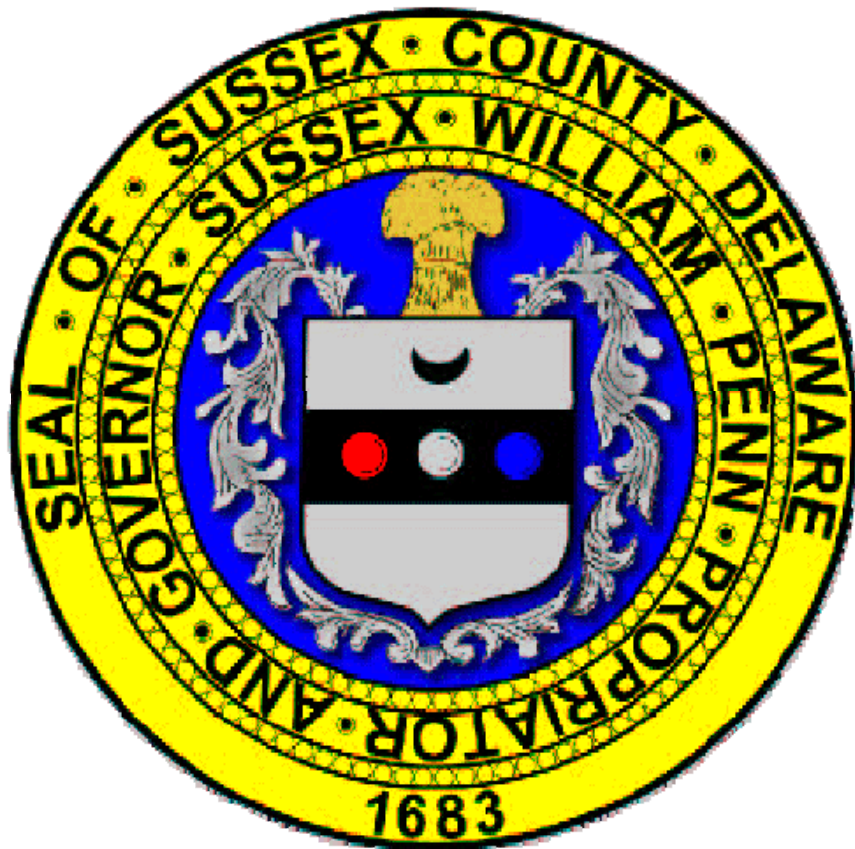


Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2010



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

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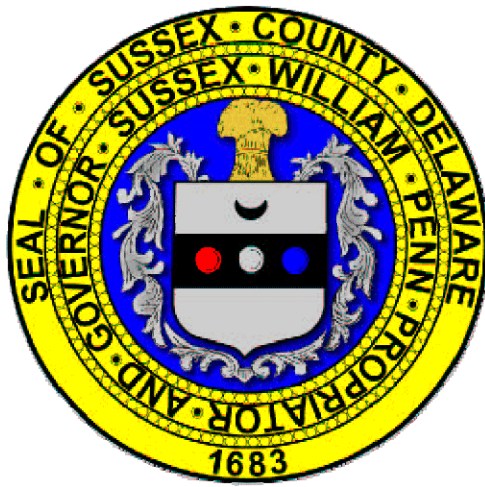
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INTRODUCTORY SECTION



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 17, 2010

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, 2010. 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, 2010, 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, 2010, 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 that are found in our county. Sussex 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 48 percent of the State's total area; with a population of 196,945. 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 and also known as Row Offices. The County Council, which has legislative powers, consists of five members representing each of the County's respective districts with staggered terms. Council members are elected to four-year 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 County in Delaware with a population increase of over 20% in the last ten years. More people move to Sussex County than are being born here. Our low property tax rate makes the County a desirable destination for new residents and retirees. The eastern portion of the County is home to most of Delaware's beaches and seaside resorts. Sussex's western side is the center of Delaware's agriculture industry.

Sussex County is proud of its unique tradition known as Return Day. Return Day originated around 1790 and is set on The Circle in Georgetown, the County seat. Return Day is held 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, 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 are mandated by State statute or County Code. Major public services include emergency medical services, land use, mapping and addressing, 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 airport is combined with the industrial park as Industrial Airpark in the financial statements. The County provides emergency services including paramedics, emergency preparedness, emergency operations, and local emergency planning and communications. The Department of Libraries includes three County-managed libraries and a bookmobile. The County has 490 full time employees and 166 retirees. 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 the Sheriff’s Office. These four offices provide services, such as issuing marriage licenses, recording of legal papers, and performing court-related duties. Each row office 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 three being grants to fire companies, State and local police, and the libraries. 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.

Sussex County continues to work on the expansion of wastewater services that are vital in meeting our environmental and population needs. The County’s sewer and water districts include four treatment plants within its 23 districts. Four of these districts are currently in the design or construction phase. The sewer and water districts’ operating budget for fiscal year 2010 was over \$29 million. The County’s growing sewer disposal operations handle over 59,000 customers. 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 begin on pages 65 and go through page 74 and also includes page 76.

Economic Condition of Sussex County

Local Economy

Sussex County has a diverse and dynamic local economy, one that prospered during the economic boom of the early 2000’s and has weathered relatively well despite the national downturn of recent years. Sussex County employment is concentrated on a diverse assembly of sectors which interact continuously. This includes agriculture, tourism, healthcare, construction, retail sales and education. 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.

While the national unemployment rate was 9.5 percent in June 2010 and Delaware’s unemployment rate was 8.5 percent, Sussex County’s unemployment was at 7.9 percent. A major focus of the County has been to create jobs through economic development. Our goal is to create new jobs through responsibly recruiting new business to the County and

encouraging job retention and growth of existing businesses. The residential housing boom of the past decade has faded but the building climate has shown some improvement. The County issued 18% more building permits for new home construction in fiscal year 2010 than in fiscal year 2009, a hopeful sign. The County makes every effort to take advantage of available programs to assist our local businesses, with the ultimate goal of providing employment opportunities for our residents.

Agriculture related employment is the greatest in the County and is the leading industry, with the primary focus being grain production and poultry processing. This is evidenced by Sussex County's distinction as the top broiler producing county in the United States. According to the U.S. department of Agriculture's 2007 Census, agriculture products sold was valued at more than \$848.9 million and ranked 28th out of 3,000 counties. This same census cites Sussex County as being ranked 54th in sales for vegetables, melons and potatoes. Top employers in the agricultural sector include nationally recognized names in poultry production. Specialty crop production is on the rise with greater farm market efforts plus culinary coast and agri-tourism initiatives.

According to a 2005 report from the Delaware Economic Development Office, tourism ranks second at \$710 million annually. Sussex County's Atlantic coastline offers sandy beaches, family activities, recreation and shopping. Along a two-mile stretch of Delaware Route 1, between Lewes and Rehoboth Beach, there are more than 130 outlet stores – employing more than 1,500 – offering a variety of products, such as clothing, tools, shoes, books, stereo equipment, gourmet food, and kitchen supplies. The Tanger Outlets have become a year-round attraction for those who are attracted by reasonable prices and tax free shopping in Delaware. Approximately 7 million people visit our County and enjoy our beach attractions.

Efforts are underway to improve the manufacturing sector of our County. Our leading manufacturer is the poultry processing industry including; Allen Family Foods, Perdue, and Mountaire. Perdue's Agri Business recently announced plans to move their business administrative offices from Maryland to Seaford, Delaware, creating 100 jobs. There are more than 12,000 people employed in manufacturing in Sussex County. There are numerous success stories for manufacturing as it has evolved in Sussex County. Since 1995, PATS Aircraft Systems has offered innovative solutions in response to the distinctive needs of the business aviation industry. Other manufacturing examples in the county include the world's largest professional dental products manufacturer, a producer of specialized nylon products, a veterinary health corporation, and an antacid subsidiary.

Of all the sectors, healthcare is the fastest growing. Healthcare and associated employment opportunities are continually growing along with the number of retirees whose relocation to the County puts demands on healthcare in general. The three major healthcare employers in the county are Bayhealth Medical Center in Milford, Beebe Medical Center in Lewes, and the Nanticoke Memorial Hospital in Seaford. These hospitals continually expand their services in order to accommodate the needs of an ever growing and aging population.

In order for any business or industry to succeed, a community must have a quality educational system at its foundation. When it comes to higher education, opportunity abounds. The Delaware Technical & Community College (DTCC), and its 146-acre campus in Georgetown, offers Associates' college degree programs in health, business, public service, engineering

and industrial education. The University of Delaware also has a strong presence in Sussex County, that includes the DTCC campus, the College of Agriculture & Natural Resources near Georgetown, and the College of Earth, Ocean and Environment in Lewes. Additionally, Delaware State University and Wilmington University offer courses at the DTCC campus in Georgetown providing Bachelors and Masters Degrees.

Financial Planning

As we submit this report, there still are concerns with our national, state, and local economy. The economy has improved at a modest pace over the last year. Our local economy benefits from the attractiveness of our resorts and a strong agricultural base. Although still faced with budget reductions; the County has a strong financial foundation. The County is taking full advantage of a variety of federal stimulus programs in the areas of sewer infrastructure, housing and energy. We are still mindful of a depressed real estate and credit market, and high unemployment. We expect the recovery will be slow and we will continue to take this into account when budgeting.

The County has funded its non-sewer and water assets on a pay-as-you-go basis and has avoided issuing debt to pay for our Capital projects. We have even received a bond rating upgrade from Moody's Investor Service reflecting our healthy financial position. While business activity has slowed, the County has continued to make capital improvements using reserved funds. These improvements include airport expansion, library expansions as well as building improvements. The County plans to fund these projects with Federal Aviation Administration (FAA) grants, State grants, and County funds.

During fiscal year 2010, four sewer districts were in the planning, design or construction stages. These districts are located in environmentally sensitive areas of the county. The fiscal year 2010 Five-Year Capital Improvement Plan includes \$124 million for sewer expansion and upgrades. Funding for these projects include State Revolving Fund loans, State grants, Federal USDA loans and grants, American Recovery and Reinvestment funds, and County contributions. In the next fiscal year, it is our goal to combine our sewer districts and gradually make them more uniform in terms of rates.

Significant Financial Policies

The County solicits bids from banks on a weekly basis for collateralized certificates of deposit. 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.

Keeping the Pension Fund and the Employee Benefit Trust Fund healthy is a major goal of Sussex County. 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 plans and is responsible for making recommendations to County Council regarding investments and funding. The County contracts with pension advisors to assist in providing the best strategy, protection and

investment guidelines for our pension. Uncertainty about the direction of the economy has somewhat alleviated; however, volatility remains in the stock market.

Sussex County continues to strive for balanced budgets and sound financial planning in providing services for our residents. In the last few years, our focus and challenge has been to balance our budget without using any appropriated reserves. A comprehensive review is done monthly by the finance and accounting departments, that analyzes department expenditure and budget reports. These reviews are discussed in open forum with our County Council on a quarterly basis to keep them informed of the current economic impacts on revenues. Relevant financial topics and future strategies are also discussed with County Council. It is our goal to maintain an operating reserve between 20 and 25 percent, which is considered, “best practice”.

Like so many other State and local governments, we are facing financial challenges and are under pressure to demonstrate fiscally sound policies and serve the public with fewer revenues. We practice financial conservatism that has served us well in a declining economy and time of economic change.

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, 2009. This was the eighth 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.

We believe that achieving this award is one example of Sussex County's commitment and dedication to the highest standards of financial management. The preparation of this report on a timely basis is the result of 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.

During fiscal year 2010, Moody's Investor Service upgraded the County's bond rating from an Aa2 to Aa1. Moody's report on the County says "This reflects the County's healthy financial position, maintained by prudent fiscal management that resulted in materially greater financial flexibility and stronger reserve levels". In addition to the above, Moody's cited our strengths being; "strong liquidity and fund balance levels, no appropriation nor expected use of fund balance in fiscal 2010 or 2011, and average socioeconomic indicators with a large tax base that is expected to remain stable".

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, 2009

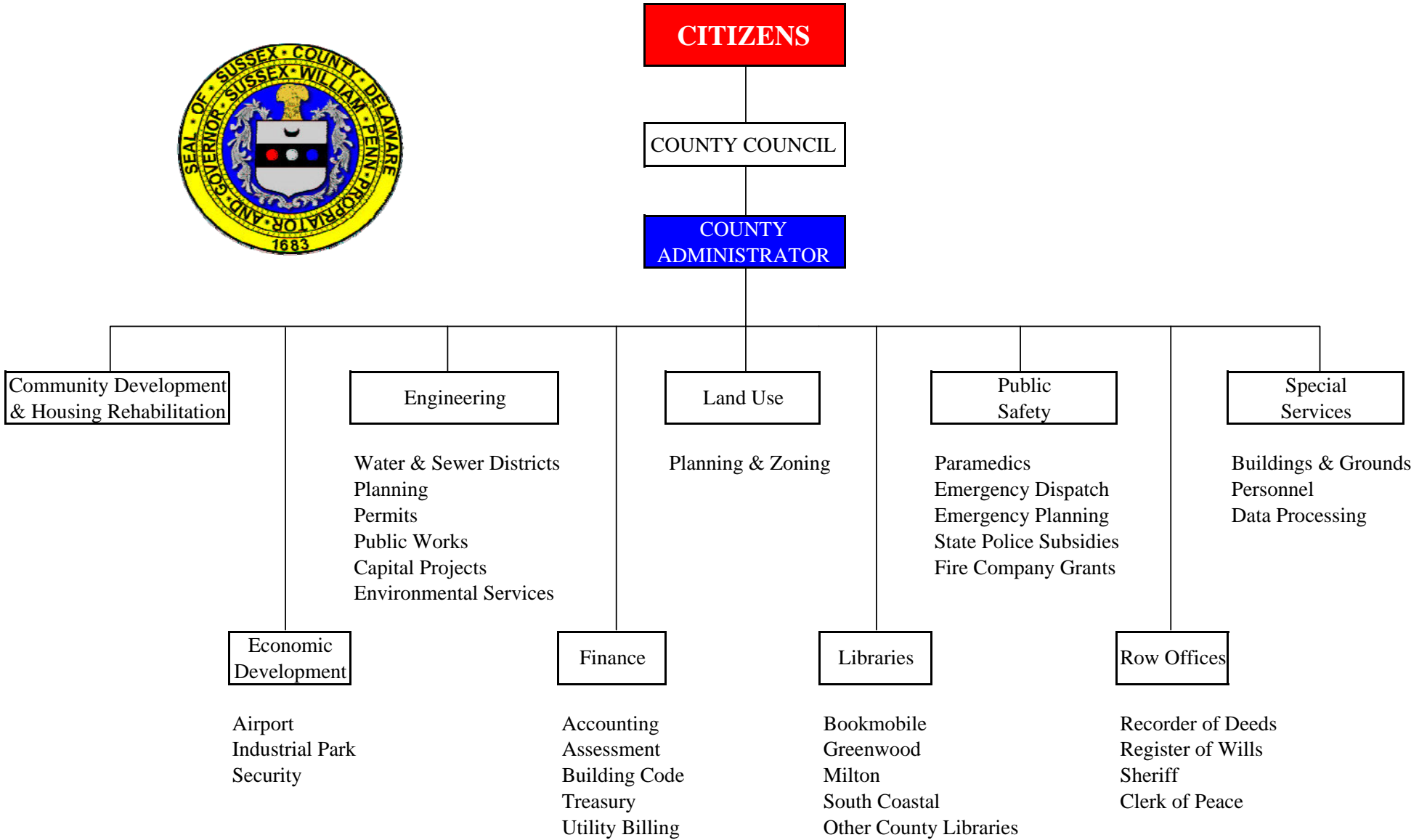
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**SUSSEX COUNTY, DELAWARE
ORGANIZATIONAL CHART
FOR THE FISCAL YEAR 2010**



SUSSEX COUNTY, DELAWARE

LIST OF ELECTED OFFICIALS

JUNE 30, 2010

<u>COUNCIL</u>	<u>Length of Service</u>	<u>Term Expires</u>
<i>District 1</i>		
Michael H. Vincent (Vice President)	1 Year	Jan. 2012
<i>District 2</i>		
Samuel R. Wilson	1 Year	Jan. 2012
<i>District 3</i>		
Joan R. Deaver	1 Year	Jan. 2012
<i>District 4</i>		
George B. Cole	24 Years	Jan. 2011
<i>District 5</i>		
Vance C. Phillips (President)	12 Years	Jan. 2011

<i>Clerk of the Peace</i>		
George Parish	5 Years	Jan. 2012
<i>Recorder of Deeds</i>		
John F. Brady	8 Years	Jan. 2011
<i>Register of Wills</i>		
Gregory Fuller, Sr.	1 Year	Jan. 2011
<i>Sheriff</i>		
Eric D. Swanson	4 Years	Jan. 2011

SUSSEX COUNTY, DELAWARE

COUNTY DEPARTMENT HEADS & OTHER OFFICIALS

JUNE 30, 2010

	<u>Length of Time in Position</u>	<u>Length of Service with the County</u>
<i>County Administrator</i> - David B. Baker	4 years	32 years
<i>County Attorney</i> - J. Everett Moore, Esquire	1 year	1 year
<i>Finance Director</i> - Susan M. Webb, CPA (not in public practice)	4 years	17 years
<i>County Engineer</i> - Michael A. Izzo, P.E.	14 years	26 years
<i>Accounting Division Director</i> - Gina A. Jennings, MBA, MPA	4 years	4 years
<i>Assessment Division Director</i> - Eddy J. Parker	20 years	30 years
<i>Facilities Manager</i> - Douglas J. Stoakley	5 months	16 years
<i>Community Development Program Director</i> - William C. Lecates	20 years	31 years
<i>Data Processing Director</i> - Bonnie O. Smith	23 years	41 years
<i>Director of Sussex Airport and Industrial Park Operations</i> - James A. Hickin	4 years	5 years
<i>Economic Development Director</i> - Julia L. Wheatley	2 years	2 years
<i>Emergency Preparedness Director</i> - Joseph L. Thomas	13 years	24 years
<i>Library Director</i> - Carol H. Fitzgerald	25 years	25 years
<i>Paramedic Director</i> - Robert A. Stuart	5 months	19 years
<i>Personnel Director</i> - Dennis V. Cordrey	30 years	33 years
<i>Planning and Zoning Director</i> - Lawrence B. Lank	25 years	41 years
<i>Treasury Division Director</i> - Amanda M. Bennett	4 years	7 years
<i>Utility Billing Division Director</i> - Patricia Faucett	4 years	10 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, 2010, 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 the 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, 2010, 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 17, 2010, 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 17 and the required supplementary information on pages 61 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sussex County, Delaware's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

Georgetown, Delaware
December 17, 2010

SUSSEX COUNTY, DELAWARE

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

This section of the report offers an overview and analysis of the financial activity of Sussex County, Delaware, for the year ended June 30, 2010. 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

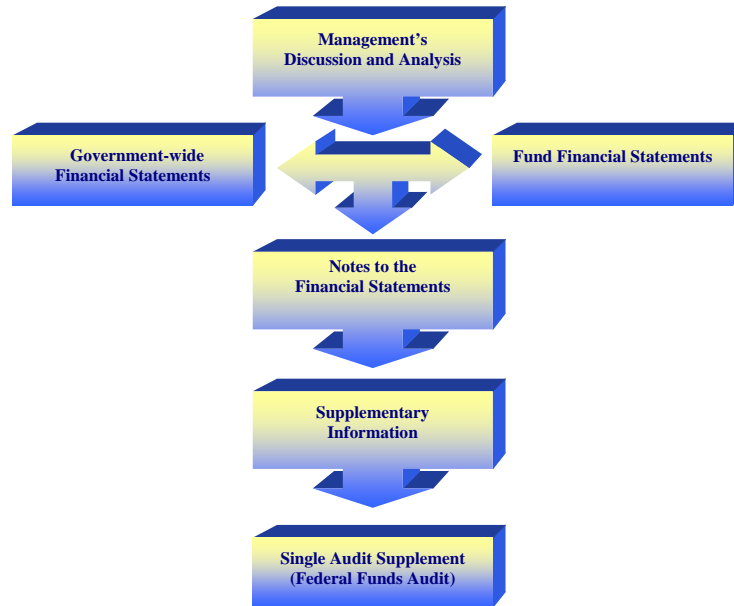
- As of June 30, 2010, assets exceeded liabilities by \$432 million. Of this amount, \$61 million was unrestricted and may be used for ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$7.1 million during the year. The governmental activities' portion of the increase was \$1.5 million. The increase in the investment in capital assets, net of related debt was \$6 million. Restricted realty transfer tax increased \$3 million as real estate finally began to level off rather than continue to spiral down. The business-type activities increase in net assets was \$5.6 million. The increase is due to growth-related capital costs from sewer districts being built. The business-type activities of net assets decreased by \$1.1 million due to a prior period adjustment made in fiscal year 2010. Grant revenue was incorrectly stated in the June 30, 2009 proprietary funds causing a restatement in fiscal year 2010. This restatement has been corrected in both the fund financial statements and government-wide financial statements.
- The County has no outstanding General Fund bonded debt.
- During fiscal year 2010, Moody's Investors Service has raised its rating for Sussex County from Aa2 to Aa1. Moody's report on the County say's "This rating upgrade was due to; the County's substantially improved and healthy financial position, maintained by prudent fiscal management that resulted in materially greater financial flexibility and stronger reserve levels". This reinforces our fiscal policies of conservative balanced budgeting and our commitment to maintaining healthy reserve levels.

Fund Financial Statements

- As of June 30, 2010, the County's governmental funds reported an ending fund balance of \$91 million. This decreased \$2 million from the preceding year. About 13 percent, or \$12 million, was unreserved or available for use to meet the County's current and future needs.
- The unreserved fund balance as of June 30, 2010 for the governmental funds was \$12 million or 21 percent of the fiscal year 2011 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, Mapping and Addressing, 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 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 the fund financial statements. 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 77 through 100).
- *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 60 of this report, provide additional information that is important for a better understanding of the data provided in the financial statements.

Other Information

Pages 61 through 64 include required supplementary information regarding our fiduciary funds. Following 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 101 through 180 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 \$432 million as of June 30, 2010. Net assets over time may serve 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, 2010 and 2009

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009 as restated	2010	2009 as restated
Current and Other Assets	\$ 132,766,442	\$ 130,141,568	\$ 95,639,286	\$ 93,498,171	\$ 228,405,728	\$ 223,639,739
Capital Assets	65,310,596	63,751,886	341,203,088	332,227,521	406,513,684	395,979,407
Total Assets	<u>\$ 198,077,038</u>	<u>\$ 193,893,454</u>	<u>\$ 436,842,374</u>	<u>\$ 425,725,692</u>	<u>\$ 634,919,412</u>	<u>\$ 619,619,146</u>
Current and Other Liabilities	24,613,137	21,592,489	5,561,985	3,368,564	30,175,122	24,961,053
Long-term Liabilities						
Outstanding	6,474,552	6,823,550	165,996,461	162,641,744	172,471,013	169,465,294
Total Liabilities	<u>\$ 31,087,689</u>	<u>\$ 28,416,039</u>	<u>\$ 171,558,446</u>	<u>\$ 166,010,308</u>	<u>\$ 202,646,135</u>	<u>\$ 194,426,347</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	65,292,609	63,679,024	176,649,726	172,029,870	241,942,335	235,708,894
Restricted	60,450,610	57,250,045	68,805,127	73,884,414	129,255,737	131,134,459
Unrestricted	41,246,130	44,548,346	19,829,075	13,801,100	61,075,205	58,349,446
Total Net Assets	<u>\$ 166,989,349</u>	<u>\$ 165,477,415</u>	<u>\$ 265,283,928</u>	<u>\$ 259,715,384</u>	<u>\$ 432,273,277</u>	<u>\$ 425,192,799</u>

A large portion of the County's net assets (56 percent) are not available for future use 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 \$6 million during fiscal year 2010, due to County sewer project expansion.

Of the remaining \$190 million in net assets, \$69 million is restricted for the repayment of the debt service on the bonds issued to finance sewer district costs or for capital costs incurred. For

governmental activities, \$60 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 buildings and improvements, Industrial Park infrastructure and County Airport Improvements. Available 911 fees are restricted for specific emergency dispatch purposes, i.e., software to maintain addressing and mapping.

The remaining \$61 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 2010 and 2009.

SUSSEX COUNTY'S CHANGES IN NET ASSETS
For the Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009 as restated	2010	2009 as restated
Revenues:						
Program Revenues:						
Charges for Services	\$ 10,356,209	\$ 13,156,864	\$ 15,271,354	\$ 15,148,124	\$ 25,627,563	\$ 28,304,988
Operating Grants and Contributions	8,494,730	7,526,184	14,449,833	15,926,530	22,944,563	23,452,714
Capital Grants and Contributions	1,499,146	4,727,502	4,287,188	5,226,686	5,786,334	9,954,188
General Revenues						
Property Taxes	13,040,252	12,763,282	-	-	13,040,252	12,763,282
Capitation Taxes	253,785	252,741	-	-	253,785	252,741
Fire Service Taxes	791,472	758,837	-	-	791,472	758,837
Realty Transfer Taxes	13,141,813	13,621,270	-	-	13,141,813	13,621,270
Investment Income	824,259	2,157,202	77,831	234,467	902,090	2,391,669
Total Revenues	\$ 48,401,666	\$ 54,963,882	\$ 34,086,206	\$ 36,535,807	\$ 82,487,872	\$ 91,499,689
Expenses:						
Primary Government:						
General Government	\$ 9,640,728	\$ 9,578,284	\$ -	\$ -	\$ 9,640,728	\$ 9,578,284
Grant-in-aid Programs	6,625,144	8,134,600	-	-	6,625,144	8,134,600
Planning and Zoning	1,246,923	1,289,323	-	-	1,246,923	1,289,323
Paramedic Program	12,524,387	12,079,831	-	-	12,524,387	12,079,831
Emergency Preparedness	2,844,581	2,661,089	-	-	2,844,581	2,661,089
Economic Development and						
Public Works	1,878,717	1,511,687	-	-	1,878,717	1,511,687
County Engineer	1,850,683	2,407,043	-	-	1,850,683	2,407,043
Library	3,888,755	3,880,816	-	-	3,888,755	3,880,816
Community Development and Housing Programs						
Community Development and Housing Programs	3,308,765	1,508,755	-	-	3,308,765	1,508,755
Constitutional Offices	2,315,381	2,449,069	-	-	2,315,381	2,449,069
Business-type Activities						
Business-type Activities	-	-	29,283,330	28,041,409	29,283,330	28,041,409
Total Expenses	\$ 46,124,064	\$ 45,500,497	\$ 29,283,330	\$ 28,041,409	\$ 75,407,394	\$ 73,541,906
Increase in Net Assets Before						
Transfers	\$ 2,277,602	\$ 9,463,385	\$ 4,802,876	\$ 8,494,398	\$ 7,080,478	\$ 17,957,783
Transfers	(765,668)	(1,390,702)	765,668	1,390,702	-	-
Increase in Net Assets	\$ 1,511,934	\$ 8,072,683	\$ 5,568,544	\$ 9,885,100	\$ 7,080,478	\$ 17,957,783
Net Assets – Beginning, Restated						
	165,477,415	157,404,732	259,715,384	249,830,284	425,192,799	407,235,016
Net Assets – Ending	\$ 166,989,349	\$ 165,477,415	\$ 265,283,928	\$ 259,715,384	\$ 432,273,277	\$ 425,192,799

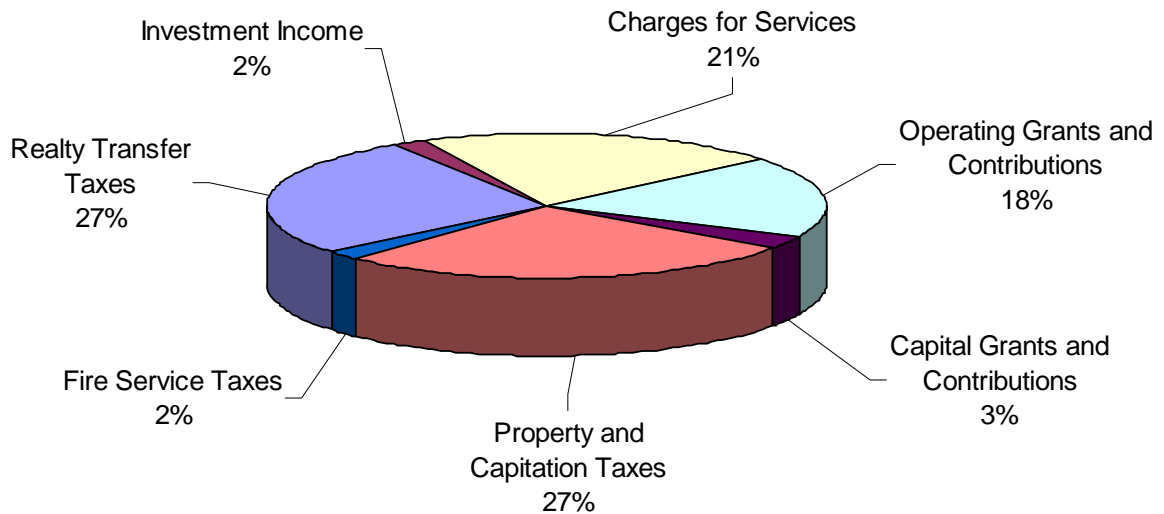
Governmental Activities

Governmental activities increased net assets by \$2 million during fiscal year 2010. This represents 21 percent of the total 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 2010 for governmental activities. This includes \$13 million received from realty transfer taxes. This is comparable to the amount received in fiscal year 2009, which indicates that the recent drop in the real estate market has leveled off. This tax is based upon property transfers and has had a steady decline over the last few years due to the sluggish real estate market. Realty transfer tax, once our largest source of revenue, has declined to the point that it is nearly equal with our property tax revenue. This is a reflection of the effect of the housing market in Sussex County.

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

Revenues by Source - Governmental Activities



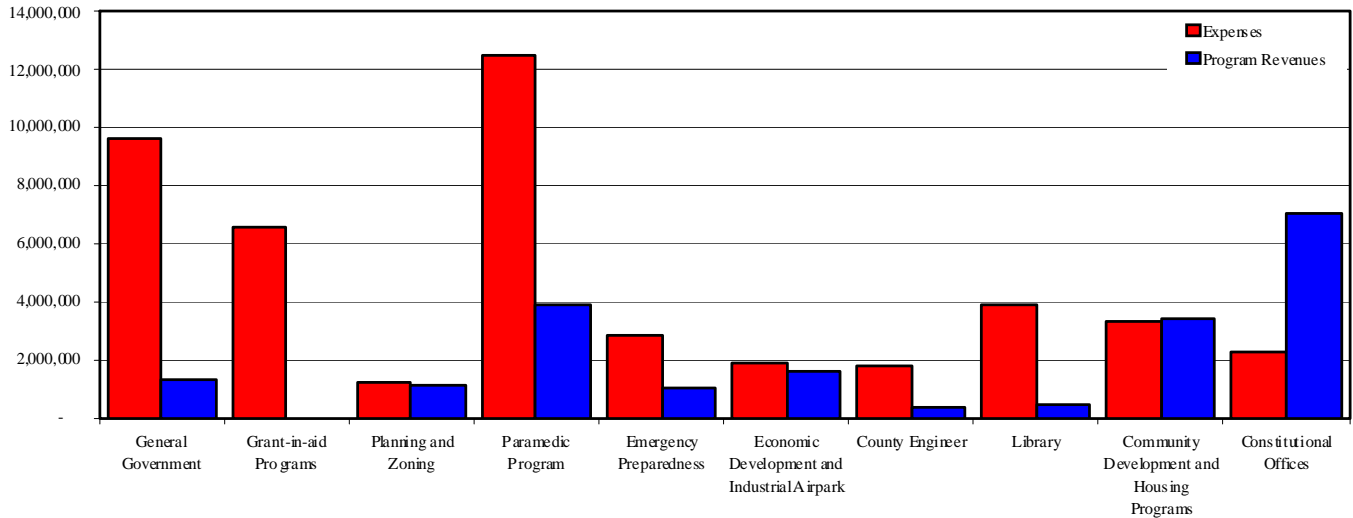
Charges for services reflect decreases in revenue from the Recorder of Deeds and Building Inspection fees. These revenues were down \$420,000 or 10 percent, from the previous year. Again, this is a reflection of the changes in the real estate market. In fiscal year 2010 we have actually seen a small increase in Building Permit revenue. Our largest revenue increase is from the Sheriff’s department and is due to home foreclosures. The Sheriff’s fee revenue is up 17% over last fiscal year. While this revenue helps the County, it still is an indication of the problematic housing market. Interest income was down \$1.3 million or 62% for fiscal year 2010. Unlike the slight upward trends showing on the real estate and construction related revenue, interest income is still decreasing due to low interest rates.

Most all the governmental activity expenses have decreased, due to a reduced budget as revenues have declined as a result of the slow housing market and general economic conditions. Those few

departments that did have increases in expenses are mostly due to compensated absences payouts, re-allocation of employees or an increase in utility costs.

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 possibly more than any other county service. Our residents and visitors rely on this valuable County service. 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 partnership with Delaware Technical and Community College to provide a training program. This has proven to be a great success and keeps normal attrition manageable.

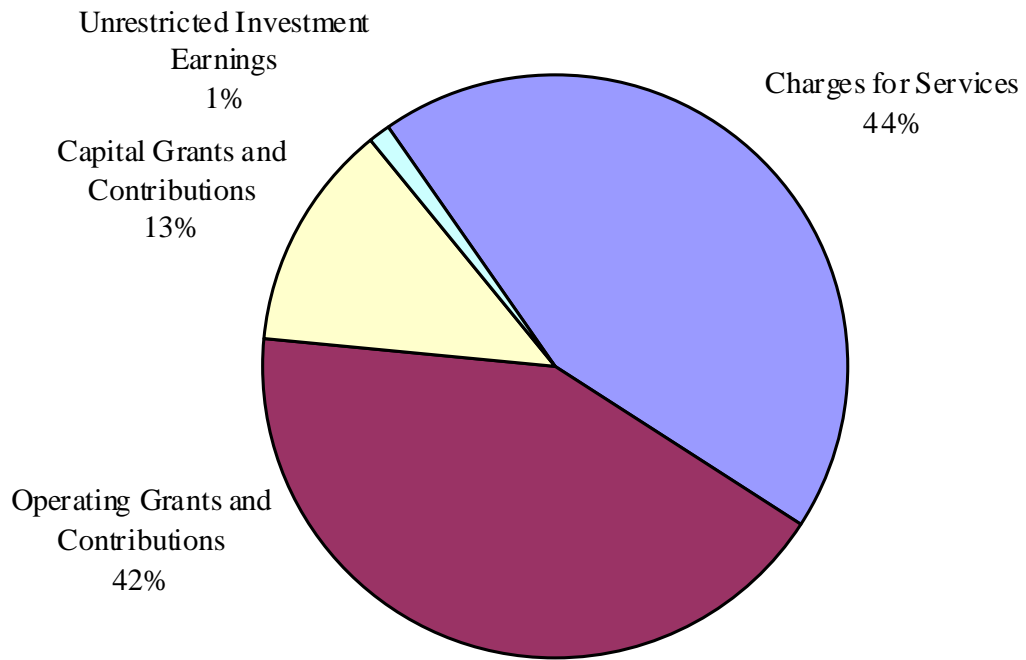
During fiscal year 2010, the County provided over \$6 million in grant-in-aid programs for a variety of local organizations as part of a program to benefit County residents. These grants included local historical societies, senior centers, educational, recreation, arts, and agriculture programs. The County also has grant programs to assist needy taxpayers in meeting their property tax obligation or sewer bills. The County continues to supplement the state police and local law enforcement with a \$1.7 million contribution. The volunteer fire service received \$3 million in grant funding during fiscal year 2010. A variety of community grants, totaling \$1.6 million, was given to local non-project organizations, senior centers, libraries and housing assistance programs.

The County continued to invest in large Capital Projects. During fiscal year 2010, the County continued expansion projects at the Industrial Airpark. The County has completed the rehabilitation of a crosswind runway project as well as establishing the plan to extend our main runway by 500 feet. A 41 acre parcel was purchased on the western side of the County for the deposit of dredge material for the Nanticoke River. This project will enable additional water borne commerce on the Nanticoke River. A new paramedic station was built in lieu of renting a facility.

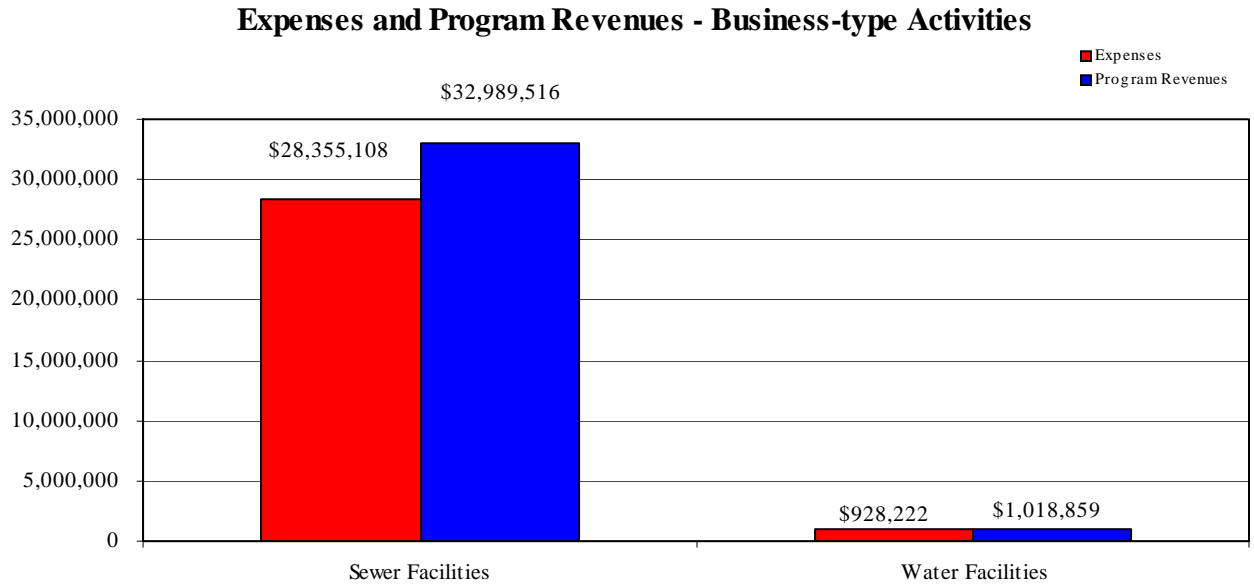
Business-type Activities

Sussex County's water and sewer funds have an increase in net assets of \$5.6 million during fiscal year 2010. Income before capital contributions and transfers was \$516,000. This is down 84 percent from the restated fiscal year 2009. The most significant reasons for this are the decrease in our investment earnings and an increase in our depreciation and employee benefit expense. As mentioned in the financial highlights, net assets decreased by \$1.1 million due to a restatement of fiscal year 2009. Grant revenue that had been anticipated from a funding agency was incorrectly stated in fiscal year 2009. See note R in the notes to basic financial statements. 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 over \$3.6 million during the year. This represents sewer facilities for new development as required by County ordinance, which are transferred to the County upon project completion.
- The County received \$3.3 million in connection fees for new growth in the water and sewer districts. Connection fee income has decreased over the last few years due to the housing market which directly drives this revenue. County sewer and water districts' equivalent dwelling units (EDU'S) are growing at a much smaller pace now. Over the last five years sewer users were up 9% and over the last ten years the growth is 47%. One of the County's goals has always been to improve our inland bays by providing 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 current and future needs.

During fiscal year 2010, fund balances of the County's governmental funds decreased \$1.6 million to \$91 million however our unreserved Fund Balance has increased by \$460,000. In terms of fund balance categories, fiscal 2009 and 2010 are very similar with no major changes.

For the General fund, fiscal year 2010 finished with a small increase in fund balance of \$618,000. Page 75 in the financial section shows a history of Sussex County's revenues and expenses for the General fund since 1978. As shown, we have had some financially strong years, in particular from 1991 through 2006. By being fiscally responsible we have adequate resources now as evidenced by our undesignated fund balance, which is 20% of our 2011 general fund budget.

Some of the more significant designations in fund balance are for grants, reassessment and future software needs. Our goal is to maintain an undesignated portion of fund balance of approximately 20 to 25 percent of the succeeding year's General fund budget and in fiscal 2010 we have met that goal. As of June 30, 2010, the General fund undesignated fund balance was \$9 million, 20% of the 2011 budget

The governmental funds include the General fund and Capital Projects fund. General fund includes County Administration, Finance, Personnel, Buildings and Grounds, Planning and Zoning, Mapping and Addressing, Emergency Preparedness (911), Paramedics, Economic Development, Industrial Airpark, Engineering Administration and Public Works, Solid Waste, 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 Industrial Airpark, Emergency Operations Center, 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 during the budgetary process. During fiscal year 2010 over \$2.7 million was contributed to the pension plan. The market crash decreased the Plan's funding level, however the County is 91.7% funded according to the latest actuarial report dated January 1, 2010.

During fiscal year 2005, the County established an irrevocable fund for post-retirement employee benefits. 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 71.0 percent funded. In June 30, 2009, the fair value of the Delaware Local Government OPEB Pool investment was overstated in the Post-retirement Employee Benefit Trust. This caused a prior period adjustment in fiscal year June 30, 2010 to correct. The effect of this correction was a decrease of \$1 million on net assets held in trust for pension and other employee benefits. See note R in the notes to basic financial statements. As of June 30, 2010, net assets held in this account were valued at \$21 million. For fiscal year 2010, the contribution to this fund was over \$2.7 million. Because of this commitment and forethought our net Other Post Employment Benefit Obligation (OPEB), per the actuarial 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

Budget goals

The County prepares its budget with the following goals in mind; balanced budget, maintain a 20 to 25% operating reserve, no General Fund debt, to continue to fund the pension and OPEB plans, and to provide high quality services to the residents of Sussex County.

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 2010. 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 Local Law Enforcement (\$105,000), State dog control contract (\$50,000) and capital equipment (\$525,000).

Budget to Actual – Revenue

The fiscal 2010 budget decreased 14.7% from the fiscal 2009 budget. This reduction reflects decreasing revenues from a sluggish real estate market, as well as spending constraints. In fiscal 2010 actual general fund revenues and other financing sources were over budgeted revenues by a modest \$277,000 as noted on page 66. The Sheriff department collected \$947,000 more than their budget. Unfortunately this increase in revenue is due to foreclosures in our County. Realty transfer tax was \$442,000 over budget predictions. Other building and housing industry related revenues have decreased and were estimated at lower levels from the 2009 budget. These revenues fell very close to the budget. Interest income was under the budgeted revenues as interest rates declined throughout the fiscal year. The 2010 budget did not include any appropriated reserves to balance the budget.

Budget to Actual - Expenditures

Expenditures and other financing uses were under the budget by \$341,000 as noted on page 74. Most departments finished very close to their budget as expenses were monitored throughout the year. Large expenditure reductions in departments were often due to staffing reductions. Two limited early retirement options and attrition are the main reason for these staffing reductions. Some departments had less work due to the economic climate. Total full time employees decreased by 22 during the year, from 512 as of June 30, 2009 to 490 as of June 30, 2010. Our largest department, the paramedics, was over budget by \$366,000 due largely to an increase in capital outlay and increases in employee benefits. The Grant-in-aid budget had further reductions in 2010, reflecting the economic realities that we are facing today.

Capital Asset and Debt Administration

Capital Assets

As per the chart below, capital assets (net of depreciation) are valued at \$407 million as of June 30, 2010. Note D, on pages 43 and 44, includes additional information.

SUSSEX COUNTY'S CAPITAL ASSETS

As of June 30, 2010 and 2009

(net of depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 16,031,808	\$ 14,727,248	\$ 39,541,817	\$ 39,531,767	\$ 55,573,625	\$ 54,259,015
Construction in Progress	2,116,789	11,235,700	16,002,567	22,468,096	18,119,356	33,703,796
Buildings	30,485,566	29,713,497	25,950,993	26,425,820	56,436,559	56,139,317
Improvements Other Than Buildings	13,618,596	4,079,855	5,419,775	5,738,598	19,038,371	9,818,453
Machinery and Equipment	3,057,837	3,995,586	1,913,595	2,339,856	4,971,432	6,335,442
Infrastructure	-	-	252,374,341	235,723,384	252,374,341	235,723,384
Total	\$ 65,310,596	\$ 63,751,886	\$ 341,203,088	\$ 332,227,521	\$ 406,513,684	\$ 395,979,407

The following are highlights of the major capital projects done in fiscal year 2010.

- \$1.7 million for industrial airpark expansion and improvements.
- \$866,000 for property acquisitions
- \$902,000 for buildings and improvements.

Sewer fund asset additions also include over \$3.6 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 2010, which will expand the County's sewer system to serve more residents and protect the environment.

- Major upgrades and renovations to existing infrastructure.
- Angola Neck, Johnson's Corner, Woodlands of Millsboro and the Oak Orchard expansion areas were in the sewer design or construction phase. It is expected that central sewer will become available in the next year in these areas. These sewer districts have taken advantage of the Federal Stimulus funds available.

- Construction began on a major treatment plant expansion project at the Inland Bays Regional Wastewater Facility. This project is estimated to cost approximately \$15 million and will increase treatment capacity. This expansion is needed to serve the new Angola Sewer District and current expansion of the Oak Orchard Sewer District.

Long-term Debt

As of June 30, 2010, the County had \$167 million in outstanding bonds payable. Of this amount, \$21 million was backed by specific sewer district revenues. The remaining \$146 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, 2010 and 2009

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ -	\$ -	\$ 145,652,932	\$ 139,857,414	\$ 145,652,932	\$ 139,857,414
Revenue Bonds	-	-	20,914,202	22,475,982	20,914,202	22,475,982
Total	\$ -	\$ -	\$ 166,567,134	\$ 162,333,396	\$ 166,567,134	\$ 162,333,396

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 sewer construction. This funding from these agencies provides affordable sewer to our County residents. These funds are borrowed at a low interest rate for long terms.

During fiscal year 2010, Standard & Poor's affirmed the County's AA bond rating. They said the County has a "modest, but diverse, local economy, a tax base still experiencing growth, continued strong financial performance, and low debt levels due to self-supporting utilities and a capital improvement plan not expected to increase debt pressures". Standard & Poor also said "the stable outlook reflects the stability of Sussex County's local economy and financial performance". In addition, the outlook reflects Standard & Poor's expectations that the county will continue to maintain its strong fund balance position and manageable debt burden as it continues to address its capital needs.

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 budget committee forecasts the effect of the housing market decline on our revenue. 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.

- The County experienced a 7.9 percent unemployment rate as of June 2010. This compares to 8.5 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 are being spent, low mortgage rates, declining housing prices, and a bump in the housing and construction industries.
- Retail sales are a major industry in Sussex County with 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 draw for the outlet shoppers.

Fiscal Year 2011 Budget and Rates

A goal of the 2011 budget was economic development and to adjust to the economy while providing a strong financial base for the future. Again, we balanced the 2011 General fund budget without using any of our appropriated reserves.

The 2011 General fund budget only increased by 1.3 percent. Economy sensitive revenues have leveled off and are still projected very low compared to a few years ago. The County provides funding for services such as paramedics, 911, emergency response, public works, and building code.

The County property tax rate remained at 44.5 cents for the 21st straight year. The County is proud that there is not any general fund bonded debt. Conservative budgeting now and in the past has enabled the County to not raise property taxes to supplement revenue sources that have declined.

The 2011 capital improvements budget includes the use of \$5.8 million of appropriated reserves. The 2011 capital improvements budget uses funds set aside in previous years for these projects. Our goal will be to use available funds for these projects instead of borrowing through bond issues.

The fiscal year 2011 Sewer and Water budget increased by 4.4 percent. This budget begins the process to establish a uniform service charge rate for our sewer districts as well as combining the sewer funds into a uniform district. We plan to gradually equalize sewer rates over the next few years. This budget included a minimal service charge rate increase. This increase is to cover rising costs and major maintenance needs that we are incurring as our infrastructure ages. The new budget also includes a modest increase 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 their share of sewer infrastructure cost.

The five-year capital improvement plan of \$215 million includes \$191 million for sewer projects and expansions and \$24 million for other projects such as industrial airpark, industrial park expansion, library building expansion, and property acquisition.

The fiscal 2010 financial report reflects across the board reductions made in staffing levels, grants, supplies, etc. These adjustments coincide with reduced work loads in some departments such as Building Code, Assessment, and Planning and Zoning. Spending reductions also reflect the appropriate response to the changed economic climate.

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, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,967,262	\$ 34,772,475	\$ 47,739,737
Receivables, net of allowance for doubtful accounts:			
Taxes	1,000,158	-	1,000,158
Service charges	-	1,471,386	1,471,386
Assessment, impact, connection, and expansion	312,825	1,084,437	1,397,262
Accrued interest	42,561	49,874	92,435
Miscellaneous	143,655	306,204	449,859
Due from other governmental agencies	2,447,572	1,598,300	4,045,872
Unbilled taxes	13,307,922	-	13,307,922
Internal balances	19,196,549	(19,196,549)	-
Due from post-retirement employee benefit trust	356,045	-	356,045
Inventory	35,050	10,570	45,620
Prepaid items	14,752	-	14,752
Net pension asset	11,780,558	2,945,139	14,725,697
Net other postemployment benefit asset	1,670,647	417,662	2,088,309
Restricted assets:			
Cash and cash equivalents	68,784,105	71,575,866	140,359,971
Loans receivable	706,781	-	706,781
Bond issue cost, net of amortization	-	603,922	603,922
Capital assets:			
Land, improvements, and construction in progress	18,148,597	55,544,384	73,692,981
Other capital assets, net of depreciation	47,161,999	285,658,704	332,820,703
TOTAL ASSETS	198,077,038	436,842,374	634,919,412
LIABILITIES			
Accounts payable and other current liabilities	1,946,447	5,136,506	7,082,953
Accrued interest payable	-	425,479	425,479
Employee health claims payable	1,102,539	-	1,102,539
Unearned revenue:			
Taxes	13,307,922	-	13,307,922
Other	103,168	-	103,168
Deposits	8,153,061	-	8,153,061
Long-term liabilities:			
Due within one year	2,626,063	8,952,337	11,578,400
Due in more than one year	3,848,489	157,044,124	160,892,613
TOTAL LIABILITIES	31,087,689	171,558,446	202,646,135
NET ASSETS			
Invested in capital assets, net of related debt	65,292,609	176,649,726	241,942,335
Restricted for:			
Realty transfer tax	57,881,448	-	57,881,448
911 Reporting	1,913,353	-	1,913,353
Grant funds	655,809	-	655,809
Construction and debt service	-	35,977,517	35,977,517
Revenue bond debt service	-	32,827,610	32,827,610
Unrestricted	41,246,130	19,829,075	61,075,205
TOTAL NET ASSETS	\$ 166,989,349	\$ 265,283,928	\$ 432,273,277

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

SUSSEX COUNTY, DELAWARE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$ 9,640,728	\$ 1,295,912	\$ 10,000	\$ -	\$ (8,334,816)	\$ -	\$ (8,334,816)
Grant-in-aid programs	6,625,144	-	-	-	(6,625,144)	-	(6,625,144)
Planning and zoning	1,246,923	1,130,043	-	-	(116,880)	-	(116,880)
Paramedic program	12,524,387	-	3,743,599	125,193	(8,655,595)	-	(8,655,595)
Emergency preparedness	2,844,581	16,230	894,772	186,093	(1,747,486)	-	(1,747,486)
Economic development and public works	1,878,717	530,310	-	1,124,219	(224,188)	-	(224,188)
County engineer	1,850,683	324,623	38,236	-	(1,487,824)	-	(1,487,824)
Library	3,888,755	19,585	355,622	63,641	(3,449,907)	-	(3,449,907)
Community development and housing programs	3,308,765	-	3,452,501	-	143,736	-	143,736
Constitutional offices	2,315,381	7,039,506	-	-	4,724,125	-	4,724,125
TOTAL GOVERNMENTAL ACTIVITIES	46,124,064	10,356,209	8,494,730	1,499,146	(25,773,979)	-	(25,773,979)
BUSINESS-TYPE ACTIVITIES							
Sewer facilities	28,355,108	14,530,668	14,171,660	4,287,188	-	4,634,408	4,634,408
Water facilities	928,222	740,686	278,173	-	-	90,637	90,637
TOTAL BUSINESS-TYPE ACTIVITIES	29,283,330	15,271,354	14,449,833	4,287,188	-	4,725,045	4,725,045
TOTAL PRIMARY GOVERNMENT	\$ 75,407,394	\$ 25,627,563	\$ 22,944,563	\$ 5,786,334	(25,773,979)	4,725,045	(21,048,934)
GENERAL REVENUES							
Taxes: Property					13,040,252	-	13,040,252
Capitation					253,785	-	253,785
Fire service					791,472	-	791,472
Realty transfer					13,141,813	-	13,141,813
Unrestricted investment earnings					824,259	77,831	902,090
TRANSFERS					(765,668)	765,668	-
TOTAL GENERAL REVENUES AND TRANSFERS					27,285,913	843,499	28,129,412
CHANGE IN NET ASSETS					1,511,934	5,568,544	7,080,478
NET ASSETS - BEGINNING, ORIGINAL					165,477,415	260,858,988	426,336,403
PRIOR PERIOD ADJUSTMENTS					-	(1,143,604)	(1,143,604)
NET ASSETS - BEGINNING, AS RESTATED					165,477,415	259,715,384	425,192,799
NET ASSETS - ENDING					\$ 166,989,349	\$ 265,283,928	\$ 432,273,277

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

SUSSEX COUNTY, DELAWARE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

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	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 12,850,121	\$ 117,141	\$ 12,967,262
Receivables, net of allowance for doubtful accounts:			
Taxes	1,000,158	-	1,000,158
Assessment, impact, connection, and expansion	312,825	-	312,825
Accrued interest	30,200	12,361	42,561
Miscellaneous	143,655	-	143,655
Due from other governmental agencies	2,203,019	244,553	2,447,572
Unbilled taxes	13,307,922	-	13,307,922
Due from other funds	19,635,273	-	19,635,273
Inventory	35,050	-	35,050
Prepaid items	14,752	-	14,752
Restricted assets:			
Cash and cash equivalents	50,968,893	17,815,212	68,784,105
TOTAL ASSETS	<u><u>\$ 100,501,868</u></u>	<u><u>\$ 18,189,267</u></u>	<u><u>\$ 118,691,135</u></u>
LIABILITIES			
Accounts payable and other accrued expenditures	\$ 1,506,986	\$ 439,461	\$ 1,946,447
Due to other funds	82,679	-	82,679
Employee health claims payable	1,102,539	-	1,102,539
Deferred revenue:			
Taxes	14,212,822	-	14,212,822
Other	1,621,362	200,159	1,821,521
Deposits	8,153,061	-	8,153,061
TOTAL LIABILITIES	<u><u>26,679,449</u></u>	<u><u>639,620</u></u>	<u><u>27,319,069</u></u>
FUND BALANCES			
Reserved for:			
Encumbrances	30,595	-	30,595
Inventories and prepaid items	49,802	-	49,802
Non-current assets	19,928,433	-	19,928,433
911 funds	1,913,353	-	1,913,353
Realty transfer tax	40,066,236	17,815,212	57,881,448
Unreserved:			
Designated for subsequent years' expenditures	2,413,855	-	2,413,855
Undesignated	9,420,145	(265,565)	9,154,580
TOTAL FUND BALANCES	<u><u>73,822,419</u></u>	<u><u>17,549,647</u></u>	91,372,066
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 100,501,868</u></u>	<u><u>\$ 18,189,267</u></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.			65,310,596
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			16,781,239
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			(6,474,552)
Net Assets of Governmental Activities			<u><u>\$ 166,989,349</u></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, 2010**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Taxes	\$ 27,147,412	\$ -	\$ 27,147,412
Intergovernmental	7,469,116	1,464,854	8,933,970
Charges for services	10,386,570	-	10,386,570
Fines and forfeits	20,225	-	20,225
Miscellaneous	1,446,657	101,622	1,548,279
TOTAL REVENUES	46,469,980	1,566,476	48,036,456
EXPENDITURES			
Current:			
General Government:			
General administration	1,218,138	-	1,218,138
Finance	4,841,382	-	4,841,382
Personnel	1,260,458	-	1,260,458
Buildings and grounds	1,491,110	-	1,491,110
Data processing	1,213,582	-	1,213,582
County constable	331,485	-	331,485
Grant-in-aid programs	6,625,144	-	6,625,144
Planning and zoning	1,233,292	-	1,233,292
Paramedic program	12,272,121	-	12,272,121
Emergency preparedness	2,467,390	-	2,467,390
Economic development and public works	908,510	-	908,510
County engineer	1,874,153	-	1,874,153
Library	3,725,242	-	3,725,242
Community development and housing programs	3,308,909	-	3,308,909
Constitutional offices	2,315,419	-	2,315,419
Capital projects	-	3,788,128	3,788,128
TOTAL EXPENDITURES	45,086,335	3,788,128	48,874,463
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,383,645	(2,221,652)	(838,007)
OTHER FINANCING SOURCES (USES)			
Transfers in	54,213	-	54,213
Transfers out	(819,881)	-	(819,881)
TOTAL OTHER FINANCING SOURCES (USES)	(765,668)	-	(765,668)
NET CHANGE IN FUND BALANCES	617,977	(2,221,652)	(1,603,675)
FUND BALANCES - BEGINNING	73,204,442	19,771,299	92,975,741
FUND BALANCES - ENDING	\$ 73,822,419	\$ 17,549,647	\$ 91,372,066

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, 2010**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			\$ (1,603,675)
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 (\$ 4,460,446) exceeded depreciation (\$ 2,852,009) in the current period.			1,608,437
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and contributions) is to increase (decrease) net assets.			(49,727)
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	\$	73,569	
Grants		(19,861)	53,708
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.			54,875
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		29,123	
Net pension obligation		805,556	
Net other postemployment benefit asset		(9,570)	
Economic development and neighborhood stabilization loans		358,207	
Postclosure landfill care costs		265,000	
			<u>1,448,316</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES			<u>\$ 1,511,934</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 26,648,925	\$ 26,648,925	\$ 27,147,412	\$ 498,487
Intergovernmental	7,464,110	7,464,110	7,469,116	5,006
Charges for services	9,421,000	9,421,000	10,386,570	965,570
Fines and forfeits	25,600	25,600	20,225	(5,375)
Miscellaneous	1,537,162	1,537,162	1,446,657	(90,505)
TOTAL REVENUES	45,096,797	45,096,797	46,469,980	1,373,183
EXPENDITURES				
Current:				
General Government:				
General administration	1,204,954	1,326,157	1,218,138	108,019
Finance	5,246,412	5,469,603	4,841,382	628,221
Personnel	668,382	960,313	1,260,458	(300,145)
Buildings and grounds	1,474,136	1,474,137	1,491,110	(16,973)
Data processing	1,268,002	1,303,846	1,213,582	90,264
County constable	412,979	412,979	331,485	81,494
Grant-in-aid programs	7,455,701	6,496,045	6,625,144	(129,099)
Planning and zoning	1,405,493	1,223,617	1,233,292	(9,675)
Paramedic program	11,906,048	11,906,047	12,272,121	(366,074)
Emergency preparedness	2,368,648	2,402,947	2,467,390	(64,443)
Economic development and public works	798,017	889,301	908,510	(19,209)
County engineer	1,776,983	1,790,629	1,874,153	(83,524)
Library	3,741,854	3,805,592	3,725,242	80,350
Community development and housing programs	3,589,891	3,593,890	3,308,909	284,981
Constitutional offices	2,329,297	2,398,893	2,315,419	83,474
TOTAL EXPENDITURES	45,646,797	45,453,996	45,086,335	367,661
EXCESS OF REVENUES OVER EXPENDITURES	(550,000)	(357,199)	1,383,645	1,740,844
OTHER FINANCING SOURCES (USES)				
Reimbursements from funds	1,150,000	1,150,000	-	(1,150,000)
Transfers in	-	-	54,213	54,213
Transfers out	-	(770,380)	(819,881)	(49,501)
Reserved for contingencies	(600,000)	(22,421)	-	22,421
TOTAL OTHER FINANCING SOURCES (USES)	550,000	357,199	(765,668)	(1,122,867)
NET CHANGE IN FUND BALANCE	-	-	617,977	617,977
FUND BALANCE - BEGINNING	73,204,442	73,204,442	73,204,442	-
FUND BALANCE - ENDING	\$ 73,204,442	\$ 73,204,442	\$ 73,822,419	\$ 617,977

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

SUSSEX COUNTY, DELAWARE
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2010

ASSETS	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
CURRENT ASSETS			
Cash and cash equivalents	\$ 6,414,344	\$ 4,328,344	\$ 7,625,679
Receivables, net of allowance for doubtful accounts:			
Service charges	44,583	184,272	211,139
Assessment, impact, connection, and expansion	53,207	226,865	-
Accrued interest	6,582	13,693	10,446
Miscellaneous	-	133,608	38,220
Due from other governmental agencies	-	-	48,821
Due from other funds	41,863	-	538,634
Inventory	-	-	3,624
TOTAL CURRENT ASSETS	6,560,579	4,886,782	8,476,563
NONCURRENT ASSETS			
Restricted assets:			
Cash and cash equivalents	5,412,808	34,580,121	13,208,032
Bond issue cost, net of amortization	40,839	243,285	62,579
Net pension asset	184,813	656,401	1,018,386
Net other postemployment benefit asset	26,209	93,087	144,422
Noncurrent accounts receivable:			
Service charges	16,125	279,348	70,646
Assessment, impact, connection, and expansion	8,115	546,194	-
Capital assets:			
Land, improvements, and construction in progress	673,056	3,969,308	1,399,469
Other capital assets, net of depreciation	56,255,369	83,926,031	39,948,869
TOTAL NONCURRENT ASSETS	62,617,334	124,293,775	55,852,403
TOTAL ASSETS	69,177,913	129,180,557	64,328,966
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other current liabilities	19,341	87,549	989,323
Accrued interest payable	55,324	89,948	68,050
Due to other funds	6,195,340	556,623	227,422
Current portion of long-term liabilities	1,379,120	2,937,083	1,706,426
TOTAL CURRENT LIABILITIES	7,649,125	3,671,203	2,991,221
LONG-TERM LIABILITIES, LESS CURRENT PORTION	22,280,996	56,229,998	26,877,720
TOTAL LIABILITIES	29,930,121	59,901,201	29,868,941
NET ASSETS			
Invested in capital assets, net of related debt	33,358,866	29,049,890	13,263,195
Restricted for:			
Construction and debt service	5,412,808	1,752,511	12,395,223
Revenue bond debt service	-	32,827,610	-
Unrestricted	476,118	5,649,345	8,801,607
TOTAL NET ASSETS	\$ 39,247,792	\$ 69,279,356	\$ 34,460,025

(continued)

SUSSEX COUNTY, DELAWARE
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS - CONTINUED
JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 16,404,108	\$ 34,772,475
Receivables, net of allowance for doubtful accounts:		
Service charges	370,121	810,115
Assessment, impact, connection, and expansion	126,712	406,784
Accrued interest	19,153	49,874
Miscellaneous	134,376	306,204
Due from other governmental agencies	1,549,479	1,598,300
Due from other funds	185,559	766,056
Inventory	6,946	10,570
TOTAL CURRENT ASSETS	18,796,454	38,720,378
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	18,374,905	71,575,866
Bond issue cost, net of amortization	257,219	603,922
Net pension asset	1,085,539	2,945,139
Net other postemployment benefit asset	153,944	417,662
Noncurrent accounts receivable:		
Service charges	295,152	661,271
Assessment, impact, connection, and expansion	123,344	677,653
Capital assets:		
Land, improvements, and construction in progress	49,502,551	55,544,384
Other capital assets, net of depreciation	105,528,435	285,658,704
TOTAL NONCURRENT ASSETS	175,321,089	418,084,601
TOTAL ASSETS	194,117,543	456,804,979
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	4,040,293	5,136,506
Accrued interest payable	212,157	425,479
Due to other funds	12,983,220	19,962,605
Current portion of long-term liabilities	2,929,708	8,952,337
TOTAL CURRENT LIABILITIES	20,165,378	34,476,927
LONG-TERM LIABILITIES, LESS CURRENT PORTION	51,655,410	157,044,124
TOTAL LIABILITIES	71,820,788	191,521,051
NET ASSETS		
Invested in capital assets, net of related debt	100,977,775	176,649,726
Restricted for:		
Construction and debt service	16,416,975	35,977,517
Revenue bond debt service	-	32,827,610
Unrestricted	4,902,005	19,829,075
TOTAL NET ASSETS	\$ 122,296,755	\$ 265,283,928

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, 2010**

	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
OPERATING REVENUES			
Charges for services	\$ 631,019	\$ 3,934,232	\$ 4,789,689
Other operating revenue	147,205	108,384	224,071
TOTAL OPERATING REVENUES	778,224	4,042,616	5,013,760
OPERATING EXPENSES			
Amortization	7,843	18,976	8,338
Contractual services	79,806	479,570	808,331
Depreciation	1,410,240	2,522,381	2,015,507
Employee benefits	225,486	821,278	1,204,135
Equipment and tools	-	49,191	20,552
Maintenance and repairs	20,733	96,667	125,799
Miscellaneous	-	77,388	19,526
Process chemicals	1,680	28,530	174,800
Professional services	1,234	9,732	5,000
Salaries	277,215	953,145	1,490,721
Shared costs - operating	140,080	380,817	206,950
Supplies	304	68,009	89,376
Training and travel	-	85,680	123,867
Wastewater treatment	-	-	-
TOTAL OPERATING EXPENSES	2,164,621	5,591,364	6,292,902
OPERATING INCOME (LOSS)	(1,386,397)	(1,548,748)	(1,279,142)
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	45,878	61,124	104,273
Assessment and connection fees	2,562,331	5,305,249	1,925,808
Disposal of assets	-	(2,205)	-
Miscellaneous	-	-	2,810
Interest expense	(616,963)	(2,408,044)	(789,988)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,991,246	2,956,124	1,242,903
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	604,849	1,407,376	(36,239)
CAPITAL CONTRIBUTIONS	1,281,684	601,991	48,821
TRANSFERS IN	138,161	234,758	-
TRANSFERS OUT	-	(90,121)	-
CHANGE IN NET ASSETS	2,024,694	2,154,004	12,582
TOTAL NET ASSETS - BEGINNING, ORIGINAL	38,902,889	67,125,352	34,447,443
PRIOR PERIOD ADJUSTMENTS	(1,679,791)	-	-
TOTAL NET ASSETS - BEGINNING, RESTATED	37,223,098	67,125,352	34,447,443
TOTAL NET ASSETS - ENDING	\$ 39,247,792	\$ 69,279,356	\$ 34,460,025

(continued)

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
OPERATING REVENUES		
Charges for services	\$ 5,067,268	\$ 14,422,208
Other operating revenue	107,631	587,291
TOTAL OPERATING REVENUES	5,174,899	15,009,499
OPERATING EXPENSES		
Amortization	17,136	52,293
Contractual services	853,903	2,221,610
Depreciation	4,163,573	10,111,701
Employee benefits	1,159,814	3,410,713
Equipment and tools	63,970	133,713
Maintenance and repairs	162,773	405,972
Miscellaneous	17,711	114,625
Process chemicals	45,243	250,253
Professional services	28,376	44,342
Salaries	1,641,364	4,362,445
Shared costs - operating	532,030	1,259,877
Supplies	93,910	251,599
Training and travel	89,911	299,458
Wastewater treatment	980,276	980,276
TOTAL OPERATING EXPENSES	9,849,990	23,898,877
OPERATING INCOME (LOSS)	(4,675,091)	(8,889,378)
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	182,436	393,711
Assessment and connection fees	4,340,565	14,133,953
Disposal of assets	16,463	14,258
Miscellaneous	244,787	247,597
Interest expense	(1,569,458)	(5,384,453)
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,214,793	9,405,066
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,460,298)	515,688
CAPITAL CONTRIBUTIONS	2,354,692	4,287,188
TRANSFERS IN	537,083	910,002
TRANSFERS OUT	(54,213)	(144,334)
CHANGE IN NET ASSETS	1,377,264	5,568,544
TOTAL NET ASSETS - BEGINNING, ORIGINAL	120,383,304	260,858,988
PRIOR PERIOD ADJUSTMENTS	536,187	(1,143,604)
TOTAL NET ASSETS - BEGINNING, RESTATED	120,919,491	259,715,384
TOTAL NET ASSETS - ENDING	\$ 122,296,755	\$ 265,283,928

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, 2010

	Business-type Activities - Enterprise Funds		
	Bethany Sewer	West Rehoboth Sewer	Treatment Plant - SCRWF
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 497,110	\$ 3,809,850	\$ 4,763,427
Payments to suppliers	(247,321)	(1,359,130)	(1,709,228)
Payments to employees	(511,201)	(1,759,570)	(2,688,911)
Other receipts	545,442	708,141	226,881
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>284,030</u>	<u>1,399,291</u>	<u>592,169</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from other funds	8,942	220,123	3,533,517
Advances to other funds	(1,583,513)	(432,820)	(11,008,991)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(1,574,571)</u>	<u>(212,697)</u>	<u>(7,475,474)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(780,628)	(206,509)	(456,870)
Retirement of bonds and related costs	(1,095,708)	(2,714,822)	(1,374,902)
Bond proceeds	1,435,296	-	7,500,000
Assessment and connection fees	2,551,125	5,254,839	1,925,808
Capital contributions	324,354	-	-
Interest paid	(611,131)	(2,358,372)	(779,187)
Payments for bond issue costs	-	-	(4,623)
Transfers from other funds for capital activities	138,161	234,758	-
Transfers to other funds for capital activities	-	(90,121)	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,961,469</u>	<u>119,773</u>	<u>6,810,226</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	56,328	58,015	136,249
NET INCREASE (DECREASE) IN CASH	727,256	1,364,382	63,170
CASH AND CASH EQUIVALENTS - BEGINNING	<u>11,099,896</u>	<u>37,544,083</u>	<u>20,770,541</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 11,827,152</u>	<u>\$ 38,908,465</u>	<u>\$ 20,833,711</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET			
Cash and cash equivalents	\$ 6,414,344	\$ 4,328,344	\$ 7,625,679
Restricted cash and cash equivalents	5,412,808	34,580,121	13,208,032
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 11,827,152</u>	<u>\$ 38,908,465</u>	<u>\$ 20,833,711</u>

(continued)

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	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)	\$ (1,386,397)	\$ (1,548,748)	\$ (1,279,142)
Adjustments to reconcile operating income (loss) to net cash provided:			
Depreciation and amortization	1,418,083	2,541,357	2,023,845
Miscellaneous income	-	-	2,810
Changes in assets and liabilities:			
Accounts receivable	10,511	(128,799)	(30,333)
Due from other governmental agencies	398,237	599,757	-
Inventory	-	-	-
Net pension asset	(19,944)	(4,508)	(32,177)
Net other postemployment benefit asset	(968)	6,715	6,561
Deposit	(144,420)	4,417	4,071
Compensated absences	12,412	12,646	31,561
Accounts payable	(3,484)	(83,546)	(135,027)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 284,030	\$ 1,399,291	\$ 592,169
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital assets contributed	\$ 957,330	\$ 601,991	\$ 48,821

(continued)

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,929,321	\$ 13,999,708
Payments to suppliers	(2,918,195)	(6,233,874)
Payments to employees	(2,869,862)	(7,829,544)
Other receipts	817,085	2,297,549
	<u>(41,651)</u>	<u>2,233,839</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances from other funds	5,409,395	9,171,977
Advances to other funds	(1,503,474)	(14,528,798)
	<u>3,905,921</u>	<u>(5,356,821)</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(11,805,800)	(13,249,807)
Retirement of bonds and related costs	(2,605,430)	(7,790,862)
Bond proceeds	3,089,304	12,024,600
Assessment and connection fees	4,333,047	14,064,819
Capital contributions	610,588	934,942
Interest paid	(1,531,144)	(5,279,834)
Payments for bond issue costs	(31,919)	(36,542)
Transfers from other funds for capital activities	537,083	910,002
Transfers to other funds for capital activities	(54,213)	(144,334)
	<u>(7,458,484)</u>	<u>1,432,984</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	220,582	471,174
	<u>220,582</u>	<u>471,174</u>
NET INCREASE (DECREASE) IN CASH	(3,373,632)	(1,218,824)
CASH AND CASH EQUIVALENTS - BEGINNING	38,152,645	107,567,165
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 34,779,013</u>	<u>\$ 106,348,341</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET		
Cash and cash equivalents	\$ 16,404,108	\$ 34,772,475
Restricted cash and cash equivalents	18,374,905	71,575,866
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 34,779,013</u>	<u>\$ 106,348,341</u>

(continued)

SUSSEX COUNTY, DELAWARE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds	
	<u>Nonmajor Funds</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (4,675,091)	\$ (8,889,378)
Adjustments to reconcile operating income (loss) to net cash provided:		
Depreciation and amortization	4,180,709	10,163,994
Miscellaneous income	244,787	247,597
Changes in assets and liabilities:		
Accounts receivable	(139,372)	(287,993)
Due from other governmental agencies	464,667	1,462,661
Inventory	2,226	2,226
Net pension asset	(144,759)	(201,388)
Net other postemployment benefit asset	(9,916)	2,392
Deposit	1,425	(134,507)
Compensated absences	85,991	142,610
Accounts payable	(52,318)	(274,375)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (41,651)</u>	<u>\$ 2,233,839</u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital assets contributed	\$ 1,744,104	\$ 3,352,246

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

SUSSEX COUNTY, DELAWARE
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2010

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	Pension and Other Employee Benefit Trusts
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 3,576,535
Investments	
U.S. Treasuries	4,914,269
Federal Home Loan Mortgage Corporation	2,003,120
Corporate obligations	95,499
Municipal obligations	306,416
Delaware Local Government Retirement Investment Pool	27,209,090
Delaware Local Government OPEB Pool	18,087,498
Common stocks	4,304,357
Mutual funds	<u>3,376,988</u>
Total Investments	<u>60,297,237</u>
Accrued interest	<u>57,374</u>
TOTAL ASSETS	63,931,146
LIABILITIES	
Due to general fund	<u>356,045</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	<u><u>\$ 63,575,101</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, 2010

	Pension and Other Employee Benefit Trusts
ADDITIONS	
Employer contributions	<u>\$ 5,486,003</u>
Investment:	
Net appreciation (depreciation) of investments	5,392,112
Interest and dividends	<u>1,279,848</u>
	6,671,960
Less investment expenses	<u>95,850</u>
Net investment earnings	<u>6,576,110</u>
TOTAL ADDITIONS	12,062,113
DEDUCTIONS	
Beneficiary payments	<u>3,557,711</u>
NET INCREASE IN PLAN NET ASSETS	<u>8,504,402</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING, ORIGINAL	56,091,804
PRIOR PERIOD ADJUSTMENT	<u>(1,021,105)</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING, RESTATED	<u>55,070,699</u>
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - ENDING	<u>\$ 63,575,101</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 2010 were for industrial airpark expansions, property acquisitions and building improvements. As of June 30, 2010, the major projects being planned over the next five years include \$ 16.1 million for industrial airpark improvements and expansion, \$ 2.5 million for property acquisition, and \$ 5.7 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 2010, proprietary fund interest expense is net of \$ 62,148 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, 2010. 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:

Loans receivable	\$	706,781
Net pension asset		11,780,558
Net postemployment benefit asset		1,670,647
Deferred tax revenue		904,900
Other deferred revenue		<u>1,718,353</u>
Net Adjustment to Increase Net Assets	\$	<u><u>16,781,239</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, 2010, the carrying amount of the County's deposits was \$ 142,720,090 and the bank balance was \$ 150,568,973. 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 (12.7%).

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, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries	\$ 39,025,186	\$ 34,574,000	\$ 3,922,515	\$ 528,671	\$ -
Federal Home Loan Mortgage Corporation	2,003,120	-	2,003,120	-	-
Corporate obligations	95,499	-	95,499	-	-
Municipal obligations	306,416	-	306,416	-	-
Repurchase agreements	14,836,093	14,836,093	-	-	-
Delaware Local Government Retirement Investment Pool	27,209,090	27,209,090	-	-	-
Delaware Local Government OPEB Pool	18,087,498	18,087,498	-	-	-
Common stocks	4,304,357	4,304,357	-	-	-
Mutual funds	3,376,989	3,376,989	-	-	-
Total Investments	\$ 109,244,248	\$102,388,027	\$ 6,327,550	\$ 528,671	\$ -

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

Cash on hand	\$ 9,142
Carrying amount of deposits	142,720,090
Carrying amount of investments	<u>109,244,248</u>
TOTAL	\$ 251,973,480
Cash and cash equivalents	\$ 47,739,737
Cash and cash equivalents - restricted	140,359,971
Fiduciary funds cash and investments (not included in government-wide statement)	<u>63,873,772</u>
TOTAL	\$ 251,973,480

NOTE C - ACCOUNTS RECEIVABLE

The allowance for uncollectible receivables at June 30, 2010 is \$ 14,862 for service and \$ 10,954 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, 2010, was as follows:

	Balance at June 30, 2009	Increases	Decreases	Balance at June 30, 2010
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 14,727,248	\$ 1,304,560	\$ -	\$ 16,031,808
Construction in progress	11,235,700	2,950,399	12,069,310	2,116,789
Total capital assets, not being depreciated	<u>25,962,948</u>	<u>4,254,959</u>	<u>12,069,310</u>	<u>18,148,597</u>
Other capital assets:				
Buildings	33,667,862	1,458,395	-	35,126,257
Improvements	10,543,262	10,224,004	72,256	20,695,010
Machinery and equipment	15,042,148	592,398	482,981	15,151,565
Total other capital assets	<u>59,253,272</u>	<u>12,274,797</u>	<u>555,237</u>	<u>70,972,832</u>
Less accumulated depreciation for:				
Buildings	3,954,365	686,326	-	4,640,691
Improvements	6,463,407	679,129	66,122	7,076,414
Machinery and equipment	11,046,562	1,486,554	439,388	12,093,728
Total accumulated depreciation	<u>21,464,334</u>	<u>2,852,009</u>	<u>505,510</u>	<u>23,810,833</u>
Other capital assets, net	<u>37,788,938</u>	<u>9,422,788</u>	<u>49,727</u>	<u>47,161,999</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,751,886</u>	<u>\$ 13,677,747</u>	<u>\$ 12,119,037</u>	<u>\$ 65,310,596</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 39,531,767	\$ 10,050	\$ -	\$ 39,541,817
Construction in progress	22,468,096	15,123,239	21,588,768	16,002,567
Total capital assets, not being depreciated	<u>61,999,863</u>	<u>15,133,289</u>	<u>21,588,768</u>	<u>55,544,384</u>
Other capital assets:				
Buildings	33,613,393	264,354	-	33,877,747
Improvements	10,420,733	43,055	-	10,463,788
Machinery and equipment	8,607,575	393,021	61,409	8,939,187
Infrastructure	325,929,157	24,846,435	6,030	350,769,562
Total other capital assets	<u>378,570,858</u>	<u>25,546,865</u>	<u>67,439</u>	<u>404,050,284</u>
Less accumulated depreciation for:				
Buildings	7,187,573	739,181	-	7,926,754
Improvements	4,682,135	361,878	-	5,044,013
Machinery and equipment	6,267,719	819,269	61,396	7,025,592
Infrastructure	90,205,773	8,191,373	1,925	98,395,221
Total accumulated depreciation	<u>108,343,200</u>	<u>10,111,701</u>	<u>63,321</u>	<u>118,391,580</u>
Other capital assets, net	<u>270,227,658</u>	<u>15,435,164</u>	<u>4,118</u>	<u>285,658,704</u>
Business-type Activities Capital Assets, Net	<u>\$ 332,227,521</u>	<u>\$ 30,568,453</u>	<u>\$ 21,592,886</u>	<u>\$ 341,203,088</u>

NOTE D - CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 482,635
Planning and zoning	13,631
Paramedic program	662,283
Emergency preparedness	437,911
Economic development and public works	974,912
County engineer	26,200
Engineering - solid waste	3,859
Library	201,796
Constitutional offices	48,782
	<hr/>
Total governmental activities depreciation expense	\$ 2,852,009
	<hr/> <hr/>

Business-type activities:

Water	\$ 113,854
Sewer	9,997,847
	<hr/>
Total business-type activities depreciation expense	\$ 10,111,701
	<hr/> <hr/>

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, 2010, total payroll was \$ 21,570,452. 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, 2010) 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	253	498	146	72	\$ 19,672,456

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 14% 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, 2010 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	\$ 2,036,037
Interest on net pension obligation	(1,097,500)
Adjustment to annual required contribution	792,533
Annual Pension Cost	1,731,070
Contributions made	2,738,014
Increase in Net Pension Asset	(1,006,944)
Net Pension Obligation (Asset), Beginning of Year	(13,718,753)
Net Pension Obligation (Asset), End of Year	\$ (14,725,697)

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>
2008	\$ 1,506,197	247.9%	\$ (12,057,947)
2009	1,488,633	211.6	(13,718,753)
2010	1,731,070	158.2	(14,725,697)

Pension Funded Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the plan was 91.7% funded. The actuarial accrued liability for benefits was \$ 54.7 million, and the actuarial value of assets was \$ 50.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 4.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ 19.7 million, and the ratio of the UAAL to the covered payroll was 23.1%.

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	2010	2,738,014

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

Pension Trust Assets

As authorized by Sussex County Council, 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), Vanguard mutual funds, Fidelity Investments mutual funds, corporate obligations, municipal obligations and various common stocks. Wilmington Trust Company is the trustee of the Plan and has custody of the corporate obligations, municipal obligations and various common stocks. 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 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 39th 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, 2010 consist of:

	<u>Fair Value</u>
Delaware Local Retirement Investment Pool	\$ 27,209,090

Post-retirement Employee Benefit Plan Description and Provisions

The County established and administers a single-employer post-retirement employee benefit plan for its employees. 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, 2010) is as follows:

<u>Total Actives</u>	<u>Retirees and Beneficiaries</u>	<u>Terminated Vested</u>
484	137	31

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 \$ 2,747,989 were 14% 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, 2010 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;
- Participation assumptions vary from zero to 100%, depending on age, date of hire and years of service; and
- A health care cost trend rate of 10% 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 other post-retirement employee benefit (OPEB) cost and net OPEB obligation (asset) for the current year were as follows:

Annual required contribution	\$ 2,932,734
Interest on net OPEB obligation	(177,890)
Adjustment to annual required contribution	128,459
Annual OPEB Cost	<u>2,883,303</u>
Contributions made	<u>2,747,989</u>
Decrease in Net OPEB Asset	135,314
Net OPEB Obligation (Asset), Beginning of Year	<u>(2,223,623)</u>
Net OPEB Obligation (Asset), End of Year	<u><u>\$ (2,088,309)</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%	\$ (2,223,623)
2010	2,883,303	95.3	(2,088,309)

Post-retirement Employee Benefit Plan Funded Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the plan was 71.0% funded. The actuarial accrued liability for benefits was \$ 31.0 million, and the actuarial value of assets was \$ 22.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 9.0 million. The covered payroll (annual payroll of active employees covered by the plan) was \$ 19.7 million, and the ratio of the UAAL to the covered payroll was 45.8%.

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>	<u>Fiscal Year</u>	<u>Amount</u>
2007	\$ 5,837,419	2009	\$ 4,674,927
2008	5,784,797	2010	2,747,989

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, 2010**

	<u>Pension Trust</u>	<u>Post-retirement Employee Benefit Trust</u>	<u>Total</u>
Assets			
Cash	\$ 799,892	\$ 2,776,643	\$ 3,576,535
Investments:			
U.S. Treasuries	4,914,269	-	4,914,269
Federal Home Loan Mortgage Corporation	2,003,120	-	2,003,120
Corporate obligations	95,499	-	95,499
Municipal obligations	306,416	-	306,416
Delaware Local Government Retirement Investment Pool	27,209,090	-	27,209,090
Delaware Local Government OPEB Pool	-	18,087,498	18,087,498
Common stocks	4,304,357	-	4,304,357
Mutual funds	3,376,988	-	3,376,988
Accrued interest	57,374	-	57,374
Total Assets	43,067,005	20,864,141	63,931,146
Liabilities			
Due to general fund	-	356,045	356,045
Net Assets Held In Trust For Pension And Other Employee Benefits	\$ 43,067,005	\$ 20,508,096	\$ 63,575,101

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, 2010**

	Pension Trust	Post-retirement Employee Benefit Trust	Total
Additions			
Employer contributions	\$ 2,738,014	\$ 2,747,989	\$ 5,486,003
Investment:			
Net appreciation (depreciation) of investments	3,660,146	1,731,966	5,392,112
Interest and dividends	854,473	425,375	1,279,848
	<u>4,514,619</u>	<u>2,157,341</u>	<u>6,671,960</u>
Less investment expenses	80,094	15,756	95,850
Net investment earnings	<u>4,434,525</u>	<u>2,141,585</u>	<u>6,576,110</u>
TOTAL ADDITIONS	7,172,539	4,889,574	12,062,113
Deductions			
Beneficiary payments	<u>2,190,364</u>	<u>1,367,347</u>	<u>3,557,711</u>
Net Increase in Plan Net Assets	<u>4,982,175</u>	<u>3,522,227</u>	<u>8,504,402</u>
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning, Original	38,084,830	18,006,974	56,091,804
Prior Period Adjustment	<u>-</u>	<u>(1,021,105)</u>	<u>(1,021,105)</u>
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning, Restated	<u>38,084,830</u>	<u>16,985,869</u>	<u>55,070,699</u>
Net Assets Held in Trust for Pension and Other Employee Benefits - Ending	<u>\$ 43,067,005</u>	<u>\$ 20,508,096</u>	<u>\$ 63,575,101</u>

NOTE F - DEFERRED COMPENSATION PLAN

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

NOTE G - SHORT-TERM DEBT

Short-term financing is obtained from banks to provide interim financing for the Enterprise Funds. Interest on the line of credit is variable; the interest rate was between 2.56% and 3.08% at June 30, 2010. The County had \$ 15,000,000 of unused line of credit to be drawn upon as needed. No balance was outstanding at June 30, 2010.

NOTE H - LONG-TERM LIABILITIES

Description of Bonds Payable

At June 30, 2010, 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%.	\$ 8,225,226
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.	5,719,202
1995A wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through March 9, 2035, interest at 4.5%.	2,999,670
1995B wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through June 27, 2035, interest at 4.5%.	5,490,180
1995C wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through September 26, 2035, interest at 4.5%.	5,017,349
1995D wastewater general obligation bonds (West Rehoboth expansion sewer system), due in various installments through December 22, 2035, interest at 4.5%.	2,522,130
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.	385,534
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.	5,971,892
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.	11,787,631
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.	1,226,405
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.	8,997,459
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.	3,072,168

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.	\$ 2,204,925
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.	11,271,985
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.	820,513
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.	1,240,273
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.	21,935,000
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.	753,971
2003 wastewater general obligation bonds (Ellendale), due in quarterly installments, interest at 4.25%, final payment due September 25, 2043. Total bonds authorized are \$ 1,250,000.	1,156,407
2003 wastewater general obligation bonds (SCRWF), due in quarterly installments, interest at 4.25%, final payment due September 19, 2043. Total bonds authorized are \$ 1,965,000.	1,817,895
2003 wastewater general obligation bonds (Oak Orchard), due in semi-annual installments, interest at 1.5%, final payment due December 31, 2026. Total bonds authorized are \$ 1,203,000.	1,086,492
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.	6,471,079
2004 wastewater general obligation bonds (Inland Bays), due in semi-annual installments, interest at 1.5%, final payment due December 31, 2027. Total bonds authorized are \$ 16,000,000.	8,907,223
2005 wastewater general obligation bonds (Inland Bays), due in quarterly installments, interest at 4.125%, final payment due July 21, 2045. Total bonds authorized are \$ 7,000,000.	6,638,407

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.	\$ 15,195,000
2006 wastewater general obligation bonds (Millville), due in semi-annual installments, interest at 1.5%, final payment due October 30, 2040. Total bonds authorized are \$ 8,000,000.	8,000,000
2006 wastewater general obligation bonds (South Ocean View), due in semi-annual installments, interest at 1.5%, final payment due June 30, 2040. Total bonds authorized are \$ 4,800,000.	4,607,644
2008 wastewater general obligation bonds (Dagsboro-Frankford), due in quarterly installments, interest at 4.5%, final payment due December 12, 2048. Total bonds authorized are \$ 73,000.	71,972
2008 wastewater general obligation bonds (Oak Orchard), due in quarterly installments, interest at 4.5%, final payment due September 26, 2048. Total bonds authorized are \$ 2,443,000.	2,402,782
2008 wastewater general obligation bonds (Angola Neck), due in semi-annual installments, interest at 1.5%, final payment due May 21, 2042. Total bonds authorized are \$ 15,000,000.	344,411
2009 wastewater general obligation bonds (Johnson's Corner), due in semi-annual installments, interest at 1.5%, final payment due June 30, 2031. Total bonds authorized are \$ 6,000,000.	2,744,893
2010 wastewater general obligation bonds (SCWRF), due in quarterly installments, interest at 4%, final payment due March 19, 2050. Total bonds authorized are \$ 7,500,000.	<u>7,481,416</u>
Subtotal	166,567,134
Unamortized bond premium	631,713
Unamortized bond discount	(21,468)
Deferred amount on refunding, net of amortization	<u>(2,624,017)</u>
TOTAL BONDS PAYABLE	<u>\$ 164,553,362</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 \$ 230,036 for fiscal year 2010.

NOTE H - LONG-TERM LIABILITIES - CONTINUED

Contract Commitments

The County has obligated itself under contracts for various projects. At June 30, 2010, the obligated unpaid amount was approximately \$ 56,157,258. The County's payment of these contracts will be contingent upon the contractors' satisfactory performance.

Bonds Authorized but Unissued

Bonds authorized but unissued at June 30, 2010 totaled \$ 77,250,412. The bonds are to finance various sewer district construction and improvement projects.

Long-term Liability Activity

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 4,908,688	\$ 2,327,953	\$ 2,357,076	\$ 4,879,565	\$2,357,076
Capital lease obligations	72,862	-	54,875	17,987	17,987
Estimated liability for landfill postclosure care	1,842,000	100,000	365,000	1,577,000	251,000
Total Governmental Activities	<u>\$ 6,823,550</u>	<u>\$ 2,427,953</u>	<u>\$ 2,776,951</u>	<u>\$ 6,474,552</u>	<u>\$2,626,063</u>
Business-type Activities:					
General obligation bonds	\$ 139,857,414	\$ 12,024,600	\$ 6,229,082	\$ 145,652,932	\$6,701,289
Revenue bond debt	22,475,982	-	1,561,780	20,914,202	1,609,258
Unamortized bond premium	741,087	-	109,374	631,713	-
Unamortized bond discount	(22,779)	-	(1,311)	(21,468)	-
Deferred amount of refunding, net of amortization	(2,854,053)	-	(230,036)	(2,624,017)	-
Total bonds payable	160,197,651	12,024,600	7,668,889	164,553,362	8,310,547
Compensated absences	1,300,489	784,400	641,790	1,443,099	641,790
Total Business-type Activities	<u>\$ 161,498,140</u>	<u>\$ 12,809,000</u>	<u>\$ 8,310,679</u>	<u>\$ 165,996,461</u>	<u>\$8,952,337</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>
2011	\$ 6,701,289	\$ 4,632,047	\$ 11,333,336
2012	7,051,525	4,400,158	11,451,683
2013	7,303,185	4,170,212	11,473,397
2014	7,178,067	3,952,391	11,130,458
2015	6,666,778	3,748,380	10,415,158
2016 - 2020	32,819,317	15,886,214	48,705,531
2021 - 2025	26,287,780	11,512,618	37,800,398
2026 - 2030	17,577,093	8,134,911	25,712,004
2031 - 2035	15,885,057	5,132,822	21,017,879
2036 - 2040	10,029,286	2,651,592	12,680,878
2041 - 2045	6,046,343	1,013,533	7,059,876
2046 - 2050	2,107,212	198,240	2,305,452
TOTAL	\$ 145,652,932	\$ 65,433,118	\$ 211,086,050

<u>Year ending June 30,</u>	<u>Business-type Activities - Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,781,064	539,470	2,320,534
2016 - 2020	6,339,362	1,989,444	8,328,806
2021 - 2025	6,115,000	828,636	6,943,636
TOTAL	\$ 20,914,202	\$ 5,953,600	\$ 26,867,802

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 \$ 25 to \$ 469, and expire from September 1, 2010 through June 30, 2011. Equipment with a cost basis of \$ 83,635 and accumulated depreciation of \$ 47,995 was being leased at June 30, 2010. Depreciation of assets under capital leases is included in depreciation expense under government-wide reporting. Obligations under governmental activities capital leases totaling \$ 17,987 are due for the year ending June 30, 2011.

NOTE I - INTERFUND BALANCES

Interfund balances at June 30, 2010 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	\$ 6,186,764	\$ 6,186,526
	West Rehoboth sewer fund	149,058	-
	Nonmajor enterprise funds	12,943,406	11,861,820
	Post-retirement Employee Benefit Trust	356,045	-
		<u>19,635,273</u>	<u>18,048,346</u>
Bethany sewer fund	Treatment plant - SCRWF	41,863	-
Nonmajor enterprise funds	Treatment plant - SCRWF	185,559	-
Treatment plant - SCRWF	West Rehoboth sewer fund	407,565	-
	Bethany sewer fund	8,576	-
	Nonmajor enterprise funds	39,814	-
	General fund	82,679	66,400
		<u>538,634</u>	<u>66,400</u>
TOTAL		<u>\$ 20,401,329</u>	<u>\$ 18,114,746</u>

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, 2010, 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, 2010, consisted of the following:

Transfer to:	Transfer from			Total
	General Fund	West Rehoboth Sewer	Nonmajor Funds	
General fund	\$ -	\$ -	\$ 54,213	\$ 54,213
Bethany sewer fund	138,161	-	-	138,161
West Rehoboth sewer fund	234,758	-	-	234,758
Nonmajor enterprise funds	446,962	90,121	-	537,083
TOTAL	\$ 819,881	\$ 90,121	\$ 54,213	\$ 964,215

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 2010, 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 \$ 9,538,990 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 eligible 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, 2010 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 2010 and 2009 were as follows:

	Beginning of Year Balance	Current-Year Claims and Changes in Estimates	Claims Payments	End of Year Balance
2008 - 2009	\$ 521,358	\$ 9,481,749	\$ (9,158,997)	\$ 844,110
2009 - 2010	844,110	9,199,362	(8,940,933)	1,102,539

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. The County has a contract with the Town of Millsboro for the purpose of discharging wastewater for the Woodlands of Millsboro sewer system. The contract will remain in effect until terminated by mutual agreement of both parties.

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 \$ 1,577,000 at June 30, 2010 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 2010. 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 Airpark. These leases range in terms of one year to forty-five years and several of them are noncancelable. Buildings with a cost basis of \$ 7,000,157 and accumulated depreciation of \$ 1,164,896, equipment with a cost basis of \$ 55,058 and accumulated depreciation of \$ 55,058, and improvements of \$ 69,207 and accumulated depreciation of \$ 14,712 were being leased as of June 30, 2010.

The minimum future rental revenue under leases as of June 30, 2010 for each of the next five years and in the aggregate are:

Year ending June 30,	Amount
2011	\$ 561,725
2012	561,015
2013	537,757
2014	462,922
2015	404,355
Thereafter	<u>3,290,406</u>
MINIMUM LEASE PAYMENTS RECEIVABLE	<u><u>\$ 5,818,180</u></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 - LOANS RECEIVABLE

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 \$ 334,818 at June 30, 2010, 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.

The County's Neighborhood Stabilization Program, in partnership with local non profits, provides zero percent interest loans for a term of thirty years for the purpose of providing affordable financing for moderate to low income families. The loans are secured by liens on the real property. The balances outstanding at June 30, 2010 total \$ 371,963, which are not reflected on the governmental funds balance sheet.

NOTE Q - SUBSEQUENT EVENTS

Major Contracts

Subsequent to June 30, 2010, the County received \$ 9.3 million in loan draws for the construction of sewer systems.

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.

NOTE R - PRIOR PERIOD ADJUSTMENTS

In the financial statements for the year ended June 30, 2009, the fair value of the Delaware Local Government OPEB Pool investment was overstated in the Post-retirement Employee Benefit Trust. The error has been corrected and has had the following effect on the beginning net assets:

	<u>Post-retirement Employee Benefit Trust</u>	<u>Pension and Other Employee Benefit Trusts</u>
Net assets held in trust for pension and other employee benefits - beginning, original	\$ 18,006,974	\$ 56,091,804
Adjustment of fair value of investment	<u>(1,021,105)</u>	<u>(1,021,105)</u>
Net assets held in trust for pension and other employee benefits - beginning, restated	<u>\$ 16,985,869</u>	<u>\$ 55,070,699</u>

In the financial statements for the year ended June 30, 2009, grant revenue was incorrectly stated in the Bethany Sewer, Ellendale Sewer, and Millers Creek Sewer proprietary funds. The errors have been corrected in both the fund-level and government-wide financial statements and have had the following effect on the beginning net assets:

	<u>Major Fund</u>	<u>Nonmajor Funds</u>		
	<u>Bethany Sewer Fund</u>	<u>Ellendale Sewer Fund</u>	<u>Millers Creek Sewer Fund</u>	<u>Proprietary Fund/Business- type Activities</u>
Net assets - beginning, original	\$ 38,902,889	\$ 3,246,011	\$ 3,398,749	\$ 260,858,988
Adjustment of grant revenue	<u>(1,679,791)</u>	<u>689,777</u>	<u>(153,590)</u>	<u>(1,143,604)</u>
Net assets - beginning, restated	<u>\$ 37,223,098</u>	<u>\$ 3,935,788</u>	<u>\$ 3,245,159</u>	<u>\$ 259,715,384</u>

REQUIRED SUPPLEMENTARY INFORMATION

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF FUNDING PROGRESS - PENSION TRUST
 FOR THE YEAR ENDED JUNE 30, 2010

<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>
01/01/2005	\$ 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
01/01/2010	50,212,221	54,751,314	4,539,093	91.7	19,672,456	23.1

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST
FOR THE YEAR ENDED JUNE 30, 2010

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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
2010	2,036,037	134.5

SCHEDULE OF FUNDING PROGRESS - POST-RETIREMENT EMPLOYEE BENEFIT TRUST
FOR THE YEAR ENDED JUNE 30, 2010

<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
01/01/2010	22,028,993	31,027,028	8,998,035	71.0	19,672,456	45.7

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - POST-RETIREMENT EMPLOYEE BENEFIT TRUST
FOR THE YEAR ENDED JUNE 30, 2010

<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
2010	2,932,734	93.7

**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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
TAXES			
Real property - County	\$ 11,452,177	\$ 11,475,611	\$ 23,434
Real property - library	1,342,748	1,346,071	3,323
Realty transfer	12,700,000	13,141,813	441,813
Capitation	244,000	253,241	9,241
Fire service	780,000	791,472	11,472
Penalties and interest	130,000	139,204	9,204
TOTAL TAXES	<u>26,648,925</u>	<u>27,147,412</u>	<u>498,487</u>
INTERGOVERNMENTAL			
Federal grants:			
Emergency preparedness	95,000	34,373	(60,627)
Emergency management	-	26,253	26,253
Housing and Urban Development	3,390,000	3,080,538	(309,462)
Federal payments in lieu of taxes	12,000	6,341	(5,659)
State grants:			
Library	320,330	339,616	19,286
Paramedic	3,571,815	3,852,163	280,348
Local emergency plan commission	62,965	101,012	38,047
State sewer study	-	18,234	18,234
Department of Health - rodents	10,000	10,000	-
Other	2,000	586	(1,414)
TOTAL INTERGOVERNMENTAL	<u>7,464,110</u>	<u>7,469,116</u>	<u>5,006</u>
CHARGES FOR SERVICES			
Constitutional Office Fees			
Clerk of the Peace	133,000	121,740	(11,260)
Prothonotary	1,000	2,922	1,922
Recorder of Deeds	3,090,000	3,110,515	20,515
Register of Wills	950,000	857,212	(92,788)
Sheriff	2,000,000	2,947,117	947,117
Total Constitutional Office Fees	<u>6,174,000</u>	<u>7,039,506</u>	<u>865,506</u>
General Government Fees			
Building permit and zoning fees	1,100,000	1,120,403	20,403
Industrial bond fees	-	500	500
Building inspections	800,000	869,303	69,303
Security identification cards	-	855	855
Mobile home placement	111,000	107,601	(3,399)
911 reporting	460,000	530,794	70,794
Total General Government Fees	<u>2,471,000</u>	<u>2,629,456</u>	<u>158,456</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
CHARGES FOR SERVICES - CONTINUED			
General Government Services			
Airport operations	\$ 201,000	\$ 197,068	\$ (3,932)
Data processing	20,000	16,390	(3,610)
Private road inspections and design fees	430,000	251,335	(178,665)
Industrial airpark water and sewer	1,000	100	(900)
Stormwater management plan review	10,000	9,000	(1,000)
Sewer and water inspections	60,000	61,910	1,910
Total General Government Services	<u>722,000</u>	<u>535,803</u>	<u>(186,197)</u>
Other Charges			
Miscellaneous	54,000	181,805	127,805
TOTAL CHARGES FOR SERVICES	<u>9,421,000</u>	<u>10,386,570</u>	<u>965,570</u>
FINES AND FORFEITS			
Library fines	22,600	19,585	(3,015)
Zoning violations	3,000	640	(2,360)
TOTAL FINES AND FORFEITS	<u>25,600</u>	<u>20,225</u>	<u>(5,375)</u>
MISCELLANEOUS			
Interest earnings	1,000,000	732,969	(267,031)
Rents			
Industrial airpark	331,350	325,642	(5,708)
County office building	65,000	65,253	253
Other	20,120	24,526	4,406
Sale of assets	10,000	19,950	9,950
Other	110,692	278,317	167,625
TOTAL MISCELLANEOUS	<u>1,537,162</u>	<u>1,446,657</u>	<u>(90,505)</u>
TOTAL REVENUES	<u>45,096,797</u>	<u>46,469,980</u>	<u>1,373,183</u>
OTHER FINANCING SOURCES			
Reimbursements from funds	1,150,000	-	(1,150,000)
Transfer in	-	54,213	54,213
TOTAL OTHER FINANCING SOURCES	<u>1,150,000</u>	<u>54,213</u>	<u>(1,095,787)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 46,246,797</u>	<u>\$ 46,524,193</u>	<u>\$ 277,396</u>

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
GENERAL ADMINISTRATION			
County Council			
Personal services	\$ 224,490	\$ 224,490	\$ -
Employee benefits	158,251	175,184	(16,933)
Contractual services	91,407	55,050	36,357
Supplies	19,218	16,679	2,539
Other expenditures	48,002	36,994	11,008
Travel and training	17,430	16,956	474
Total County Council	<u>558,798</u>	<u>525,353</u>	<u>33,445</u>
County Administration			
Personal services	308,668	257,288	51,380
Employee benefits	141,068	116,962	24,106
Contractual services	9,207	6,197	3,010
Supplies	4,150	2,753	1,397
Other expenditures	5	4	1
Travel and training	3,429	2,435	994
Total County Administration	<u>466,527</u>	<u>385,639</u>	<u>80,888</u>
Legal Department			
Professional services	300,832	307,146	(6,314)
TOTAL GENERAL ADMINISTRATION	<u>1,326,157</u>	<u>1,218,138</u>	<u>108,019</u>
FINANCE			
Financial Administration			
Personal services	290,579	260,482	30,097
Employee benefits	165,645	169,167	(3,522)
Professional services	26,885	24,935	1,950
Contractual services	162,219	161,681	538
Supplies	3,772	3,422	350
Travel and training	2,309	2,254	55
Total Financial Administration	<u>651,409</u>	<u>621,941</u>	<u>29,468</u>
Assessment			
Personal services	1,000,911	804,440	196,471
Employee benefits	710,210	647,179	63,031
Professional services	2,000	1,853	147
Contractual services	41,500	32,066	9,434
Supplies	35,372	26,223	9,149
Other expenditures	344,192	322,741	21,451
Travel and training	2,200	532	1,668
Total Assessment	<u>2,136,385</u>	<u>1,835,034</u>	<u>301,351</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
FINANCE - CONTINUED			
Building Code			
Personal services	\$ 337,280	\$ 245,368	\$ 91,912
Employee benefits	226,496	213,707	12,789
Professional services	1,500	-	1,500
Contractual services	57,804	13,143	44,661
Supplies	21,636	16,281	5,355
Other expenditures	1,650	1,614	36
Travel and training	8,100	4,800	3,300
Total Building Code	<u>654,466</u>	<u>494,913</u>	<u>159,553</u>
Mapping and Addressing			
Personal services	308,097	307,869	228
Employee benefits	219,831	230,305	(10,474)
Professional services	69,681	69,681	-
Contractual services	37,351	35,456	1,895
Supplies	11,708	9,839	1,869
Other expenditures	4,000	2,657	1,343
Travel and training	100	-	100
Total Mapping and Addressing	<u>650,768</u>	<u>655,807</u>	<u>(5,039)</u>
Accounting			
Personal services	318,461	260,574	57,887
Employee benefits	254,331	209,303	45,028
Professional services	106,093	82,974	23,119
Contractual services	29,565	19,819	9,746
Supplies	13,434	8,476	4,958
Travel and training	600	329	271
Total Accounting	<u>722,484</u>	<u>581,475</u>	<u>141,009</u>
Treasury			
Personal services	295,624	285,483	10,141
Employee benefits	217,445	230,315	(12,870)
Professional services	8,801	8,801	-
Contractual services	94,987	92,094	2,893
Supplies	10,626	8,911	1,715
Capital outlay	26,608	26,608	-
Total Treasury	<u>654,091</u>	<u>652,212</u>	<u>1,879</u>
TOTAL FINANCE	<u>5,469,603</u>	<u>4,841,382</u>	<u>628,221</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PERSONNEL			
Personnel Administration			
Personal services	\$ 250,370	\$ 224,710	\$ 25,660
Employee benefits	157,427	164,684	(7,257)
Professional services	142,247	128,332	13,915
Contractual services	5,761	3,123	2,638
Supplies	4,252	2,727	1,525
Other expenditures	87,665	78,420	9,245
Travel and training	806	683	123
Total Personnel Administration	<u>648,528</u>	<u>602,679</u>	<u>45,849</u>
General Employment and Retirement			
Employee and retiree benefits	282,021	628,015	(345,994)
Professional services	29,764	29,764	-
Total General Employment and Retirement	<u>311,785</u>	<u>657,779</u>	<u>(345,994)</u>
TOTAL PERSONNEL	<u>960,313</u>	<u>1,260,458</u>	<u>(300,145)</u>
BUILDING AND GROUNDS			
Maintenance			
Personal services	367,844	367,844	-
Employee benefits	201,575	228,772	(27,197)
Contractual services	33,760	32,166	1,594
Supplies	34,303	32,028	2,275
Capital outlay	14,351	14,351	-
Travel and training	199	199	-
Total Maintenance	<u>652,032</u>	<u>675,360</u>	<u>(23,328)</u>
Operations - Administrative Buildings			
Personal services	271,032	271,032	-
Employee benefits	163,334	184,431	(21,097)
Contractual services	302,778	284,715	18,063
Supplies	83,261	74,047	9,214
Other expenditures	1,000	876	124
Travel and training	700	649	51
Total Operations - Administrative Buildings	<u>822,105</u>	<u>815,750</u>	<u>6,355</u>
TOTAL BUILDING AND GROUNDS	<u>1,474,137</u>	<u>1,491,110</u>	<u>(16,973)</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
DATA PROCESSING			
Data Processing			
Personal services	\$ 275,373	\$ 251,980	\$ 23,393
Employee benefits	164,180	171,416	(7,236)
Contractual services	29,629	27,112	2,517
Supplies	12,508	11,446	1,062
Capital outlay	34,600	31,661	2,939
Other expenditures	47,235	43,222	4,013
Travel and training	1,903	1,741	162
Total Data Processing	<u>565,428</u>	<u>538,578</u>	<u>26,850</u>
Information Systems			
Personal services	281,104	231,318	49,786
Employee benefits	186,722	177,973	8,749
Contractual services	214,775	214,386	389
Supplies	41,303	28,579	12,724
Capital outlay	10,814	19,529	(8,715)
Travel and training	3,700	3,219	481
Total Information Systems	<u>738,418</u>	<u>675,004</u>	<u>63,414</u>
TOTAL DATA PROCESSING	<u>1,303,846</u>	<u>1,213,582</u>	<u>90,264</u>
COUNTY CONSTABLE			
Personal services	223,386	160,060	63,326
Employee benefits	160,809	146,400	14,409
Contractual services	21,359	19,907	1,452
Supplies	6,825	4,543	2,282
Other expenditures	600	575	25
TOTAL COUNTY CONSTABLE	<u>412,979</u>	<u>331,485</u>	<u>81,494</u>
GRANT-IN-AID PROGRAMS			
Fire companies	2,904,115	2,991,108	(86,993)
Agriculture Extension Work (4-H)	69,049	69,049	-
Erosion and sediment	151,797	151,797	-
Council grants	150,000	133,325	16,675
Cheers meal program	9,200	9,200	-
Sussex County Community Action Agency	9,200	9,200	-
Sussex state police program	1,538,327	1,274,321	264,006
Sussex local police grants	420,000	420,000	-
Human service grants	143,520	140,900	2,620

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
GRANT-IN-AID PROGRAMS - CONTINUED			
Town grants	\$ 30,000	\$ 15,000	\$ 15,000
Housing assistance program	30,000	30,000	-
Local library placement fee grants	111,000	107,659	3,341
Tax subsidy program	144	144	-
Local library grants	503,085	503,085	-
Dog control grant	291,608	291,608	-
County wastewater relief program	135,000	120,423	14,577
Open space land program grants	-	358,325	(358,325)
	<u>6,496,045</u>	<u>6,625,144</u>	<u>(129,099)</u>
TOTAL GRANT-IN-AID PROGRAMS			
PLANNING AND ZONING			
Administration			
Personal services	523,739	523,739	-
Employee benefits	358,086	406,579	(48,493)
Professional services	150,674	147,279	3,395
Contractual services	83,000	70,105	12,895
Supplies	23,160	15,976	7,184
Capital outlay	3,458	-	3,458
Travel and training	1,500	864	636
	<u>1,143,617</u>	<u>1,164,542</u>	<u>(20,925)</u>
Total Administration			
Board of Adjustment			
Professional services	30,000	28,750	1,250
Commission			
Professional services	50,000	40,000	10,000
	<u>1,223,617</u>	<u>1,233,292</u>	<u>(9,675)</u>
TOTAL PLANNING AND ZONING			
PARAMEDIC PROGRAM			
Personal services	6,480,662	6,451,376	29,286
Employee benefits	3,877,594	4,293,471	(415,877)
Professional services	52,431	51,813	618
Contractual services	566,721	503,709	63,012
Supplies	444,113	407,290	36,823
Capital outlay	331,742	447,257	(115,515)
Other expenditures	88,909	71,334	17,575
Travel and training	63,875	45,871	18,004
	<u>11,906,047</u>	<u>12,272,121</u>	<u>(366,074)</u>
TOTAL PARAMEDIC PROGRAM			

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EMERGENCY PREPAREDNESS			
Administration			
Personal services	\$ 97,159	\$ 94,593	\$ 2,566
Employee benefits	57,211	61,835	(4,624)
Contractual services	137,445	133,884	3,561
Supplies	16,806	12,780	4,026
Other expenditures	36,559	35,832	727
Travel and training	100	-	100
Total Administration	<u>345,280</u>	<u>338,924</u>	<u>6,356</u>
Emergency Operations Center			
Personal services	945,340	924,988	20,352
Employee benefits	592,046	644,367	(52,321)
Contractual services	116,356	110,761	5,595
Supplies	8,652	62,477	(53,825)
Capital outlay	6,500	2,010	4,490
Other expenditures	2,282	2,632	(350)
Travel and training	22,000	9,627	12,373
Total Emergency Operations Center	<u>1,693,176</u>	<u>1,756,862</u>	<u>(63,686)</u>
Communications System			
Personal services	164,459	164,459	-
Employee benefits	89,546	99,816	(10,270)
Contractual services	11,423	10,230	1,193
Supplies	27,089	23,206	3,883
Capital outlay	2,400	-	2,400
Other expenditures	600	441	159
Total Communications System	<u>295,517</u>	<u>298,152</u>	<u>(2,635)</u>
Local Emergency Planning Community Program			
Personal services	40,505	40,505	-
Employee benefits	24,022	28,500	(4,478)
Contractual services	178	178	-
Supplies	1,915	1,915	-
Travel and training	2,354	2,354	-
Total Local Emergency Planning Community Program	<u>68,974</u>	<u>73,452</u>	<u>(4,478)</u>
TOTAL EMERGENCY PREPAREDNESS	<u>2,402,947</u>	<u>2,467,390</u>	<u>(64,443)</u>

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
ECONOMIC DEVELOPMENT AND PUBLIC WORKS			
Economic Development			
Personal services	\$ 51,400	\$ 51,400	\$ -
Employee benefits	30,019	33,423	(3,404)
Contractual services	3,068	2,179	889
Supplies	2,545	1,595	950
Travel and training	900	694	206
	<u>87,932</u>	<u>89,291</u>	<u>(1,359)</u>
Total Economic Development			
Industrial Airpark			
Personal services	228,228	228,228	-
Employee benefits	150,163	176,059	(25,896)
Contractual services	282,045	282,041	4
Supplies	25,973	25,973	-
Capital outlay	4,275	4,275	-
Other expenditures	107,189	107,189	-
Travel and training	3,496	(4,546)	8,042
	<u>801,369</u>	<u>819,219</u>	<u>(17,850)</u>
Total Industrial Airpark			
TOTAL ECONOMIC DEVELOPMENT AND PUBLIC WORKS			
	<u>889,301</u>	<u>908,510</u>	<u>(19,209)</u>
COUNTY ENGINEER			
Administration			
Personal services	368,120	387,379	(19,259)
Employee benefits	377,866	422,404	(44,538)
Professional services	64,209	64,209	-
Contractual services	5,000	4,111	889
Supplies	2,622	1,319	1,303
Other expenditures	1,978	1,978	-
Travel and training	1,100	69	1,031
	<u>820,895</u>	<u>881,469</u>	<u>(60,574)</u>
Total Administration			
Public Works			
Personal services	397,960	395,251	2,709
Employee benefits	215,527	246,167	(30,640)
Professional services	37,776	37,776	-
Contractual services	13,295	13,294	1
Supplies	13,858	13,833	25
Capital outlay	53,529	53,529	-
Other expenditures	170,165	170,165	-
Travel and training	35	35	-
	<u>902,145</u>	<u>930,050</u>	<u>(27,905)</u>
Total Public Works			

(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
COUNTY ENGINEER - CONTINUED			
Records Management			
Personal services	\$ 31,819	\$ 30,794	\$ 1,025
Employee benefits	23,432	26,396	(2,964)
Contractual services	6,400	2,607	3,793
Supplies	1,150	699	451
Other expenditures	2,138	2,138	-
Travel and training	2,650	-	2,650
Total Records Management	<u>67,589</u>	<u>62,634</u>	<u>4,955</u>
TOTAL COUNTY ENGINEER	<u>1,790,629</u>	<u>1,874,153</u>	<u>(83,524)</u>
LIBRARY			
Library administration	805,362	762,274	43,088
Library facilities	1,657,482	1,620,220	37,262
Local libraries	1,342,748	1,342,748	-
TOTAL LIBRARY	<u>3,805,592</u>	<u>3,725,242</u>	<u>80,350</u>
COMMUNITY DEVELOPMENT AND HOUSING PROGRAMS			
Administration			
Personal services	245,545	253,236	(7,691)
Employee benefits	154,653	178,975	(24,322)
Professional services	38,000	35,536	2,464
Contractual services	8,492	6,157	2,335
Supplies	6,400	6,672	(272)
Other expenditures	-	4,004	(4,004)
Travel and training	6,800	10,770	(3,970)
Total Administration	<u>459,890</u>	<u>495,350</u>	<u>(35,460)</u>
Rehabilitation			
Contractual services	3,134,000	2,813,559	320,441
TOTAL COMMUNITY DEVELOPMENT AND HOUSING PROGRAMS	<u>3,593,890</u>	<u>3,308,909</u>	<u>284,981</u>
CONSTITUTIONAL OFFICES			
Clerk of the Peace	142,640	152,636	(9,996)
Recorder of Deeds	1,191,659	1,075,902	115,757
Register of Wills	378,558	395,377	(16,819)
Sheriff	686,036	691,504	(5,468)
TOTAL CONSTITUTIONAL OFFICES	<u>2,398,893</u>	<u>2,315,419</u>	<u>83,474</u>
TOTAL EXPENDITURES	<u>45,453,996</u>	<u>45,086,335</u>	<u>367,661</u>
OTHER FINANCING USES			
Reserved for contingencies	22,421	-	22,421
Transfer out	770,380	819,881	(49,501)
TOTAL OTHER FINANCING USES	<u>792,801</u>	<u>819,881</u>	<u>(27,080)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 46,246,797</u>	<u>\$ 45,906,216</u>	<u>\$ 340,581</u>

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF REVENUES AND EXPENDITURES (CONDENSED) - GENERAL FUND
 FOR THE THIRTY-THREE YEARS THROUGH JUNE 30, 2010

<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)
June 30, 2010	46,524,193	45,906,216	617,977

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,436,700	\$ 1,436,700	\$ 1,464,854	\$ 28,154
Miscellaneous	250,000	250,000	101,622	(148,378)
TOTAL REVENUES	1,686,700	1,686,700	1,566,476	(120,224)
EXPENDITURES				
Capital projects	7,829,000	7,829,000	3,788,128	4,040,872
NET CHANGE IN FUND BALANCE	(6,142,300)	(6,142,300)	(2,221,652)	3,920,648
FUND BALANCE - BEGINNING	19,771,299	19,771,299	19,771,299	-
FUND BALANCE - ENDING	<u>\$ 13,628,999</u>	<u>\$ 13,628,999</u>	<u>\$ 17,549,647</u>	<u>\$ 3,920,648</u>

ENTERPRISE FUNDS

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2010

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	\$ 730,839	\$ 835,171	\$ 1,869,425	\$ 3,019,510
Receivables, net of allowance for doubtful accounts:				
Service charges	49,963	84,964	20,161	23,963
Assessment, impact, connection, and expansion	5,027	1,987	847	3,952
Accrued interest	997	1,152	1,622	3,301
Miscellaneous	-	-	-	13,832
Due from other governmental agencies	-	231,901	-	-
Due from other funds	45,214	41,954	37,924	41,723
Inventory	6,946	-	-	-
TOTAL CURRENT ASSETS	<u>838,986</u>	<u>1,197,129</u>	<u>1,929,979</u>	<u>3,106,281</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	657,958	1,319,790	961,911	2,680,008
Bond issue cost, net of amortization	-	-	-	-
Net pension asset	103,869	41,341	66,755	128,196
Net other postemployment benefit asset	14,730	5,863	9,467	18,180
Noncurrent accounts receivable:				
Service charges	7,212	15,220	3,333	10,699
Assessment, impact, connection, and expansion	1,061	438	120	1,410
Capital assets:				
Land, improvements, and construction in progress	35,766	99,480	492,672	101,849
Other capital assets, net of depreciation	1,728,207	4,625,726	7,694,572	14,002,723
TOTAL NONCURRENT ASSETS	<u>2,548,803</u>	<u>6,107,858</u>	<u>9,228,830</u>	<u>16,943,065</u>
TOTAL ASSETS	<u>3,387,789</u>	<u>7,304,987</u>	<u>11,158,809</u>	<u>20,049,346</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	81,004	18,598	13,287	23,344
Accrued interest payable	-	3,570	172	3,653
Due to other funds	-	-	-	1,129,048
Current portion of long-term liabilities	22,635	58,899	20,220	148,185
TOTAL CURRENT LIABILITIES	<u>103,639</u>	<u>81,067</u>	<u>33,679</u>	<u>1,304,230</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>28,260</u>	<u>351,060</u>	<u>27,452</u>	<u>292,743</u>
TOTAL LIABILITIES	<u>131,899</u>	<u>432,127</u>	<u>61,131</u>	<u>1,596,973</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,763,973	4,335,504	8,172,282	13,726,459
Restricted for construction and debt service	657,958	1,319,790	961,911	2,665,273
Unrestricted	833,959	1,217,566	1,963,485	2,060,641
TOTAL NET ASSETS	<u>\$ 3,255,890</u>	<u>\$ 6,872,860</u>	<u>\$ 11,097,678</u>	<u>\$ 18,452,373</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2010

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	\$ 519,828	\$ 28,584	\$ 2,712,953	\$ 1,519,378
Receivables, net of allowance for doubtful accounts:				
Service charges	39,885	3,206	15,774	33,207
Assessment, impact, connection, and expansion	3,620	250	12,469	18,286
Accrued interest	448	36	4,332	2,123
Miscellaneous	-	-	8,860	100,133
Due from other governmental agencies	-	17,646	-	77,989
Due from other funds	11,428	7,316	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>575,209</u>	<u>57,038</u>	<u>2,754,388</u>	<u>1,751,116</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	155,805	28,697	4,933,290	2,707,603
Bond issue cost, net of amortization	-	-	138,876	17,517
Net pension asset	37,283	13,822	359,018	72,609
Net other postemployment benefit asset	5,287	1,960	50,914	10,297
Noncurrent accounts receivable:				
Service charges	90,095	-	14,772	72,294
Assessment, impact, connection, and expansion	4,445	-	57,680	18,507
Capital assets:				
Land, improvements, and construction in progress	98,402	4,273	1,500	3,926,522
Other capital assets, net of depreciation	1,446,145	1,113,259	21,924,753	6,034,915
TOTAL NONCURRENT ASSETS	<u>1,837,462</u>	<u>1,162,011</u>	<u>27,480,803</u>	<u>12,860,264</u>
TOTAL ASSETS	<u>2,412,671</u>	<u>1,219,049</u>	<u>30,235,191</u>	<u>14,611,380</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	17,175	1,522	31,642	9,153
Accrued interest payable	469	844	100,008	10,519
Due to other funds	-	-	-	2,109,738
Current portion of long-term liabilities	23,563	30,788	982,159	46,543
TOTAL CURRENT LIABILITIES	<u>41,207</u>	<u>33,154</u>	<u>1,113,809</u>	<u>2,175,953</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>42,894</u>	<u>59,542</u>	<u>9,840,868</u>	<u>1,149,553</u>
TOTAL LIABILITIES	<u>84,101</u>	<u>92,696</u>	<u>10,954,677</u>	<u>3,325,506</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,496,359	1,033,974	11,279,143	8,800,919
Restricted for construction and debt service	155,805	28,697	4,933,290	2,707,603
Unrestricted	676,406	63,682	3,068,081	(222,648)
TOTAL NET ASSETS	<u>\$ 2,328,570</u>	<u>\$ 1,126,353</u>	<u>\$ 19,280,514</u>	<u>\$ 11,285,874</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2010

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	\$ 1,477,578	\$ 370,778	\$ 707,572	\$ 251,629
Receivables, net of allowance for doubtful accounts:				
Service charges	1,365	52,768	8,965	1,695
Assessment, impact, connection, and expansion	1,466	23,702	19,529	1,854
Accrued interest	1,294	378	417	200
Miscellaneous	-	-	-	-
Due from other governmental agencies	-	988,288	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>1,481,703</u>	<u>1,435,914</u>	<u>736,483</u>	<u>255,378</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	338,125	347,685	971,157	315,481
Bond issue cost, net of amortization	1,712	10,422	16,012	2,454
Net pension asset	24,613	34,900	27,166	4,509
Net other postemployment benefit asset	3,490	4,949	3,853	639
Noncurrent accounts receivable:				
Service charges	859	53,974	2,952	350
Assessment, impact, connection, and expansion	-	19,908	16,737	644
Capital assets:				
Land, improvements, and construction in progress	-	43,696	3,591,762	-
Other capital assets, net of depreciation	9,014,314	6,886,029	10,814,656	3,108,050
TOTAL NONCURRENT ASSETS	<u>9,383,113</u>	<u>7,401,563</u>	<u>15,444,295</u>	<u>3,432,127</u>
TOTAL ASSETS	<u>10,864,816</u>	<u>8,837,477</u>	<u>16,180,778</u>	<u>3,687,505</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	831	19,808	1,489,145	181
Accrued interest payable	-	1,112	2,810	1,146
Due to other funds	-	1,080,000	1,836,452	-
Current portion of long-term liabilities	186,249	142,714	166,310	108,641
TOTAL CURRENT LIABILITIES	<u>187,080</u>	<u>1,243,634</u>	<u>3,494,717</u>	<u>109,968</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>2,511,358</u>	<u>3,831,682</u>	<u>4,576,549</u>	<u>1,757,360</u>
TOTAL LIABILITIES	<u>2,698,438</u>	<u>5,075,316</u>	<u>8,071,266</u>	<u>1,867,328</u>
NET ASSETS				
Invested in capital assets, net of related debt	6,328,767	2,972,429	9,676,871	1,244,259
Restricted for construction and debt service	338,125	347,685	-	315,481
Unrestricted	1,499,486	442,047	(1,567,359)	260,437
TOTAL NET ASSETS	<u>\$ 8,166,378</u>	<u>\$ 3,762,161</u>	<u>\$ 8,109,512</u>	<u>\$ 1,820,177</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2010

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	\$ 80,521	\$ 771,921	\$ 275,874	\$ -
Receivables, net of allowance for doubtful accounts:				
Service charges	331	4,091	3,359	-
Assessment, impact, connection, and expansion	-	14,712	11,745	-
Accrued interest	58	496	217	-
Miscellaneous	-	541	-	-
Due from other governmental agencies	-	148,192	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	<u>80,910</u>	<u>939,953</u>	<u>291,195</u>	<u>-</u>
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	268,540	24,467	11,651	25,534
Bond issue cost, net of amortization	262	3,713	9,315	10,715
Net pension asset	3,702	11,878	14,623	-
Net other postemployment benefit asset	525	1,684	2,074	-
Noncurrent accounts receivable:				
Service charges	-	374	1	-
Assessment, impact, connection, and expansion	-	573	1,821	-
Capital assets:				
Land, improvements, and construction in progress	-	265,533	-	4,912,550
Other capital assets, net of depreciation	556,805	8,423,915	5,797,923	-
TOTAL NONCURRENT ASSETS	<u>829,834</u>	<u>8,732,137</u>	<u>5,837,408</u>	<u>4,948,799</u>
TOTAL ASSETS	<u>910,744</u>	<u>9,672,090</u>	<u>6,128,603</u>	<u>4,948,799</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	37	13,921	219	441,478
Accrued interest payable	210	2,392	11,269	8,509
Due to other funds	-	3,199,228	-	688,923
Current portion of long-term liabilities	20,512	157,338	133,840	-
TOTAL CURRENT LIABILITIES	<u>20,759</u>	<u>3,372,879</u>	<u>145,328</u>	<u>1,138,910</u>
LONG-TERM LIABILITIES, LESS CURRENT PORTION	<u>322,436</u>	<u>2,920,650</u>	<u>4,480,968</u>	<u>2,744,893</u>
TOTAL LIABILITIES	<u>343,195</u>	<u>6,293,529</u>	<u>4,626,296</u>	<u>3,883,803</u>
NET ASSETS				
Invested in capital assets, net of related debt	215,671	5,617,280	1,190,279	2,167,657
Restricted for construction and debt service	268,540	13,408	11,651	-
Unrestricted	83,338	(2,252,127)	300,377	(1,102,661)
TOTAL NET ASSETS	<u>\$ 567,549</u>	<u>\$ 3,378,561</u>	<u>\$ 1,502,307</u>	<u>\$ 1,064,996</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2010

ASSETS	Angola Neck Sewer	Golf Village Sewer	Woodlands of Millsboro Sewer	Treatment Plant - IBRWF
CURRENT ASSETS				
Cash and cash equivalents	\$ 94,441	\$ 13,942	\$ -	\$ 1,124,164
Receivables, net of allowance for doubtful accounts:				
Service charges	12,434	-	-	13,990
Assessment, impact, connection, and expansion	5,441	1,825	-	-
Accrued interest	67	3	-	2,012
Miscellaneous	588	-	-	10,422
Due from other governmental agencies	-	-	85,463	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
TOTAL CURRENT ASSETS	112,971	15,770	85,463	1,150,588
NONCURRENT ASSETS				
Restricted assets:				
Cash and cash equivalents	42,765	24,654	11,929	2,547,855
Bond issue cost, net of amortization	18,879	1,591	5,093	20,658
Net pension asset	13,015	-	-	128,240
Net other postemployment benefit asset	1,846	-	-	18,186
Noncurrent accounts receivable:				
Service charges	-	-	-	23,017
Assessment, impact, connection, and expansion	-	-	-	-
Capital assets:				
Land, improvements, and construction in progress	4,501,933	-	377,390	31,049,223
Other capital assets, net of depreciation	475	1,162,195	-	1,193,773
TOTAL NONCURRENT ASSETS	4,578,913	1,188,440	394,412	34,980,952
TOTAL ASSETS	4,691,884	1,204,210	479,875	36,131,540
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	820,128	-	142,833	915,987
Accrued interest payable	115	-	-	65,359
Due to other funds	2,127,168	556,585	251,580	4,498
Current portion of long-term liabilities	2,836	-	-	678,276
TOTAL CURRENT LIABILITIES	2,950,247	556,585	394,413	1,664,120
LONG-TERM LIABILITIES, LESS CURRENT PORTION	347,952	-	-	16,369,190
TOTAL LIABILITIES	3,298,199	556,585	394,413	18,033,310
NET ASSETS				
Invested in capital assets, net of related debt	4,157,997	1,162,195	377,390	15,258,367
Restricted for construction and debt service	-	24,654	-	1,667,104
Unrestricted	(2,764,312)	(539,224)	(291,928)	1,172,759
TOTAL NET ASSETS	\$ 1,393,685	\$ 647,625	\$ 85,462	\$ 18,098,230

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2010

ASSETS	Totals
CURRENT ASSETS	
Cash and cash equivalents	\$ 16,404,108
Receivables, net of allowance for doubtful accounts:	
Service charges	370,121
Assessment, impact, connection, and expansion	126,712
Accrued interest	19,153
Miscellaneous	134,376
Due from other governmental agencies	1,549,479
Due from other funds	185,559
Inventory	6,946
	<u>18,796,454</u>
TOTAL CURRENT ASSETS	18,796,454
NONCURRENT ASSETS	
Restricted assets:	
Cash and cash equivalents	18,374,905
Bond issue cost, net of amortization	257,219
Net pension asset	1,085,539
Net other postemployment benefit asset	153,944
Noncurrent accounts receivable:	
Service charges	295,152
Assessment, impact, connection, and expansion	123,344
Capital assets:	
Land, improvements, and construction in progress	49,502,551
Other capital assets, net of depreciation	105,528,435
	<u>175,321,089</u>
TOTAL NONCURRENT ASSETS	175,321,089
TOTAL ASSETS	194,117,543
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and other current liabilities	4,040,293
Accrued interest payable	212,157
Due to other funds	12,983,220
Current portion of long-term liabilities	2,929,708
	<u>20,165,378</u>
TOTAL CURRENT LIABILITIES	20,165,378
LONG-TERM LIABILITIES, LESS CURRENT PORTION	51,655,410
	<u>71,820,788</u>
TOTAL LIABILITIES	71,820,788
NET ASSETS	
Invested in capital assets, net of related debt	100,977,775
Restricted for construction and debt service	16,416,975
Unrestricted	4,902,005
	<u>122,296,755</u>
TOTAL NET ASSETS	\$ 122,296,755

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

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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	\$ 669,862	\$ 1,095,884	\$ 347,478	\$ 395,333
Other operating revenues	4,787	3,199	4,575	29,005
TOTAL OPERATING REVENUES	<u>674,649</u>	<u>1,099,083</u>	<u>352,053</u>	<u>424,338</u>
OPERATING EXPENSES				
Amortization	-	-	-	-
Contract services	405,988	36,232	28,309	27,704
Depreciation	113,854	198,769	232,106	494,050
Employee benefits	111,984	40,449	79,717	100,627
Equipment and tools	5,492	1,662	16,536	4,245
Maintenance and repairs	48,517	31,328	5,925	8,328
Miscellaneous	1,763	1,793	-	-
Process chemicals	-	-	960	960
Professional services	675	846	-	186
Salaries	159,176	64,905	100,158	200,747
Shared costs - operating	49,383	50,086	85,939	76,686
Supplies	13,763	11,322	311	163
Training and travel	17,627	17,927	-	-
Wastewater treatment	-	654,620	-	-
TOTAL OPERATING EXPENSES	<u>928,222</u>	<u>1,109,939</u>	<u>549,961</u>	<u>913,696</u>
OPERATING INCOME (LOSS)	<u>(253,573)</u>	<u>(10,856)</u>	<u>(197,908)</u>	<u>(489,358)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	7,782	11,088	11,785	26,336
Assessment and connection fees	270,579	142,017	117,647	339,529
Disposal of assets	-	7,500	500	3,900
Miscellaneous	66,037	-	-	-
Interest expense	-	(19,537)	(1,580)	(17,283)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>344,398</u>	<u>141,068</u>	<u>128,352</u>	<u>352,482</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	90,825	130,212	(69,556)	(136,876)
CAPITAL CONTRIBUTIONS	-	19,054	-	713,352
TRANSFERS IN	4,217	1,955	5,474	6,187
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	<u>95,042</u>	<u>151,221</u>	<u>(64,082)</u>	<u>582,663</u>
TOTAL NET ASSETS - BEGINNING	3,160,848	6,721,639	11,161,760	17,869,710
PRIOR PERIOD ADJUSTMENTS	-	-	-	-
TOTAL NET ASSETS - BEGINNING, RESTATED	<u>3,160,848</u>	<u>6,721,639</u>	<u>11,161,760</u>	<u>17,869,710</u>
TOTAL NET ASSETS - ENDING	<u>\$ 3,255,890</u>	<u>\$ 6,872,860</u>	<u>\$ 11,097,678</u>	<u>\$ 18,452,373</u>

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Blades Sewer</u>	<u>Henlopen Sewer</u>	<u>Long Neck Sewer</u>	<u>Dagsboro- Frankford Sewer</u>
OPERATING REVENUES				
Charges for services	\$ 154,951	\$ 102,104	\$ 586,870	\$ 291,003
Other operating revenues	1,156	1,415	37,044	3,089
TOTAL OPERATING REVENUES	<u>156,107</u>	<u>103,519</u>	<u>623,914</u>	<u>294,092</u>
OPERATING EXPENSES				
Amortization	-	-	13,990	715
Contract services	9,757	4,565	74,781	66,156
Depreciation	102,432	46,028	688,878	392,697
Employee benefits	47,760	12,607	379,377	109,792
Equipment and tools	280	85	17,766	11,270
Maintenance and repairs	5,259	2,468	30,903	11,470
Miscellaneous	269	102	-	9,292
Process chemicals	-	-	21,445	4,374
Professional services	103	39	1,571	20,530
Salaries	53,333	21,466	540,419	101,845
Shared costs - operating	10,627	4,650	116,189	18,579
Supplies	2,077	628	-	14,570
Training and travel	2,727	1,017	-	5,536
Wastewater treatment	103,797	58,559	-	-
TOTAL OPERATING EXPENSES	<u>338,421</u>	<u>152,214</u>	<u>1,885,319</u>	<u>766,826</u>
OPERATING INCOME (LOSS)	<u>(182,314)</u>	<u>(48,695)</u>	<u>(1,261,405)</u>	<u>(472,734)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	3,562	399	44,031	30,220
Assessment and connection fees	42,069	21,825	1,538,545	215,248
Disposal of assets	4,000	-	583	(20)
Miscellaneous	-	-	8,358	1,345
Interest expense	(2,355)	(5,892)	(544,670)	(53,636)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>47,276</u>	<u>16,332</u>	<u>1,046,847</u>	<u>193,157</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(135,038)</u>	<u>(32,363)</u>	<u>(214,558)</u>	<u>(279,577)</u>
CAPITAL CONTRIBUTIONS	-	-	134,883	-
TRANSFERS IN	1,014	4,102	30,522	98,873
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	<u>(134,024)</u>	<u>(28,261)</u>	<u>(49,153)</u>	<u>(180,704)</u>
TOTAL NET ASSETS - BEGINNING	2,462,594	1,154,614	19,329,667	11,466,578
PRIOR PERIOD ADJUSTMENTS	-	-	-	-
TOTAL NET ASSETS - BEGINNING, RESTATED	<u>2,462,594</u>	<u>1,154,614</u>	<u>19,329,667</u>	<u>11,466,578</u>
TOTAL NET ASSETS - ENDING	<u>\$ 2,328,570</u>	<u>\$ 1,126,353</u>	<u>\$ 19,280,514</u>	<u>\$ 11,285,874</u>

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
NONMAJOR PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2010

	Holts Landing Sewer	Ellendale Sewer	Oak Orchard Sewer	Bayview Estates Sewer
OPERATING REVENUES				
Charges for services	\$ 30,153	\$ 128,638	\$ 108,782	\$ 10,565
Other operating revenues	13,945	1,210	400	325
TOTAL OPERATING REVENUES	44,098	129,848	109,182	10,890
OPERATING EXPENSES				
Amortization	127	483	447	156
Contract services	8,167	10,499	8,721	1,524
Depreciation	345,380	336,904	288,110	94,140
Employee benefits	32,820	34,262	21,916	2,760
Equipment and tools	-	74	-	-
Maintenance and repairs	605	605	-	-
Miscellaneous	-	281	-	-
Process chemicals	-	9,975	-	-
Professional services	173	108	791	-
Salaries	37,698	53,075	44,781	7,850
Shared costs - operating	7,516	10,379	14,042	2,715
Supplies	-	2,085	-	-
Training and travel	-	2,813	-	-
Wastewater treatment	-	61,400	-	-
TOTAL OPERATING EXPENSES	432,486	522,943	378,808	109,145
OPERATING INCOME (LOSS)	(388,388)	(393,095)	(269,626)	(98,255)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	8,940	3,604	5,824	1,562
Assessment and connection fees	340,027	170,027	300,593	142,917
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	-
Interest expense	(42,290)	(100,967)	(151,347)	(29,086)
TOTAL NON-OPERATING REVENUES (EXPENSES)	306,677	72,664	155,070	115,393
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(81,711)	(320,431)	(114,556)	17,138
CAPITAL CONTRIBUTIONS	791,353	-	-	-
TRANSFERS IN	35,437	146,804	6,908	3,465
TRANSFERS OUT	(54,213)	-	-	-
CHANGE IN NET ASSETS	690,866	(173,627)	(107,648)	20,603
TOTAL NET ASSETS - BEGINNING	7,475,512	3,246,011	8,217,160	1,799,574
PRIOR PERIOD ADJUSTMENTS	-	689,777	-	-
TOTAL NET ASSETS - BEGINNING, RESTATED	7,475,512	3,935,788	8,217,160	1,799,574
TOTAL NET ASSETS - ENDING	\$ 8,166,378	\$ 3,762,161	\$ 8,109,512	\$ 1,820,177

(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, 2010

	Sea Country Estates Sewer	Millers Creek Sewer	South Ocean View Sewer	Johnson's Corner Sewer
OPERATING REVENUES				
Charges for services	\$ 2,709	\$ 28,512	\$ 18,231	\$ -
Other operating revenues	-	2,640	200	-
TOTAL OPERATING REVENUES	2,709	31,152	18,431	-
OPERATING EXPENSES				
Amortization	17	212	328	-
Contract services	21	2,389	1,680	-
Depreciation	12,363	212,560	147,821	-
Employee benefits	822	8,586	13,238	-
Equipment and tools	-	-	-	-
Maintenance and repairs	-	718	-	-
Miscellaneous	-	-	-	-
Process chemicals	-	-	-	-
Professional services	-	1,086	157	-
Salaries	6,719	19,173	22,244	-
Shared costs - operating	714	7,206	4,469	-
Supplies	-	2,420	-	-
Training and travel	-	-	-	-
Wastewater treatment	-	-	-	-
TOTAL OPERATING EXPENSES	20,656	254,350	189,937	-
OPERATING INCOME (LOSS)	(17,947)	(223,198)	(171,506)	-
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	707	2,529	1,575	-
Assessment and connection fees	22,363	313,082	192,502	-
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	-
Interest expense	(5,324)	(47,681)	(70,250)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	17,746	267,930	123,827	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(201)	44,732	(47,679)	-
CAPITAL CONTRIBUTIONS	-	69,493	-	264,498
TRANSFERS IN	2,068	19,177	17,733	-
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	1,867	133,402	(29,946)	264,498
TOTAL NET ASSETS - BEGINNING	565,682	3,398,749	1,532,253	800,498
PRIOR PERIOD ADJUSTMENTS	-	(153,590)	-	-
TOTAL NET ASSETS - BEGINNING, RESTATED	565,682	3,245,159	1,532,253	800,498
TOTAL NET ASSETS - ENDING	\$ 567,549	\$ 3,378,561	\$ 1,502,307	\$ 1,064,996

(continued)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	Angola Neck Sewer	Golf Village Sewer	Woodlands of Millsboro Sewer	Treatment Plant - IBRWF
OPERATING REVENUES				
Charges for services	\$ 138,042	\$ -	\$ -	\$ 958,151
Other operating revenues	205	4,300	-	136
TOTAL OPERATING REVENUES	<u>138,247</u>	<u>4,300</u>	<u>-</u>	<u>958,287</u>
OPERATING EXPENSES				
Amortization	-	-	-	661
Contract services	2,662	-	-	164,748
Depreciation	79	21,705	-	435,697
Employee benefits	14,172	-	-	148,925
Equipment and tools	60	-	-	6,500
Maintenance and repairs	506	-	-	16,141
Miscellaneous	72	-	-	4,139
Process chemicals	-	-	-	7,529
Professional services	87	-	-	2,024
Salaries	18,817	-	-	188,958
Shared costs - operating	3,700	-	-	69,150
Supplies	447	-	-	46,124
Training and travel	718	-	-	41,546
Wastewater treatment	101,900	-	-	-
TOTAL OPERATING EXPENSES	<u>143,220</u>	<u>21,705</u>	<u>-</u>	<u>1,132,142</u>
OPERATING INCOME (LOSS)	<u>(4,973)</u>	<u>(17,405)</u>	<u>-</u>	<u>(173,855)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	622	19	-	21,851
Assessment and connection fees	43,781	7,633	-	120,181
Disposal of assets	-	-	-	-
Miscellaneous	-	-	-	169,047
Interest expense	-	-	-	(477,560)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>44,403</u>	<u>7,652</u>	<u>-</u>	<u>(166,481)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	39,430	(9,753)	-	(340,336)
CAPITAL CONTRIBUTIONS	-	276,597	85,462	-
TRANSFERS IN	11,327	3,819	-	138,001
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	<u>50,757</u>	<u>270,663</u>	<u>85,462</u>	<u>(202,335)</u>
TOTAL NET ASSETS - BEGINNING	1,342,928	376,962	-	18,300,565
PRIOR PERIOD ADJUSTMENTS	-	-	-	-
TOTAL NET ASSETS - BEGINNING, RESTATED	<u>1,342,928</u>	<u>376,962</u>	<u>-</u>	<u>18,300,565</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,393,685</u>	<u>\$ 647,625</u>	<u>\$ 85,462</u>	<u>\$ 18,098,230</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	Totals
OPERATING REVENUES	
Charges for services	\$ 5,067,268
Other operating revenues	107,631
	<hr/>
TOTAL OPERATING REVENUES	5,174,899
	<hr/>
OPERATING EXPENSES	
Amortization	17,136
Contract services	853,903
Depreciation	4,163,573
Employee benefits	1,159,814
Equipment and tools	63,970
Maintenance and repairs	162,773
Miscellaneous	17,711
Process chemicals	45,243
Professional services	28,376
Salaries	1,641,364
Shared costs - operating	532,030
Supplies	93,910
Training and travel	89,911
Wastewater treatment	980,276
	<hr/>
TOTAL OPERATING EXPENSES	9,849,990
	<hr/>
OPERATING INCOME (LOSS)	(4,675,091)
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings	182,436
Assessment and connection fees	4,340,565
Disposal of assets	16,463
Miscellaneous	244,787
Interest expense	(1,569,458)
	<hr/>
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,214,793
	<hr/>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,460,298)
	<hr/>
CAPITAL CONTRIBUTIONS	2,354,692
TRANSFERS IN	537,083
TRANSFERS OUT	(54,213)
	<hr/>
CHANGE IN NET ASSETS	1,377,264
	<hr/>
TOTAL NET ASSETS - BEGINNING	120,383,304
	<hr/>
PRIOR PERIOD ADJUSTMENTS	536,187
	<hr/>
TOTAL NET ASSETS - BEGINNING, RESTATED	120,919,491
	<hr/>
TOTAL NET ASSETS - ENDING	\$ 122,296,755
	<hr/> <hr/>

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<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	\$ 669,157	\$ 1,090,909	\$ 349,290	\$ 392,396
Payments to suppliers	(557,476)	(812,038)	(134,786)	(118,199)
Payments to employees	(280,773)	(111,400)	(182,983)	(319,390)
Other receipts (payments)	70,824	1,123	4,575	29,005
	<u>(98,268)</u>	<u>168,594</u>	<u>36,096</u>	<u>(16,188)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	162	155	69	320,047
Advances to other funds	(238,509)	(36,636)	(51,597)	(73,975)
	<u>(238,347)</u>	<u>(36,481)</u>	<u>(51,528)</u>	<u>246,072</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(13,590)	(133,950)	-	(420,914)
Retirement of bonds and related costs	-	(47,683)	(5,306)	(112,491)
Bond proceeds	-	-	-	-
Assessment and connection fees	270,059	149,305	118,217	342,011
Capital contributions	-	-	-	-
Interest paid	-	(18,386)	(963)	(20,405)
Payments for bond issue costs	-	-	-	-
Transfers from other funds for capital activities	4,217	1,955	5,474	6,187
Transfers to other funds for capital activities	-	-	-	-
	<u>260,686</u>	<u>(48,759)</u>	<u>117,422</u>	<u>(205,612)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	9,454	14,053	13,678	30,830
	<u>(66,475)</u>	<u>97,407</u>	<u>115,668</u>	<u>55,102</u>
NET INCREASE (DECREASE) IN CASH				
CASH AND CASH EQUIVALENTS - BEGINNING	1,455,272	2,057,554	2,715,668	5,644,416
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,388,797</u>	<u>\$ 2,154,961</u>	<u>\$ 2,831,336</u>	<u>\$ 5,699,518</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 730,839	\$ 835,171	\$ 1,869,425	\$ 3,019,510
Restricted cash and cash equivalents	657,958	1,319,790	961,911	2,680,008
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,388,797</u>	<u>\$ 2,154,961</u>	<u>\$ 2,831,336</u>	<u>\$ 5,699,518</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<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)	\$ (253,573)	\$ (10,856)	\$ (197,908)	\$ (489,358)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	113,854	198,769	232,106	494,050
Miscellaneous income	66,037	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(1,201)	(5,516)	2,000	(2,836)
Due from other governmental agencies	-	(2,076)	-	-
Inventory	2,226	-	-	-
Net pension asset	(18,330)	(10,564)	(7,260)	(31,679)
Net other postemployment benefit asset	(1,634)	(1,151)	(359)	(3,404)
Deposits	496	541	(188)	(101)
Compensated absences	10,351	5,669	4,511	17,067
Accounts payable	(16,494)	(6,222)	3,194	73
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (98,268)</u>	<u>\$ 168,594</u>	<u>\$ 36,096</u>	<u>\$ (16,188)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed	\$ -	\$ 19,054	\$ -	\$ 713,352

(continued)

**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2010**

	Blades Sewer	Henlopen Sewer	Long Neck Sewer	Dagsboro- Frankford Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 140,920	\$ 102,050	\$ 571,142	\$ 248,718
Payments to suppliers	(127,873)	(72,151)	(313,742)	(162,377)
Payments to employees	(99,095)	(35,762)	(939,032)	(204,852)
Other receipts (payments)	1,156	684	45,402	4,434
	<u>(84,892)</u>	<u>(5,179)</u>	<u>(636,230)</u>	<u>(114,077)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	36	20	240	73
Advances to other funds	(92,820)	(7,840)	(224,324)	(172,205)
	<u>(92,784)</u>	<u>(7,820)</u>	<u>(224,084)</u>	<u>(172,132)</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(54,629)	(8,650)	(228,387)	(27,376)
Retirement of bonds and related costs	(14,442)	(25,984)	(859,614)	(30,695)
Bond proceeds	-	-	-	-
Assessment and connection fees	45,455	21,700	1,547,460	209,416
Capital contributions	-	-	-	-
Interest paid	(2,619)	(4,713)	(503,107)	(53,891)
Payments for bond issue costs	-	-	-	-
Transfers from other funds for capital activities	1,014	4,102	30,522	98,873
Transfers to other funds for capital activities	-	-	-	-
	<u>(25,221)</u>	<u>(13,545)</u>	<u>(13,126)</u>	<u>196,327</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	4,159	484	54,888	35,228
	<u>(198,738)</u>	<u>(26,060)</u>	<u>(818,552)</u>	<u>(54,654)</u>
NET INCREASE (DECREASE) IN CASH				
CASH AND CASH EQUIVALENTS - BEGINNING	<u>874,371</u>	<u>83,341</u>	<u>8,464,795</u>	<u>4,281,635</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 675,633</u>	<u>\$ 57,281</u>	<u>\$ 7,646,243</u>	<u>\$ 4,226,981</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 519,828	\$ 28,584	\$ 2,712,953	\$ 1,519,378
Restricted cash and cash equivalents	155,805	28,697	4,933,290	2,707,603
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 675,633</u>	<u>\$ 57,281</u>	<u>\$ 7,646,243</u>	<u>\$ 4,226,981</u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<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)	\$ (182,314)	\$ (48,695)	\$ (1,261,405)	\$ (472,734)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	102,432	46,028	702,868	393,412
Miscellaneous income	-	-	8,358	1,345
Changes in assets and liabilities:				
Accounts receivable	(14,139)	(90)	(15,059)	(42,297)
Due from other governmental agencies	-	(731)	-	-
Inventory	-	-	-	-
Net pension asset	1,442	(3,042)	(42,754)	7,072
Net other postemployment benefit asset	642	(310)	(2,496)	1,902
Deposits	108	36	(669)	12
Compensated absences	(86)	1,663	26,014	(2,189)
Accounts payable	7,023	(38)	(51,087)	(600)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (84,892)</u>	<u>\$ (5,179)</u>	<u>\$ (636,230)</u>	<u>\$ (114,077)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed	\$ -	\$ -	\$ 134,883	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	Holts Landing Sewer	Ellendale Sewer	Oak Orchard Sewer	Bayview Estates Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 30,774	\$ 93,874	\$ 103,544	\$ 10,223
Payments to suppliers	(16,604)	(94,767)	(23,554)	(4,304)
Payments to employees	(72,765)	(89,987)	(73,719)	(12,373)
Other receipts (payments)	13,945	1,210	400	325
	<u>(44,650)</u>	<u>(89,670)</u>	<u>6,671</u>	<u>(6,129)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	23	3,579	1,841,064	2
Advances to other funds	(14,355)	(28,858)	(24,286)	(1,682)
	<u>(14,332)</u>	<u>(25,279)</u>	<u>1,816,778</u>	<u>(1,680)</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(6,137)	(1,991,402)	-
Retirement of bonds and related costs	(178,202)	(132,992)	(157,162)	(106,061)
Bond proceeds	-	-	-	-
Assessment and connection fees	338,560	166,683	295,816	144,048
Capital contributions	-	-	-	-
Interest paid	(42,290)	(100,973)	(151,447)	(29,151)
Payments for bond issue costs	-	-	(4,481)	-
Transfers from other funds for capital activities	35,437	146,804	6,908	3,465
Transfers to other funds for capital activities	(54,213)	-	-	-
	<u>99,292</u>	<u>73,385</u>	<u>(2,001,768)</u>	<u>12,301</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	10,857	4,328	6,422	1,661
	<u>10,857</u>	<u>4,328</u>	<u>6,422</u>	<u>1,661</u>
NET INCREASE (DECREASE) IN CASH				
	51,167	(37,236)	(171,897)	6,153
CASH AND CASH EQUIVALENTS - BEGINNING				
	1,764,536	755,699	1,850,626	560,957
CASH AND CASH EQUIVALENTS - ENDING				
	<u>\$ 1,815,703</u>	<u>\$ 718,463</u>	<u>\$ 1,678,729</u>	<u>\$ 567,110</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 1,477,578	\$ 370,778	\$ 707,572	\$ 251,629
Restricted cash and cash equivalents	338,125	347,685	971,157	315,481
	<u>\$ 1,815,703</u>	<u>\$ 718,463</u>	<u>\$ 1,678,729</u>	<u>\$ 567,110</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, 2010

	<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)	\$ (388,388)	\$ (393,095)	\$ (269,626)	\$ (98,255)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	345,507	337,387	288,557	94,296
Miscellaneous income	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	626	(34,556)	(4,974)	(346)
Due from other governmental agencies	-	-	-	-
Inventory	-	-	-	-
Net pension asset	(4,298)	(5,303)	(11,433)	(2,778)
Net other postemployment benefit asset	(380)	(418)	(1,444)	(374)
Deposits	(5)	(208)	(264)	4
Compensated absences	2,431	3,071	5,855	1,389
Accounts payable	(143)	3,452	-	(65)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (44,650)</u>	<u>\$ (89,670)</u>	<u>\$ 6,671</u>	<u>\$ (6,129)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed	\$ 791,353	\$ -	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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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	\$ 2,863	\$ 27,570	\$ 15,044	\$ -
Payments to suppliers	(735)	(11,579)	(6,560)	-
Payments to employees	(9,381)	(30,249)	(36,606)	-
Other receipts (payments)	-	331,569	200	-
	<u>(7,253)</u>	<u>317,311</u>	<u>(27,922)</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	1	6	4	688,923
Advances to other funds	(790)	(334,186)	(9,954)	(6,579)
	<u>(789)</u>	<u>(334,180)</u>	<u>(9,950)</u>	<u>682,344</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(78,538)	-	(3,973,981)
Retirement of bonds and related costs	(19,412)	(152,455)	(128,716)	-
Bond proceeds	-	-	-	2,744,893
Assessment and connection fees	22,364	305,827	188,733	-
Capital contributions	-	69,493	-	264,498
Interest paid	(5,336)	(47,800)	(70,564)	-
Payments for bond issue costs	-	-	-	(10,297)
Transfers from other funds for capital activities	2,068	19,177	17,733	-
Transfers to other funds for capital activities	-	-	-	-
	<u>(316)</u>	<u>115,704</u>	<u>7,186</u>	<u>(974,887)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	711	2,745	1,781	-
	<u>711</u>	<u>2,745</u>	<u>1,781</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH				
	(7,647)	101,580	(28,905)	(292,543)
CASH AND CASH EQUIVALENTS - BEGINNING				
	356,708	694,808	316,430	318,077
CASH AND CASH EQUIVALENTS - ENDING				
	<u>\$ 349,061</u>	<u>\$ 796,388</u>	<u>\$ 287,525</u>	<u>\$ 25,534</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 80,521	\$ 771,921	\$ 275,874	\$ -
Restricted cash and cash equivalents	268,540	24,467	11,651	25,534
	<u>\$ 349,061</u>	<u>\$ 796,388</u>	<u>\$ 287,525</u>	<u>\$ 25,534</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, 2010

	<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)	\$ (17,947)	\$ (223,198)	\$ (171,506)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	12,380	212,772	148,149	-
Miscellaneous income	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	154	(958)	(3,020)	-
Due from other governmental agencies	-	328,929	-	-
Inventory	-	-	-	-
Net pension asset	(2,857)	(4,143)	(2,240)	-
Net other postemployment benefit asset	(396)	(500)	(178)	-
Deposits	-	16	(167)	-
Compensated absences	1,413	2,153	1,294	-
Accounts payable	-	2,240	(254)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (7,253)</u>	<u>\$ 317,311</u>	<u>\$ (27,922)</u>	<u>\$ -</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed	\$ -	\$ -	\$ -	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	Angola Neck Sewer	Golf Village Sewer	Woodlands of Millsboro Sewer	Treatment Plant - IBRWF
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 132,681	\$ -	\$ -	\$ 948,166
Payments to suppliers	(105,170)	(510)	-	(355,770)
Payments to employees	(32,582)	-	-	(338,913)
Other receipts (payments)	205	142,845	-	169,183
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	(4,866)	142,335	-	422,666
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	2,127,191	171,589	251,580	4,631
Advances to other funds	(21,266)	(5,016)	(22,570)	(136,026)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	2,105,925	166,573	229,010	(131,395)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(2,789,253)	(760,736)	(211,988)	(1,106,269)
Retirement of bonds and related costs	-	-	-	(634,215)
Bond proceeds	344,411	-	-	-
Assessment and connection fees	41,404	5,808	-	120,181
Capital contributions	-	276,597	-	-
Interest paid	-	-	-	(479,499)
Payments for bond issue costs	(6,551)	-	(5,093)	(5,497)
Transfers from other funds for capital activities	11,327	3,819	-	138,001
Transfers to other funds for capital activities	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(2,398,662)	(474,512)	(217,081)	(1,967,298)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	661	16	-	28,626
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCREASE (DECREASE) IN CASH	(296,942)	(165,588)	11,929	(1,647,401)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS - BEGINNING	434,148	204,184	-	5,319,420
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS - ENDING	\$ 137,206	\$ 38,596	\$ 11,929	\$ 3,672,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET				
Cash and cash equivalents	\$ 94,441	\$ 13,942	\$ -	\$ 1,124,164
Restricted cash and cash equivalents	42,765	24,654	11,929	2,547,855
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL CASH AND CASH EQUIVALENTS	\$ 137,206	\$ 38,596	\$ 11,929	\$ 3,672,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Angola Neck Sewer</u>	<u>Golf Village Sewer</u>	<u>Woodlands of Millsboro Sewer</u>	<u>Treatment Plant - IBRWF</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (4,973)	\$ (17,405)	\$ -	\$ (173,855)
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation and amortization	79	21,705	-	436,358
Miscellaneous income	-	-	-	169,047
Changes in assets and liabilities:				
Accounts receivable	(4,541)	-	-	(12,619)
Due from other governmental agencies	-	138,545	-	-
Inventory	-	-	-	-
Net pension asset	78	-	-	(6,670)
Net other postemployment benefit asset	158	-	-	426
Deposits	(820)	-	-	2,634
Compensated absences	171	-	-	5,214
Accounts payable	4,982	(510)	-	2,131
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (4,866)</u>	<u>\$ 142,335</u>	<u>\$ -</u>	<u>\$ 422,666</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital assets contributed	\$ -	\$ -	\$ 85,462	\$ -

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	Totals
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 4,929,321
Payments to suppliers	(2,918,195)
Payments to employees	(2,869,862)
Other receipts (payments)	817,085
	<hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES	(41,651)
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances from other funds	5,409,395
Advances to other funds	(1,503,474)
	<hr/>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	3,905,921
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(11,805,800)
Retirement of bonds and related costs	(2,605,430)
Bond proceeds	3,089,304
Assessment and connection fees	4,333,047
Capital contributions	610,588
Interest paid	(1,531,144)
Payments for bond issue costs	(31,919)
Transfers from other funds for capital activities	537,083
Transfers to other funds for capital activities	(54,213)
	<hr/>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(7,458,484)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	220,582
	<hr/>
NET INCREASE (DECREASE) IN CASH	(3,373,632)
	<hr/>
CASH AND CASH EQUIVALENTS - BEGINNING	38,152,645
	<hr/>
CASH AND CASH EQUIVALENTS - ENDING	\$ 34,779,013
	<hr/> <hr/>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET	
Cash and cash equivalents	\$ 16,404,108
Restricted cash and cash equivalents	18,374,905
	<hr/>
TOTAL CASH AND CASH EQUIVALENTS	\$ 34,779,013
	<hr/> <hr/>

(continued)

SUSSEX COUNTY, DELAWARE
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

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	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (4,675,091)
Adjustments to reconcile operating income (loss) to net cash provided:	
Depreciation and amortization	4,180,709
Miscellaneous income	244,787
Changes in assets and liabilities:	
Accounts receivable	(139,372)
Due from other governmental agencies	464,667
Inventory	2,226
Net pension asset	(144,759)
Net other postemployment benefit asset	(9,916)
Deposits	1,425
Compensated absences	85,991
Accounts payable	(52,318)
	<u> </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (41,651)</u></u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Capital assets contributed	\$ 1,744,104



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>	102 - 106
<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>	107 - 110
<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>	111 - 114
<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>	115 - 116
<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>	117 - 119
<p>Bond 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>	120 - 180

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 EIGHT FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009 as restated	2010
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	\$ 65,292,609
Restricted	15,914,734	26,751,718	47,805,783	65,642,834	72,996,872	69,968,855	57,250,045	60,450,610
Unrestricted	34,836,034	45,108,733	39,791,889	37,870,448	35,105,979	35,242,364	44,548,346	41,246,130
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>	<u>\$166,989,349</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	\$176,649,726
Restricted	34,600,947	35,967,259	45,585,060	60,903,962	81,095,890	78,027,750	73,884,414	68,805,127
Unrestricted	2,670,928	8,115,999	18,923,370	22,596,611	(5,622,038)	5,367,852	13,801,100	19,829,075
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>\$259,715,384</u>	<u>\$265,283,928</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	\$241,942,335
Restricted	50,515,681	62,718,977	93,390,843	126,546,796	154,092,762	147,996,605	131,134,459	129,255,737
Unrestricted	37,506,962	53,224,732	58,715,259	60,467,059	29,483,941	40,610,216	58,349,446	61,075,205
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>\$425,192,799</u>	<u>\$432,273,277</u>

- Notes:**
1. 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.
 2. The business-type activities unrestricted fund balance for fiscal year ending 2009 decreased by \$ 1,143,604 due to a prior period adjustment (see Note R).

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009 as restated	2010
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	\$ 9,640,728
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	6,625,144
Planning and zoning	917,317	1,012,053	1,045,230	1,208,841	1,430,741	1,512,879	1,289,323	1,246,923
Paramedic program	5,914,818	6,840,784	8,467,637	9,963,348	11,626,354	12,802,503	12,079,831	12,524,387
Emergency preparedness	1,726,567	1,889,708	1,984,888	2,263,691	2,213,396	2,764,937	2,661,089	2,844,581
Economic development and public works	798,783	960,439	1,130,050	1,229,101	1,814,525	1,552,349	1,511,687	1,878,717
County engineer	1,418,560	1,079,543	2,025,846	3,332,568	2,994,201	2,713,328	2,407,043	1,850,683
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	3,888,755
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	3,308,765
Constitutional offices	1,728,453	1,985,946	2,268,066	2,372,219	2,486,465	2,630,085	2,449,069	2,315,381
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>	<u>46,124,064</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	28,355,108
Water facilities	771,541	747,923	770,503	812,592	852,902	856,120	962,162	928,222
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>	<u>29,283,330</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>	<u>\$ 75,407,394</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	\$ 1,295,912
Planning and zoning	1,761,250	2,024,755	2,343,693	2,782,428	2,079,324	1,599,688	1,098,577	1,130,043
Emergency preparedness	25,652	29,543	26,545	27,485	24,145	17,065	17,655	16,230
Economic development and public works	253,307	223,293	244,526	590,635	558,097	550,558	541,885	530,310
County engineer	709,021	1,535,980	2,080,536	2,681,308	1,206,998	599,865	3,223,485	324,623
Engineering - solid waste	4,828	13,465	-	-	-	-	-	-
Library	15,214	33,664	20,249	25,320	26,422	25,911	26,716	19,585
Constitutional offices	6,517,134	7,049,799	6,684,859	6,852,532	6,171,154	6,356,764	6,940,930	7,039,506
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	8,494,730
Capital grants and contributions	601,631	318,157	3,001,477	1,166,791	1,494,572	4,475,526	4,727,502	1,499,146
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>	<u>20,350,085</u>

(continued)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009 as restated	2010
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	\$ 14,530,668
Water facilities	568,271	583,897	583,889	591,991	635,186	695,038	689,335	740,686
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	14,449,833
Capital grants and contributions	7,015,899	15,113,921	15,586,276	17,112,386	17,606,829	12,252,630	5,226,686	4,287,188
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>36,301,340</u>	<u>34,008,375</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>\$ 61,711,890</u>	<u>\$ 54,358,460</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)	\$ (25,773,979)
Business-type activities	11,540,479	22,855,415	24,951,377	30,313,715	26,704,274	20,998,451	8,259,931	4,725,045
Total primary government net (expense)/revenue	<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>\$ (11,830,016)</u>	<u>\$ (21,048,934)</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	\$ 13,040,252
Capitation taxes	221,690	237,282	224,294	241,699	240,030	247,041	252,741	253,785
Fire service taxes	1,285,885	1,510,691	1,785,613	2,093,729	1,535,864	1,106,321	758,837	791,472
Realty transfer taxes	17,917,521	27,399,572	36,329,843	35,269,800	27,058,083	20,636,949	13,621,270	13,141,813
Unrestricted investment earnings	890,505	892,938	1,747,718	4,216,741	5,829,443	4,379,147	2,157,202	824,259
Transfers	(2,153,000)	(2,925,040)	(9,530,548)	(6,297,450)	(2,790,587)	(2,543,355)	(1,390,702)	(765,668)
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>	<u>27,285,913</u>
Business-type activities:								
Unrestricted investment earnings	190,215	198,309	289,985	802,160	716,108	629,534	234,467	77,831
Transfers	2,153,000	2,925,040	9,530,548	6,297,450	2,790,587	2,543,355	1,390,702	765,668
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>	<u>843,499</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>	<u>\$ 28,129,412</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	\$ 1,511,934
Business-type activities	13,883,694	25,978,764	34,771,910	37,413,325	30,210,969	24,171,340	9,885,100	5,568,544
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>\$ 17,957,783</u>	<u>\$ 7,080,478</u>

Notes:

1. 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.
2. Airport expenses and charges for services for years 2003 through 2009 are included in economic development and public works line, due to this department being combined with the industrial park in fiscal year ending June 30, 2010.
3. The business-type activities capital grants and contributions for fiscal year ending 2009 decreased by \$ 1,143,604 due to a prior period adjustment (see Note R).

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 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	\$ 61,988,419
Unreserved										
Designated	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	2,413,855
Undesignated	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	9,420,145
Total general fund	<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>	<u>\$ 73,822,419</u>
All Other Governmental Funds										
Reserved	\$ 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	\$ 17,815,212
Unreserved - Capital Projects										
Designated	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)	(265,565)
Total all other governmental funds	<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>	<u>\$ 17,549,647</u>

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 19,060,041	\$ 21,767,582	\$ 28,528,761	\$ 38,720,829	\$ 46,489,369	\$ 48,235,257	\$ 40,296,411	\$ 34,242,130	\$ 27,291,166	\$ 27,147,412
Intergovernmental	4,781,102	6,576,810	6,466,985	6,241,501	7,572,581	6,906,650	8,341,011	9,715,239	11,177,316	8,933,970
Charges for services	8,140,748	10,495,441	11,847,057	13,556,533	14,309,619	16,295,120	12,310,437	10,719,989	10,325,117	10,386,570
Fines and forfeits	16,946	20,699	15,826	19,103	22,197	29,195	25,607	24,593	23,971	20,225
Miscellaneous	2,388,416	1,386,988	1,219,214	1,219,234	2,634,424	5,300,742	6,847,662	5,800,939	3,638,590	1,548,279
Total revenues	34,387,253	40,247,520	48,077,843	59,757,200	71,028,190	76,766,964	67,821,128	60,502,890	52,456,160	48,036,456
Expenditures										
General government	7,227,880	8,592,202	9,454,480	10,071,924	11,162,849	13,653,314	13,944,902	14,587,416	12,109,120	10,356,155
Grant-in-aid programs	3,459,386	3,519,133	4,120,039	6,892,065	7,293,058	10,255,326	9,414,248	9,282,188	8,284,600	6,625,144
Planning and zoning	784,695	795,443	956,181	991,821	1,034,333	1,194,608	1,460,495	1,524,715	1,279,394	1,233,292
Paramedic program	5,145,550	5,656,071	6,153,005	6,884,569	8,603,643	10,196,835	11,961,544	13,213,202	12,520,985	12,272,121
Emergency preparedness	1,775,182	1,606,029	1,472,323	1,728,428	1,758,753	2,053,559	2,188,091	2,585,285	2,305,965	2,467,390
Economic development and public works	1,066,488	1,947,043	726,229	643,762	768,054	925,222	986,140	922,685	913,528	908,510
County engineer	936,446	1,275,187	1,396,688	1,074,001	2,237,346	3,010,396	2,952,789	2,704,747	2,391,805	1,874,153
Engineering - solid waste	127,919	148,394	118,812	103,837	-	-	-	-	-	-
Library	2,168,159	2,473,512	2,750,499	2,725,758	3,102,598	3,267,209	3,681,719	3,871,076	3,709,309	3,725,242
Community development and housing programs	1,249,571	1,628,246	1,563,005	1,488,969	1,831,004	2,563,573	1,965,771	1,501,809	1,509,447	3,308,909
Constitutional offices	1,475,404	1,561,081	1,730,535	1,994,038	2,307,731	2,387,371	2,500,483	2,685,563	2,442,663	2,315,419
Capital projects	172,208	763,553	409,419	1,982,196	5,948,148	7,040,918	10,126,509	9,535,878	12,477,328	3,788,128
Interest and amortization	202,478	-	-	-	-	-	-	-	-	-
Long-term debt - retirement	3,494,353	-	-	-	-	-	-	-	-	-
Total expenditures	29,285,719	29,965,894	30,851,215	36,581,368	46,047,517	56,548,331	61,182,691	62,414,564	59,944,144	48,874,463
Excess of revenues over (under) expenditures	5,101,534	10,281,626	17,226,628	23,175,832	24,980,673	20,218,633	6,638,437	(1,911,674)	(7,487,984)	(838,007)
Other Financing Sources (Uses)										
Reimbursements from funds for services	601,103	532,610	-	-	-	-	-	-	-	-
Issuance of debt	-	-	280,606	43,550	94,054	44,339	110,546	68,947	5,442	-
Transfers in	1,977,936	2,886,638	2,661,873	10,527,512	7,338,247	8,921,148	13,914,628	4,301,295	166,082	54,213
Transfers out	(4,692,481)	(4,193,683)	(4,814,873)	(13,452,552)	(16,868,795)	(15,218,598)	(16,705,215)	(6,844,650)	(1,556,784)	(819,881)
Total other financing sources (uses)	(2,113,442)	(774,435)	(1,872,394)	(2,881,490)	(9,436,494)	(6,253,111)	(2,680,041)	(2,474,408)	(1,385,260)	(765,668)
Residual equity transfers	(747,315)	(726,000)	-	-	-	-	-	-	-	-
Prior period adjustment	156,105	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 2,396,882	\$ 8,781,191	\$ 15,354,234	\$ 20,294,342	\$ 15,544,179	\$ 13,965,522	\$ 3,958,396	\$ (4,386,082)	\$ (8,873,244)	\$ (1,603,675)
Debt service as a percentage of noncapital expenditures	12.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Airport expenses and charges for services for years 2003 through 2009 are included in economic development and public works line, due to this department being combined with the industrial park in fiscal year ending June 30, 2010.

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
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%
2010	2,250,982,140	433,413,708	117,458,414	113,085,347	216,129,487	238,465,723	2,892,603,373	0.445	34,791,957,818	8.3%

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Direct										
County Tax	\$ 0.3697	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.4017	\$ 0.3983	\$ 0.3983	\$ 0.3983	\$ 0.3983
County Bond	0.0320	-	-	-	-	-	-	-	-	-
Library	0.0433	0.0433	0.0433	0.0433	0.0433	0.0433	0.0467	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	1.9810	2.0990	2.0990	2.1610	2.2360	2.9980	2.9980	2.8770	2.6660	2.5670
Delmar	3.2500	3.2300	3.2200	3.2100	3.2000	3.2000	3.1500	3.1500	3.1400	3.1200
Indian River (3)	1.9970	2.0290	1.9460	2.2130	2.2400	2.4470	2.5450	2.4750	2.5550	2.5700
Laurel	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.3900	2.4900	2.4900
Milford	2.6690	2.7490	2.6210	2.7930	3.2897	3.3978	3.5468	3.5803	3.5101	3.6986
Seaford	2.3900	2.4700	2.4800	2.5800	2.5800	3.2300	3.2300	3.2300	3.2300	3.2900
Woodbridge	2.4000	2.9130	2.9030	2.9990	2.9990	3.3280	3.2950	3.2950	3.2850	3.2810
Vo-Tech	0.2277	0.2277	0.2293	0.2293	0.2293	0.2269	0.2363	0.2480	0.2676	0.2666
Town Rates (2)										
Bethany Beach	1.1000	1.1000	0.0800	0.0800	0.0800	0.0800	0.1600	0.1600	0.1650	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	1.4000	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	1.7300	1.7300	1.7300	1.7300	2.0000
Dagsboro	*	*	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Delmar	1.1000	1.1000	1.1000	1.3100	1.3100	1.3100	1.3100	1.3100	0.4000	0.5000
Dewey Beach	*	*	0.4000	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	1.6000	1.6000	1.9200	1.9200	1.9200	1.9200	1.9200
Frankford	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.9500	2.0500	2.2000	2.5000
Georgetown	1.6500	2.1500	2.1500	2.1500	2.4500	2.5300	2.5300	2.5300	2.5300	2.9300
Greenwood	*	*	0.6000	0.6000	1.0000	1.2000	1.4000	1.7000	1.7000	1.8000
Henlopen Acres	1.4500	1.4500	1.4500	1.4500	1.8800	1.8800	1.8800	1.8800	2.1700	2.1700
Laurel	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	1.9100	2.0800
Lewes	0.2600	0.2600	0.2600	0.2600	0.3900	0.3900	0.3900	0.3900	0.4900	0.4900
Milford	0.3100	0.3100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4600	0.4600	0.4600
Millsboro	0.4600	0.4600	0.4600	0.4600	0.4600	0.5100	0.5100	0.5100	0.5100	0.5600
Millville	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.5000	0.5000	0.5000
Milton	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.1800
Ocean View	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.0981	0.0981	0.1059	0.1144
Rehoboth Beach	1.4000	1.4000	1.4000	1.4000	1.4000	1.5500	1.5500	1.5500	1.5500	1.5500
Seaford	0.4500	0.4800	0.4800	0.5200	0.5200	0.5700	0.5700	0.2650	0.2800	0.2900
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	0.7500
South Bethany	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	1.3000	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 \$ 1.950, \$ 2.087, \$ 2.115, \$ 2.027, and \$ 2.289 for non-residential properties in fiscal years 2001 through 2005 respectively.

Sources: 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 SEVEN YEARS AGO**

Taxpayer	Fiscal Year 2010			Fiscal Year 2003		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Verizon	\$ 50,632,575	1	1.75%	\$ 35,639,325	1	1.79%
Delmarva Power & Light Co. (2)	22,759,878	2	0.79	19,734,824	2	0.99
Indian River Power LLC	12,786,471	3	0.44	12,737,071	3	0.64
Eastern Shore Natural Gas Co.	11,648,070	4	0.40	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	6,705,339	6	0.23	3,230,324	8	0.16
Delaware Electric Cooperative, Inc.	5,009,816	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	3,917,650	9	0.14	-	-	-
Millsboro Town Center LLC	3,679,250	10	0.13	-	-	-
M & T Bank	-	-	-	3,135,800	10	0.16
Carl M. Freeman Associates Inc.	-	-	-	3,327,600	7	0.17
	<u>\$ 130,754,649</u>		<u>4.52%</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
2001	\$ 8,351,274	\$ 109,727	\$ 8,461,001	\$ 8,156,366	96.4%	\$ 284,349	\$ 8,440,715	99.8%
2002	8,740,663	102,636	8,843,299	8,527,586	96.4	290,018	8,817,604	99.7
2003	9,113,367	106,521	9,219,888	8,904,011	96.6	283,567	9,187,578	99.7
2004	9,578,379	140,252	9,718,631	9,393,462	96.7	285,879	9,679,341	99.6
2005	8,161,305	120,699	8,282,004	8,014,809	96.8	220,886	8,235,695	99.4
2006	10,686,666	175,555	10,862,221	10,584,949	97.4	219,289	10,804,238	99.5
2007	11,468,314	217,171	11,685,485	11,403,418	97.6	205,694	11,609,112	99.4
2008	12,329,504	140,690	12,470,194	12,206,827	97.9	156,543	12,363,370	99.1
2009	12,827,188	85,976	12,913,164	12,580,435	97.4	157,155	12,737,590	98.6
2010	13,134,779	56,957	13,191,736	12,842,730	97.4	-	12,842,730	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				
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
2010	17,987	145,652,932	20,914,202		166,585,121	*	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 GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2010

<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	\$ 35,766,412	100%	\$ 35,766,412
Delmar	2,482,755	100%	2,482,755
Indian River	38,798,857	100%	38,798,857
Laurel	193,853	100%	193,853
Milford	17,543,895	59%	10,350,898
Seaford	5,108,890	100%	5,108,890
Sussex Tech	5,012,616	100%	5,012,616
Woodbridge	3,778,523	99%	3,740,738
Total School Districts			<u>101,455,019</u>
Municipalities:			
Bethany Beach	679,032	100%	679,032
Frankford	83,618	100%	83,618
Milford	267,312	70%	187,118
Rehoboth Beach	4,700,000	100%	4,700,000
Seaford	177,594	100%	177,594
Total Municipalities			<u>5,827,362</u>
Subtotal, overlapping debt			107,282,381
County direct debt			<u>17,987</u>
Total direct and overlapping debt			<u>\$ 107,300,368</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

Legal debt margin calculation for fiscal year 2010										
	Assessed value									
	\$ 2,934,281,836									
	Debt limit (12% of assessed value)									
	352,113,820									
	Total net debt applicable to limit									
	<u>145,652,932</u>									
	Legal debt margin									
	<u>\$ 206,460,888</u>									
Fiscal Year										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General obligation bonds	\$ 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	\$ 145,652,932
Percentage of estimated actual property value	0.68%	0.63%	0.51%	0.46%	0.38%	0.37%	0.34%	0.35%	0.36%	0.42%
Per capita	\$ 605	\$ 618	\$ 596	\$ 698	\$ 689	\$ 741	\$ 734	\$ 731	\$ 728	\$ 740
Total net debt applicable to debt limit	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	145,652,932
Legal debt limit	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	352,113,820
Legal debt margin	<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>	<u>\$ 206,460,888</u>
Total net debt applicable to the limit as a percentage of debt limit	41.93%	42.04%	39.59%	45.02%	42.81%	43.94%	44.65%	40.56%	40.23%	41.37%

Notes:

1. The statutory limitation for debt is 12% of the assessed value of taxable property as of June 30, 2010.
2. The personal income and population data information is presented on the demographic and economic statistics schedule.

Source: Sussex County Assessment Division.

**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	
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
2010	9,406,784	3,068,983	6,337,801	1,561,781	752,067	2.74

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)
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	6,425,940	33,881	41.9	25,104	4.1%
2009	192,019	*	*	*	25,307	7.8%
2010	196,945	*	*	*	25,704	7.9%

Note: Total personal income is in thousands of dollars.

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

* Figures not available

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

<u>Type of Employer</u>	<u>2010</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	11,466	1	18.1%	11,790	1	19.3%
Retail trade	10,412	2	16.4	10,681	2	17.4
Health care and social assistance	8,931	3	14.1	6,628	4	10.8
Government	7,874	4	12.4	6,032	5	9.9
Accommodation and food services	7,021	5	11.1	7,363	3	12.0
Construction	3,508	6	5.5	4,564	6	7.5
Finance and insurance	2,189	7	3.5	2,391	7	2.4
Administrative and waste services	2,114	8	3.3	2,354	8	3.8
Other services, except public administration	2,041	9	3.2	1,792	9	3.9
Real estate and rental and leasing	-	-	-	1,471	10	2.9
Professional and technical services	1,509	10	2.4	-	-	-
	<u>57,065</u>		<u>90.0%</u>	<u>55,066</u>		<u>89.9%</u>

Notes:

1. Data reported is for March of the respective year.
2. Top employer information is deemed confidential pursuant to 20 Code of Federal Regulations Part 603.
3. Information prior to 2002 is not available using the NAICS code system that is used today to collect industry data.

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

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
General administration	8	8	8	8	8	10	11	11	11	11
Finance	74	70	80	85	86	89	90	86	81	72
Personnel	4	5	5	5	5	6	6	6	6	6
Buildings and grounds	25	25	26	27	28	25	33	26	21	17
Data processing	6	5	10	13	13	13	12	14	12	14
County constable	4	3	3	4	4	4	3	4	4	5
Planning and zoning	14	14	14	14	14	15	16	15	14	13
Paramedic program	70	76	79	90	94	108	110	109	112	106
Emergency preparedness	25	27	27	28	27	29	28	28	27	28
Economic development and public works	11	10	10	11	15	14	13	12	12	12
County engineer	92	105	112	115	120	132	132	139	141	138
Library	25	27	28	35	32	30	41	33	31	27
Community development and housing programs	6	6	6	6	6	6	7	6	6	6
Constitutional offices	35	35	33	36	33	33	37	36	34	35
Total	399	416	441	477	485	514	539	525	512	490

Note: Airport employees for years 2003 through 2009 are included in economic development and public works line, due to this department being combined with the industrial park in fiscal year ending June 30, 2010.

Source: Sussex County Accounting Department.

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

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Planning and Zoning										
Permits issued	8,459	9,388	9,741	10,811	11,075	11,299	9,896	8,436	6,553	6,302
Public Safety										
Paramedic incidents dispatched	11,207	12,236	10,421	11,018	11,612	11,955	12,701	13,759	13,500	13,697
911 calls	78,594	78,594	91,511	89,446	85,243	94,858	99,659	104,623	97,230	103,107
Sewer and Water Services										
Sewer customers, EDU's billed	36,640	40,786	41,431	44,240	47,524	50,809	53,439	56,200	57,673	59,154
Water customers, EDU's billed	3,504	3,523	3,530	3,548	3,530	3,543	3,553	3,574	3,600	3,611
Libraries										
Circulation	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	1,234,407
Industrial Park										
Number of businesses	12	19	18	18	20	20	20	18	18	18
Number of jobs provided by business	665	715	650	681	752	860	944	1,048	989	842
Number of airport landings (1) (2)	*	16,811	15,106	16,306	18,625	17,508	19,259	20,222	20,000	20,000

Notes:

1. The number of landings provided is unavailable prior to fiscal year 2002.
2. The number of landings is an estimate provided by Sussex County's Airport FBO.

Source: Individual Sussex County Departments.

* Figures not available

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

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Paramedic stations	6	6	7	7	7	7	8	8	9	9
Volunteer fire and ambulance companies	24	24	24	24	24	24	24	24	24	24
Additional state police officers funded by County	12	16	16	20	24	28	32	36	40	40
Sewer and Water Services										
Miles of underground sanitary sewer pipe	481	506	517	554	595	655	682	747	770	778
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	237	252	261	256	357	370	384	397	418	496
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	7,330	7,330	7,330	7,330	7,330	8,109
Number of hangars	17	20	20	20	24	27	28	30	30	30
Number of runways	2	2	2	2	2	2	2	2	2	2

Source: Individual Sussex County Departments.

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1994
 (PRINCIPAL AND INTEREST PAYMENTS ONLY)
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 20, 2010	4.50 %	\$ 45,793	\$ 93,294
December 20, 2010	4.50	47,320	91,767
March 20, 2011	4.50	48,854	90,233
June 20, 2011	4.50	47,403	91,684
September 20, 2011	4.50	47,941	91,146
December 20, 2011	4.50	49,469	89,618
March 20, 2012	4.50	51,003	88,084
June 20, 2012	4.50	49,624	89,463
September 20, 2012	4.50	50,187	88,900
December 20, 2012	4.50	51,716	87,371
March 20, 2013	4.50	53,250	85,837
June 20, 2013	4.50	51,947	87,140
September 20, 2013	4.50	52,536	86,551
December 20, 2013	4.50	54,066	85,021
March 20, 2014	4.50	55,600	83,487
June 20, 2014	4.50	54,376	84,711
September 20, 2014	4.50	54,992	84,095
December 20, 2014	4.50	56,523	82,564
March 20, 2015	4.50	58,058	81,029
June 20, 2015	4.50	56,916	82,171
September 20, 2015	4.50	57,562	81,525
December 20, 2015	4.50	59,093	79,994
March 20, 2016	4.50	60,628	78,459
June 20, 2016	4.50	59,572	79,515
September 20, 2016	4.50	60,248	78,839
December 20, 2016	4.50	61,780	77,307
March 20, 2017	4.50	63,316	75,771
June 20, 2017	4.50	62,350	76,737
September 20, 2017	4.50	63,057	76,030
December 20, 2017	4.50	64,591	74,496
March 20, 2018	4.50	66,127	72,960
June 20, 2018	4.50	65,255	73,832
September 20, 2018	4.50	65,996	73,091
December 20, 2018	4.50	67,530	71,557
March 20, 2019	4.50	69,066	70,021
June 20, 2019	4.50	68,293	70,794
September 20, 2019	4.50	69,068	70,019
December 20, 2019	4.50	70,604	68,483
March 20, 2020	4.50	72,140	66,947
June 20, 2020	4.50	71,470	67,617
September 20, 2020	4.50	72,281	66,806
December 20, 2020	4.50	73,818	65,269
March 20, 2021	4.50	75,354	63,733
June 20, 2021	4.50	74,793	64,294
September 20, 2021	4.50	75,641	63,446
December 20, 2021	4.50	77,180	61,907
March 20, 2022	4.50	78,716	60,371
June 20, 2022	4.50	78,267	60,820
September 20, 2022	4.50	79,155	59,932
December 20, 2022	4.50	80,694	58,393
March 20, 2023	4.50	82,232	56,855
June 20, 2023	4.50	81,901	57,186
September 20, 2023	4.50	82,830	56,257

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1994
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

Date of Maturity	Coupon	Principal Maturity	Interest Payable
December 20, 2023	4.50 %	\$ 84,370	\$ 54,717
March 20, 2024	4.50	85,908	53,179
June 20, 2024	4.50	85,701	53,386
September 20, 2024	4.50	86,673	52,414
December 20, 2024	4.50	88,215	50,872
March 20, 2025	4.50	89,753	49,334
June 20, 2025	4.50	89,674	49,413
September 20, 2025	4.50	90,692	48,395
December 20, 2025	4.50	92,235	46,852
March 20, 2026	4.50	93,773	45,314
June 20, 2026	4.50	93,830	45,257
September 20, 2026	4.50	94,894	44,193
December 20, 2026	4.50	96,439	42,648
March 20, 2027	4.50	97,978	41,109
June 20, 2027	4.50	98,176	40,911
September 20, 2027	4.50	99,289	39,798
December 20, 2027	4.50	100,836	38,251
March 20, 2028	4.50	102,375	36,712
June 20, 2028	4.50	102,720	36,367
September 20, 2028	4.50	103,885	35,202
December 20, 2028	4.50	105,434	33,653
March 20, 2029	4.50	106,973	32,114
June 20, 2029	4.50	107,473	31,614
September 20, 2029	4.50	108,692	30,395
December 20, 2029	4.50	110,242	28,845
March 20, 2030	4.50	111,782	27,305
June 20, 2030	4.50	112,443	26,644
September 20, 2030	4.50	113,718	25,369
December 20, 2030	4.50	115,270	23,817
March 20, 2031	4.50	116,811	22,276
June 20, 2031	4.50	117,641	21,446
September 20, 2031	4.50	118,975	20,112
December 20, 2031	4.50	120,529	18,558
March 20, 2032	4.50	122,070	17,017
June 20, 2032	4.50	123,076	16,011
September 20, 2032	4.50	124,472	14,615
December 20, 2032	4.50	126,028	13,059
March 20, 2033	4.50	127,570	11,517
June 20, 2033	4.50	128,760	10,327
September 20, 2033	4.50	130,221	8,866
December 20, 2033	4.50	131,778	7,309
March 20, 2034	4.50	133,321	5,766
June 20, 2034	4.50	134,705	4,382
September 20, 2034	4.50	136,233	2,854
December 20, 2034	4.50	115,411	1,298
		\$ 8,225,226	\$ 5,382,922

(continued)

SUSSEX COUNTY, DELAWARE
SRF SUBORDINATE OBLIGATION - 1994
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	33,982
June 15, 2016	1.50	909,505	20,541
December 15, 2016	1.50	459,857	3,449
		<u>\$ 5,719,202</u>	<u>\$ 324,380</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 A
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 9, 2010	4.50 %	\$ 16,401	\$ 34,023
December 9, 2010	4.50	16,954	33,470
March 9, 2011	4.50	17,510	32,914
June 9, 2011	4.50	16,977	33,447
September 9, 2011	4.50	17,170	33,254
December 9, 2011	4.50	17,724	32,700
March 9, 2012	4.50	18,280	32,144
June 9, 2012	4.50	17,773	32,651
September 9, 2012	4.50	17,975	32,449
December 9, 2012	4.50	18,529	31,895
March 9, 2013	4.50	19,085	31,339
June 9, 2013	4.50	18,605	31,819
September 9, 2013	4.50	18,816	31,608
December 9, 2013	4.50	19,371	31,053
March 9, 2014	4.50	19,927	30,497
June 9, 2014	4.50	19,475	30,949
September 9, 2014	4.50	19,696	30,728
December 9, 2014	4.50	20,251	30,173
March 9, 2015	4.50	20,808	29,616
June 9, 2015	4.50	20,385	30,039
September 9, 2015	4.50	20,616	29,808
December 9, 2015	4.50	21,172	29,252
March 9, 2016	4.50	21,728	28,696
June 9, 2016	4.50	21,337	29,087
September 9, 2016	4.50	21,579	28,845
December 9, 2016	4.50	22,135	28,289
March 9, 2017	4.50	22,691	27,733
June 9, 2017	4.50	22,332	28,092
September 9, 2017	4.50	22,586	27,838
December 9, 2017	4.50	23,141	27,283
March 9, 2018	4.50	23,698	26,726
June 9, 2018	4.50	23,373	27,051
September 9, 2018	4.50	23,638	26,786
December 9, 2018	4.50	24,195	26,229
March 9, 2019	4.50	24,751	25,673
June 9, 2019	4.50	24,461	25,963
September 9, 2019	4.50	24,739	25,685
December 9, 2019	4.50	25,296	25,128
March 9, 2020	4.50	25,852	24,572
June 9, 2020	4.50	25,599	24,825
September 9, 2020	4.50	25,890	24,534
December 9, 2020	4.50	26,447	23,977
March 9, 2021	4.50	27,004	23,420
June 9, 2021	4.50	26,789	23,635
September 9, 2021	4.50	27,094	23,330
December 9, 2021	4.50	27,651	22,773
March 9, 2022	4.50	28,208	22,216
June 9, 2022	4.50	28,034	22,390
September 9, 2022	4.50	28,353	22,071
December 9, 2022	4.50	28,910	21,514
March 9, 2023	4.50	29,468	20,956
June 9, 2023	4.50	29,336	21,088
September 9, 2023	4.50	29,669	20,755

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 A
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 9, 2023	4.50 %	\$ 30,227	\$ 20,197
March 9, 2024	4.50	30,785	19,639
June 9, 2024	4.50	30,697	19,727
September 9, 2024	4.50	31,046	19,378
December 9, 2024	4.50	31,604	18,820
March 9, 2025	4.50	32,162	18,262
June 9, 2025	4.50	32,121	18,303
September 9, 2025	4.50	32,485	17,939
December 9, 2025	4.50	33,045	17,379
March 9, 2026	4.50	33,602	16,822
June 9, 2026	4.50	33,610	16,814
September 9, 2026	4.50	33,991	16,433
December 9, 2026	4.50	34,551	15,873
March 9, 2027	4.50	35,109	15,315
June 9, 2027	4.50	35,166	15,258
September 9, 2027	4.50	35,565	14,859
December 9, 2027	4.50	36,126	14,298
March 9, 2028	4.50	36,684	13,740
June 9, 2028	4.50	36,795	13,629
September 9, 2028	4.50	37,212	13,212
December 9, 2028	4.50	37,773	12,651
March 9, 2029	4.50	38,331	12,093
June 9, 2029	4.50	38,498	11,926
September 9, 2029	4.50	38,934	11,490
December 9, 2029	4.50	39,496	10,928
March 9, 2030	4.50	40,054	10,370
June 9, 2030	4.50	40,278	10,146
September 9, 2030	4.50	40,735	9,689
December 9, 2030	4.50	41,297	9,127
March 9, 2031	4.50	41,856	8,568
June 9, 2031	4.50	42,140	8,284
September 9, 2031	4.50	42,618	7,806
December 9, 2031	4.50	43,181	7,243
March 9, 2032	4.50	43,740	6,684
June 9, 2032	4.50	44,087	6,337
September 9, 2032	4.50	44,587	5,837
December 9, 2032	4.50	45,151	5,273
March 9, 2033	4.50	45,710	4,714
June 9, 2033	4.50	46,124	4,300
September 9, 2033	4.50	46,647	3,777
December 9, 2033	4.50	47,211	3,213
March 9, 2034	4.50	47,771	2,653
June 9, 2034	4.50	48,253	2,171
September 9, 2034	4.50	48,800	1,624
December 9, 2034	4.50	49,366	1,058
March 9, 2035	4.50	44,965	499
		\$ 2,999,670	\$ 1,987,346

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 B
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 27, 2010	4.50 %	\$ 29,534	\$ 62,272
December 27, 2010	4.50	30,542	61,264
March 27, 2011	4.50	31,554	60,252
June 27, 2011	4.50	30,573	61,233
September 27, 2011	4.50	30,920	60,886
December 27, 2011	4.50	31,929	59,877
March 27, 2012	4.50	32,941	58,865
June 27, 2012	4.50	32,006	59,800
September 27, 2012	4.50	32,369	59,437
December 27, 2012	4.50	33,379	58,427
March 27, 2013	4.50	34,391	57,415
June 27, 2013	4.50	33,505	58,301
September 27, 2013	4.50	33,885	57,921
December 27, 2013	4.50	34,895	56,911
March 27, 2014	4.50	35,908	55,898
June 27, 2014	4.50	35,073	56,733
September 27, 2014	4.50	35,471	56,335
December 27, 2014	4.50	36,481	55,325
March 27, 2015	4.50	37,493	54,313
June 27, 2015	4.50	36,712	55,094
September 27, 2015	4.50	37,129	54,677
December 27, 2015	4.50	38,139	53,667
March 27, 2016	4.50	39,152	52,654
June 27, 2016	4.50	38,426	53,380
September 27, 2016	4.50	38,862	52,944
December 27, 2016	4.50	39,873	51,933
March 27, 2017	4.50	40,887	50,919
June 27, 2017	4.50	40,219	51,587
September 27, 2017	4.50	40,675	51,131
December 27, 2017	4.50	41,687	50,119
March 27, 2018	4.50	42,700	49,106
June 27, 2018	4.50	42,094	49,712
September 27, 2018	4.50	42,571	49,235
December 27, 2018	4.50	43,584	48,222
March 27, 2019	4.50	44,597	47,209
June 27, 2019	4.50	44,054	47,752
September 27, 2019	4.50	44,554	47,252
December 27, 2019	4.50	45,567	46,239
March 27, 2020	4.50	46,581	45,225
June 27, 2020	4.50	46,104	45,702
September 27, 2020	4.50	46,627	45,179
December 27, 2020	4.50	47,642	44,164
March 27, 2021	4.50	48,655	43,151
June 27, 2021	4.50	48,248	43,558
September 27, 2021	4.50	48,796	43,010
December 27, 2021	4.50	49,810	41,996
March 27, 2022	4.50	50,825	40,981
June 27, 2022	4.50	50,490	41,316
September 27, 2022	4.50	51,063	40,743
December 27, 2022	4.50	52,079	39,727
March 27, 2023	4.50	53,093	38,713
June 27, 2023	4.50	52,835	38,971
September 27, 2023	4.50	53,434	38,372

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 B
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 27, 2023	4.50 %	\$ 54,451	\$ 37,355
March 27, 2024	4.50	55,466	36,340
June 27, 2024	4.50	55,287	36,519
September 27, 2024	4.50	55,914	35,892
December 27, 2024	4.50	56,932	34,874
March 27, 2025	4.50	57,947	33,859
June 27, 2025	4.50	57,851	33,955
September 27, 2025	4.50	58,508	33,298
December 27, 2025	4.50	59,526	32,280
March 27, 2026	4.50	60,541	31,265
June 27, 2026	4.50	60,533	31,273
September 27, 2026	4.50	61,220	30,586
December 27, 2026	4.50	62,239	29,567
March 27, 2027	4.50	63,255	28,551
June 27, 2027	4.50	63,337	28,469
September 27, 2027	4.50	64,056	27,750
December 27, 2027	4.50	65,076	26,730
March 27, 2028	4.50	66,092	25,714
June 27, 2028	4.50	66,271	25,535
September 27, 2028	4.50	67,022	24,784
December 27, 2028	4.50	68,043	23,763
March 27, 2029	4.50	69,060	22,746
June 27, 2029	4.50	69,337	22,469
September 27, 2029	4.50	70,124	21,682
December 27, 2029	4.50	71,146	20,660
March 27, 2030	4.50	72,163	19,643
June 27, 2030	4.50	72,544	19,262
September 27, 2030	4.50	73,367	18,439
December 27, 2030	4.50	74,391	17,415
March 27, 2031	4.50	75,408	16,398
June 27, 2031	4.50	75,899	15,907
September 27, 2031	4.50	76,760	15,046
December 27, 2031	4.50	77,784	14,022
March 27, 2032	4.50	78,801	13,005
June 27, 2032	4.50	79,406	12,400
September 27, 2032	4.50	80,307	11,499
December 27, 2032	4.50	81,333	10,473
March 27, 2033	4.50	82,350	9,456
June 27, 2033	4.50	83,074	8,732
September 27, 2033	4.50	84,016	7,790
December 27, 2033	4.50	85,044	6,762
March 27, 2034	4.50	86,062	5,744
June 27, 2034	4.50	86,910	4,896
September 27, 2034	4.50	87,896	3,910
December 27, 2034	4.50	88,925	2,881
March 27, 2035	4.50	89,943	1,863
June 27, 2035	4.50	77,950	884
		\$ 5,490,180	\$ 3,677,448

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 C
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 26, 2010	4.50 %	\$ 26,551	\$ 56,909
December 26, 2010	4.50	27,467	55,993
March 26, 2011	4.50	28,387	55,073
June 26, 2011	4.50	27,486	55,974
September 26, 2011	4.50	27,797	55,663
December 26, 2011	4.50	28,714	54,746
March 26, 2012	4.50	29,634	53,826
June 26, 2012	4.50	28,775	54,685
September 26, 2012	4.50	29,101	54,359
December 26, 2012	4.50	30,018	53,442
March 26, 2013	4.50	30,939	52,521
June 26, 2013	4.50	30,122	53,338
September 26, 2013	4.50	30,464	52,996
December 26, 2013	4.50	31,382	52,078
March 26, 2014	4.50	32,302	51,158
June 26, 2014	4.50	31,532	51,928
September 26, 2014	4.50	31,890	51,570
December 26, 2014	4.50	32,808	50,652
March 26, 2015	4.50	33,728	49,732
June 26, 2015	4.50	33,006	50,454
September 26, 2015	4.50	33,380	50,080
December 26, 2015	4.50	34,299	49,161
March 26, 2016	4.50	35,220	48,240
June 26, 2016	4.50	34,548	48,912
September 26, 2016	4.50	34,939	48,521
December 26, 2016	4.50	35,859	47,601
March 26, 2017	4.50	36,780	46,680
June 26, 2017	4.50	36,159	47,301
September 26, 2017	4.50	36,570	46,890
December 26, 2017	4.50	37,489	45,971
March 26, 2018	4.50	38,411	45,049
June 26, 2018	4.50	37,845	45,615
September 26, 2018	4.50	38,275	45,185
December 26, 2018	4.50	39,195	44,265
March 26, 2019	4.50	40,116	43,344
June 26, 2019	4.50	39,608	43,852
September 26, 2019	4.50	40,057	43,403
December 26, 2019	4.50	40,979	42,481
March 26, 2020	4.50	41,900	41,560
June 26, 2020	4.50	41,452	42,008
September 26, 2020	4.50	41,922	41,538
December 26, 2020	4.50	42,844	40,616
March 26, 2021	4.50	43,765	39,695
June 26, 2021	4.50	43,380	40,080
September 26, 2021	4.50	43,872	39,588
December 26, 2021	4.50	44,795	38,665
March 26, 2022	4.50	45,716	37,744
June 26, 2022	4.50	45,396	38,064
September 26, 2022	4.50	45,911	37,549
December 26, 2022	4.50	46,834	36,626
March 26, 2023	4.50	47,756	35,704
June 26, 2023	4.50	47,505	35,955
September 26, 2023	4.50	48,044	35,416

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 C
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 26, 2023	4.50 %	\$ 48,967	\$ 34,493
March 26, 2024	4.50	49,890	33,570
June 26, 2024	4.50	49,710	33,750
September 26, 2024	4.50	50,273	33,187
December 26, 2024	4.50	51,198	32,262
March 26, 2025	4.50	52,121	31,339
June 26, 2025	4.50	52,016	31,444
September 26, 2025	4.50	52,606	30,854
December 26, 2025	4.50	53,531	29,929
March 26, 2026	4.50	54,454	29,006
June 26, 2026	4.50	54,427	29,033
September 26, 2026	4.50	55,044	28,416
December 26, 2026	4.50	55,971	27,489
March 26, 2027	4.50	56,894	26,566
June 26, 2027	4.50	56,949	26,511
September 26, 2027	4.50	57,595	25,865
December 26, 2027	4.50	58,522	24,938
March 26, 2028	4.50	59,446	24,014
June 26, 2028	4.50	59,586	23,874
September 26, 2028	4.50	60,262	23,198
December 26, 2028	4.50	61,191	22,269
March 26, 2029	4.50	62,114	21,346
June 26, 2029	4.50	62,344	21,116
September 26, 2029	4.50	63,051	20,409
December 26, 2029	4.50	63,981	19,479
March 26, 2030	4.50	64,905	18,555
June 26, 2030	4.50	65,228	18,232
September 26, 2030	4.50	65,968	17,492
December 26, 2030	4.50	66,898	16,562
March 26, 2031	4.50	67,823	15,637
June 26, 2031	4.50	68,245	15,215
September 26, 2031	4.50	69,019	14,441
December 26, 2031	4.50	69,950	13,510
March 26, 2032	4.50	70,874	12,586
June 26, 2032	4.50	71,399	12,061
September 26, 2032	4.50	72,209	11,251
December 26, 2032	4.50	73,141	10,319
March 26, 2033	4.50	74,066	9,394
June 26, 2033	4.50	74,697	8,763
September 26, 2033	4.50	75,545	7,915
December 26, 2033	4.50	76,478	6,982
March 26, 2034	4.50	77,403	6,057
June 26, 2034	4.50	78,147	5,313
September 26, 2034	4.50	79,033	4,427
December 26, 2034	4.50	79,968	3,492
March 26, 2035	4.50	80,894	2,566
June 26, 2035	4.50	81,754	1,706
September 26, 2035	4.50	68,638	779
		\$ 5,017,349	\$ 3,398,068

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 22, 2010	4.50 %	\$ 13,123	\$ 28,607
December 22, 2010	4.50	13,581	28,149
March 22, 2011	4.50	14,041	27,689
June 22, 2011	4.50	13,585	28,145
September 22, 2011	4.50	13,739	27,991
December 22, 2011	4.50	14,197	27,533
March 22, 2012	4.50	14,658	27,072
June 22, 2012	4.50	14,222	27,508
September 22, 2012	4.50	14,383	27,347
December 22, 2012	4.50	14,842	26,888
March 22, 2013	4.50	15,302	26,428
June 22, 2013	4.50	14,889	26,841
September 22, 2013	4.50	15,057	26,673
December 22, 2013	4.50	15,516	26,214
March 22, 2014	4.50	15,977	25,753
June 22, 2014	4.50	15,586	26,144
September 22, 2014	4.50	15,762	25,968
December 22, 2014	4.50	16,221	25,509
March 22, 2015	4.50	16,682	25,048
June 22, 2015	4.50	16,314	25,416
September 22, 2015	4.50	16,499	25,231
December 22, 2015	4.50	16,959	24,771
March 22, 2016	4.50	17,419	24,311
June 22, 2016	4.50	17,076	24,654
September 22, 2016	4.50	17,270	24,460
December 22, 2016	4.50	17,730	24,000
March 22, 2017	4.50	18,190	23,540
June 22, 2017	4.50	17,873	23,857
September 22, 2017	4.50	18,076	23,654
December 22, 2017	4.50	18,536	23,194
March 22, 2018	4.50	18,996	22,734
June 22, 2018	4.50	18,707	23,023
September 22, 2018	4.50	18,919	22,811
December 22, 2018	4.50	19,379	22,351
March 22, 2019	4.50	19,840	21,890
June 22, 2019	4.50	19,578	22,152
September 22, 2019	4.50	19,800	21,930
December 22, 2019	4.50	20,261	21,469
March 22, 2020	4.50	20,722	21,008
June 22, 2020	4.50	20,490	21,240
September 22, 2020	4.50	20,722	21,008
December 22, 2020	4.50	21,183	20,547
March 22, 2021	4.50	21,644	20,086
June 22, 2021	4.50	21,443	20,287
September 22, 2021	4.50	21,686	20,044
December 22, 2021	4.50	22,148	19,582
March 22, 2022	4.50	22,608	19,122
June 22, 2022	4.50	22,440	19,290
September 22, 2022	4.50	22,695	19,035
December 22, 2022	4.50	23,156	18,574
March 22, 2023	4.50	23,617	18,113
June 22, 2023	4.50	23,482	18,248
September 22, 2023	4.50	23,749	17,981

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1995 D
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 22, 2023	4.50 %	\$ 24,211	\$ 17,519
March 22, 2024	4.50	24,672	17,058
June 22, 2024	4.50	24,572	17,158
September 22, 2024	4.50	24,851	16,879
December 22, 2024	4.50	25,313	16,417
March 22, 2025	4.50	25,775	15,955
June 22, 2025	4.50	25,713	16,017
September 22, 2025	4.50	26,004	15,726
December 22, 2025	4.50	26,467	15,263
March 22, 2026	4.50	26,928	14,802
June 22, 2026	4.50	26,905	14,825
September 22, 2026	4.50	27,210	14,520
December 22, 2026	4.50	27,673	14,057
March 22, 2027	4.50	28,135	13,595
June 22, 2027	4.50	28,151	13,579
September 22, 2027	4.50	28,471	13,259
December 22, 2027	4.50	28,934	12,796
March 22, 2028	4.50	29,396	12,334
June 22, 2028	4.50	29,456	12,274
September 22, 2028	4.50	29,789	11,941
December 22, 2028	4.50	30,254	11,476
March 22, 2029	4.50	30,715	11,015
June 22, 2029	4.50	30,819	10,911
September 22, 2029	4.50	31,168	10,562
December 22, 2029	4.50	31,633	10,097
March 22, 2030	4.50	32,095	9,635
June 22, 2030	4.50	32,245	9,485
September 22, 2030	4.50	32,611	9,119
December 22, 2030	4.50	33,075	8,655
March 22, 2031	4.50	33,538	8,192
June 22, 2031	4.50	33,736	7,994
September 22, 2031	4.50	34,119	7,611
December 22, 2031	4.50	34,584	7,146
March 22, 2032	4.50	35,047	6,683
June 22, 2032	4.50	35,295	6,435
September 22, 2032	4.50	35,696	6,034
December 22, 2032	4.50	36,162	5,568
March 22, 2033	4.50	36,624	5,106
June 22, 2033	4.50	36,926	4,804
September 22, 2033	4.50	37,345	4,385
December 22, 2033	4.50	37,812	3,918
March 22, 2034	4.50	38,274	3,456
June 22, 2034	4.50	38,632	3,098
September 22, 2034	4.50	39,070	2,660
December 22, 2034	4.50	39,537	2,193
March 22, 2035	4.50	40,000	1,730
June 22, 2035	4.50	40,415	1,315
September 22, 2035	4.50	40,874	856
December 22, 2035	4.50	34,633	386
		\$ 2,522,130	\$ 1,727,619

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
July 17, 2010	4.50 %	\$ 1,931	\$ 4,325
October 17, 2010	4.50	1,905	4,351
January 17, 2011	4.50	1,926	4,330
April 17, 2011	4.50	2,042	4,214
July 17, 2011	4.50	2,018	4,238
October 17, 2011	4.50	1,994	4,262
January 17, 2012	4.50	2,017	4,239
April 17, 2012	4.50	2,132	4,124
July 17, 2012	4.50	2,110	4,146
October 17, 2012	4.50	2,088	4,168
January 17, 2013	4.50	2,112	4,144
April 17, 2013	4.50	2,225	4,031
July 17, 2013	4.50	2,206	4,050
October 17, 2013	4.50	2,186	4,070
January 17, 2014	4.50	2,211	4,045
April 17, 2014	4.50	2,323	3,933
July 17, 2014	4.50	2,306	3,950
October 17, 2014	4.50	2,288	3,968
January 17, 2015	4.50	2,314	3,942
April 17, 2015	4.50	2,426	3,830
July 17, 2015	4.50	2,410	3,846
October 17, 2015	4.50	2,395	3,861
January 17, 2016	4.50	2,423	3,833
April 17, 2016	4.50	2,533	3,723
July 17, 2016	4.50	2,520	3,736
October 17, 2016	4.50	2,507	3,749
January 17, 2017	4.50	2,536	3,720
April 17, 2017	4.50	2,645	3,611
July 17, 2017	4.50	2,634	3,622
October 17, 2017	4.50	2,625	3,631
January 17, 2018	4.50	2,654	3,602
April 17, 2018	4.50	2,762	3,494
July 17, 2018	4.50	2,754	3,502
October 17, 2018	4.50	2,747	3,509
January 17, 2019	4.50	2,778	3,478
April 17, 2019	4.50	2,885	3,371
July 17, 2019	4.50	2,879	3,377
October 17, 2019	4.50	2,875	3,381
January 17, 2020	4.50	2,908	3,348
April 17, 2020	4.50	3,013	3,243
July 17, 2020	4.50	3,010	3,246
October 17, 2020	4.50	3,009	3,247
January 17, 2021	4.50	3,043	3,213
April 17, 2021	4.50	3,147	3,109
July 17, 2021	4.50	3,147	3,109
October 17, 2021	4.50	3,149	3,107
January 17, 2022	4.50	3,185	3,071
April 17, 2022	4.50	3,287	2,969
July 17, 2022	4.50	3,291	2,965
October 17, 2022	4.50	3,295	2,961
January 17, 2023	4.50	3,333	2,923
April 17, 2023	4.50	3,433	2,823
July 17, 2023	4.50	3,440	2,816

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 17, 2023	4.50 %	\$ 3,449	\$ 2,807
January 17, 2024	4.50	3,488	2,768
April 17, 2024	4.50	3,586	2,670
July 17, 2024	4.50	3,597	2,659
October 17, 2024	4.50	3,609	2,647
January 17, 2025	4.50	3,649	2,607
April 17, 2025	4.50	3,747	2,509
July 17, 2025	4.50	3,761	2,495
October 17, 2025	4.50	3,776	2,480
January 17, 2026	4.50	3,819	2,437
April 17, 2026	4.50	3,914	2,342
July 17, 2026	4.50	3,932	2,324
October 17, 2026	4.50	3,951	2,305
January 17, 2027	4.50	3,996	2,260
April 17, 2027	4.50	4,090	2,166
July 17, 2027	4.50	4,111	2,145
October 17, 2027	4.50	4,135	2,121
January 17, 2028	4.50	4,181	2,075
April 17, 2028	4.50	4,273	1,983
July 17, 2028	4.50	4,299	1,957
October 17, 2028	4.50	4,326	1,930
January 17, 2029	4.50	4,375	1,881
April 17, 2029	4.50	4,464	1,792
July 17, 2029	4.50	4,495	1,761
October 17, 2029	4.50	4,526	1,730
January 17, 2030	4.50	4,577	1,679
April 17, 2030	4.50	4,665	1,591
July 17, 2030	4.50	4,700	1,556
October 17, 2030	4.50	4,736	1,520
January 17, 2031	4.50	4,789	1,467
April 17, 2031	4.50	4,874	1,382
July 17, 2031	4.50	4,914	1,342
October 17, 2031	4.50	4,955	1,301
January 17, 2032	4.50	5,011	1,245
April 17, 2032	4.50	5,093	1,163
July 17, 2032	4.50	5,138	1,118
October 17, 2032	4.50	5,184	1,072
January 17, 2033	4.50	5,242	1,014
April 17, 2033	4.50	5,323	933
July 17, 2033	4.50	5,372	884
October 17, 2033	4.50	5,423	833
January 17, 2034	4.50	5,485	771
April 17, 2034	4.50	5,563	693
July 17, 2034	4.50	5,617	639
October 17, 2034	4.50	5,674	582
January 17, 2035	4.50	5,739	517
April 17, 2035	4.50	5,813	443
July 17, 2035	4.50	5,874	382
October 17, 2035	4.50	5,936	320

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1996
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
January 17, 2036	4.50 %	\$ 6,003	\$ 253
April 17, 2036	4.50	6,075	181
July 17, 2036	4.50	6,142	114
October 17, 2036	4.50	4,056	46
		<u>\$ 385,534</u>	<u>\$ 275,448</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 1997
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	584,209	8,763
		<u>\$ 5,971,892</u>	<u>\$ 550,800</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2000
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2010	1.50 %	\$ 395,496	\$ 88,407
June 30, 2011	1.50	398,462	85,441
December 31, 2011	1.50	401,451	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	34,840
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	473,177	10,726
June 30, 2023	1.50	476,725	7,178
December 31, 2023	1.50	480,300	3,604
		<u>\$ 11,787,631</u>	<u>\$ 1,277,751</u>

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, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 15, 2010	1.50 %	\$ 41,148	\$ 9,198
June 15, 2011	1.50	41,457	8,889
December 15, 2011	1.50	41,767	8,579
June 15, 2012	1.50	42,081	8,265
December 15, 2012	1.50	42,397	7,949
June 15, 2013	1.50	42,714	7,632
December 15, 2013	1.50	43,035	7,311
June 15, 2014	1.50	43,357	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	5,000
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	3,972
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	48,863	1,483
December 15, 2022	1.50	49,230	1,116
June 15, 2023	1.50	49,599	747
December 15, 2023	1.50	49,972	374
		\$ 1,226,405	\$ 132,937

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 1, 2010	4.50 %	\$ 33,034	\$ 102,053
December 1, 2010	4.50	34,513	100,574
March 1, 2011	4.50	36,002	99,085
June 1, 2011	4.50	34,208	100,879
September 1, 2011	4.50	34,596	100,491
December 1, 2011	4.50	36,076	99,011
March 1, 2012	4.50	37,565	97,522
June 1, 2012	4.50	35,824	99,263
September 1, 2012	4.50	36,230	98,857
December 1, 2012	4.50	37,711	97,376
March 1, 2013	4.50	39,200	95,887
June 1, 2013	4.50	37,513	97,574
September 1, 2013	4.50	37,939	97,148
December 1, 2013	4.50	39,421	95,666
March 1, 2014	4.50	40,909	94,178
June 1, 2014	4.50	39,280	95,807
September 1, 2014	4.50	39,726	95,361
December 1, 2014	4.50	41,208	93,879
March 1, 2015	4.50	42,697	92,390
June 1, 2015	4.50	41,128	93,959
September 1, 2015	4.50	41,595	93,492
December 1, 2015	4.50	43,077	92,010
March 1, 2016	4.50	44,567	90,520
June 1, 2016	4.50	43,061	92,026
September 1, 2016	4.50	43,549	91,538
December 1, 2016	4.50	45,033	90,054
March 1, 2017	4.50	46,522	88,565
June 1, 2017	4.50	45,081	90,006
September 1, 2017	4.50	45,593	89,494
December 1, 2017	4.50	47,077	88,010
March 1, 2018	4.50	48,566	86,521
June 1, 2018	4.50	47,195	87,892
September 1, 2018	4.50	47,730	87,357
December 1, 2018	4.50	49,215	85,872
March 1, 2019	4.50	50,705	84,382
June 1, 2019	4.50	49,405	85,682
September 1, 2019	4.50	49,965	85,122
December 1, 2019	4.50	51,451	83,636
March 1, 2020	4.50	52,941	82,146
June 1, 2020	4.50	51,716	83,371
September 1, 2020	4.50	52,302	82,785
December 1, 2020	4.50	53,789	81,298
March 1, 2021	4.50	55,279	79,808
June 1, 2021	4.50	54,133	80,954
September 1, 2021	4.50	54,747	80,340
December 1, 2021	4.50	56,234	78,853
March 1, 2022	4.50	57,725	77,362
June 1, 2022	4.50	56,660	78,427
September 1, 2022	4.50	57,303	77,784
December 1, 2022	4.50	58,791	76,296
March 1, 2023	4.50	60,282	74,805
June 1, 2023	4.50	59,304	75,783
September 1, 2023	4.50	59,976	75,111

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 1, 2023	4.50 %	\$ 61,465	\$ 73,622
March 1, 2024	4.50	62,957	72,130
June 1, 2024	4.50	62,068	73,019
September 1, 2024	4.50	62,772	72,315
December 1, 2024	4.50	64,262	70,825
March 1, 2025	4.50	65,753	69,334
June 1, 2025	4.50	64,959	70,128
September 1, 2025	4.50	65,695	69,392
December 1, 2025	4.50	67,187	67,900
March 1, 2026	4.50	68,678	66,409
June 1, 2026	4.50	67,981	67,106
September 1, 2026	4.50	68,752	66,335
December 1, 2026	4.50	70,245	64,842
March 1, 2027	4.50	71,737	63,350
June 1, 2027	4.50	71,143	63,944
September 1, 2027	4.50	71,950	63,137
December 1, 2027	4.50	73,443	61,644
March 1, 2028	4.50	74,935	60,152
June 1, 2028	4.50	74,449	60,638
September 1, 2028	4.50	75,293	59,794
December 1, 2028	4.50	76,788	58,299
March 1, 2029	4.50	78,281	56,806
June 1, 2029	4.50	77,906	57,181
September 1, 2029	4.50	78,790	56,297
December 1, 2029	4.50	80,285	54,802
March 1, 2030	4.50	81,779	53,308
June 1, 2030	4.50	81,522	53,565
September 1, 2030	4.50	82,446	52,641
December 1, 2030	4.50	83,943	51,144
March 1, 2031	4.50	85,437	49,650
June 1, 2031	4.50	85,303	49,784
September 1, 2031	4.50	86,270	48,817
December 1, 2031	4.50	87,769	47,318
March 1, 2032	4.50	89,262	45,825
June 1, 2032	4.50	89,257	45,830
September 1, 2032	4.50	90,269	44,818
December 1, 2032	4.50	91,769	43,318
March 1, 2033	4.50	93,263	41,824
June 1, 2033	4.50	93,392	41,695
September 1, 2033	4.50	94,451	40,636
December 1, 2033	4.50	95,952	39,135
March 1, 2034	4.50	97,447	37,640
June 1, 2034	4.50	97,716	37,371
September 1, 2034	4.50	98,824	36,263
December 1, 2034	4.50	100,327	34,760
March 1, 2035	4.50	101,822	33,265
June 1, 2035	4.50	102,238	32,849
September 1, 2035	4.50	103,397	31,690
December 1, 2035	4.50	104,902	30,185
March 1, 2036	4.50	106,398	28,689
June 1, 2036	4.50	106,967	28,120
September 1, 2036	4.50	108,180	26,907
December 1, 2036	4.50	109,686	25,401

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2001
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 1, 2037	4.50 %	\$ 111,183	\$ 23,904
June 1, 2037	4.50	111,913	23,174
September 1, 2037	4.50	113,182	21,905
December 1, 2037	4.50	114,690	20,397
March 1, 2038	4.50	116,186	18,901
June 1, 2038	4.50	117,084	18,003
September 1, 2038	4.50	118,412	16,675
December 1, 2038	4.50	119,922	15,165
March 1, 2039	4.50	121,420	13,667
June 1, 2039	4.50	122,493	12,594
September 1, 2039	4.50	123,882	11,205
December 1, 2039	4.50	125,394	9,693
March 1, 2040	4.50	126,892	8,195
June 1, 2040	4.50	128,149	6,938
September 1, 2040	4.50	129,602	5,485
December 1, 2040	4.50	131,116	3,971
March 1, 2041	4.50	132,615	2,472
June 1, 2041	4.50	90,213	1,023
		<u>\$ 8,997,459</u>	<u>\$ 7,709,478</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	83,067	17,060
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	86,228	13,899
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
		\$ 3,072,168	\$ 432,277

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 15, 2010	1.50 %	\$ 63,444	\$ 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	64,881	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	66,353	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	75,339	4,641
December 15, 2022	1.50	75,905	4,076
June 15, 2023	1.50	76,474	3,506
December 15, 2023	1.50	77,048	2,933
June 15, 2024	1.50	77,625	2,355
December 15, 2024	1.50	78,208	1,773
June 15, 2025	1.50	78,794	1,186
December 15, 2025	1.50	79,383	596
		<u>\$ 2,204,925</u>	<u>\$ 274,469</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 13, 2010	3.18 %	\$ 262,524	\$ 178,943
June 13, 2011	3.18	266,692	174,775
December 13, 2011	3.18	270,926	170,541
June 13, 2012	3.18	275,226	166,241
December 13, 2012	3.18	279,595	161,872
June 13, 2013	3.18	284,034	157,433
December 13, 2013	3.18	288,543	152,924
June 13, 2014	3.18	293,124	148,343
December 13, 2014	3.18	297,777	143,690
June 13, 2015	3.18	302,504	138,963
December 13, 2015	3.18	307,306	134,161
June 13, 2016	3.18	312,185	129,282
December 13, 2016	3.18	317,141	124,326
June 13, 2017	3.18	322,175	119,292
December 13, 2017	3.18	327,290	114,177
June 13, 2018	3.18	332,486	108,981
December 13, 2018	3.18	337,764	103,703
June 13, 2019	3.18	343,126	98,341
December 13, 2019	3.18	348,573	92,894
June 13, 2020	3.18	354,107	87,360
December 13, 2020	3.18	359,728	81,739
June 13, 2021	3.18	365,439	76,028
December 13, 2021	3.18	371,240	70,227
June 13, 2022	3.18	377,134	64,333
December 13, 2022	3.18	383,120	58,347
June 13, 2023	3.18	389,203	52,264
December 13, 2023	3.18	395,381	46,086
June 13, 2024	3.18	401,658	39,809
December 13, 2024	3.18	408,034	33,433
June 13, 2025	3.18	414,512	26,955
December 13, 2025	3.18	421,092	20,375
June 13, 2026	3.18	427,777	13,690
December 13, 2026	3.18	434,569	6,898
		<u>\$ 11,271,985</u>	<u>\$ 3,296,426</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	-
June 13, 2036	-	12,821	-
December 13, 2036	-	12,820	-

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2002
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 820,513</u>	<u>\$ -</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 8, 2010	2.00 %	\$ 38,603	\$ 12,403
June 8, 2011	2.00	38,989	12,016
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	42,220	8,786
December 8, 2015	2.00	42,641	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	43,933	7,072
December 8, 2017	2.00	44,373	6,632
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	49,506	1,500
December 8, 2023	2.00	50,001	1,005
June 8, 2024	2.00	50,499	504
		\$ 1,240,273	\$ 187,881

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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
		\$ 21,935,000	\$ 4,682,446

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 25, 2010	4.25 %	\$ 2,543	\$ 8,077
December 25, 2010	4.25	2,658	7,962
March 25, 2011	4.25	2,773	7,847
June 25, 2011	4.25	2,629	7,991
September 25, 2011	4.25	2,657	7,963
December 25, 2011	4.25	2,771	7,849
March 25, 2012	4.25	2,801	7,819
June 25, 2012	4.25	2,745	7,875
September 25, 2012	4.25	2,775	7,845
December 25, 2012	4.25	2,889	7,731
March 25, 2013	4.25	3,004	7,616
June 25, 2013	4.25	2,867	7,753
September 25, 2013	4.25	2,898	7,722
December 25, 2013	4.25	3,013	7,607
March 25, 2014	4.25	3,128	7,492
June 25, 2014	4.25	2,994	7,626
September 25, 2014	4.25	3,027	7,593
December 25, 2014	4.25	3,141	7,479
March 25, 2015	4.25	3,257	7,363
June 25, 2015	4.25	3,128	7,492
September 25, 2015	4.25	3,161	7,459
December 25, 2015	4.25	3,276	7,344
March 25, 2016	4.25	3,311	7,309
June 25, 2016	4.25	3,266	7,354
September 25, 2016	4.25	3,301	7,319
December 25, 2016	4.25	3,415	7,205
March 25, 2017	4.25	3,530	7,090
June 25, 2017	4.25	3,411	7,209
September 25, 2017	4.25	3,447	7,173
December 25, 2017	4.25	3,562	7,058
March 25, 2018	4.25	3,676	6,944
June 25, 2018	4.25	3,561	7,059
September 25, 2018	4.25	3,600	7,020
December 25, 2018	4.25	3,714	6,906
March 25, 2019	4.25	3,829	6,791
June 25, 2019	4.25	3,719	6,901
September 25, 2019	4.25	3,759	6,861
December 25, 2019	4.25	3,873	6,747
March 25, 2020	4.25	3,914	6,706
June 25, 2020	4.25	3,883	6,737
September 25, 2020	4.25	3,924	6,696
December 25, 2020	4.25	4,038	6,582
March 25, 2021	4.25	4,153	6,467
June 25, 2021	4.25	4,054	6,566
September 25, 2021	4.25	4,097	6,523
December 25, 2021	4.25	4,212	6,408
March 25, 2022	4.25	4,326	6,294
June 25, 2022	4.25	4,233	6,387
September 25, 2022	4.25	4,278	6,342
December 25, 2022	4.25	4,392	6,228
March 25, 2023	4.25	4,507	6,113
June 25, 2023	4.25	4,419	6,201
September 25, 2023	4.25	4,466	6,154

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 25, 2023	4.25 %	\$ 4,581	\$ 6,039
March 25, 2024	4.25	4,629	5,991
June 25, 2024	4.25	4,613	6,007
September 25, 2024	4.25	4,662	5,958
December 25, 2024	4.25	4,777	5,843
March 25, 2025	4.25	4,891	5,729
June 25, 2025	4.25	4,816	5,804
September 25, 2025	4.25	4,867	5,753
December 25, 2025	4.25	4,982	5,638
March 25, 2026	4.25	5,096	5,524
June 25, 2026	4.25	5,027	5,593
September 25, 2026	4.25	5,081	5,539
December 25, 2026	4.25	5,196	5,424
March 25, 2027	4.25	5,310	5,310
June 25, 2027	4.25	5,248	5,372
September 25, 2027	4.25	5,305	5,315
December 25, 2027	4.25	5,419	5,201
March 25, 2028	4.25	5,476	5,144
June 25, 2028	4.25	5,478	5,142
September 25, 2028	4.25	5,537	5,083
December 25, 2028	4.25	5,651	4,969
March 25, 2029	4.25	5,765	4,855
June 25, 2029	4.25	5,718	4,902
September 25, 2029	4.25	5,780	4,840
December 25, 2029	4.25	5,894	4,726
March 25, 2030	4.25	6,007	4,613
June 25, 2030	4.25	5,969	4,651
September 25, 2030	4.25	6,033	4,587
December 25, 2030	4.25	6,147	4,473
March 25, 2031	4.25	6,260	4,360
June 25, 2031	4.25	6,231	4,389
September 25, 2031	4.25	6,297	4,323
December 25, 2031	4.25	6,411	4,209
March 25, 2032	4.25	6,479	4,141
June 25, 2032	4.25	6,503	4,117
September 25, 2032	4.25	6,573	4,047
December 25, 2032	4.25	6,686	3,934
March 25, 2033	4.25	6,800	3,820
June 25, 2033	4.25	6,787	3,833
September 25, 2033	4.25	6,860	3,760
December 25, 2033	4.25	6,974	3,646
March 25, 2034	4.25	7,087	3,533
June 25, 2034	4.25	7,084	3,536
September 25, 2034	4.25	7,160	3,460
December 25, 2034	4.25	7,273	3,347
March 25, 2035	4.25	7,387	3,233
June 25, 2035	4.25	7,394	3,226
September 25, 2035	4.25	7,473	3,147
December 25, 2035	4.25	7,586	3,034
March 25, 2036	4.25	7,667	2,953
June 25, 2036	4.25	7,717	2,903
September 25, 2036	4.25	7,799	2,821
December 25, 2036	4.25	7,912	2,708

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 25, 2037	4.25 %	\$ 8,025	\$ 2,595
June 25, 2037	4.25	8,054	2,566
September 25, 2037	4.25	8,140	2,480
December 25, 2037	4.25	8,253	2,367
March 25, 2038	4.25	8,365	2,255
June 25, 2038	4.25	8,405	2,215
September 25, 2038	4.25	8,495	2,125
December 25, 2038	4.25	8,608	2,012
March 25, 2039	4.25	8,720	1,900
June 25, 2039	4.25	8,772	1,848
September 25, 2039	4.25	8,865	1,755
December 25, 2039	4.25	8,979	1,641
March 25, 2040	4.25	9,074	1,546
June 25, 2040	4.25	9,154	1,466
September 25, 2040	4.25	9,252	1,368
December 25, 2040	4.25	9,365	1,255
March 25, 2041	4.25	9,477	1,143
June 25, 2041	4.25	9,553	1,067
September 25, 2041	4.25	9,655	965
December 25, 2041	4.25	9,768	852
March 25, 2042	4.25	9,880	740
June 25, 2042	4.25	9,969	651
September 25, 2042	4.25	10,076	544
December 25, 2042	4.25	10,189	431
March 25, 2043	4.25	10,300	320
June 25, 2043	4.25	10,403	217
September 25, 2043	4.25	9,815	106
		<u>\$ 753,971</u>	<u>\$ 657,790</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 25, 2010	4.25 %	\$ 3,900	\$ 12,388
December 25, 2010	4.25	4,076	12,212
March 25, 2011	4.25	4,250	12,038
June 25, 2011	4.25	4,032	12,256
September 25, 2011	4.25	4,075	12,213
December 25, 2011	4.25	4,253	12,035
March 25, 2012	4.25	4,295	11,993
June 25, 2012	4.25	4,210	12,078
September 25, 2012	4.25	4,255	12,033
December 25, 2012	4.25	4,431	11,857
March 25, 2013	4.25	4,607	11,681
June 25, 2013	4.25	4,397	11,891
September 25, 2013	4.25	4,444	11,844
December 25, 2013	4.25	4,620	11,668
March 25, 2014	4.25	4,796	11,492
June 25, 2014	4.25	4,593	11,695
September 25, 2014	4.25	4,642	11,646
December 25, 2014	4.25	4,817	11,471
March 25, 2015	4.25	4,994	11,294
June 25, 2015	4.25	4,797	11,491
September 25, 2015	4.25	4,848	11,440
December 25, 2015	4.25	5,024	11,264
March 25, 2016	4.25	5,077	11,211
June 25, 2016	4.25	5,008	11,280
September 25, 2016	4.25	5,062	11,226
December 25, 2016	4.25	5,237	11,051
March 25, 2017	4.25	5,414	10,874
June 25, 2017	4.25	5,230	11,058
September 25, 2017	4.25	5,286	11,002
December 25, 2017	4.25	5,462	10,826
March 25, 2018	4.25	5,638	10,650
June 25, 2018	4.25	5,462	10,826
September 25, 2018	4.25	5,520	10,768
December 25, 2018	4.25	5,696	10,592
March 25, 2019	4.25	5,872	10,416
June 25, 2019	4.25	5,703	10,585
September 25, 2019	4.25	5,764	10,524
December 25, 2019	4.25	5,940	10,348
March 25, 2020	4.25	6,003	10,285
June 25, 2020	4.25	5,954	10,334
September 25, 2020	4.25	6,018	10,270
December 25, 2020	4.25	6,193	10,095
March 25, 2021	4.25	6,369	9,919
June 25, 2021	4.25	6,217	10,071
September 25, 2021	4.25	6,283	10,005
December 25, 2021	4.25	6,459	9,829
March 25, 2022	4.25	6,635	9,653
June 25, 2022	4.25	6,491	9,797
September 25, 2022	4.25	6,561	9,727
December 25, 2022	4.25	6,736	9,552
March 25, 2023	4.25	6,911	9,377
June 25, 2023	4.25	6,777	9,511
September 25, 2023	4.25	6,850	9,438

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 25, 2023	4.25 %	\$ 7,025	\$ 9,263
March 25, 2024	4.25	7,099	9,189
June 25, 2024	4.25	7,074	9,214
September 25, 2024	4.25	7,150	9,138
December 25, 2024	4.25	7,325	8,963
March 25, 2025	4.25	7,500	8,788
June 25, 2025	4.25	7,386	8,902
September 25, 2025	4.25	7,464	8,824
December 25, 2025	4.25	7,640	8,648
March 25, 2026	4.25	7,815	8,473
June 25, 2026	4.25	7,710	8,578
September 25, 2026	4.25	7,793	8,495
December 25, 2026	4.25	7,968	8,320
March 25, 2027	4.25	8,142	8,146
June 25, 2027	4.25	8,049	8,239
September 25, 2027	4.25	8,135	8,153
December 25, 2027	4.25	8,310	7,978
March 25, 2028	4.25	8,398	7,890
June 25, 2028	4.25	8,401	7,887
September 25, 2028	4.25	8,491	7,797
December 25, 2028	4.25	8,666	7,622
March 25, 2029	4.25	8,840	7,448
June 25, 2029	4.25	8,770	7,518
September 25, 2029	4.25	8,863	7,425
December 25, 2029	4.25	9,038	7,250
March 25, 2030	4.25	9,213	7,075
June 25, 2030	4.25	9,154	7,134
September 25, 2030	4.25	9,252	7,036
December 25, 2030	4.25	9,427	6,861
March 25, 2031	4.25	9,601	6,687
June 25, 2031	4.25	9,555	6,733
September 25, 2031	4.25	9,657	6,631
December 25, 2031	4.25	9,832	6,456
March 25, 2032	4.25	9,936	6,352
June 25, 2032	4.25	9,973	6,315
September 25, 2032	4.25	10,079	6,209
December 25, 2032	4.25	10,254	6,034
March 25, 2033	4.25	10,428	5,860
June 25, 2033	4.25	10,409	5,879
September 25, 2033	4.25	10,520	5,768
December 25, 2033	4.25	10,695	5,593
March 25, 2034	4.25	10,868	5,420
June 25, 2034	4.25	10,864	5,424
September 25, 2034	4.25	10,980	5,308
December 25, 2034	4.25	11,155	5,133
March 25, 2035	4.25	11,328	4,960
June 25, 2035	4.25	11,339	4,949
September 25, 2035	4.25	11,460	4,828
December 25, 2035	4.25	11,634	4,654
March 25, 2036	4.25	11,758	4,530
June 25, 2036	4.25	11,834	4,454
September 25, 2036	4.25	11,961	4,327
December 25, 2036	4.25	12,134	4,154

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 25, 2037	4.25 %	\$ 12,307	\$ 3,981
June 25, 2037	4.25	12,351	3,937
September 25, 2037	4.25	12,483	3,805
December 25, 2037	4.25	12,656	3,632
March 25, 2038	4.25	12,829	3,459
June 25, 2038	4.25	12,890	3,398
September 25, 2038	4.25	13,028	3,260
December 25, 2038	4.25	13,201	3,087
March 25, 2039	4.25	13,373	2,915
June 25, 2039	4.25	13,452	2,836
September 25, 2039	4.25	13,596	2,692
December 25, 2039	4.25	13,770	2,518
March 25, 2040	4.25	13,915	2,373
June 25, 2040	4.25	14,038	2,250
September 25, 2040	4.25	14,189	2,099
December 25, 2040	4.25	14,362	1,926
March 25, 2041	4.25	14,533	1,755
June 25, 2041	4.25	14,650	1,638
September 25, 2041	4.25	14,807	1,481
December 25, 2041	4.25	14,980	1,308
March 25, 2042	4.25	15,151	1,137
June 25, 2042	4.25	15,289	999
September 25, 2042	4.25	15,452	836
December 25, 2042	4.25	15,625	663
March 25, 2043	4.25	15,796	492
June 25, 2043	4.25	15,955	334
September 25, 2043	4.25	15,193	165
		\$ 1,156,407	\$ 1,008,968

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 19, 2010	4.25 %	\$ 6,130	\$ 19,474
December 19, 2010	4.25	6,407	19,197
March 19, 2011	4.25	6,685	18,919
June 19, 2011	4.25	6,336	19,268
September 19, 2011	4.25	6,404	19,200
December 19, 2011	4.25	6,680	18,924
March 19, 2012	4.25	6,958	18,646
June 19, 2012	4.25	6,619	18,985
September 19, 2012	4.25	6,690	18,914
December 19, 2012	4.25	6,966	18,638
March 19, 2013	4.25	7,244	18,360
June 19, 2013	4.25	6,913	18,691
September 19, 2013	4.25	6,987	18,617
December 19, 2013	4.25	7,264	18,340
March 19, 2014	4.25	7,542	18,062
June 19, 2014	4.25	7,221	18,383
September 19, 2014	4.25	7,298	18,306
December 19, 2014	4.25	7,575	18,029
March 19, 2015	4.25	7,852	17,752
June 19, 2015	4.25	7,542	18,062
September 19, 2015	4.25	7,622	17,982
December 19, 2015	4.25	7,899	17,705
March 19, 2016	4.25	8,176	17,428
June 19, 2016	4.25	7,876	17,728
September 19, 2016	4.25	7,961	17,643
December 19, 2016	4.25	8,237	17,367
March 19, 2017	4.25	8,514	17,090
June 19, 2017	4.25	8,225	17,379
September 19, 2017	4.25	8,313	17,291
December 19, 2017	4.25	8,590	17,014
March 19, 2018	4.25	8,866	16,738
June 19, 2018	4.25	8,590	17,014
September 19, 2018	4.25	8,682	16,922
December 19, 2018	4.25	8,958	16,646
March 19, 2019	4.25	9,234	16,370
June 19, 2019	4.25	8,969	16,635
September 19, 2019	4.25	9,066	16,538
December 19, 2019	4.25	9,341	16,263
March 19, 2020	4.25	9,618	15,986
June 19, 2020	4.25	9,366	16,238
September 19, 2020	4.25	9,466	16,138
December 19, 2020	4.25	9,742	15,862
March 19, 2021	4.25	10,018	15,586
June 19, 2021	4.25	9,779	15,825
September 19, 2021	4.25	9,884	15,720
December 19, 2021	4.25	10,160	15,444
March 19, 2022	4.25	10,436	15,168
June 19, 2022	4.25	10,210	15,394
September 19, 2022	4.25	10,320	15,284
December 19, 2022	4.25	10,595	15,009
March 19, 2023	4.25	10,871	14,733
June 19, 2023	4.25	10,661	14,943
September 19, 2023	4.25	10,774	14,830

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 19, 2023	4.25 %	\$ 11,050	\$ 14,554
March 19, 2024	4.25	11,326	14,278
June 19, 2024	4.25	11,130	14,474
September 19, 2024	4.25	11,249	14,355
December 19, 2024	4.25	11,524	14,080
March 19, 2025	4.25	11,800	13,804
June 19, 2025	4.25	11,619	13,985
September 19, 2025	4.25	11,743	13,861
December 19, 2025	4.25	12,019	13,585
March 19, 2026	4.25	12,294	13,310
June 19, 2026	4.25	12,130	13,474
September 19, 2026	4.25	12,260	13,344
December 19, 2026	4.25	12,535	13,069
March 19, 2027	4.25	12,810	12,794
June 19, 2027	4.25	12,662	12,942
September 19, 2027	4.25	12,798	12,806
December 19, 2027	4.25	13,073	12,531
March 19, 2028	4.25	13,348	12,256
June 19, 2028	4.25	13,219	12,385
September 19, 2028	4.25	13,360	12,244
December 19, 2028	4.25	13,635	11,969
March 19, 2029	4.25	13,909	11,695
June 19, 2029	4.25	13,798	11,806
September 19, 2029	4.25	13,946	11,658
December 19, 2029	4.25	14,220	11,384
March 19, 2030	4.25	14,495	11,109
June 19, 2030	4.25	14,403	11,201
September 19, 2030	4.25	14,557	11,047
December 19, 2030	4.25	14,832	10,772
March 19, 2031	4.25	15,105	10,499
June 19, 2031	4.25	15,034	10,570
September 19, 2031	4.25	15,195	10,409
December 19, 2031	4.25	15,469	10,135
March 19, 2032	4.25	15,743	9,861
June 19, 2032	4.25	15,692	9,912
September 19, 2032	4.25	15,860	9,744
December 19, 2032	4.25	16,134	9,470
March 19, 2033	4.25	16,408	9,196
June 19, 2033	4.25	16,379	9,225
September 19, 2033	4.25	16,554	9,050
December 19, 2033	4.25	16,828	8,776
March 19, 2034	4.25	17,101	8,503
June 19, 2034	4.25	17,095	8,509
September 19, 2034	4.25	17,278	8,326
December 19, 2034	4.25	17,552	8,052
March 19, 2035	4.25	17,824	7,780
June 19, 2035	4.25	17,842	7,762
September 19, 2035	4.25	18,033	7,571
December 19, 2035	4.25	18,307	7,297
March 19, 2036	4.25	18,579	7,025
June 19, 2036	4.25	18,621	6,983
September 19, 2036	4.25	18,821	6,783
December 19, 2036	4.25	19,094	6,510

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 19, 2037	4.25 %	\$ 19,366	\$ 6,238
June 19, 2037	4.25	19,435	6,169
September 19, 2037	4.25	19,643	5,961
December 19, 2037	4.25	19,916	5,688
March 19, 2038	4.25	20,187	5,417
June 19, 2038	4.25	20,283	5,321
September 19, 2038	4.25	20,500	5,104
December 19, 2038	4.25	20,773	4,831
March 19, 2039	4.25	21,043	4,561
June 19, 2039	4.25	21,168	4,436
September 19, 2039	4.25	21,395	4,209
December 19, 2039	4.25	21,667	3,937
March 19, 2040	4.25	21,937	3,667
June 19, 2040	4.25	22,091	3,513
September 19, 2040	4.25	22,327	3,277
December 19, 2040	4.25	22,600	3,004
March 19, 2041	4.25	22,869	2,735
June 19, 2041	4.25	23,054	2,550
September 19, 2041	4.25	23,301	2,303
December 19, 2041	4.25	23,572	2,032
March 19, 2042	4.25	23,842	1,762
June 19, 2042	4.25	24,058	1,546
September 19, 2042	4.25	24,316	1,288
December 19, 2042	4.25	24,588	1,016
March 19, 2043	4.25	24,856	748
June 19, 2043	4.25	25,106	498
September 19, 2043	4.25	21,378	230
		\$ 1,817,895	\$ 1,583,441

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2003
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	31,168	6,121
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	33,586	3,703
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	1,368
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	37,010	277
		\$ 1,086,492	\$ 144,043

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 22, 2010	4.375 %	\$ 20,346	\$ 71,359
December 22, 2010	4.375	21,343	70,362
March 22, 2011	4.375	22,347	69,358
June 22, 2011	4.375	21,052	70,653
September 22, 2011	4.375	21,284	70,421
December 22, 2011	4.375	22,282	69,423
March 22, 2012	4.375	23,285	68,420
June 22, 2012	4.375	22,021	69,684
September 22, 2012	4.375	22,264	69,441
December 22, 2012	4.375	23,262	68,443
March 22, 2013	4.375	24,265	67,440
June 22, 2013	4.375	23,034	68,671
September 22, 2013	4.375	23,288	68,417
December 22, 2013	4.375	24,286	67,419
March 22, 2014	4.375	25,288	66,417
June 22, 2014	4.375	24,091	67,614
September 22, 2014	4.375	24,357	67,348
December 22, 2014	4.375	25,355	66,350
March 22, 2015	4.375	26,357	65,348
June 22, 2015	4.375	25,196	66,509
September 22, 2015	4.375	25,474	66,231
December 22, 2015	4.375	26,471	65,234
March 22, 2016	4.375	27,474	64,231
June 22, 2016	4.375	26,349	65,356
September 22, 2016	4.375	26,640	65,065
December 22, 2016	4.375	27,638	64,067
March 22, 2017	4.375	28,640	63,065
June 22, 2017	4.375	27,554	64,151
September 22, 2017	4.375	27,858	63,847
December 22, 2017	4.375	28,856	62,849
March 22, 2018	4.375	29,858	61,847
June 22, 2018	4.375	28,813	62,892
September 22, 2018	4.375	29,131	62,574
December 22, 2018	4.375	30,129	61,576
March 22, 2019	4.375	31,130	60,575
June 22, 2019	4.375	30,127	61,578
September 22, 2019	4.375	30,460	61,245
December 22, 2019	4.375	31,457	60,248
March 22, 2020	4.375	32,459	59,246
June 22, 2020	4.375	31,500	60,205
September 22, 2020	4.375	31,847	59,858
December 22, 2020	4.375	32,846	58,859
March 22, 2021	4.375	33,847	57,858
June 22, 2021	4.375	32,934	58,771
September 22, 2021	4.375	33,297	58,408
December 22, 2021	4.375	34,296	57,409
March 22, 2022	4.375	35,296	56,409
June 22, 2022	4.375	34,432	57,273
September 22, 2022	4.375	34,812	56,893
December 22, 2022	4.375	35,810	55,895
March 22, 2023	4.375	36,810	54,895
June 22, 2023	4.375	35,996	55,709
September 22, 2023	4.375	36,393	55,312

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 22, 2023	4.375 %	\$ 37,392	\$ 54,313
March 22, 2024	4.375	38,392	53,313
June 22, 2024	4.375	37,630	54,075
September 22, 2024	4.375	38,045	53,660
December 22, 2024	4.375	39,044	52,661
March 22, 2025	4.375	40,044	51,661
June 22, 2025	4.375	39,337	52,368
September 22, 2025	4.375	39,771	51,934
December 22, 2025	4.375	40,769	50,936
March 22, 2026	4.375	41,769	49,936
June 22, 2026	4.375	41,119	50,586
September 22, 2026	4.375	41,573	50,132
December 22, 2026	4.375	42,571	49,134
March 22, 2027	4.375	43,571	48,134
June 22, 2027	4.375	42,981	48,724
September 22, 2027	4.375	43,455	48,250
December 22, 2027	4.375	44,454	47,251
March 22, 2028	4.375	45,453	46,252
June 22, 2028	4.375	44,926	46,779
September 22, 2028	4.375	45,422	46,283
December 22, 2028	4.375	46,420	45,285
March 22, 2029	4.375	47,418	44,287
June 22, 2029	4.375	46,957	44,748
September 22, 2029	4.375	47,475	44,230
December 22, 2029	4.375	48,474	43,231
March 22, 2030	4.375	49,471	42,234
June 22, 2030	4.375	49,078	42,627
September 22, 2030	4.375	49,620	42,085
December 22, 2030	4.375	50,618	41,087
March 22, 2031	4.375	51,616	40,089
June 22, 2031	4.375	51,294	40,411
September 22, 2031	4.375	51,860	39,845
December 22, 2031	4.375	52,859	38,846
March 22, 2032	4.375	53,856	37,849
June 22, 2032	4.375	53,608	38,097
September 22, 2032	4.375	54,200	37,505
December 22, 2032	4.375	55,198	36,507
March 22, 2033	4.375	56,195	35,510
June 22, 2033	4.375	56,026	35,679
September 22, 2033	4.375	56,644	35,061
December 22, 2033	4.375	57,642	34,063
March 22, 2034	4.375	58,639	33,066
June 22, 2034	4.375	58,550	33,155
September 22, 2034	4.375	59,196	32,509
December 22, 2034	4.375	60,195	31,510
March 22, 2035	4.375	61,191	30,514
June 22, 2035	4.375	61,188	30,517
September 22, 2035	4.375	61,862	29,843
December 22, 2035	4.375	62,861	28,844
March 22, 2036	4.375	63,857	27,848
June 22, 2036	4.375	63,942	27,763
September 22, 2036	4.375	64,647	27,058
December 22, 2036	4.375	65,646	26,059

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 22, 2037	4.375 %	\$ 66,641	\$ 25,064
June 22, 2037	4.375	66,818	24,887
September 22, 2037	4.375	67,555	24,150
December 22, 2037	4.375	68,555	23,150
March 22, 2038	4.375	69,549	22,156
June 22, 2038	4.375	69,823	21,882
September 22, 2038	4.375	70,593	21,112
December 22, 2038	4.375	71,593	20,112
March 22, 2039	4.375	72,586	19,119
June 22, 2039	4.375	72,962	18,743
September 22, 2039	4.375	73,766	17,939
December 22, 2039	4.375	74,766	16,939
March 22, 2040	4.375	75,758	15,947
June 22, 2040	4.375	76,240	15,465
September 22, 2040	4.375	77,080	14,625
December 22, 2040	4.375	78,080	13,625
March 22, 2041	4.375	79,072	12,633
June 22, 2041	4.375	79,664	12,041
September 22, 2041	4.375	80,542	11,163
December 22, 2041	4.375	81,542	10,163
March 22, 2042	4.375	82,533	9,172
June 22, 2042	4.375	83,239	8,466
September 22, 2042	4.375	84,157	7,548
December 22, 2042	4.375	85,157	6,548
March 22, 2043	4.375	86,148	5,557
June 22, 2043	4.375	86,974	4,731
September 22, 2043	4.375	87,933	3,772
December 22, 2043	4.375	88,933	2,772
March 22, 2044	4.375	89,923	1,782
June 22, 2044	4.375	75,239	828
		\$ 6,471,079	\$ 5,985,163

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2004
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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	60,024
June 30, 2013	1.50	232,005	58,296
December 31, 2013	1.50	233,745	56,557
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	51,257
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	40,296
December 31, 2018	1.50	251,880	38,422
June 30, 2019	1.50	253,769	36,532
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	28,833
December 31, 2021	1.50	263,429	26,872
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	4,305
December 31, 2027	1.50	288,140	2,162
		\$ 8,907,223	\$ 1,253,330

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
July 21, 2010	4.125 %	\$ 21,259	\$ 68,271
October 21, 2010	4.125	20,730	68,800
January 21, 2011	4.125	20,945	68,585
April 21, 2011	4.125	22,650	66,880
July 21, 2011	4.125	22,139	67,391
October 21, 2011	4.125	21,629	67,901
January 21, 2012	4.125	21,854	67,676
April 21, 2012	4.125	23,547	65,983
July 21, 2012	4.125	23,056	66,474
October 21, 2012	4.125	22,565	66,965
January 21, 2013	4.125	22,800	66,730
April 21, 2013	4.125	24,483	65,047
July 21, 2013	4.125	24,012	65,518
October 21, 2013	4.125	23,541	65,989
January 21, 2014	4.125	23,786	65,744
April 21, 2014	4.125	25,457	64,073
July 21, 2014	4.125	25,007	64,523
October 21, 2014	4.125	24,558	64,972
January 21, 2015	4.125	24,813	64,717
April 21, 2015	4.125	26,473	63,057
July 21, 2015	4.125	26,044	63,486
October 21, 2015	4.125	25,617	63,913
January 21, 2016	4.125	25,884	63,646
April 21, 2016	4.125	27,531	61,999
July 21, 2016	4.125	27,125	62,405
October 21, 2016	4.125	26,721	62,809
January 21, 2017	4.125	26,999	62,531
April 21, 2017	4.125	28,633	60,897
July 21, 2017	4.125	28,251	61,279
October 21, 2017	4.125	27,871	61,659
January 21, 2018	4.125	28,161	61,369
April 21, 2018	4.125	29,781	59,749
July 21, 2018	4.125	29,424	60,106
October 21, 2018	4.125	29,069	60,461
January 21, 2019	4.125	29,372	60,158
April 21, 2019	4.125	30,978	58,552
July 21, 2019	4.125	30,646	58,884
October 21, 2019	4.125	30,318	59,212
January 21, 2020	4.125	30,633	58,897
April 21, 2020	4.125	32,225	57,305
July 21, 2020	4.125	31,920	57,610
October 21, 2020	4.125	31,618	57,912
January 21, 2021	4.125	31,947	57,583
April 21, 2021	4.125	33,524	56,006
July 21, 2021	4.125	33,246	56,284
October 21, 2021	4.125	32,974	56,556
January 21, 2022	4.125	33,316	56,214
April 21, 2022	4.125	34,877	54,653
July 21, 2022	4.125	34,629	54,901
October 21, 2022	4.125	34,385	55,145
January 21, 2023	4.125	34,743	54,787
April 21, 2023	4.125	36,287	53,243
July 21, 2023	4.125	36,069	53,461

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
October 21, 2023	4.125 %	\$ 35,856	\$ 53,674
January 21, 2024	4.125	36,229	53,301
April 21, 2024	4.125	37,757	51,773
July 21, 2024	4.125	37,569	51,961
October 21, 2024	4.125	37,389	52,141
January 21, 2025	4.125	37,778	51,752
April 21, 2025	4.125	39,287	50,243
July 21, 2025	4.125	39,133	50,397
October 21, 2025	4.125	38,986	50,544
January 21, 2026	4.125	39,391	50,139
April 21, 2026	4.125	40,882	48,648
July 21, 2026	4.125	40,762	48,768
October 21, 2026	4.125	40,650	48,880
January 21, 2027	4.125	41,072	48,458
April 21, 2027	4.125	42,544	46,986
July 21, 2027	4.125	42,459	47,071
October 21, 2027	4.125	42,383	47,147
January 21, 2028	4.125	42,824	46,706
April 21, 2028	4.125	44,275	45,255
July 21, 2028	4.125	44,227	45,303
October 21, 2028	4.125	44,189	45,341
January 21, 2029	4.125	44,649	44,881
April 21, 2029	4.125	46,079	43,451
July 21, 2029	4.125	46,070	43,460
October 21, 2029	4.125	46,071	43,459
January 21, 2030	4.125	46,550	42,980
April 21, 2030	4.125	47,958	41,572
July 21, 2030	4.125	47,989	41,541
October 21, 2030	4.125	48,032	41,498
January 21, 2031	4.125	48,531	40,999
April 21, 2031	4.125	49,916	39,614
July 21, 2031	4.125	49,989	39,541
October 21, 2031	4.125	50,075	39,455
January 21, 2032	4.125	50,595	38,935
April 21, 2032	4.125	51,956	37,574
July 21, 2032	4.125	52,073	37,457
October 21, 2032	4.125	52,203	37,327
January 21, 2033	4.125	52,745	36,785
April 21, 2033	4.125	54,082	35,448
July 21, 2033	4.125	54,244	35,286
October 21, 2033	4.125	54,420	35,110
January 21, 2034	4.125	54,986	34,544
April 21, 2034	4.125	56,296	33,234
July 21, 2034	4.125	56,506	33,024
October 21, 2034	4.125	56,730	32,800
January 21, 2035	4.125	57,320	32,210
April 21, 2035	4.125	58,604	30,926
July 21, 2035	4.125	58,863	30,667
October 21, 2035	4.125	59,138	30,392
January 21, 2036	4.125	59,752	29,778
April 21, 2036	4.125	61,008	28,522
July 21, 2036	4.125	61,318	28,212
October 21, 2036	4.125	61,646	27,884

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
January 21, 2037	4.125 %	\$ 62,287	\$ 27,243
April 21, 2037	4.125	63,512	26,018
July 21, 2037	4.125	63,876	25,654
October 21, 2037	4.125	64,259	25,271
January 21, 2038	4.125	64,927	24,603
April 21, 2038	4.125	66,122	23,408
July 21, 2038	4.125	66,542	22,988
October 21, 2038	4.125	66,981	22,549
January 21, 2039	4.125	67,678	21,852
April 21, 2039	4.125	68,841	20,689
July 21, 2039	4.125	69,319	20,211
October 21, 2039	4.125	69,818	19,712
January 21, 2040	4.125	70,544	18,986
April 21, 2040	4.125	71,674	17,856
July 21, 2040	4.125	72,213	17,317
October 21, 2040	4.125	72,773	16,757
January 21, 2041	4.125	73,530	16,000
April 21, 2041	4.125	74,625	14,905
July 21, 2041	4.125	75,228	14,302
October 21, 2041	4.125	75,852	13,678
January 21, 2042	4.125	76,641	12,889
April 21, 2042	4.125	77,701	11,829
July 21, 2042	4.125	78,368	11,162
October 21, 2042	4.125	79,061	10,469
January 21, 2043	4.125	79,883	9,647
April 21, 2043	4.125	80,905	8,625
July 21, 2043	4.125	81,641	7,889
October 21, 2043	4.125	82,404	7,126
January 21, 2044	4.125	83,260	6,270
April 21, 2044	4.125	84,243	5,287
July 21, 2044	4.125	85,051	4,479
October 21, 2044	4.125	85,886	3,644
January 21, 2045	4.125	86,779	2,751
April 21, 2045	4.125	87,721	1,809
July 21, 2045	4.125	90,104	925
		\$ 6,638,407	\$ 5,986,822

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SUSSEX COUNTY, DELAWARE
 BONDED DEBT REVENUE BONDS - 2005
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
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>\$ 15,195,000</u>	<u>\$ 5,629,220</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 1, 2010	1.50 %	\$ 106,067	\$ 60,000
June 1, 2011	1.50	106,862	59,205
December 1, 2011	1.50	107,664	58,403
June 1, 2012	1.50	108,471	57,596
December 1, 2012	1.50	109,285	56,782
June 1, 2013	1.50	110,104	55,963
December 1, 2013	1.50	110,930	55,137
June 1, 2014	1.50	111,762	54,305
December 1, 2014	1.50	112,600	53,467
June 1, 2015	1.50	113,445	52,622
December 1, 2015	1.50	114,296	51,771
June 1, 2016	1.50	115,153	50,914
December 1, 2016	1.50	116,016	50,051
June 1, 2017	1.50	116,887	49,180
December 1, 2017	1.50	117,763	48,304
June 1, 2018	1.50	118,647	47,420
December 1, 2018	1.50	119,537	46,530
June 1, 2019	1.50	120,433	45,634
December 1, 2019	1.50	121,336	44,731
June 1, 2020	1.50	122,247	43,820
December 1, 2020	1.50	123,163	42,904
June 1, 2021	1.50	124,087	41,980
December 1, 2021	1.50	125,018	41,049
June 1, 2022	1.50	125,955	40,112
December 1, 2022	1.50	126,900	39,167
June 1, 2023	1.50	127,851	38,216
December 1, 2023	1.50	128,810	37,257
June 1, 2024	1.50	129,777	36,290
December 1, 2024	1.50	130,750	35,317
June 1, 2025	1.50	131,730	34,337
December 1, 2025	1.50	132,718	33,349
June 1, 2026	1.50	133,714	32,353
December 1, 2026	1.50	134,717	31,350
June 1, 2027	1.50	135,727	30,340
December 1, 2027	1.50	136,745	29,322
June 1, 2028	1.50	137,771	28,296
December 1, 2028	1.50	138,804	27,263
June 1, 2029	1.50	139,845	26,222
December 1, 2029	1.50	140,894	25,173
June 1, 2030	1.50	141,950	24,117
December 1, 2030	1.50	143,015	23,052
June 1, 2031	1.50	144,088	21,979
December 1, 2031	1.50	145,168	20,899
June 1, 2032	1.50	146,257	19,810
December 1, 2032	1.50	147,354	18,713
June 1, 2033	1.50	148,459	17,608
December 1, 2033	1.50	149,573	16,494
June 1, 2034	1.50	150,694	15,373
December 1, 2034	1.50	151,825	14,242
June 1, 2035	1.50	152,963	13,104
December 1, 2035	1.50	154,111	11,956
June 1, 2036	1.50	155,266	10,801
December 1, 2036	1.50	156,431	9,636

(continued)

SUSSEX COUNTY, DELAWARE
BONDED DEBT GENERAL OBLIGATION - 2006
(PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
JUNE 30, 2010

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
June 1, 2037	1.50 %	\$ 157,604	\$ 8,463
December 1, 2037	1.50	158,786	7,281
June 1, 2038	1.50	159,977	6,090
December 1, 2038	1.50	161,177	4,890
June 1, 2039	1.50	162,386	3,681
December 1, 2039	1.50	163,604	2,463
June 1, 2040	1.50	164,831	1,236
		<u>\$ 8,000,000</u>	<u>\$ 1,964,020</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
November 1, 2010	1.50 %	\$ 65,083	\$ 34,558
May 1, 2011	1.50	65,571	34,069
November 1, 2011	1.50	66,063	33,577
May 1, 2012	1.50	66,558	33,082
November 1, 2012	1.50	67,058	32,583
May 1, 2013	1.50	67,560	32,080
November 1, 2013	1.50	68,067	31,573
May 1, 2014	1.50	68,577	31,063
November 1, 2014	1.50	69,092	30,548
May 1, 2015	1.50	69,610	30,030
November 1, 2015	1.50	70,132	29,508
May 1, 2016	1.50	70,658	28,982
November 1, 2016	1.50	71,188	28,452
May 1, 2017	1.50	71,722	27,918
November 1, 2017	1.50	72,260	27,380
May 1, 2018	1.50	72,802	26,839
November 1, 2018	1.50	73,348	26,293
May 1, 2019	1.50	73,898	25,742
November 1, 2019	1.50	74,452	25,188
May 1, 2020	1.50	75,011	24,630
November 1, 2020	1.50	75,573	24,067
May 1, 2021	1.50	76,140	23,500
November 1, 2021	1.50	76,711	22,929
May 1, 2022	1.50	77,286	22,354
November 1, 2022	1.50	77,866	21,774
May 1, 2023	1.50	78,450	21,190
November 1, 2023	1.50	79,038	20,602
May 1, 2024	1.50	79,631	20,009
November 1, 2024	1.50	80,228	19,412
May 1, 2025	1.50	80,830	18,810
November 1, 2025	1.50	81,436	18,204
May 1, 2026	1.50	82,047	17,593
November 1, 2026	1.50	82,663	16,978
May 1, 2027	1.50	83,282	16,358
November 1, 2027	1.50	83,907	15,733
May 1, 2028	1.50	84,536	15,104
November 1, 2028	1.50	85,170	14,470
May 1, 2029	1.50	85,809	13,831
November 1, 2029	1.50	86,453	13,188
May 1, 2030	1.50	87,101	12,539
November 1, 2030	1.50	87,754	11,886
May 1, 2031	1.50	88,413	11,228
November 1, 2031	1.50	89,075	10,565
May 1, 2032	1.50	89,744	9,896
November 1, 2032	1.50	90,416	9,224
May 1, 2033	1.50	91,095	8,545
November 1, 2033	1.50	91,778	7,862
May 1, 2034	1.50	92,466	7,174
November 1, 2034	1.50	93,160	6,480
May 1, 2035	1.50	93,858	5,782
November 1, 2035	1.50	94,562	5,078
May 1, 2036	1.50	95,272	4,368
November 1, 2036	1.50	95,986	3,654

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2006
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
May 1, 2037	1.50 %	\$ 96,706	\$ 2,934
November 1, 2037	1.50	97,432	2,209
May 1, 2038	1.50	98,162	1,478
November 1, 2038	1.50	98,898	742
		<u>\$ 4,607,644</u>	<u>\$ 1,071,845</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 12, 2010	4.50 %	\$ 171	\$ 816
December 12, 2010	4.50	181	806
March 12, 2011	4.50	192	795
June 12, 2011	4.50	177	810
September 12, 2011	4.50	179	808
December 12, 2011	4.50	190	797
March 12, 2012	4.50	200	787
June 12, 2012	4.50	185	802
September 12, 2012	4.50	188	799
December 12, 2012	4.50	198	789
March 12, 2013	4.50	209	778
June 12, 2013	4.50	194	793
September 12, 2013	4.50	196	791
December 12, 2013	4.50	207	780
March 12, 2014	4.50	218	769
June 12, 2014	4.50	204	783
September 12, 2014	4.50	206	781
December 12, 2014	4.50	217	770
March 12, 2015	4.50	227	760
June 12, 2015	4.50	213	774
September 12, 2015	4.50	216	771
December 12, 2015	4.50	226	761
March 12, 2016	4.50	237	750
June 12, 2016	4.50	223	764
September 12, 2016	4.50	226	761
December 12, 2016	4.50	236	751
March 12, 2017	4.50	247	740
June 12, 2017	4.50	234	753
September 12, 2017	4.50	237	750
December 12, 2017	4.50	247	740
March 12, 2018	4.50	258	729
June 12, 2018	4.50	245	742
September 12, 2018	4.50	248	739
December 12, 2018	4.50	259	728
March 12, 2019	4.50	269	718
June 12, 2019	4.50	256	731
September 12, 2019	4.50	259	728
December 12, 2019	4.50	270	717
March 12, 2020	4.50	281	706
June 12, 2020	4.50	269	718
September 12, 2020	4.50	272	715
December 12, 2020	4.50	282	705
March 12, 2021	4.50	293	694
June 12, 2021	4.50	281	706
September 12, 2021	4.50	284	703
December 12, 2021	4.50	295	692
March 12, 2022	4.50	306	681
June 12, 2022	4.50	295	692
September 12, 2022	4.50	298	689
December 12, 2022	4.50	309	678
March 12, 2023	4.50	319	668
June 12, 2023	4.50	308	679
September 12, 2023	4.50	312	675

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 12, 2023	4.50 %	\$ 322	\$ 665
March 12, 2024	4.50	333	654
June 12, 2024	4.50	323	664
September 12, 2024	4.50	326	661
December 12, 2024	4.50	337	650
March 12, 2025	4.50	348	639
June 12, 2025	4.50	338	649
September 12, 2025	4.50	342	645
December 12, 2025	4.50	352	635
March 12, 2026	4.50	363	624
June 12, 2026	4.50	354	633
September 12, 2026	4.50	358	629
December 12, 2026	4.50	369	618
March 12, 2027	4.50	379	608
June 12, 2027	4.50	370	617
September 12, 2027	4.50	374	613
December 12, 2027	4.50	385	602
March 12, 2028	4.50	396	591
June 12, 2028	4.50	388	599
September 12, 2028	4.50	392	595
December 12, 2028	4.50	403	584
March 12, 2029	4.50	414	573
June 12, 2029	4.50	405	582
September 12, 2029	4.50	410	577
December 12, 2029	4.50	421	566
March 12, 2030	4.50	432	555
June 12, 2030	4.50	425	562
September 12, 2030	4.50	430	557
December 12, 2030	4.50	440	547
March 12, 2031	4.50	451	536
June 12, 2031	4.50	444	543
September 12, 2031	4.50	450	537
December 12, 2031	4.50	460	527
March 12, 2032	4.50	471	516
June 12, 2032	4.50	465	522
September 12, 2032	4.50	470	517
December 12, 2032	4.50	481	506
March 12, 2033	4.50	492	495
June 12, 2033	4.50	487	500
September 12, 2033	4.50	492	495
December 12, 2033	4.50	503	484
March 12, 2034	4.50	514	473
June 12, 2034	4.50	510	477
September 12, 2034	4.50	515	472
December 12, 2034	4.50	526	461
March 12, 2035	4.50	537	450
June 12, 2035	4.50	533	454
September 12, 2035	4.50	539	448
December 12, 2035	4.50	550	437
March 12, 2036	4.50	561	426
June 12, 2036	4.50	558	429
September 12, 2036	4.50	564	423
December 12, 2036	4.50	575	412

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 12, 2037	4.50 %	\$ 586	\$ 401
June 12, 2037	4.50	584	403
September 12, 2037	4.50	590	397
December 12, 2037	4.50	601	386
March 12, 2038	4.50	612	375
June 12, 2038	4.50	611	376
September 12, 2038	4.50	618	369
December 12, 2038	4.50	629	358
March 12, 2039	4.50	639	348
June 12, 2039	4.50	639	348
September 12, 2039	4.50	646	341
December 12, 2039	4.50	657	330
March 12, 2040	4.50	668	319
June 12, 2040	4.50	669	318
September 12, 2040	4.50	676	311
December 12, 2040	4.50	687	300
March 12, 2041	4.50	698	289
June 12, 2041	4.50	700	287
September 12, 2041	4.50	708	279
December 12, 2041	4.50	719	268
March 12, 2042	4.50	729	258
June 12, 2042	4.50	732	255
September 12, 2042	4.50	741	246
December 12, 2042	4.50	751	236
March 12, 2043	4.50	762	225
June 12, 2043	4.50	766	221
September 12, 2043	4.50	775	212
December 12, 2043	4.50	786	201
March 12, 2044	4.50	796	191
June 12, 2044	4.50	801	186
September 12, 2044	4.50	811	176
December 12, 2044	4.50	822	165
March 12, 2045	4.50	830	157
June 12, 2045	4.50	839	148
September 12, 2045	4.50	848	139
December 12, 2045	4.50	859	128
March 12, 2046	4.50	870	117
June 12, 2046	4.50	877	110
September 12, 2046	4.50	887	100
December 12, 2046	4.50	898	89
March 12, 2047	4.50	909	78
June 12, 2047	4.50	918	69
September 12, 2047	4.50	928	59
December 12, 2047	4.50	939	48
March 12, 2048	4.50	950	37
June 12, 2048	4.50	960	27
September 12, 2048	4.50	971	16
December 12, 2048	4.50	454	6
		\$ 71,972	\$ 79,499

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 26, 2010	4.50 %	\$ 5,751	\$ 27,254
December 26, 2010	4.50	6,112	26,893
March 26, 2011	4.50	6,476	26,529
June 26, 2011	4.50	5,960	27,045
September 26, 2011	4.50	6,027	26,978
December 26, 2011	4.50	6,388	26,617
March 26, 2012	4.50	6,751	26,254
June 26, 2012	4.50	6,245	26,760
September 26, 2012	4.50	6,315	26,690
December 26, 2012	4.50	6,676	26,329
March 26, 2013	4.50	7,040	25,965
June 26, 2013	4.50	6,543	26,462
September 26, 2013	4.50	6,617	26,388
December 26, 2013	4.50	6,978	26,027
March 26, 2014	4.50	7,341	25,664
June 26, 2014	4.50	6,854	26,151
September 26, 2014	4.50	6,932	26,073
December 26, 2014	4.50	7,293	25,712
March 26, 2015	4.50	7,657	25,348
June 26, 2015	4.50	7,180	25,825
September 26, 2015	4.50	7,262	25,743
December 26, 2015	4.50	7,623	25,382
March 26, 2016	4.50	7,986	25,019
June 26, 2016	4.50	7,521	25,484
September 26, 2016	4.50	7,606	25,399
December 26, 2016	4.50	7,968	25,037
March 26, 2017	4.50	8,331	24,674
June 26, 2017	4.50	7,878	25,127
September 26, 2017	4.50	7,967	25,038
December 26, 2017	4.50	8,328	24,677
March 26, 2018	4.50	8,692	24,313
June 26, 2018	4.50	8,250	24,755
September 26, 2018	4.50	8,344	24,661
December 26, 2018	4.50	8,706	24,299
March 26, 2019	4.50	9,069	23,936
June 26, 2019	4.50	8,640	24,365
September 26, 2019	4.50	8,738	24,267
December 26, 2019	4.50	9,100	23,905
March 26, 2020	4.50	9,463	23,542
June 26, 2020	4.50	9,048	23,957
September 26, 2020	4.50	9,151	23,854
December 26, 2020	4.50	9,512	23,493
March 26, 2021	4.50	9,876	23,129
June 26, 2021	4.50	9,474	23,531
September 26, 2021	4.50	9,581	23,424
December 26, 2021	4.50	9,944	23,061
March 26, 2022	4.50	10,307	22,698
June 26, 2022	4.50	9,920	23,085
September 26, 2022	4.50	10,032	22,973
December 26, 2022	4.50	10,395	22,610
March 26, 2023	4.50	10,759	22,246
June 26, 2023	4.50	10,386	22,619
September 26, 2023	4.50	10,504	22,501

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 26, 2023	4.50 %	\$ 10,866	\$ 22,139
March 26, 2024	4.50	11,230	21,775
June 26, 2024	4.50	10,874	22,131
September 26, 2024	4.50	10,997	22,008
December 26, 2024	4.50	11,360	21,645
March 26, 2025	4.50	11,723	21,282
June 26, 2025	4.50	11,384	21,621
September 26, 2025	4.50	11,513	21,492
December 26, 2025	4.50	11,876	21,129
March 26, 2026	4.50	12,239	20,766
June 26, 2026	4.50	11,917	21,088
September 26, 2026	4.50	12,052	20,953
December 26, 2026	4.50	12,415	20,590
March 26, 2027	4.50	12,779	20,226
June 26, 2027	4.50	12,474	20,531
September 26, 2027	4.50	12,616	20,389
December 26, 2027	4.50	12,979	20,026
March 26, 2028	4.50	13,343	19,662
June 26, 2028	4.50	13,058	19,947
September 26, 2028	4.50	13,206	19,799
December 26, 2028	4.50	13,569	19,436
March 26, 2029	4.50	13,933	19,072
June 26, 2029	4.50	13,667	19,338
September 26, 2029	4.50	13,823	19,182
December 26, 2029	4.50	14,186	18,819
March 26, 2030	4.50	14,550	18,455
June 26, 2030	4.50	14,305	18,700
September 26, 2030	4.50	14,467	18,538
December 26, 2030	4.50	14,831	18,174
March 26, 2031	4.50	15,196	17,809
June 26, 2031	4.50	14,972	18,033
September 26, 2031	4.50	15,142	17,863
December 26, 2031	4.50	15,506	17,499
March 26, 2032	4.50	15,870	17,135
June 26, 2032	4.50	15,670	17,335
September 26, 2032	4.50	15,847	17,158
December 26, 2032	4.50	16,212	16,793
March 26, 2033	4.50	16,576	16,429
June 26, 2033	4.50	16,399	16,606
September 26, 2033	4.50	16,585	16,420
December 26, 2033	4.50	16,949	16,056
March 26, 2034	4.50	17,314	15,691
June 26, 2034	4.50	17,162	15,843
September 26, 2034	4.50	17,357	15,648
December 26, 2034	4.50	17,721	15,284
March 26, 2035	4.50	18,086	14,919
June 26, 2035	4.50	17,959	15,046
September 26, 2035	4.50	18,163	14,842
December 26, 2035	4.50	18,528	14,477
March 26, 2036	4.50	18,893	14,112
June 26, 2036	4.50	18,794	14,211
September 26, 2036	4.50	19,006	13,999
December 26, 2036	4.50	19,372	13,633

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 26, 2037	4.50 %	\$ 19,737	\$ 13,268
June 26, 2037	4.50	19,666	13,339
September 26, 2037	4.50	19,889	13,116
December 26, 2037	4.50	20,255	12,750
March 26, 2038	4.50	20,619	12,386
June 26, 2038	4.50	20,578	12,427
September 26, 2038	4.50	20,812	12,193
December 26, 2038	4.50	21,178	11,827
March 26, 2039	4.50	21,542	11,463
June 26, 2039	4.50	21,532	11,473
September 26, 2039	4.50	21,776	11,229
December 26, 2039	4.50	22,143	10,862
March 26, 2040	4.50	22,508	10,497
June 26, 2040	4.50	22,530	10,475
September 26, 2040	4.50	22,786	10,219
December 26, 2040	4.50	23,152	9,853
March 26, 2041	4.50	23,517	9,488
June 26, 2041	4.50	23,573	9,432
September 26, 2041	4.50	23,840	9,165
December 26, 2041	4.50	24,208	8,797
March 26, 2042	4.50	24,573	8,432
June 26, 2042	4.50	24,664	8,341
September 26, 2042	4.50	24,944	8,061
December 26, 2042	4.50	25,311	7,694
March 26, 2043	4.50	25,677	7,328
June 26, 2043	4.50	25,805	7,200
September 26, 2043	4.50	26,098	6,907
December 26, 2043	4.50	26,466	6,539
March 26, 2044	4.50	26,831	6,174
June 26, 2044	4.50	26,998	6,007
September 26, 2044	4.50	27,305	5,700
December 26, 2044	4.50	27,673	5,332
March 26, 2045	4.50	28,039	4,966
June 26, 2045	4.50	28,246	4,759
September 26, 2045	4.50	28,567	4,438
December 26, 2045	4.50	28,935	4,070
March 26, 2046	4.50	29,301	3,704
June 26, 2046	4.50	29,551	3,454
September 26, 2046	4.50	29,886	3,119
December 26, 2046	4.50	30,256	2,749
March 26, 2047	4.50	30,621	2,384
June 26, 2047	4.50	30,916	2,089
September 26, 2047	4.50	31,267	1,738
December 26, 2047	4.50	31,636	1,369
March 26, 2048	4.50	32,002	1,003
June 26, 2048	4.50	32,343	662
September 26, 2048	4.50	26,022	293
		\$ 2,402,782	\$ 2,640,293

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
November 21, 2010	1.50 %	\$ -	\$ 2,181
May 21, 2011	1.50	-	2,583
November 21, 2011	1.50	-	2,583
May 21, 2012	1.50	-	2,583
November 21, 2012	1.50	-	2,583
May 21, 2013	1.50	4,662	2,584
November 21, 2013	1.50	4,697	2,548
May 21, 2014	1.50	4,733	2,513
November 21, 2014	1.50	4,768	2,477
May 21, 2015	1.50	4,804	2,442
November 21, 2015	1.50	4,840	2,406
May 21, 2016	1.50	4,876	2,369
November 21, 2016	1.50	4,913	2,333
May 21, 2017	1.50	4,949	2,296
November 21, 2017	1.50	4,987	2,259
May 21, 2018	1.50	5,024	2,221
November 21, 2018	1.50	5,062	2,183
May 21, 2019	1.50	5,100	2,146
November 21, 2019	1.50	5,138	2,107
May 21, 2020	1.50	5,177	2,069
November 21, 2020	1.50	5,215	2,030
May 21, 2021	1.50	5,255	1,991
November 21, 2021	1.50	5,294	1,952
May 21, 2022	1.50	5,333	1,912
November 21, 2022	1.50	5,373	1,872
May 21, 2023	1.50	5,414	1,832
November 21, 2023	1.50	5,455	1,791
May 21, 2024	1.50	5,495	1,750
November 21, 2024	1.50	5,537	1,709
May 21, 2025	1.50	5,578	1,667
November 21, 2025	1.50	5,620	1,626
May 21, 2026	1.50	5,662	1,583
November 21, 2026	1.50	5,705	1,541
May 21, 2027	1.50	5,747	1,498
November 21, 2027	1.50	5,790	1,455
May 21, 2028	1.50	5,834	1,412
November 21, 2028	1.50	5,877	1,368
May 21, 2029	1.50	5,922	1,324
November 21, 2029	1.50	5,966	1,279
May 21, 2030	1.50	6,011	1,235
November 21, 2030	1.50	6,056	1,190
May 21, 2031	1.50	6,101	1,144
November 21, 2031	1.50	6,147	1,099
May 21, 2032	1.50	6,193	1,052
November 21, 2032	1.50	6,240	1,006
May 21, 2033	1.50	6,286	959
November 21, 2033	1.50	6,334	912
May 21, 2034	1.50	6,381	864
November 21, 2034	1.50	6,429	817
May 21, 2035	1.50	6,477	768
November 21, 2035	1.50	6,526	719
May 21, 2036	1.50	6,575	671
November 21, 2036	1.50	6,624	621

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2008
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
May 21, 2037	1.50 %	\$ 6,674	\$ 572
November 21, 2037	1.50	6,724	522
May 21, 2038	1.50	6,774	471
November 21, 2038	1.50	6,825	421
May 21, 2039	1.50	6,876	369
November 21, 2039	1.50	6,928	317
May 21, 2040	1.50	6,980	266
November 21, 2040	1.50	7,032	213
May 21, 2041	1.50	7,085	161
November 21, 2041	1.50	7,138	107
May 21, 2042	1.50	7,193	53
		<u>\$ 344,411</u>	<u>\$ 95,587</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2009
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 31, 2010	1.50 %	\$ -	\$ 20,587
June 30, 2011	1.50	-	20,586
December 31, 2011	1.50	59,098	20,587
June 30, 2012	1.50	59,541	20,143
December 31, 2012	1.50	59,988	19,697
June 30, 2013	1.50	60,437	19,247
December 31, 2013	1.50	60,891	18,793
June 30, 2014	1.50	61,348	18,337
December 31, 2014	1.50	61,808	17,877
June 30, 2015	1.50	62,271	17,413
December 31, 2015	1.50	62,738	16,946
June 30, 2016	1.50	63,209	16,476
December 31, 2016	1.50	63,683	16,001
June 30, 2017	1.50	64,161	15,524
December 31, 2017	1.50	64,642	15,043
June 30, 2018	1.50	65,126	14,558
December 31, 2018	1.50	65,615	14,070
June 30, 2019	1.50	66,107	13,577
December 31, 2019	1.50	66,603	13,082
June 30, 2020	1.50	67,102	12,582
December 31, 2020	1.50	67,606	12,079
June 30, 2021	1.50	68,113	11,571
December 31, 2021	1.50	68,624	11,061
June 30, 2022	1.50	69,138	10,546
December 31, 2022	1.50	69,657	10,028
June 30, 2023	1.50	70,179	9,505
December 31, 2023	1.50	70,706	8,979
June 30, 2024	1.50	71,236	8,448
December 31, 2024	1.50	71,770	7,914
June 30, 2025	1.50	72,309	7,376
December 31, 2025	1.50	72,851	6,834
June 30, 2026	1.50	73,397	6,287
December 31, 2026	1.50	73,948	5,737
June 30, 2027	1.50	74,502	5,182
December 31, 2027	1.50	75,061	4,623
June 30, 2028	1.50	75,624	4,061
December 31, 2028	1.50	76,191	3,493
June 30, 2029	1.50	76,763	2,922
December 31, 2029	1.50	77,338	2,346
June 30, 2030	1.50	77,919	1,766
December 31, 2030	1.50	78,503	1,182
June 30, 2031	1.50	79,090	594
		<u>\$ 2,744,893</u>	<u>\$ 483,660</u>

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2010
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
September 19, 2010	4.00 %	\$ 18,771	\$ 75,429
December 19, 2010	4.00	19,778	74,422
March 19, 2011	4.00	20,791	73,409
June 19, 2011	4.00	19,369	74,831
September 19, 2011	4.00	19,564	74,636
December 19, 2011	4.00	20,571	73,629
March 19, 2012	4.00	21,583	72,617
June 19, 2012	4.00	20,187	74,013
September 19, 2012	4.00	20,390	73,810
December 19, 2012	4.00	21,396	72,804
March 19, 2013	4.00	22,407	71,793
June 19, 2013	4.00	21,038	73,162
September 19, 2013	4.00	21,250	72,950
December 19, 2013	4.00	22,254	71,946
March 19, 2014	4.00	23,264	70,936
June 19, 2014	4.00	21,923	72,277
September 19, 2014	4.00	22,144	72,056
December 19, 2014	4.00	23,148	71,052
March 19, 2015	4.00	24,157	70,043
June 19, 2015	4.00	22,844	71,356
September 19, 2015	4.00	23,074	71,126
December 19, 2015	4.00	24,077	70,123
March 19, 2016	4.00	25,086	69,114
June 19, 2016	4.00	23,803	70,397
September 19, 2016	4.00	24,043	70,157
December 19, 2016	4.00	25,045	69,155
March 19, 2017	4.00	26,052	68,148
June 19, 2017	4.00	24,800	69,400
September 19, 2017	4.00	25,050	69,150
December 19, 2017	4.00	26,052	68,148
March 19, 2018	4.00	27,058	67,142
June 19, 2018	4.00	25,838	68,362
September 19, 2018	4.00	26,099	68,101
December 19, 2018	4.00	27,099	67,101
March 19, 2019	4.00	28,104	66,096
June 19, 2019	4.00	26,918	67,282
September 19, 2019	4.00	27,190	67,010
December 19, 2019	4.00	28,189	66,011
March 19, 2020	4.00	29,193	65,007
June 19, 2020	4.00	28,042	66,158
September 19, 2020	4.00	28,325	65,875
December 19, 2020	4.00	29,324	64,876
March 19, 2021	4.00	30,326	63,874
June 19, 2021	4.00	29,212	64,988
September 19, 2021	4.00	29,507	64,693
December 19, 2021	4.00	30,504	63,696
March 19, 2022	4.00	31,505	62,695
June 19, 2022	4.00	30,429	63,771
September 19, 2022	4.00	30,736	63,464
December 19, 2022	4.00	31,733	62,467
March 19, 2023	4.00	32,732	61,468
June 19, 2023	4.00	31,696	62,504
September 19, 2023	4.00	32,015	62,185

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2010
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

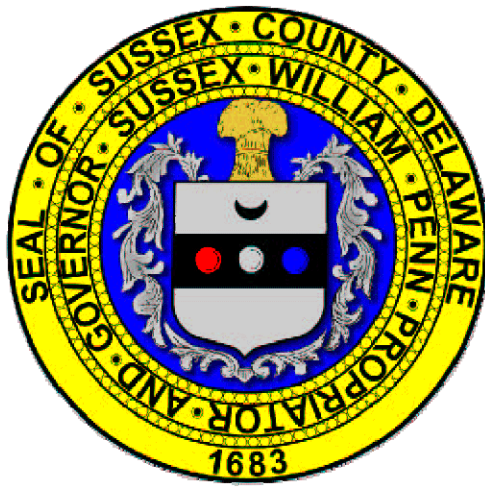
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<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
December 19, 2023	4.00 %	\$ 33,011	\$ 61,189
March 19, 2024	4.00	34,009	60,191
June 19, 2024	4.00	33,014	61,186
September 19, 2024	4.00	33,347	60,853
December 19, 2024	4.00	34,341	59,859
March 19, 2025	4.00	35,337	58,863
June 19, 2025	4.00	34,386	59,814
September 19, 2025	4.00	34,732	59,468
December 19, 2025	4.00	35,725	58,475
March 19, 2026	4.00	36,720	57,480
June 19, 2026	4.00	35,813	58,387
September 19, 2026	4.00	36,174	58,026
December 19, 2026	4.00	37,165	57,035
March 19, 2027	4.00	38,159	56,041
June 19, 2027	4.00	37,298	56,902
September 19, 2027	4.00	37,674	56,526
December 19, 2027	4.00	38,664	55,536
March 19, 2028	4.00	39,656	54,544
June 19, 2028	4.00	38,844	55,356
September 19, 2028	4.00	39,235	54,965
December 19, 2028	4.00	40,224	53,976
March 19, 2029	4.00	41,214	52,986
June 19, 2029	4.00	40,452	53,748
September 19, 2029	4.00	40,860	53,340
December 19, 2029	4.00	41,847	52,353
March 19, 2030	4.00	42,835	51,365
June 19, 2030	4.00	42,125	52,075
September 19, 2030	4.00	42,550	51,650
December 19, 2030	4.00	43,536	50,664
March 19, 2031	4.00	44,522	49,678
June 19, 2031	4.00	43,867	50,333
September 19, 2031	4.00	44,309	49,891
December 19, 2031	4.00	45,294	48,906
March 19, 2032	4.00	46,278	47,922
June 19, 2032	4.00	45,679	48,521
September 19, 2032	4.00	46,140	48,060
December 19, 2032	4.00	47,122	47,078
March 19, 2033	4.00	48,105	46,095
June 19, 2033	4.00	47,565	46,635
September 19, 2033	4.00	48,045	46,155
December 19, 2033	4.00	49,025	45,175
March 19, 2034	4.00	50,005	44,195
June 19, 2034	4.00	49,528	44,672
September 19, 2034	4.00	50,027	44,173
December 19, 2034	4.00	51,006	43,194
March 19, 2035	4.00	51,984	42,216
June 19, 2035	4.00	51,569	42,631
September 19, 2035	4.00	52,089	42,111
December 19, 2035	4.00	53,067	41,133
March 19, 2036	4.00	54,042	40,158
June 19, 2036	4.00	53,695	40,505
September 19, 2036	4.00	54,236	39,964
December 19, 2036	4.00	55,211	38,989

(continued)

SUSSEX COUNTY, DELAWARE
 BONDED DEBT GENERAL OBLIGATION - 2010
 (PRINCIPAL AND INTEREST PAYMENTS ONLY) - CONTINUED
 JUNE 30, 2010

<u>Date of Maturity</u>	<u>Coupon</u>	<u>Principal Maturity</u>	<u>Interest Payable</u>
March 19, 2037	4.00 %	\$ 56,184	\$ 38,016
June 19, 2037	4.00	55,906	38,294
September 19, 2037	4.00	56,470	37,730
December 19, 2037	4.00	57,443	36,757
March 19, 2038	4.00	58,413	35,787
June 19, 2038	4.00	58,207	35,993
September 19, 2038	4.00	58,794	35,406
December 19, 2038	4.00	59,765	34,435
March 19, 2039	4.00	60,733	33,467
June 19, 2039	4.00	60,601	33,599
September 19, 2039	4.00	61,212	32,988
December 19, 2039	4.00	62,182	32,018
March 19, 2040	4.00	63,147	31,053
June 19, 2040	4.00	63,093	31,107
September 19, 2040	4.00	63,729	30,471
December 19, 2040	4.00	64,696	29,504
March 19, 2041	4.00	65,659	28,541
June 19, 2041	4.00	65,686	28,514
September 19, 2041	4.00	66,349	27,851
December 19, 2041	4.00	67,313	26,887
March 19, 2042	4.00	68,272	25,928
June 19, 2042	4.00	68,384	25,816
September 19, 2042	4.00	69,074	25,126
December 19, 2042	4.00	70,036	24,164
March 19, 2043	4.00	70,992	23,208
June 19, 2043	4.00	71,192	23,008
September 19, 2043	4.00	71,910	22,290
December 19, 2043	4.00	72,869	21,331
March 19, 2044	4.00	73,822	20,378
June 19, 2044	4.00	74,114	20,086
September 19, 2044	4.00	74,861	19,339
December 19, 2044	4.00	75,818	18,382
March 19, 2045	4.00	76,768	17,432
June 19, 2045	4.00	77,154	17,046
September 19, 2045	4.00	77,932	16,268
December 19, 2045	4.00	78,886	15,314
March 19, 2046	4.00	79,833	14,367
June 19, 2046	4.00	80,318	13,882
September 19, 2046	4.00	81,128	13,072
December 19, 2046	4.00	82,079	12,121
March 19, 2047	4.00	83,022	11,178
June 19, 2047	4.00	83,610	10,590
September 19, 2047	4.00	84,453	9,747
December 19, 2047	4.00	85,402	8,798
March 19, 2048	4.00	86,340	7,860
June 19, 2048	4.00	87,036	7,164
September 19, 2048	4.00	87,914	6,286
December 19, 2048	4.00	88,859	5,341
March 19, 2049	4.00	89,794	4,406
June 19, 2049	4.00	90,601	3,599
September 19, 2049	4.00	91,515	2,685
December 19, 2049	4.00	92,457	1,743
March 19, 2050	4.00	82,347	810
		\$ 7,481,416	\$ 7,485,341



SINGLE AUDIT SUPPLEMENT



SUSSEX COUNTY, DELAWARE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor / Pass-through Grantor/Program Title / Program or Cluster 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 08-09 HPG 09-10	\$ 50,901
Water and Waste Disposal Systems for Rural Communities*	10.760		1,050,984
ARRA - Water and Waste Disposal Systems for Rural Communities*	10.781		<u>2,536,726</u>
Total Water and Waste Disposal Systems for Rural Communities Cluste:			<u>3,587,710</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>3,638,611</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through State - Delaware State Housing Authority:			
Community Development Block Grants/Entitlement Grants*	14.218	NSP 03-08	<u>1,539,096</u>
Community Development Block Grants/State's Program*	14.228	CD 03-08 CD 03-09	937,720
ARRA - Community Development Block Grants/State's Program - (Recovery Act Funded)*	14.255	CDR 03-08	<u>312,531</u>
Total CDBG - State Administered Small Cities Program Cluster			1,250,251
Home Investment Partnerships Program	14.239	HM 03-08 HM 03-09	<u>83,318</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>2,872,665</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
Airport Improvement Program*	20.106	3-10-0007-024-2010 3-10-0007-021-2007 3-10-0007-022-2008	1,559,167
Passed through State - Delaware Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMHMP0035090100	<u>4,718</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>1,563,885</u>
			(continued)

SUSSEX COUNTY, DELAWARE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor / Pass-through Grantor/Program Title / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
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	90000012 90000023	\$ 1,122,208
ARRA - Capitalization Grants for Clean Water State Revolving Funds*	66.458	12000031 12000035 12000036 12000038 12100003	<u>8,288,689</u>
Total Capitalization Grants for Clean Water State Revolving Funds Cluster			<u>9,410,897</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>9,410,897</u>
U.S. DEPARTMENT OF ENERGY			
Direct Program:			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	SC0001263	<u>25,104</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>25,104</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through State - Delaware Emergency Management Agency:			
Pre-Disaster Mitigation (PDM) Competitive Grants	97.017	PDMC-PL-03-DE-2007-003	23,100
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1896-DRDE	125,652
Emergency Management Performance Grants	97.042	2009-EP-E0-0047 EMPG-10-003	154,514
Homeland Security Grant Program*	97.067	2005-GE-T5-0011 2006-GE-T6-0060 2007-GE-T7-0020 2008-GE-T8-0024	<u>367,168</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>670,434</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 18,181,596</u>

*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, 2010.

Program Title	Federal CFDA Number	Loan Amount
Water and Waste Disposal Systems for Rural Communities	10.760	\$ 1,024,944
ARRA - Water and Waste Disposal Systems for Rural Communities	10.781	2,451,263
Capitalization Grants for Clean Water State Revolving Funds	66.458	1,073,917
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	8,288,689

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
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Sussex County, Delaware's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Sussex County, Delaware's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, 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, others within the entity, 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 17, 2010

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**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, 2010, which collectively comprise Sussex County, Delaware's basic financial statements and have issued our report thereon dated December 17, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 17, 2010.

This report is intended solely for the information and use of management, the County Council, others within the entity, and 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 17, 2010

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X 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 X No

Identification of Major Programs:

<u>Program Name/Cluster</u>	<u>CFDA Number(s)</u>
Water and Waste Disposal Systems for Rural Communities Cluster	10.760 & 10.781
Community Development Block Grants/Entitlement Grants	14.218
Community Development Block Grants/State's Program Cluster	14.228 & 14.255
Airport Improvement Program	20.106
Capitalization Grants for Clean Water State Revolving Funds Cluster	66.458
Homeland Security Grant Program	97.067

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
 Auditee qualified as low-risk auditee? X 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