



STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
OFFICE OF THE SECRETARY

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February 2, 2004

TO: Hon. Ruth Ann Minner, Governor  
Members of the 142nd General Assembly

This is the State's Financial Report for December 2003, showing General Fund Activity and Financial Position on a cash basis of accounting. Supporting exhibits are attached. Note that Exhibit A shows Revenue Refunds as a separate account. Exhibit B shows the detailed Revenue Refund disbursements. For comparative purposes, the following analyses of General Fund Cash Balance, Receipts and Disbursements include the activity in the Revenue Refund Account. The General Fund financial information in this document has been prepared using the best available data. This information is, however, preliminary in nature and subject to change pending a formal audit.

GENERAL FUND CASH BALANCE

The General Fund (including the Revenue Refund Account) had a cumulative operating surplus and cash balance of \$222.7 million with no outstanding short-term general obligation debt as of December 31, 2003.

As of December 31  
(millions of dollars)

	<u>FY04</u>	<u>FY03</u>	<u>FY02</u>	<u>FY01</u>
Net Cash Balance	222.7	248.5	311.8	324.0

The net cash balance of \$222.7 million results from a carryover cash balance of \$464.0 million on June 30, 2003, less a \$241.3 million operating cash deficit for the first six months of FY 2004. For the first six months, disbursements exceeded receipts by \$381.0 million and the Revenue Refund Account had a surplus of \$139.7 million. The combination of these two balances yielded the \$241.3 million net cash deficit. It should be noted, that during the early months of each fiscal year, disbursements more often exceed revenues until the major tax collections are received late in the fiscal year.

Hon. Ruth Ann Minner, Governor  
February 2, 2004  
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A comparison of the operating results for the past few years is as follows:

Cash Surplus/(Deficit) for the First Six Months of FY04  
(millions of dollars)

	<u>FY04</u>	<u>FY03</u>	<u>FY02</u>	<u>FY01</u>
Operating Balance	(381.0)	(372.6)	(251.3)	(333.0)
Revenue Refund Account	<u>139.7</u>	<u>139.4</u>	<u>53.2</u>	<u>47.1</u>
Net Cash Surplus/(Deficit)	<u>(241.3)</u>	<u>(233.2)</u>	<u>(198.1)</u>	<u>(285.9)</u>

As of December 31, 2003, \$136.5 million of the \$222.7 million cash balance was dedicated to the Budget Reserve Account of the General Fund.

The combined General Fund/Special Fund Cash Balance at December 31, 2003, was \$1,325.9 million.

GENERAL FUND RECEIPTS

General Fund receipts for the first six months of FY 2004 were \$1,133.1 million, an increase of 3.6% over last year. Personal Income Tax (PIT) receipts were up 4.4% from last year. As noted on Exhibit A-1a, \$200.0 million of the \$386.1million in PIT collections were deposited in the Revenue Refund Account.

GENERAL FUND DISBURSEMENTS

Exhibit A-4 analyzes expenditures and shows total expenditures increased \$61.0 million from the same period last year.

The Welfare category has been divided into two categories now known as Medicaid and Public Assistance.

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

Sincerely,



David W. Singleton  
Secretary of Finance

DWS: ed  
Enclosures

**STATE OF DELAWARE**  
**CONSOLIDATED STATEMENT OF GENERAL FUND CASH CONDITION**  
**INCLUDING THE REVENUE REFUND ACCOUNT**  
**AS OF DECEMBER 31, 2003, 2002, 2001, 2000**

FIRST SIX MONTHS OF FISCAL YEARS ENDING JUNE 30

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
RECEIPTS (EXHIBIT A-1a)	\$933,078,774	\$880,269,515	\$1,010,360,250	\$934,776,792
DISBURSEMENTS (EXHIBITS A-3 and A-4)	1,314,088,992	1,252,918,666	1,261,690,325	1,267,817,191
RECEIPTS OVER/(UNDER) DISBURSEMENTS	(381,010,218)	(372,649,151)	(251,330,075)	(333,040,399)
BALANCE CARRIED OVER FROM PREVIOUS FISCAL YEAR	464,018,574	481,752,669	509,914,235	609,912,750
GENERAL FUND CASH BALANCE-DECEMBER 31	83,008,356	109,103,518	258,584,160	276,872,351
REVENUE REFUND RECEIPTS (See Exhibit A-1a)	200,015,391	213,816,120	110,012,549	100,021,789
REVENUE REFUND DISBURSEMENTS (See Exhibit B)	60,311,209	74,412,856	56,830,642	52,943,920
REVENUE REFUND ACCOUNT CASH BALANCE-DECEMBER 31	139,704,183	139,403,264	53,181,907	47,077,869
TOTAL CASH BALANCE-DECEMBER 31	<u>\$222,712,539</u>	<u>\$248,506,782</u>	<u>\$311,766,067</u>	<u>\$323,950,220</u>

**Note:** *The data presented in this statement has been prepared using the best available data. It is however, preliminary in nature and subject to change pending formal audit.*

**STATE OF DELAWARE**  
**STATEMENT OF GENERAL FUND RECEIPTS BY MAJOR CATEGORIES**  
**AS OF DECEMBER 31, 2003, 2002, 2001, 2000**

**FIRST SIX MONTHS OF FISCAL YEARS ENDING JUNE 30**

	<u>2004</u>		<u>2003</u>		<u>2002</u>		<u>2001</u>	
	<u>Amount</u>	<u>% Inc.</u>	<u>Amount</u>	<u>% Inc.</u>	<u>Amount</u>	<u>% Inc.</u>	<u>Amount</u>	<u>% Inc.</u>
Personal Income Taxes	\$386,142,506	4.4	\$369,953,807	(2.2)	\$378,191,352	2.1	\$370,289,574	(3.4)
Franchise Taxes	161,716,248	(4.7)	169,735,923	(7.1)	182,791,350	12.1	163,115,347	10.5
Business and Occupational Gross Receipts	79,015,302	5.9	74,618,788	5.4	70,814,072	1.8	69,540,338	2.0
Corporation Income Taxes	40,167,169	(5.1)	42,345,249	(43.0)	74,280,356	54.4	48,113,566	(9.6)
Hospital Board and Treatment	40,636,455	6.6	38,121,529	(3.5)	39,514,341	(3.4)	40,917,178	2.3
Dividend and Interest	3,904,390	(74.4)	15,278,415	(27.1)	20,970,307	48.9	14,082,156	(19.9)
Public Utility	16,280,867	0.7	16,168,398	11.7	14,477,731	(3.3)	14,968,923	16.9
Cigarette Taxes	36,008,016	100.7	17,939,563	31.7	13,624,841	2.3	13,318,310	(0.6)
Inheritance and Estate Taxes	6,253,391	(29.8)	8,910,500	(29.3)	12,602,997	(22.3)	16,223,706	(28.7)
Realty Transfer Tax	45,499,550	22.9	37,030,046	33.4	27,752,727	9.6	25,332,334	(6.8)
Insurance Taxes	26,232,672	15.9	22,634,328	16.7	19,397,260	22.0	15,898,532	(29.0)
Abandoned Property	64,407,700	62.4	39,657,813	3.6	38,297,353	**	49,273,311	(20.6)
Alcoholic Beverage Taxes	6,573,900	5.9	6,209,026	16.6	5,325,166	(3.5)	5,518,577	10.4
Business and Occupational License Fees	2,190,222	(37.5)	3,501,608	6.0	3,304,005	13.2	2,919,360	(6.2)
Corporate Fees	20,442,673	23.7	16,519,497	(11.7)	18,714,321	(17.0)	22,540,094	8.3
Bank Franchise Tax	53,399,039	10.7	48,248,612	(6.5)	51,601,156	43.0	36,084,262	(24.5)
Court Fines and Costs	1,062,891	7.4	990,000	(5.9)	1,052,032	7.1	982,020	(0.0)
Public Accommodations	6,360,382	8.4	5,869,173	12.6	5,213,839	(3.1)	5,380,770	(11.1)
Lottery	103,662,698	(7.2)	111,729,386	(2.4)	114,439,756	15.3	99,256,745	18.0
Other Revenue by Department (See Exhibit A-2a )	33,138,093	(31.8)	48,623,974	73.6	28,007,838	33.1	21,043,478	10.3
Subtotal	1,133,094,165	3.6	1,094,085,635	(2.3)	1,120,372,800	8.3	1,034,798,581	(2.2)
Less: Personal Income Taxes Deposited In Revenue Refund Account	200,015,391	(6.5)	213,816,120	**	110,012,549	10.0	100,021,789	(0.0)
Net Receipts	<u>\$933,078,774</u>	<u>6.0</u>	<u>\$880,269,515</u>	<u>(12.9)</u>	<u>\$1,010,360,251</u>	<u>0.0</u>	<u>\$934,776,792</u>	<u>0.0</u>

\*\* % is meaningless as increase over previous fiscal year far exceeds 100%

**Note:** The data presented in this statement has been prepared using the best available data.  
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**STATE OF DELAWARE**  
**STATEMENT OF GENERAL FUND RECEIPTS BY MAJOR CATEGORIES**  
**MONTH OF DECEMBER, 2003, 2002, 2001, 2000**

**SIXTH MONTH OF FISCAL YEARS ENDING JUNE 30**

	<u>2004</u>		<u>2003</u>		<u>2002</u>		<u>2001</u>	
	<u>Amount</u>	<u>% Inc.</u>	<u>Amount</u>	<u>% Inc.</u>	<u>Amount</u>	<u>% Inc.</u>	<u>Amount</u>	<u>% Inc.</u>
Personal Income Taxes	\$72,957,285	1.1	\$72,165,188	4.9	\$68,809,898	(2.4)	\$70,527,565	(9.6)
Franchise Taxes	21,562,098	15.7	18,631,410	(11.2)	20,985,310	4.5	20,085,197	19.1
Business and Occupational Gross Receipts	9,913,994	(4.7)	10,399,959	0.8	10,312,566	12.2	9,194,008	(10.3)
Corporation Income Taxes	13,966,273	(10.9)	15,678,273	(24.1)	20,643,748	19.5	17,268,650	15.0
Hospital Board and Treatment	6,883,483	(31.3)	10,026,314	36.8	7,328,391	(2.8)	7,535,913	(10.2)
Dividend and Interest	1,820,438	(55.1)	4,053,187	85.4	2,186,350	13.6	1,923,969	8.8
Public Utility	2,926,827	9.6	2,670,910	25.4	2,129,419	(2.9)	2,194,088	5.3
Cigarette Taxes	6,393,751	**	3,008,571	42.1	2,116,889	(1.4)	2,147,177	(16.0)
Inheritance and Estate Taxes	881,094	1.6	867,087	(0.1)	868,003	(74.0)	3,332,768	(73.9)
Realty Transfer Tax	6,807,707	13.0	6,023,712	35.3	4,451,116	(0.3)	4,463,981	4.3
Insurance Taxes	13,959,869	36.2	10,246,386	(3.2)	10,590,505	25.0	8,473,649	(25.3)
Abandoned Property	17,568,581	**	1,643,947	(51.4)	3,380,312	(87.1)	26,266,826	19.8
Alcoholic Beverage Taxes	1,387,047	(36.1)	2,169,355	48.5	1,461,295	18.0	1,238,243	50.6
Business and Occupational License Fees	1,884,498	(22.7)	2,436,960	12.4	2,168,194	(12.6)	2,479,698	1.8
Corporate Fees	4,723,441	29.4	3,648,961	(14.0)	4,240,666	(0.8)	4,274,073	48.5
Bank Franchise Tax	12,869,361	53.1	8,406,756	6.2	7,915,956	(26.0)	10,698,598	(10.0)
Court Fines and Costs	182,375	19.0	153,317	(9.1)	168,573	24.5	135,452	(11.0)
Public Accomodations	501,594	(5.6)	531,541	**	(66,042)	**	499,096	(11.8)
Lottery	13,833,741	(24.4)	18,287,515	3.9	17,593,034	10.6	15,900,680	37.7
Other Revenue by Department (See Exhibit A-2b)	3,966,993	(35.7)	6,174,188	62.7	3,795,091	(19.6)	4,718,258	(13.2)
Subtotal	214,990,450	9.0	197,223,537	3.2	191,079,274	(10.4)	213,357,889	(3.4)
Less: Personal Income Taxes Deposited								
Revenue Refund Account	30,003,349	**	3,683	(100.0)	40,001,065	299.9	10,001,851	**
Net Receipts	\$184,987,101	(6.2)	\$197,219,854	30.5	\$151,078,209	0.0	\$203,356,038	0.0

\*\* % is meaningless as increase/decrease over previous fiscal year exceeds 100%

**Note:** The data presented in this statement has been prepared using the best available data.  
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**STATE OF DELAWARE**  
**STATEMENT OF GENERAL FUND RECEIPTS FOR OTHER THAN MAJOR CATEGORIES**  
**AS OF DECEMBER 31, 2003, 2002, 2001, 2000**

**FIRST SIX MONTHS OF FISCAL YEARS ENDING JUNE 30**

<b>COLLECTING AGENCY</b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Legislative	\$4,166	\$3,221	\$978	\$428
Judicial	3,601,411	2,924,767	2,491,170	2,233,218
Executive	785,775	177,582	172,736	718,263
Technology and Information	0	0	0	0
Other Elective Offices	12,161,197	15,720,566	7,612,347	8,747,652
Legal	2,086,128	1,465,244	1,797,440	2,403,774
Department of State	12,763,291	12,972,791	13,785,870	4,611,293
Department of Finance	335,332	608,031	378,707	477,909
Department of Administrative Services	19,314	13,669,436	423,278	108,289
Department of Health and Social Services	684,682	363,500	676,052	1,144,228
Department of Services to Child/Youth/Families	5,212	33,298	17,354	6,695
Department of Correction	113,707	106,428	186,848	113,923
Department of Natural Resources	72,447	32,836	28,218	32,398
Department of Public Safety	151,369	95,734	122,132	87,993
Department of Transportation	0	0	0	0
Department of Labor	16,585	9,154	48,390	81,166
Department of Agriculture	30,974	126,712	42,252	97,886
Department of Elections	1,010	910	700	930
Fire Prevention	17,012	17,095	18,059	14,708
Delaware National Guard	97,015	0	0	0
Advisory Council for Exceptional Children	0	0	1,144	0
Higher Education	8,043	9,957	15,930	12,431
Public Education	183,423	286,712	188,233	150,295
<b>GRAND TOTAL</b>	<b><u><u>\$33,138,093</u></u></b>	<b><u><u>\$48,623,974</u></u></b>	<b><u><u>\$28,007,838</u></u></b>	<b><u><u>\$21,043,480</u></u></b>

**Note:** *The data presented in this statement has been prepared using the best available data.  
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**STATE OF DELAWARE**  
**STATEMENT OF GENERAL FUND RECEIPTS FOR OTHER THAN MAJOR CATEGORIES**  
**MONTH OF DECEMBER, 2003, 2002, 2001, 2000**

**SIXTH MONTH OF FISCAL YEARS ENDING JUNE 30**

<b>COLLECTING AGENCY</b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Legislative	\$500	\$0	\$0	\$3
Judicial	556,923	500,292	390,877	313,239
Executive	1,818	0	0	539,901
Technology and Information	0	0	0	0
Other Elective Offices	610,532	3,302,365	385,276	1,975,227
Legal	538,958	476,716	459,502	506,837
Department of State	2,106,668	2,011,699	1,984,735	993,536
Department of Finance	(5,637)	17,497	65,914	72,472
Department of Administrative Services	2,480	35,786	344,537	4,417
Department of Health and Social Services	(68,024)	(274,865)	75,122	175,806
Department of Services to Child/Youth/Families	25	20,964	10,000	513
Department of Correction	22,909	9,170	14,812	21,721
Department of Natural Resources	30,273	17,386	16,992	16,707
Department of Public Safety	4,722	18,992	11,261	22,045
Department of Transportation	0	0	0	0
Department of Labor	78	20	350	2,500
Department of Agriculture	3,445	25,661	3,025	57,282
Department of Elections	200	0	75	0
Fire Prevention	3,062	2,988	3,007	2,034
Delaware National Guard	93,369	0	(1,144)	0
Advisory Council for Exceptional Children	0	0	1,144	0
Higher Education	0	3,172	300	1,530
Public Education	64,691	6,344	29,307	12,490
<b>GRAND TOTAL</b>	<b><u>\$3,966,993</u></b>	<b><u>\$6,174,187</u></b>	<b><u>\$3,795,092</u></b>	<b><u>\$4,718,260</u></b>

**Note:** *The data presented in this statement has been prepared using the best available data.  
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**STATE OF DELAWARE**  
**STATEMENT OF GENERAL FUND APPROPRIATION BALANCES**  
**AS OF DECEMBER 31, 2003**

<u>DEPARTMENT</u>	<u>APPROPRIATIONS</u>	<u>ENCUMBRANCES</u>	<u>EXPENDITURES</u>	<u>UNENCUMBERED BALANCES</u>
Legislative	\$14,050,521	\$578,422	\$5,261,021	\$8,211,078
Judicial	68,096,921	2,817,142	33,440,592	31,839,187
Executive	139,490,890	3,168,092	51,620,014	84,702,784
Technology and Information	31,954,564	3,498,831	19,987,993	8,467,740
Other Elective Offices	64,280,089	210,021	40,072,650	23,997,418
Legal	28,689,023	633,776	14,788,048	13,267,199
Department of State	22,464,260	599,264	7,305,768	14,559,228
Department of Finance	35,782,727	1,185,010	21,622,066	12,975,651
Department of Administrative Services	89,379,213	14,448,352	25,805,471	49,125,390
Department of Health and Social Services	704,087,600	60,478,232	320,093,886	323,515,482
Department of Services to Child/Youth/Families	98,500,379	19,997,991	48,340,579	30,161,809
Department of Correction	195,823,474	28,035,525	90,494,669	77,293,280
Department of Natural Resources	56,874,766	5,273,542	23,748,993	27,852,231
Department of Public Safety	94,850,633	2,368,590	47,869,298	44,612,745
Department of Transportation	0	0	0	0
Department of Labor	6,209,346	222,449	2,348,339	3,638,558
Department of Agriculture	7,939,670	1,376,277	3,609,825	2,953,568
Department of Elections	5,281,456	360,595	1,741,162	3,179,699
Fire Prevention	4,311,835	234,261	1,737,736	2,339,838
Delaware National Guard	4,039,239	675,967	1,551,440	1,811,832
Advisory Council for Exceptional Citizens	118,508	35	53,532	64,941
Higher Education	209,463,950	2,784,969	100,697,605	105,981,376
Public Education	917,114,563	46,353,834	453,753,938	417,006,791
<b>GRAND TOTAL</b>	<b>\$2,798,803,627</b>	<b>\$195,301,177</b>	<b>\$1,315,944,625</b>	<b>\$1,287,557,825</b>
<b>LESS: VOUCHERS PAYABLE</b>			<b>1,855,633</b>	
<b>CASH DISBURSEMENTS</b>			<b>\$1,314,088,992</b>	

**Note:** The data presented in this statement has been prepared using the best available data.  
It is however, preliminary in nature and subject to change pending formal audit.



**STATE OF DELAWARE**  
**ANALYSIS OF TOTAL GENERAL FUND EXPENDITURES**  
**AS OF DECEMBER 31, 2003**

TYPE OF EXPENDITURES	<u>JULY 1 through DECEMBER 31</u>				
	<u>2003</u>	INCR/ (DECR.) <u>'03 over '02</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
SALARIES and WAGES	\$495.8	(\$7.5)	\$503.3	\$499.4	\$472.5
FRINGE BENEFITS (excluding pensions)	116.8	4.7	112.0	102.7	94.7
PENSION COSTS	64.5	9.7	54.8	50.8	43.0
MEDICAID	56.4	25.6	30.8	29.4	29.1
PUBLIC ASSISTANCE	133.2	(14.9)	148.1	138.9	125.1
GRANTS in AID	140.2	29.4	110.8	106.5	171.9
PERSONAL SERVICES and TRAVEL	72.7	(9.1)	81.8	82.8	74.2
CONTRACTUAL SERVICES	119.0	2.4	116.6	124.9	109.2
SUPPLIES and MATERIALS	35.0	0.8	34.2	34.9	34.7
CAPITAL OUTLAY	25.5	(2.8)	28.3	57.9	75.8
DEBT SERVICE	56.8	22.6	34.2	36.9	39.3
TOTAL EXPENDITURES	<u>\$1,315.9</u>	<u>\$61.0</u>	<u>\$1,254.9</u>	<u>\$1,264.9</u>	<u>\$1,269.7</u>
LESS: VOUCHERS PAYABLE	1.9		1.9	3.3	1.8
CASH DISBURSEMENTS	<u>\$1,314.1</u>		<u>\$1,253.0</u>	<u>\$1,261.6</u>	<u>\$1,267.9</u>

**Note:** The data presented in this statement has been prepared using the best available data. It is however, preliminary in nature and subject to change pending formal audit.

**STATE OF DELAWARE  
STATEMENT OF REVENUE REFUND DISBURSEMENTS  
AS OF DECEMBER 31, 2003, 2002, 2001, 2000**

	<u>FIRST SIX MONTHS OF FISCAL YEARS ENDING JUNE 30</u>				<u>SIXTH MONTH OF FISCAL YEARS ENDING JUNE 30</u>			
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Personal Income Taxes	\$17,246,412	\$17,970,222	\$15,855,441	\$13,937,865	\$3,183,535	\$1,810,691	\$792,151	\$1,007,817
Franchise Taxes	14,104,162	14,661,280	14,961,674	9,664,105	1,096,977	1,480,971	1,379,255	546,764
Corp. Income Tax	18,924,949	24,833,688	21,549,338	19,989,083	3,287,282	5,206,461	2,544,788	5,971,353
Bus. & Occup'l Lic.	2,008,581	6,346,376	440,915	541,537	534,713	5,528,190	(1,316,585)	95,990
Cigarette Taxes	94,465	150,899	84,854	66,798	54,999	31,851	5,306	23,084
Inheritance & Est. Tax	1,305,473	130,962	1,195,113	421,520	59,025	41,982	252,029	205,069
All Other Refunds	6,627,166	10,319,429	2,743,307	8,323,012	591,424	3,852,465	288,424	3,882,770
TOTAL REFUNDS	<u>\$60,311,209</u>	<u>\$74,412,856</u>	<u>\$56,830,642</u>	<u>\$52,943,920</u>	<u>\$8,807,956</u>	<u>\$17,952,611</u>	<u>\$3,945,368</u>	<u>\$11,732,847</u>

**Note:** The data presented in this statement has been prepared using the best available data. It is however, preliminary in nature and subject to change pending formal audit.