



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

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January 10, 2005

TO: The Honorable Ruth Ann Minner, Governor
Members of the 143rd General Assembly

Attached is the monthly financial report for the month ending December 31, 2004. 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:

http://www.state.de.us/finance/publications/Financial_Reports.shtml

The State of Delaware is one of eight states participating in a National Association of State Auditors, Comptrollers and Treasurers (NASACT) pilot program on voluntary interim financial disclosure. This report, along with other reports and documents at the above internet address, constitutes the disclosure.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Trisha L. Neely", enclosed in a large, stylized loop.

Trisha L. Neely
Acting Secretary of Finance

TLN:ed
Attachment

OVERVIEW

GENERAL FUND CASH BALANCE

The General Fund had a cumulative operating surplus and cash balance of \$383.7 million with no outstanding short-term general obligation debt as of December 31, 2004.

As of December 31, 2004
(\$ Millions)

	<u>FY05</u>	<u>FY04</u>	<u>FY03</u>	<u>FY02</u>
Beginning Fiscal Year Cash	\$ 646.0	\$ 464.0	\$ 481.8	\$ 509.9
<u>Operating Cash Surplus/(Deficit)</u>	<u>(\$ 262.3)</u>	<u>(\$ 241.3)</u>	<u>(\$ 233.3)</u>	<u>(\$198.1)</u>
Net Cash Balance	\$ 383.7	\$ 222.7	\$ 248.5	\$ 311.8

The net cash balance of \$383.7 million results from a beginning cash balance of \$646.0 million on July 1, 2004, less a \$262.3 million operating cash deficit for FY 2005. Included in the cash balance is a surplus of \$76.6 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.

\$148.2 million of the \$383.7 million cash balance 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).

The combined General Fund/Special Fund Cash Balance was \$1,550.2 million.

State of Delaware
Statement of General Fund Cash Condition
as of 12/31/2004

Exhibit A

	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002
Beginning Fiscal Year Cash	\$ 645,961,410	\$ 464,018,574	\$ 481,752,669	\$ 509,914,235
Revenue				
<u>Receipts</u>				
Taxes	1,064,412,330	933,101,114	863,080,268	897,866,709
Licenses	5,593,321	3,417,065	4,729,037	4,434,649
Fees	36,594,504	34,285,815	31,295,468	34,270,731
Permits	311	359	393	203
Fines	1,029,423	880,708	854,338	929,606
Rentals & Sales	138,068,783	144,320,884	149,906,220	154,142,953
Governmental Contributions	0	28,865	220	0
Earnings and Investments	1,041,728	3,904,390	15,278,415	20,970,307
State Government/Agency Revenue	19,032,369	13,154,964	28,941,275	7,757,642
	<u>1,265,772,769</u>	<u>1,133,094,165</u>	<u>1,094,085,634</u>	<u>1,120,372,799</u>
Less Refund Disbursements	73,427,589	60,311,209	74,412,856	56,830,641
Total Revenue	1,192,345,180	1,072,782,956	1,019,672,778	1,063,542,158
Disbursements				
<u>Agency Expenditures</u>				
Legislature	5,655,672	5,261,021	5,345,013	5,115,703
Judicial	37,076,713	33,440,592	33,178,059	32,371,601
Executive	89,132,898	51,620,014	52,557,115	57,907,395
Department of Technology and Information	18,665,854	19,987,993	811,405	0
Other Elective Offices	43,580,720	40,072,650	25,062,089	25,463,975
Legal	15,989,091	14,788,048	14,931,071	14,326,866
Department of State	8,413,277	7,305,768	8,267,581	7,738,287
Department of Finance	33,116,944	21,622,066	7,426,024	8,755,486
Department of Administrative Services	32,901,857	25,805,471	24,526,586	24,726,762
Department of Health and Social Services	353,477,011	320,093,886	312,790,906	302,736,126
Department of Services to Child/Youth/Families	53,718,314	48,340,579	48,626,943	47,753,536
Department of Correction	93,894,931	90,494,669	88,941,123	86,663,860
Department of Natural Resources	23,172,913	23,748,993	20,760,693	24,067,514
Department of Safety and Homeland Security	48,414,609	47,869,298	48,938,586	47,945,437
Department of Transportation	0	0	0	0
Department of Labor	3,457,552	2,348,339	3,689,459	3,065,270
Department of Agriculture	3,115,477	3,609,825	2,833,029	3,069,999
Department of Elections	2,669,713	1,741,162	3,391,733	1,519,897
Fire Prevention Commission	2,019,458	1,737,736	1,788,408	1,950,629
Delaware National Guard	1,594,104	1,551,440	1,467,072	1,529,793
Advisory Council for Exceptional Citizens	56,297	53,532	50,566	49,146
Higher Education	114,831,107	100,697,605	103,921,844	110,557,826
Department of Education	473,704,813	453,753,938	445,541,196	457,630,096
	<u>1,458,659,324</u>	<u>1,315,944,625</u>	<u>1,254,846,499</u>	<u>1,264,945,202</u>
Less Vouchers Payable	4,018,358	1,855,633	1,927,835	3,254,877
Total Disbursements	1,454,640,966	1,314,088,992	1,252,918,664	1,261,690,325
Ending Cash Balance	\$ 383,665,624	\$ 222,712,538	\$ 248,506,783	\$ 311,766,068

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.

1/7/2005

State of Delaware

Exhibit A-1

Statement of General Fund Receipts and Refund Disbursements by Major Category as of 12/31/2004

	Fiscal Year 2005	% Change	Fiscal Year 2004	% Change	Fiscal Year 2003	% Change	Fiscal Year 2002
Receipts							
Personal Income Taxes	\$ 425,389,143	10.2	\$ 386,142,506	4.4	\$ 369,953,807	(2.2)	\$ 378,191,352
Franchise Taxes	180,897,286	11.9	161,716,248	(4.7)	169,735,923	(7.1)	182,791,350
Corporate Fees	23,130,842	13.1	20,442,673	23.7	16,519,497	(11.7)	18,714,321
Limited Partnership and LLC	8,292,823	48.1	5,599,309	35.4	4,134,492	5.4	3,922,107
Uniform Commercial Code	6,779,349	2.8	6,595,325	(19.9)	8,231,763	37.0	6,007,714
Corporation Income Taxes	53,586,892	33.4	40,167,169	(5.1)	42,345,249	(43.0)	74,280,356
Bank Franchise Tax	56,110,971	5.1	53,399,039	10.7	48,248,612	(6.5)	51,601,156
Gross Receipts Tax	95,662,565	21.1	79,015,302	5.9	74,618,788	5.4	70,814,072
Lottery	112,426,270	8.5	103,662,698	(7.2)	111,729,386	(2.4)	114,439,756
Abandoned Property	82,621,609	28.3	64,407,700	62.4	39,657,813	3.6	38,297,353
Hospital Board and Treatment	25,617,384	(37.0)	40,636,455	6.6	38,121,529	(3.5)	39,514,341
Dividends and Interest	1,041,728	(73.3)	3,904,390	(74.4)	15,278,415	(27.1)	20,970,307
Realty Transfer Tax	60,413,817	32.8	45,499,550	22.9	37,030,046	33.4	27,752,727
Estate Tax	3,984,167	(36.3)	6,253,391	(29.8)	8,910,500	(29.3)	12,602,997
Insurance Taxes	27,177,283	3.6	26,232,672	15.9	22,634,328	16.7	19,397,260
Public Utility Tax	17,850,916	9.6	16,280,867	0.7	16,168,398	11.7	14,477,731
Cigarette Taxes	39,429,854	9.5	36,008,016	100.7	17,939,563	31.7	13,624,841
Other Revenues	45,359,869	22.2	37,130,855	(29.7)	52,827,525	60.2	32,973,058
Total Receipts	1,265,772,769	11.7	1,133,094,165	3.6	1,094,085,634	(2.3)	1,120,372,799
Refund Disbursements							
Personal Income Taxes	21,403,790		17,246,412		17,970,222		15,855,441
Franchise Taxes	10,765,818		14,104,162		14,661,280		14,961,674
Corporation Income Taxes	33,496,089		18,924,949		24,833,688		21,549,338
Bank Franchise Tax	705,270		1,518,405		3,734,460		
Gross Receipts Tax	1,657,232		2,008,581		6,346,376		440,915
Abandoned Property	2,859,709		4,264,153		1,831,331		1,792,430
Estate Tax	124,770		1,305,473		130,962		1,195,113
Cigarette Taxes	134,516		94,465		150,899		84,854
Withholding	533,554		704,677		3,702,769		418,242
Insurance Taxes	1,348,088		54,211		652,805		473,971
Miscellaneous Refunds	398,753		85,721		398,064		58,665
Total Refund Disbursements	73,427,589	21.7	60,311,209	(19.0)	74,412,856	30.9	56,830,641
Net Receipts	\$ 1,192,345,180	11.1	\$ 1,072,782,956	5.2	\$ 1,019,672,778	(4.1)	\$ 1,063,542,158

NOTES:

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3. The Fiscal Year is July 1 through June 30.
4. Additional Dividends and Interest may have been received but not officially recorded.

1/7/2005

State of Delaware
Statement of General Fund Appropriation Balances
as of 12/31/2004

	Current FY Appropriations	Prior Year Continuing and Encumbered	Expenditures	Encumbrances	Unencumbered Balance
Legislature	12,997,300	2,551,242	5,655,672	626,989	9,265,881
Judicial	68,925,525	2,802,802	37,076,713	3,560,314	31,091,301
Executive	186,397,045	35,255,558	89,132,898	2,455,093	130,064,612
Department of Technology and Information	31,965,200	2,839,085	18,665,854	4,477,605	11,660,827
Other Elective Offices	84,963,151	107,801	43,580,720	189,706	41,300,526
Legal	31,263,185	168,380	15,989,091	1,125,716	14,316,758
Department of State	21,725,100	7,327,421	8,413,277	1,036,155	19,603,089
Department of Finance	51,351,400	5,875,621	33,116,944	1,182,468	22,927,609
Department of Administrative Services	86,984,600	36,617,966	32,901,857	27,276,726	63,423,984
Department of Health and Social Services	681,750,483	51,136,105	353,477,011	64,576,573	314,833,004
Department of Services to Child/Youth/Families	97,922,549	6,227,683	53,718,314	18,386,501	32,045,417
Department of Correction	198,198,514	5,743,422	93,894,931	31,137,124	78,909,881
Department of Natural Resources	48,922,100	13,906,580	23,172,913	4,745,958	34,909,810
Department of Safety and Homeland Security	93,846,411	1,790,859	48,414,609	4,727,655	42,495,006
Department of Transportation					
Department of Labor	6,596,017	144,849	3,457,552	269,660	3,013,654
Department of Agriculture	8,101,800	460,814	3,115,477	1,661,668	3,785,469
Department of Elections	3,919,300	1,030,519	2,669,713	322,742	1,957,364
Fire Prevention Commission	4,095,728	269,481	2,019,458	133,655	2,212,096
Delaware National Guard	3,750,500	362,156	1,594,104	672,205	1,846,347
Advisory Council for Exceptional Citizens	119,700	3,156	56,297	630	65,928
Higher Education	238,102,343	3,950,127	114,831,107	4,463,483	122,757,881
Department of Education	913,461,049	61,599,264	473,704,813	37,706,477	463,649,023
Total	\$ 2,875,359,000	\$ 240,170,891	\$ 1,458,659,324	\$ 210,735,102	\$ 1,446,135,466

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State of Delaware
Statement of General Fund Expenditures by Major Category
as of 12/31/2004

Exhibit B

	Fiscal Year 2005 \$(000) s	%	Fiscal Year 2004 \$(000) s	%	Fiscal Year 2003 \$(000) s	%	Fiscal Year 2002 \$(000) s
		Change		Change		Change	
Salaries and Wages	527,016.2	6.3	495,830.5	(1.5)	503,308.2	0.8	499,420.8
Fringe Benefits (less Pension)	130,668.1	11.8	116,848.0	4.4	111,959.8	9.1	102,662.6
Pension Costs	74,577.7	15.7	64,484.2	17.7	54,794.5	7.9	50,802.0
Medicaid	178,459.2	14.1	156,391.6	5.6	148,087.3	6.6	138,873.1
*Public Assistance	36,175.9	9.1	33,158.3	7.5	30,838.6	5.0	29,359.6
*Grants	192,426.2	37.2	140,241.4	26.5	110,827.5	4.1	106,466.9
*Personal Services and Travel	78,196.3	7.5	72,709.1	(11.2)	81,848.5	(1.1)	82,779.3
*Contractual Services	120,837.0	1.6	118,982.5	2.1	116,573.2	(6.7)	124,890.3
Supplies and Materials	35,886.7	2.5	35,025.6	2.5	34,160.8	(2.2)	34,925.3
Capital Outlay	30,640.1	20.3	25,470.4	(9.9)	28,260.5	(51.2)	57,879.9
Debt Service	53,776.0	(5.3)	56,802.9	66.2	34,187.6	(7.3)	36,885.3
Total	\$ 1,458,659.3	10.8	\$ 1,315,944.6	4.9	\$ 1,254,846.5	(0.8)	\$ 1,264,945.1

*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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