



**STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY**

**GARY M. PFEIFFER
SECRETARY OF FINANCE**

February 12, 2009

TO: The Honorable Jack Markell, Governor
Members of the 145th General Assembly

Attached is the monthly financial report for the month ending January 31, 2009. This report shows General Fund Activity and Financial Position on a cash basis of accounting. It can also be found on the Internet under Monthly Financial Report at the following address:

www.finance.delaware.gov/publications/Monthly.shtml

If you have any questions or desire additional information, please contact this office.

Sincerely,

A handwritten signature in black ink that reads "Gary M. Pfeiffer".

Gary M. Pfeiffer
Secretary of Finance

TLN:ed
Attachment

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OVERVIEW

GENERAL FUND CASH BALANCE

The General Fund had a cumulative operating deficit and cash balance of \$24.9 million with no outstanding short-term general obligation debt as of January 31, 2009.

As of January 31, 2009
(\$ Millions)

	<u>FY09</u>	<u>FY08</u>	<u>FY07</u>	<u>FY06</u>
Beginning Fiscal Year Cash	\$ 526.0	\$ 590.9	\$ 690.6	\$ 701.2
<u>Operating Cash Surplus/(Deficit)</u>	<u>(\$ 550.9)</u>	<u>(\$ 436.4)</u>	<u>(\$ 550.0)</u>	<u>(\$ 395.8)</u>
Net Operating Cash Balance	(\$ 24.9)	\$ 154.5	\$ 140.6	\$ 305.4

The net operating cash balance deficit of \$24.9 million results from a beginning cash balance of \$526.0 million on July 1, 2008, less a \$550.9 million operating cash deficit for FY 2009. Included in the net operating cash balance is a surplus of \$152.0 million in the Revenue Refund Account. It should be noted that during the early months of each fiscal year, disbursements more often exceed revenues until major tax collections are received later in the fiscal year.

\$186.4 million was dedicated to the Budget Reserve Account of the General Fund as required by the Constitution of the State of Delaware, Article VIII, § 6.(d).

It should be noted that the difference between the \$186.4 and the net operating cash deficit balance of \$24.9 million represents a temporary interfund borrowing of \$211.3 million, pursuant to § 7404 (d), Title 29 Delaware Code.

The combined General Fund/Special Fund Cash Balance was \$1,563.8 million.

State of Delaware
Statement of General Fund Cash Condition
as of 1/31/2009

Exhibit A

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
Beginning Fiscal Year Cash	\$ 525,983,117	\$ 590,888,376	\$ 690,571,679	\$ 701,197,260
Revenue				
<u>Receipts</u>				
Taxes	1,382,301,056	1,425,981,024	1,331,723,440	1,368,292,879
Licenses	10,999,483	8,382,774	10,604,102	7,443,422
Fees	46,492,441	56,749,252	52,599,155	51,768,212
Permits	638	519	319	274
Fines	1,207,369	1,807,817	1,684,892	1,134,202
Rentals & Sales	180,106,099	181,758,559	185,870,690	171,670,613
Governmental Contributions	0	135	3,585	8
Earnings and Investments	9,418,174	17,033,580	13,627,796	5,998,495
State Government/Agency Revenue	2,830,638	1,051,615	9,527,672	1,857,906
	<u>1,633,355,899</u>	<u>1,692,765,274</u>	<u>1,605,641,650</u>	<u>1,608,166,010</u>
Less Refund Disbursements	78,032,675	89,037,734	81,944,827	61,994,451
Total Revenue	1,555,323,224	1,603,727,540	1,523,696,823	1,546,171,559
Disbursements				
<u>Agency Expenditures</u>				
Legislature	7,741,432	7,936,719	7,445,108	7,232,041
Judicial	53,340,340	52,490,888	50,558,534	48,545,566
Executive	105,040,964	108,121,436	218,990,917	224,037,380
Department of Technology and Information	24,041,480	23,691,382	24,398,708	24,355,884
Other Elective Offices	44,518,321	47,362,683	44,448,769	39,406,720
Legal	26,864,661	25,926,378	23,907,011	21,218,262
Department of State	25,551,630	19,805,628	15,421,701	9,676,335
Department of Finance	18,729,988	22,964,653	28,245,560	46,371,562
Department of Health and Social Services	550,433,016	525,584,819	497,237,696	451,979,764
Department of Services to Child/Youth/Families	80,061,072	82,053,034	77,253,316	68,669,438
Department of Correction	154,124,936	150,952,209	143,833,647	124,856,956
Department of Natural Resources	35,074,976	41,089,326	40,548,868	35,998,947
Department of Safety and Homeland Security	79,091,880	74,903,340	71,713,572	67,127,227
Department of Transportation	0	3,190	1,870,590	6,791,594
Department of Labor	5,181,075	5,491,125	5,015,158	5,017,751
Department of Agriculture	4,849,349	4,758,810	5,439,406	4,156,537
Department of Elections	4,418,380	2,615,419	4,650,562	2,125,549
Fire Prevention Commission	2,741,437	2,846,172	2,836,202	2,312,424
Delaware National Guard	2,541,455	2,454,656	2,112,466	3,203,753
Advisory Council for Exceptional Citizens	101,532	102,599	101,621	73,875
Higher Education	153,271,188	148,274,345	147,304,888	138,154,067
Department of Education	734,515,737	697,860,958	663,925,019	614,607,000
	<u>2,112,234,848</u>	<u>2,047,289,770</u>	<u>2,077,259,316</u>	<u>1,945,918,632</u>
Less Vouchers Payable	6,037,222	7,141,790	3,616,413	3,972,731
Total Disbursements	2,106,197,626	2,040,147,980	2,073,642,903	1,941,945,901
Ending Cash Balance	\$ (24,891,285)	\$ 154,467,936	\$ 140,625,599	\$ 305,422,918

NOTES

1. This exhibit had been prepared using the best available data. It is however, preliminary in nature and subject to change pending formal audit.
2. Numbers are rounded and thus the sum of the detail may not equal the total.
3. The Fiscal Year is July 1 through June 30.

2/5/2009

State of Delaware
Statement of General Fund Receipts and Refund Disbursements by Major Category
as of 1/31/2009

	Fiscal Year 2009	% Change	Fiscal Year 2008	% Change	Fiscal Year 2007	% Change	Fiscal Year 2006
Receipts							
Personal Income Taxes	\$ 617,146,629	(1.6)	\$ 627,020,770	0.6	\$ 623,157,549	3.0	\$ 605,207,457
Franchise Taxes	219,232,487	2.4	214,075,128	9.6	195,386,837	(2.7)	200,875,938
Corporate Fees	26,732,965	(22.3)	34,390,216	7.8	31,916,673	1.9	31,321,310
Limited Partnership and LLC	17,845,081	12.0	15,938,823	24.8	12,775,462	21.8	10,489,288
Uniform Commercial Code	6,461,979	(22.1)	8,296,674	11.1	7,469,733	(12.1)	8,493,724
Corporation Income Taxes	86,978,407	20.1	72,424,749	(2.4)	74,206,248	5.9	70,104,971
Bank Franchise Tax	63,862,095	10.2	57,938,246	(0.4)	58,144,101	8.7	53,471,130
Gross Receipts Tax	96,314,474	(0.8)	97,066,759	(0.6)	97,658,456	(16.7)	117,257,494
Lottery	135,174,220	(4.2)	141,070,384	(5.8)	149,755,424	8.3	138,296,825
Abandoned Property	92,752,192	(28.6)	129,992,793	67.0	77,848,071	(31.6)	113,759,875
Hospital Board and Treatment	44,899,158	10.4	40,665,555	13.0	36,003,057	8.0	33,340,615
Dividends and Interest	9,418,174	(44.7)	17,033,580	25.0	13,627,796	127.2	5,998,495
Realty Transfer Tax	32,202,117	(40.8)	54,379,527	(2.5)	55,762,963	(26.0)	75,402,199
Estate Tax	19,314	(84.0)	120,373	(51.2)	246,568	(94.2)	4,276,454
Insurance Taxes	35,543,716	(21.9)	45,481,608	(1.8)	46,332,197	51.4	30,600,334
Public Utility Tax	33,996,698	23.7	27,491,634	3.8	26,478,626	17.7	22,502,149
Cigarette Taxes	69,899,504	2.6	68,112,820	42.2	47,910,087	(2.7)	49,251,531
Other Revenues	44,876,690	8.8	41,265,638	(19.0)	50,961,801	35.8	37,516,222
Total Receipts	1,633,355,899	(3.5)	1,692,765,274	5.4	1,605,641,650	(0.2)	1,608,166,010
Refund Disbursements							
Personal Income Taxes	41,509,015		42,471,570		33,595,887		31,190,104
Franchise Taxes	4,714,931		3,509,705		4,417,347		5,539,862
Corporation Income Taxes	19,736,973		37,235,370		36,366,358		17,681,575
Bank Franchise Tax	171,257		39,858		1,552		1,160,487
Gross Receipts Tax	4,838,670		2,338,876		1,221,174		2,830,103
Abandoned Property	5,937,014		2,654,888		4,830,991		1,615,469
Estate Tax	277,587		785		377,191		892,609
Cigarette Taxes	71,201		145,061		126,077		162,012
Withholding	662,843		535,759		728,442		815,463
Insurance Taxes	65,758		31,195		96,730		17,044
Miscellaneous Refunds	47,426		74,667		183,080		89,725
Total Refund Disbursements	78,032,675	(12.4)	89,037,734	8.7	81,944,827	32.2	61,994,451
Net Receipts	\$ 1,555,323,224	(3.0)	\$ 1,603,727,540	5.3	\$ 1,523,696,823	(1.5)	\$ 1,546,171,559

NOTES:

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2. Numbers are rounded and thus the sum of the detail may not equal the total.
3. The Fiscal Year is July 1 through June 30.
4. Additional Dividends and Interest may have been received but not officially recorded.
5. " % Change " for "Receipts" may be blank due to a significant value.

2/5/2009

State of Delaware
Statement of General Fund Appropriation Balances
as of 1/31/2009

Exhibit A-2

	Current FY Appropriations	Prior Year Continuing and Encumbered	Expenditures	Encumbrances	Unencumbered Balance
Legislature	14,883,100	3,675,389	7,741,432	643,106	10,173,951
Judicial	90,172,200	3,274,010	53,340,340	3,468,011	36,637,859
Executive	217,163,244	71,043,342	105,040,964	20,482,477	162,683,146
Department of Technology and Information	38,173,900	2,960,004	24,041,480	5,933,333	11,159,090
Other Elective Offices	55,510,633	335,930	44,518,321	303,565	11,024,677
Legal	45,146,250	268,052	26,864,661	1,224,970	17,324,670
Department of State	35,087,800	8,336,751	25,551,630	2,686,811	15,186,110
Department of Finance	27,191,200	1,779,719	18,729,988	933,700	9,307,230
Department of Health and Social Services	929,129,874	30,064,502	550,433,016	78,969,078	329,792,282
Department of Services to Child/Youth/Families	136,605,749	4,241,494	80,061,072	26,122,499	34,663,672
Department of Correction	260,693,761	10,763,898	154,124,936	40,959,150	76,373,573
Department of Natural Resources	51,027,800	26,560,234	35,074,976	12,959,013	29,554,045
Department of Safety and Homeland Security	127,842,500	2,599,495	79,091,880	3,186,713	48,163,401
Department of Labor	7,352,472	762,224	5,181,075	506,457	2,427,163
Department of Agriculture	8,684,600	457,953	4,849,349	1,073,504	3,219,699
Department of Elections	5,791,250	951,598	4,418,380	180,213	2,144,254
Fire Prevention Commission	4,798,000	84,620	2,741,437	247,581	1,893,602
Delaware National Guard	4,918,200	569,205	2,541,455	1,022,163	1,923,788
Advisory Council for Exceptional Citizens	178,200	5,793	101,532	1,681	80,780
Higher Education	257,159,106	4,851,396	153,271,188	3,020,999	105,718,315
Department of Education	1,173,989,283	61,182,780	734,515,737	62,071,179	438,585,148
Total	\$ 3,491,499,121	\$ 234,768,388	\$ 2,112,234,848	\$ 265,996,204	\$ 1,348,036,457

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State of Delaware
Statement of General Fund Expenditures by Major Category
as of 1/31/2009

Exhibit B

	Fiscal Year 2009 \$(000) s	%	Fiscal Year 2008 \$(000) s	%	Fiscal Year 2007 \$(000) s	%	Fiscal Year 2006 \$(000) s
		Change		Change		Change	
Salaries and Wages	780,471.6	6.5	732,931.4	5.9	692,193.6	4.0	665,852.7
Fringe Benefits (less Pension)	191,035.8	(1.8)	194,626.1	3.4	188,187.4	7.9	174,387.0
Pension Costs	135,804.4	1.9	133,281.2	8.8	122,470.0	11.0	110,296.4
Medicaid	304,386.3	8.3	280,942.1	9.6	256,402.1	10.6	231,784.0
*Public Assistance	51,320.8	(6.9)	55,094.8	(5.8)	58,477.1	24.8	46,852.4
*Grants	179,063.3	5.8	169,203.2	(38.7)	275,881.4	(6.2)	294,082.1
*Personal Services and Travel	123,324.6	(0.4)	123,810.8	(2.6)	127,165.6	22.4	103,899.8
*Contractual Services	175,150.2	(1.2)	177,199.9	6.7	166,106.5	2.2	162,535.0
Supplies and Materials	44,344.5	(5.2)	46,754.1	4.3	44,815.1	(2.2)	45,827.6
Capital Outlay	30,123.7	(24.7)	40,002.7	(28.7)	56,088.4	2.5	54,742.9
Debt Service	97,209.6	4.0	93,443.5	4.4	89,472.3	60.8	55,658.7
Total	\$ 2,112,234.8	3.2	\$ 2,047,289.8	(1.4)	\$ 2,077,259.3	6.7	\$ 1,945,918.6

*Examples:

Public Assistance: Costs for programs such as General Assistance, Early Intervention, Child Care, Child Welfare, Emergency Assistance, Renal Disease, etc.

Grants: Costs for Grants-in-Aid, University of Delaware operations and programs, scholarships, etc.

Personal Services: Costs for contracting of personal, medical, legal, education, etc. services.

Contractual Services: Costs for contracting of communications, utilities, insurance, repair and maintenance, school bus transportation, etc.

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2/5/2009