

**SUSSEX COUNTY,
DELAWARE**



Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2012

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For Fiscal Year Ended
June 30, 2012



Independent Auditor's Report

“The financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Sussex County, Delaware as of June 30, 2012,...”



Statement of Revenues, Expenditures and Changes in Fund Balance as of 6/30/12

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 28,759,847	\$ -	\$ 28,759,847
Intergovernmental	5,499,655	1,362,273	6,861,928
Charges for services	12,821,849	-	12,821,849
Fines and forfeits	28,074	-	28,074
Miscellaneous revenue	524,344	28,729	553,073
Total revenues	<u>47,633,769</u>	<u>1,391,002</u>	<u>49,024,771</u>
EXPENDITURES			
Current:			
General government	11,897,318	-	11,897,318
Planning & zoning	1,190,358	-	1,190,358
Paramedics	12,073,309	-	12,073,309
Emergency preparedness	2,703,131	-	2,703,131
County engineer	1,608,213	-	1,608,213
Library	3,576,348	-	3,576,348
Economic development and airpark	1,156,267	-	1,156,267
Community development	2,544,468	-	2,544,468
Grant-in-aid	6,618,896	-	6,618,896
Constitutional offices	2,485,535	-	2,485,535
Capital projects		2,869,945	2,869,945
Total expenditures	<u>45,853,843</u>	<u>2,869,945</u>	<u>48,723,788</u>
Excess of (deficiency) of revenues over (under) expenditures	<u>1,779,926</u>	<u>(1,478,943)</u>	<u>300,983</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	53,891	-	53,891
Transfers out	(979,788)	-	(979,788)
Total other financing sources and uses	<u>(925,897)</u>	-	<u>(925,897)</u>
Net change in fund balances	<u>854,029</u>	<u>(1,478,943)</u>	<u>(624,914)</u>
Fund balances - beginning	77,304,200	17,554,684	94,858,884
Fund balances - ending	<u>\$ 78,158,229</u>	<u>\$ 16,075,741</u>	<u>\$ 94,233,970</u>



Balance Sheet – Governmental Funds

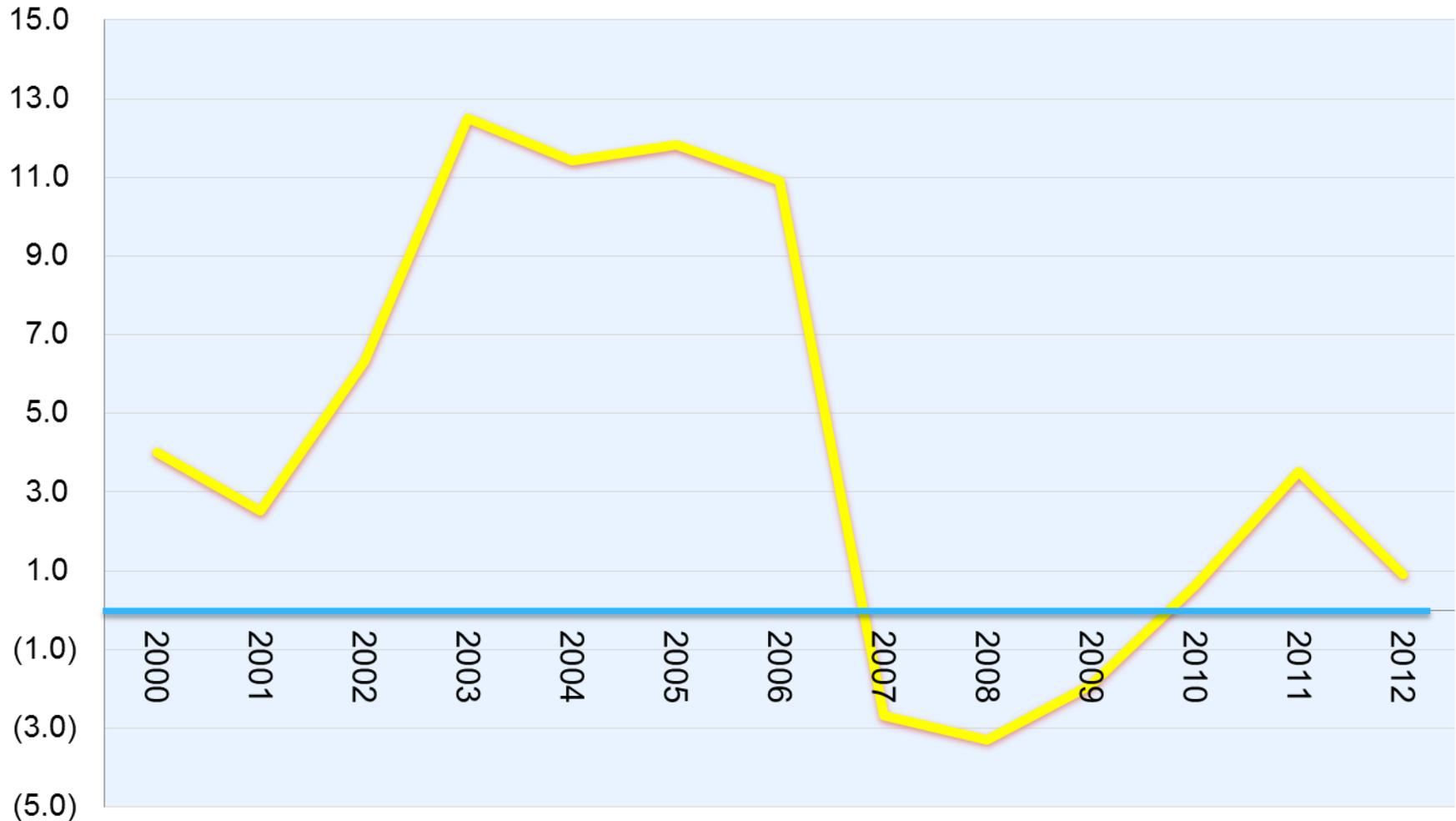
	General Fund	Capital Projects	Total Governmental Funds
Fund Balance	\$78,158,229	\$16,075,741	\$94,233,970

- Restricted - \$64 million – RTT
- Rainy day fund – 26%
- Capital project reserve



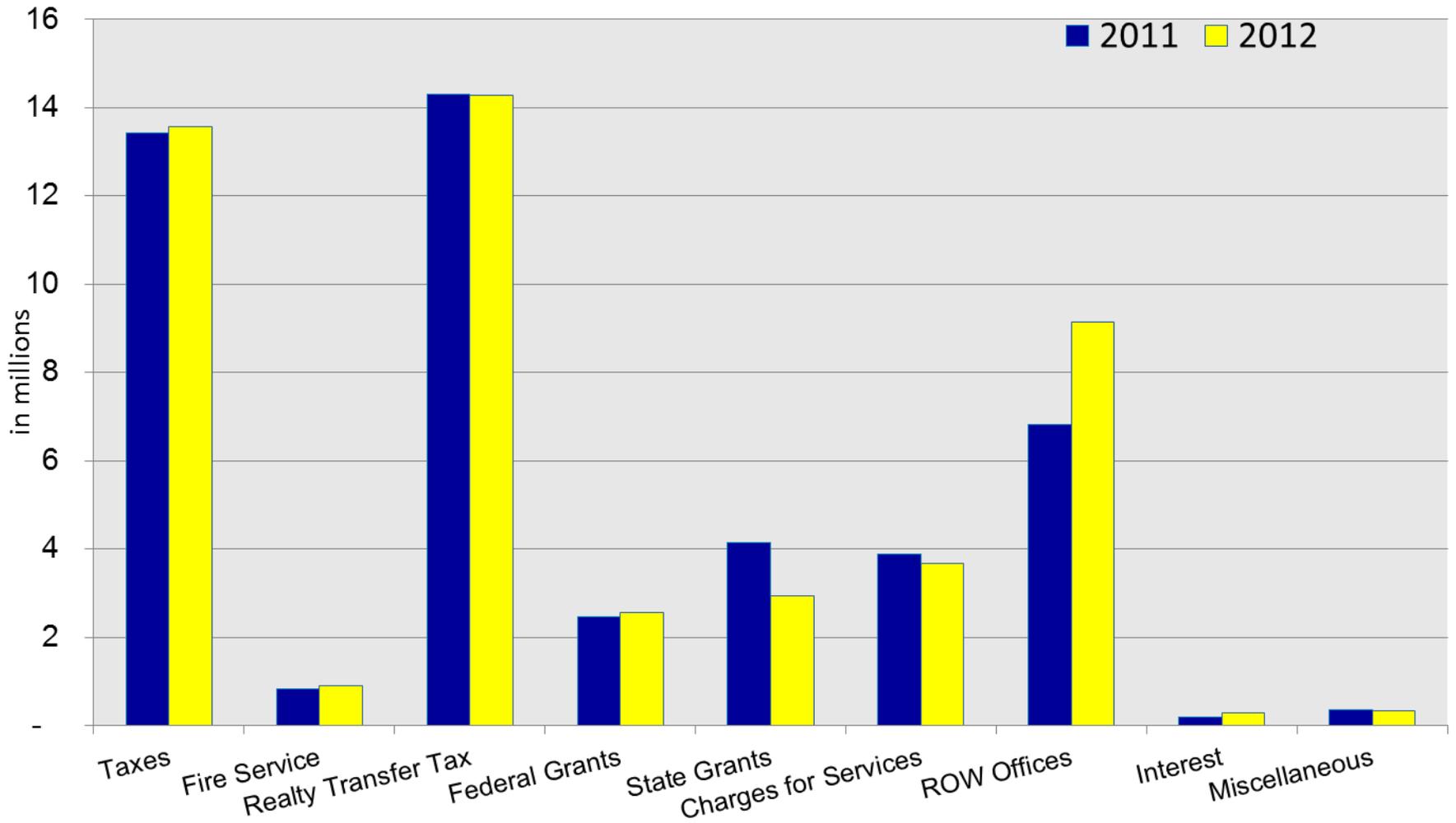
Revenues Over (Under) Expenditures

(Years 2000-2011)



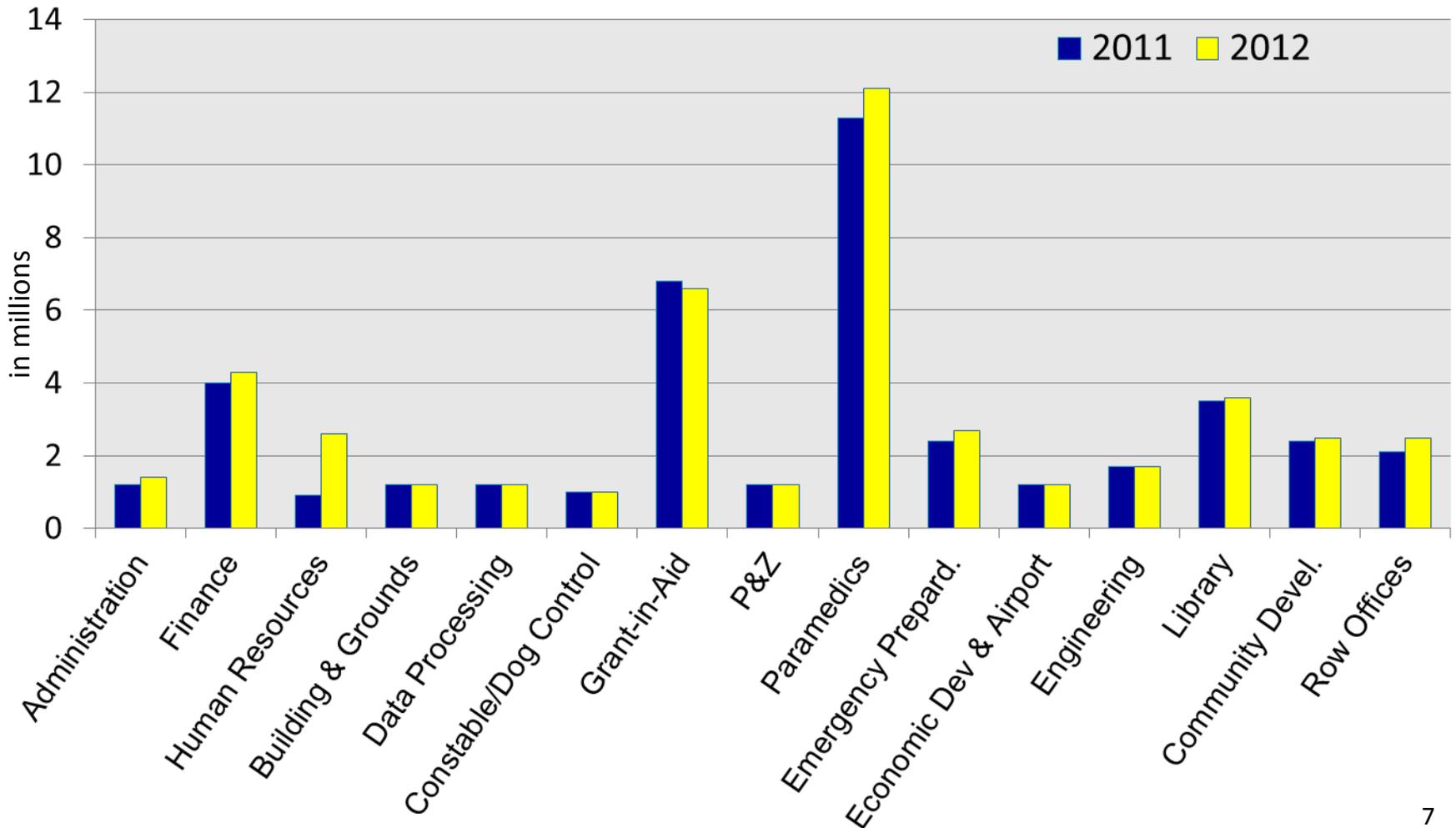
General Fund Revenues

(comparing 2011 and 2012)



General Fund Expenditures

(comparing 2011 and 2012)



Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund as of 6/30/12

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 27,790,007	\$ 27,790,007	\$ 28,759,847	\$ 969,840
Intergovernmental	6,782,384	6,782,384	5,499,655	(1,282,729)
Charges for services	10,683,390	10,683,390	12,821,849	2,138,459
Fines and forfeits	26,000	26,000	28,074	2,074
Miscellaneous revenue	693,210	693,210	524,344	(168,866)
Total Revenues	45,974,991	45,974,991	47,633,769	1,658,778
EXPENDITURES				
Current:				
General government	9,950,706	10,202,547	11,897,318	(1,694,771)
Planning & zoning	1,203,366	1,203,366	1,190,358	13,008
Paramedics	12,201,204	12,201,204	12,073,309	127,895
Emergency preparedness	2,582,186	2,641,771	2,703,131	(61,360)
County engineer	1,597,736	1,607,341	1,608,213	(872)
Library	3,635,786	3,702,505	3,576,348	126,157
Economic development and airpark	1,351,682	1,367,157	1,156,267	210,890
Community development	2,819,624	2,819,624	2,544,468	275,156
Grant-in-aid	6,908,669	6,951,049	6,618,896	332,153
Constitutional offices	2,536,652	2,555,770	2,485,535	70,235
Total Expenditures	44,787,611	45,252,334	45,853,843	(601,509)
Excess of revenue over expenditures	1,187,380	722,657	1,779,926	1,057,269
OTHER FINANCING SOURCES (USES)				
Transfers in	333,000	333,000	53,891	(279,109)
Transfers out	(920,380)	(920,380)	(979,788)	(59,408)
Reserved for contingencies	(600,000)	(135,277)	-	135,277
Total other financing sources and uses	(1,187,380)	(722,657)	(925,897)	(203,240)
Net change in fund balances	-	-	854,029	854,029
Fund balances - beginning	77,304,200	77,304,200	77,304,200	-
Fund balances - ending	\$ 77,304,200	\$ 77,304,200	\$ 78,158,229	\$ 854,029



General Fund Capital Projects

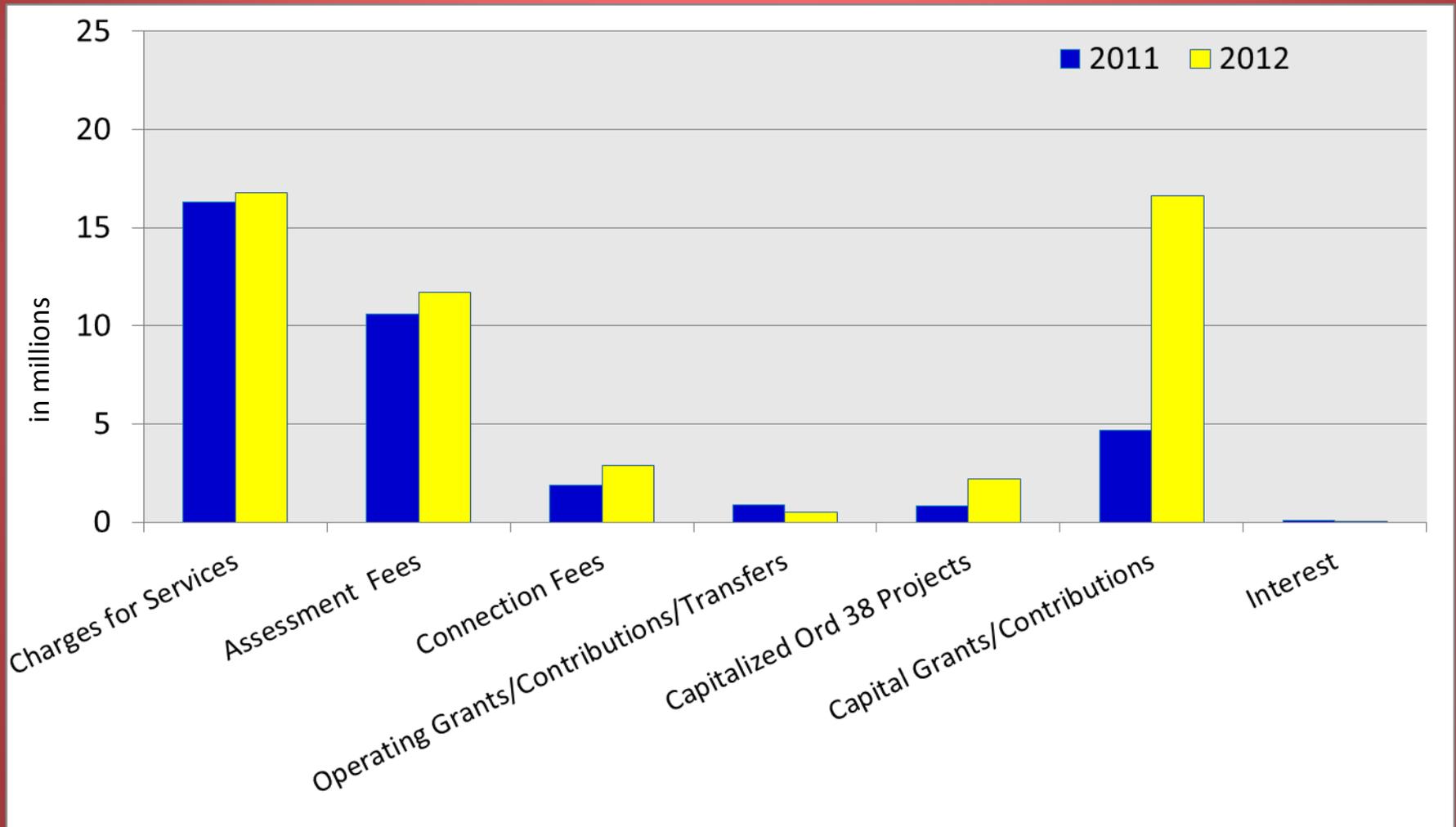
- Expansion and improvement of our industrial airpark - \$1.4 million
- Library expansion and improvements - \$275,000
- Building and land improvements - \$646,000



Business-Type Revenues

(Water and Sewer)

(comparing 2011 and 2012)



Sewer Highlights

- 3 new sewer districts online = +2,000 new users
- Expansions, upgrades and renovations to existing infrastructure continue
- \$3 million in connection fees - \$1 million increase due to new connections
- Debt refinancing of sewer bonds - \$7 million of savings



Pension

COMBINING STATEMENT OF FIDUCIARY NET ASSETS JUNE 30, 2012

	<u>Pension Trust</u>	<u>Post- retirement Employee Benefit Trust</u>	<u>Total</u>
Additions			
Employer contributions	\$ 3,668,932	\$ 2,661,772	\$ 6,330,704
Investments:			
Net appreciation (depreciation) of investments	(885,421)	(793,932)	(1,679,353)
Interest and dividends	1,878,747	443,678	2,322,425
	993,326	(350,254)	643,072
Less investment expenses	179,951	-	179,951
Net investment earnings	813,375	(350,254)	463,121
Total Additions	4,482,307	2,311,518	6,793,825
Deductions			
Beneficiary payments	2,669,381	1,775,016	4,444,397
Net Increase in Plan Net Assets	1,812,926	536,502	2,349,428
Net Assets Held In Trust for Pension and Other Employee Benefits - Beginning	51,529,693	22,568,569	74,098,262
Net Assets Held In Trust for Pension and Other Employee Benefits - Ending	\$ 53,342,619	\$ 23,105,071	\$ 76,447,690

Long-Term Debt

SUSSEX COUNTY'S OUTSTANDING DEBT

As of June 30, 2012 and 2011

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ -	\$ -	\$ 154,769,529	\$ 172,030,209	\$ 154,769,529	\$ 172,030,209
Revenue Bonds	-	-	17,658,022	19,304,944	17,658,022	19,304,944
Total	\$ -	\$ -	\$ 172,427,551	\$ 191,335,153	\$ 172,427,551	\$ 191,335,153

\$172 million in outstanding bonds payable
\$18 million – sewer revenue bonds
\$155 million – general obligation bonds

This debt is only for sewer districts

No general fund bonded debt

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs:			
Rural Housing Preservation Grants	10.433	HPG 10-11 HPG 11-12	\$ 26,450
Water and Waste Disposal Systems for Rural Communities*	10.760		11,376,597
ARRA - Water and Waste Disposal Systems for Rural Communities *	10.781		7,041,368
Subtotal Water and Waste Disposal Systems for Rural Communities Cluster			18,417,965
TOTAL U.S. DEPARTMENT OF AGRICULTURE			18,444,415
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through State - Delaware State Housing Authority:			
Community Development Block Grants/ State's Program	14.228	CD 03-10 CD 03-11 NSP 03-08	1,038,896 25,189
Neighborhood Stabilization Program (NSP 1)			
Total Community Development Block Grants/ State's Program			1,064,084
ARRA - Neighborhood Stabilization Program (NSP 2)*	14.256	NSP 03-09	863,936
Home Investment Partnerships Program	14.239	HM 03-10 HM 03-11	203,288
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			2,131,308
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
Airport Improvement Program	20.106	3-10-0007-024-10 3-10-0007-025-10 3-10-0007-026-11 3-10-0007-027-11 3-10-0007-028-12	900,407
Passed through State - Delaware Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	SCHMEP FY2011 SCHMEP FY2012	6,842
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			907,249
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed through State - Department of Natural Resources and Environmental Control:			
ARRA- Capitalization Grants for Clean Water State Revolving Funds*	66.458	12100003 12000031 12000035 12000036 12000038	8,897,730
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			8,897,730

(continued)



Schedule of Expenditures of Federal Awards - continued

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF ENERGY			
Direct Program:			
ARRA - Energy Efficiency and Conservation Block Grant Program*	81.128	DE-SC00011263	207,872
TOTAL U.S. DEPARTMENT OF ENERGY			<u>207,872</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through State - Delaware Emergency Management Agency:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-3336-EM-DE	60,671
Emergency Management Performance Grants	97.042	EMPG-11-003 EMPG-12-003	181,796
Homeland Security Grant Program	97.067	2008 2009 2010	<u>207,982</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>450,449</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 31,039,023</u></u>

Financial Planning

- Strong financial foundation
- No General Fund debt
- Continue to make capital improvements using reserved funds
- Healthy rainy day fund
- 5-year Capital Improvement Plan
- Munis – Total integration of departments

