



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

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March 15, 2004

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

This is the State's Financial Report for February, 2004, 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 \$295.0 million with no outstanding short-term general obligation debt as of February 29, 2004.

As of February 29
(millions of dollars)

	<u>FY04</u>	<u>FY 03</u>	<u>FY02</u>	<u>FY01</u>
Net Cash Balance	295.0	257.7	315.3	316.4

The net cash balance of \$295.0 million results from a carryover cash balance of \$464.0 million on June 30, 2003, less a \$169.0 million operating cash deficit for the first eight months of FY 2004. For the first eight months, disbursements exceeded receipts by \$279.1 million and the Revenue Refund Account had a surplus of \$110.1 million. The combination of these two balances yielded the \$169.0 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
March 15, 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 Eight Months of
(millions of dollars)

	<u>FY04</u>	<u>FY03</u>	<u>FY02</u>	<u>FY01</u>
Operating Balance	(279.1)	(337.1)	(244.9)	(311.2)
Revenue Refund Account	<u>110.1</u>	<u>113.1</u>	<u>50.4</u>	<u>17.7</u>
Net Cash Surplus/(Deficit)	<u>(169.0)</u>	<u>(224.0)</u>	<u>(194.5)</u>	<u>(293.5)</u>

As of February 29, 2004, \$136.5 million of the \$295.0 million cash balance was dedicated to the Budget Reserve Account of the General Fund.

The combined General Fund/Special Fund Cash Balance at February 29, 2004 was \$1,326.3 million.

GENERAL FUND RECEIPTS

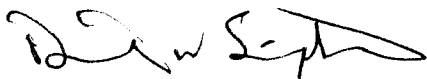
General Fund receipts for the first eight months of FY 2004 were \$1,644.3 million, an increase of 9.3% over last year. Personal Income Tax (PIT) receipts were up 5.3% from last year. As noted on Exhibit A-1a, \$200.0 million of the 551.8 million in PIT collections were deposited in the Revenue Refund Account.

GENERAL FUND DISBURSEMENTS

Exhibit A-4 analyzes expenditures and shows total expenditures increased \$94.3 million from the same period last year.

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 FEBRUARY 29, 2004, 2003, 2002, 2001

FIRST EIGHT MONTHS OF FISCAL YEARS ENDING JUNE 30

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
RECEIPTS (EXHIBIT A-1a)	\$1,444,253,914	\$1,290,814,111	\$1,389,028,118	\$1,355,661,168
DISBURSEMENTS (EXHIBITS A-3 and A-4)	1,723,345,090	1,627,948,407	1,633,981,245	1,666,917,531
RECEIPTS OVER/(UNDER) DISBURSEMENTS	(279,091,176)	(337,134,296)	(244,953,127)	(311,256,363)
BALANCE CARRIED OVER FROM PREVIOUS FISCAL YEAR	464,018,574	481,752,669	509,914,235	609,912,750
GENERAL FUND CASH BALANCE-FEBRUARY 29	184,927,398	144,618,373	264,961,108	298,656,387
REVENUE REFUND RECEIPTS (See Exhibit A-1a)	200,004,898	213,810,828	150,017,557	100,019,066
REVENUE REFUND DISBURSEMENTS (See Exhibit B)	89,934,877	100,702,926	99,639,808	82,291,061
REVENUE REFUND ACCOUNT CASH BALANCE-FEBRUARY 29	110,070,021	113,107,902	50,377,749	17,728,005
TOTAL CASH BALANCE-FEBRUARY 29	<u>\$294,997,419</u>	<u>\$257,726,275</u>	<u>\$315,338,857</u>	<u>\$316,384,392</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 FEBRUARY, 29, 2004, 2003, 2002, 2001

FIRST EIGHT 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	\$551,780,461	5.3	\$524,027,275	(1.8)	\$533,780,386	1.8	\$524,546,384	(0.3)
Franchise Taxes	258,397,695	3.5	249,543,815	(11.0)	280,490,604	3.6	270,619,985	13.5
Business and Occupational Gross Receipts	110,357,507	9.1	101,117,029	6.9	94,624,342	(3.0)	97,534,782	4.2
Corporation Income Taxes	44,905,127	(1.5)	45,569,661	(41.5)	77,847,800	49.8	51,969,368	(10.9)
Hospital Board and Treatment	54,860,064	5.8	51,853,747	(3.1)	53,527,118	2.8	52,054,637	(0.7)
Dividend and Interest	7,313,660	(51.5)	15,073,189	(34.2)	22,914,211	16.4	19,689,632	(20.6)
Public Utility	22,424,694	4.5	21,450,777	12.7	19,025,246	(3.9)	19,790,580	18.0
Cigarette Taxes	47,529,587	**	23,191,241	31.0	17,703,404	2.5	17,277,271	1.5
Inheritance and Estate Taxes	7,398,834	(32.7)	10,991,782	(37.3)	17,521,298	(8.1)	19,065,604	(42.3)
Realty Transfer Tax	63,770,285	34.8	47,300,933	24.4	38,037,999	16.7	32,593,748	(5.0)
Insurance Taxes	29,024,113	8.6	26,736,528	(5.8)	28,385,172	16.7	24,324,841	(5.1)
Abandoned Property	133,222,292	121.2	60,233,141	14.8	52,468,503	(20.9)	66,359,631	(6.8)
Alcoholic Beverage Taxes	8,656,847	9.2	7,930,823	8.3	7,323,794	(2.3)	7,495,184	4.8
Business and Occupational License Fees	5,959,516	29.6	4,598,471	4.8	4,388,265	2.4	4,286,739	2.0
Corporate Fees	30,777,658	24.8	24,653,836	(12.8)	28,275,570	(9.1)	31,090,370	1.6
Bank Franchise Tax	67,351,748	(4.9)	70,819,324	9.9	64,459,381	44.1	44,725,350	(23.1)
Court Fines and Costs	1,954,259	17.9	1,657,601	(1.1)	1,675,790	(0.6)	1,685,231	13.7
Public Accommodations	7,273,348	8.5	6,701,119	10.8	6,046,498	(3.0)	6,234,108	(13.6)
Lottery	139,877,151	(0.5)	140,525,338	(6.0)	149,425,356	14.4	130,652,412	12.7
Other Revenue by Department (See Exhibit A-2a)	51,423,966	(27.2)	70,649,309	71.8	41,124,939	22.1	33,684,378	20.3
Subtotal	1,644,258,812	9.3	1,504,624,939	(2.2)	1,539,045,676	5.7	1,455,680,235	0.8
Less: Personal Income Taxes Deposited In Revenue Refund Account	200,004,898	(6.5)	213,810,828	42.5	150,017,557	50.0	100,019,066	0.3
Net Receipts	<u>\$1,444,253,914</u>	<u>11.9</u>	<u>\$1,290,814,111</u>	<u>(7.1)</u>	<u>\$1,389,028,119</u>	<u>2.5</u>	<u>\$1,355,661,169</u>	<u>0.8</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 FEBRUARY 2004, 2003, 2002, 2001

EIGHTH 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	\$68,971,759	10.4	\$62,487,696	1.4	\$61,601,746	(3.1)	\$63,601,748	14.8
Franchise Taxes	77,392,540	22.5	63,153,205	(19.6)	78,512,949	(10.8)	87,971,029	16.2
Business and Occupational Gross Receipts	17,317,563	66.6	10,392,905	4.0	9,989,778	(15.1)	11,770,378	13.5
Corporation Income Taxes	2,806,393	210.1	904,907	(31.1)	1,313,525	(33.5)	1,975,857	4.8
Hospital Board and Treatment	7,928,122	28.9	6,149,382	(14.3)	7,171,388	37.2	5,226,041	(32.0)
Dividend and Interest	2,151,335	168.7	800,527	**	870,643	(58.0)	2,073,571	**
Public Utility	3,132,877	17.9	2,657,828	15.8	2,295,427	4.0	2,206,492	6.7
Cigarette Taxes	5,579,718	**	2,556,496	38.7	1,842,673	25.1	1,472,475	(16.6)
Inheritance and Estate Taxes	483,329	(45.0)	878,516	(26.5)	1,195,137	(20.7)	1,506,393	(9.2)
Realty Transfer Tax	7,429,481	49.0	4,986,063	(5.5)	5,274,640	71.6	3,073,134	0.6
Insurance Taxes	2,939,179	(25.7)	3,953,491	(55.8)	8,953,256	(2.0)	9,140,193	**
Abandoned Property	49,114,412	517.2	7,957,274	(39.1)	13,067,122	33.2	9,813,473	122.0
Alcoholic Beverage Taxes	1,018,192	30.4	780,764	(9.1)	859,134	15.4	744,568	(13.0)
Business and Occupational License Fees	413,593	88.3	219,653	2.4	214,602	(2.7)	220,497	(19.1)
Corporate Fees	5,965,073	38.0	4,323,023	(10.5)	4,831,831	12.1	4,311,367	(25.2)
Bank Franchise Tax	13,905,169	(36.0)	21,710,665	69.0	12,845,422	48.7	8,641,089	(6.3)
Court Fines and Costs	544,863	17.6	463,392	(2.7)	476,442	(13.2)	549,144	80.0
Public Accomodations	562,798	38.2	407,176	**	71,786	(84.2)	455,441	(48.1)
Lottery	19,979,596	44.4	13,832,506	(21.8)	17,692,243	7.9	16,393,385	17.4
Other Revenue by Department (See Exhibit A-2b)	8,468,072	37.2	6,169,821	62.3	3,801,726	91.3	1,987,547	(41.0)
Subtotal	296,104,064	37.9	214,785,290	(7.8)	232,881,470	(0.1)	233,133,822	11.0
Less: Personal Income Taxes Deposited Revenue Refund Account	(16,039)	**	(5,814)	(100.0)	20,003,362	**	(2,723)	**
Net Receipts	<u>\$296,120,103</u>	<u>37.9</u>	<u>\$214,791,104</u>	<u>0.9</u>	<u>\$212,878,108</u>	<u>(8.7)</u>	<u>\$233,136,545</u>	<u>10.9</u>

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STATE OF DELAWARE
STATEMENT OF GENERAL FUND RECEIPTS FOR OTHER THAN MAJOR CATEGORIES
AS OF FEBRUARY, 2004, 2003, 2002, 2001

FIRST EIGHT MONTHS OF FISCAL YEARS ENDING JUNE 30

COLLECTING AGENCY	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Legislative	\$4,166	\$3,221	\$978	\$428
Judicial	4,616,632	11,368,058	3,593,753	3,079,503
Executive	804,562	177,583	208,800	719,663
Technology and Information	0	0	0	0
Other Elective Offices	20,665,943	21,014,775	10,745,164	13,419,383
Legal	6,515,792	5,686,972	6,384,499	7,250,326
Department of State	16,103,184	16,467,958	17,215,019	6,079,276
Department of Finance	450,362	796,657	424,641	686,996
Department of Administrative Services	26,410	13,677,596	439,052	117,019
Department of Health and Social Services	1,290,110	543,790	1,129,600	1,448,743
Department of Services to Child/Youth/Families	6,374	34,005	17,660	6,706
Department of Correction	168,049	99,885	216,600	154,599
Department of Natural Resources	99,270	47,468	47,873	52,266
Department of Public Safety	161,333	131,108	158,506	113,668
Department of Transportation	0	0	0	0
Department of Labor	16,605	10,718	61,532	92,699
Department of Agriculture	150,280	227,035	67,445	204,641
Department of Elections	1,335	1,135	700	930
Fire Prevention	22,984	24,045	23,840	21,239
Delaware National Guard	97,015	642	0	0
Advisory Council for Exceptional Children	0	0	1,144	0
Higher Education	8,043	17,848	18,484	44,319
Public Education	215,517	318,810	369,651	191,975
GRAND TOTAL	<u><u>\$51,423,966</u></u>	<u><u>\$70,649,309</u></u>	<u><u>\$41,124,941</u></u>	<u><u>\$33,684,380</u></u>

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STATE OF DELAWARE
STATEMENT OF GENERAL FUND RECEIPTS FOR OTHER THAN MAJOR CATEGORIES
MONTH OF FEBRUARY 2004, 2003, 2002, 2001

EIGHTH MONTH OF FISCAL YEARS ENDING JUNE 30

COLLECTING AGENCY	<u>2004</u>	<u>2003</u>	<u>2003</u>	<u>2003</u>
Legislative	\$0	\$0	\$0	\$0
Judicial	557,407	751,248	506,636	396,546
Executive	18,786	(10)	5	0
Technology and Information	0	0	0	0
Other Elective Offices	1,632,132	3,237,936	1,004,775	240,991
Legal	4,000,228	317,237	440,682	596,476
Department of State	2,003,309	1,644,642	1,651,903	504,178
Department of Finance	21,342	11,568	(1,500)	52,041
Department of Administrative Services	4,690	5,400	4,396	3,735
Department of Health and Social Services	71,075	120,490	105,669	75,873
Department of Services to Child/Youth/Families	1,137	644	0	0
Department of Correction	29,962	15,325	16,506	24,018
Department of Natural Resources	11,034	3,775	7,681	8,095
Department of Public Safety	6,920	16,936	10,523	8,693
Department of Transportation	0	0	0	0
Department of Labor	20	20	3,102	4,995
Department of Agriculture	81,492	26,845	17,444	39,094
Department of Elections	325	225	0	0
Fire Prevention	3,701	2,744	3,417	3,771
Delaware National Guard	0	642	0	0
Advisory Council for Exceptional Children	0	0	0	0
Higher Education	0	0	150	280
Public Education	24,512	14,154	30,336	28,762
GRAND TOTAL	<u>\$8,468,072</u>	<u>\$6,169,821</u>	<u>\$3,801,725</u>	<u>\$1,987,548</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 APPROPRIATION BALANCES
AS OF FEBRUARY 29, 2004

<u>DEPARTMENT</u>	<u>APPROPRIATIONS</u>	<u>ENCUMBRANCES</u>	<u>EXPENDITURES</u>	<u>UNENCUMBERED BALANCES</u>
Legislative	\$14,050,521	\$449,447	\$7,071,803	\$6,529,271
Judicial	68,296,826	2,171,476	43,945,439	22,179,911
Executive	135,439,395	1,342,083	64,750,615	69,346,697
Technology and Information	35,493,703	3,724,713	23,488,261	8,280,729
Other Elective Offices	63,537,986	60,417	50,447,329	13,030,240
Legal	28,689,023	441,582	19,179,941	9,067,500
Department of State	22,500,845	619,516	9,427,143	12,454,186
Department of Finance	35,907,219	1,003,854	24,296,351	10,607,014
Department of Administrative Services	89,490,148	14,103,599	34,064,924	41,321,625
Department of Health and Social Services	704,072,068	45,988,247	430,344,312	227,739,509
Department of Services to Child/Youth/Families	98,503,499	14,899,231	63,535,914	20,068,354
Department of Correction	195,554,888	20,348,891	118,718,901	56,487,096
Department of Natural Resources	56,813,253	3,807,490	29,613,502	23,392,261
Department of Public Safety	95,163,827	2,305,638	64,466,682	28,391,507
Department of Transportation	0	0	0	0
Department of Labor	6,221,796	135,933	4,228,869	1,856,994
Department of Agriculture	7,939,603	891,902	4,866,594	2,181,107
Department of Elections	5,281,456	341,002	2,766,860	2,173,594
Fire Prevention	4,311,365	212,283	2,445,113	1,653,969
Delaware National Guard	4,039,149	422,581	2,220,583	1,395,985
Advisory Council for Exceptional Citizens	118,508	35	68,240	50,233
Higher Education	209,479,046	1,889,307	137,599,391	69,990,348
Public Education	917,899,504	43,498,926	588,154,123	286,246,455
GRAND TOTAL	\$2,798,803,628	\$158,658,153	\$1,725,700,890	\$914,444,585
LESS: VOUCHERS PAYABLE			2,355,800	
CASH DISBURSEMENTS			\$1,723,345,090	

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 FEBRUARY 29, 2004

TYPE OF EXPENDITURES	<u>JULY 1 through FEBRUARY 29</u>				
	<u>2004</u>	INCR/ (DECR.) <u>04 over '03</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
SALARIES and WAGES	\$643.5	(\$11.1)	\$654.6	\$643.5	\$627.3
FRINGE BENEFITS (excluding pensions)	155.4	6.8	148.5	137.6	127.1
PENSION COSTS	85.8	12.8	73.0	67.4	58.7
MEDICAID	216.6	9.0	207.6	167.4	148.0
PUBLIC ASSISTANCE	44.1	3.2	40.9	68.9	61.8
GRANTS in AID	173.0	37.8	135.2	140.7	204.1
PERSONAL SERVICES and TRAVEL	97.3	(12.5)	109.8	105.7	98.1
CONTRACTUAL SERVICES	154.9	1.9	153.0	161.0	147.2
SUPPLIES and MATERIALS	42.6	0.7	41.9	43.1	45.4
CAPITAL OUTLAY	30.7	(2.0)	32.7	69.9	90.7
DEBT SERVICE	81.8	47.6	34.2	32.4	59.9
TOTAL EXPENDITURES	<u>\$1,725.7</u>	<u>\$94.3</u>	<u>\$1,631.4</u>	<u>\$1,637.5</u>	<u>\$1,668.4</u>
LESS: VOUCHERS PAYABLE	<u>2.4</u>		<u>3.4</u>	<u>3.8</u>	<u>1.4</u>
CASH DISBURSEMENTS	<u><u>\$1,723.4</u></u>		<u><u>\$1,628.0</u></u>	<u><u>\$1,633.7</u></u>	<u><u>\$1,667.0</u></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 FEBRUARY 29, 2004, 2003, 2002, 2001**

	<u>FIRST EIGHT MONTHS OF FISCAL YEARS ENDING JUNE 30</u>				<u>EIGHTH 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	\$40,726,845	\$39,353,050	\$37,615,791	\$33,079,366	\$20,032,861	\$18,125,766	\$18,896,725	\$16,949,156
Franchise Taxes	14,844,720	14,661,042	16,288,268	10,301,795	879,395	0	1,330,499	668,419
Corp. Income Tax	22,728,042	28,045,957	40,301,277	26,754,325	3,415,377	1,977,119	2,617,384	4,579,762
Bus. & Occup'l Lic.	2,246,810	6,480,894	806,815	2,115,132	153,730	60,631	112,979	1,413,507
Cigarette Taxes	134,986	162,569	125,879	79,229	3,431	2,621	28,322	10,581
Inheritance & Est. Tax	1,567,048	432,052	1,293,906	545,558	247,659	76	61,378	103,076
All Other Refunds	7,686,426	11,567,362	3,207,872	9,415,656	288,762	541,175	275,055	731,063
TOTAL REFUNDS	<u>\$89,934,877</u>	<u>\$100,702,926</u>	<u>\$99,639,808</u>	<u>\$82,291,061</u>	<u>\$25,021,215</u>	<u>\$20,707,388</u>	<u>\$23,322,342</u>	<u>\$24,455,564</u>

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