



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

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March 14, 2005

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

Attached is the monthly financial report for the month ending February 28, 2005. 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 "Richard S. Cordrey".

Richard S. Cordrey
Secretary of Finance

TLN:ed
Attachment

Hon. Ruth Ann Minner, Governor

March 14, 2005

Page Two

OVERVIEW

GENERAL FUND CASH BALANCE

The General Fund had a cumulative operating surplus and cash balance of \$338.8 million with no outstanding short-term general obligation debt as of February 28, 2005.

As of February 28, 2005
(\$ 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
Operating Cash Surplus/(Deficit)	<u>(\$ 307.2)</u>	<u>(\$ 169.0)</u>	<u>(\$ 224.1)</u>	<u>(\$ 194.6)</u>
Net Cash Balance	\$ 338.8	\$ 295.0	\$ 257.7	\$ 315.3

The net cash balance of \$338.8 million results from a beginning cash balance of \$646.0 million on July 1, 2004, less a \$307.2 million operating cash deficit for FY 2005. Included in the cash balance is a surplus of \$74.9 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 \$338.8 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 \$1,532.5 million.

State of Delaware
Statement of General Fund Cash Condition
as of 2/28/2005

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	1,448,705,397	1,358,263,667	1,199,949,238	1,241,722,029
Licenses	9,664,581	7,485,519	6,292,460	5,725,704
Fees	55,832,139	53,211,535	50,299,888	52,716,670
Permits	577	542	788	1,078
Fines	1,725,491	1,434,197	1,273,107	1,440,076
Rentals & Sales	189,112,621	194,768,813	192,407,328	203,160,311
Governmental Contributions	0	28,865	0	0
Earnings and Investments	4,699,080	7,313,660	15,073,163	22,914,211
State Government/Agency Revenue	28,096,922	21,752,016	39,328,969	11,365,595
	<u>1,737,836,807</u>	<u>1,644,258,814</u>	<u>1,504,624,941</u>	<u>1,539,045,675</u>
Less Refund Disbursements	105,084,664	89,934,876	100,702,926	99,639,808
Total Revenue	1,632,752,144	1,554,323,937	1,403,922,015	1,439,405,868
Disbursements				
<u>Agency Expenditures</u>				
Legislature	7,530,941	7,071,803	7,109,877	6,671,785
Judicial	48,931,499	43,945,439	43,242,587	42,416,615
Executive	97,271,893	64,750,615	58,675,290	74,169,587
Department of Technology and Information	22,519,761	23,488,261	2,128,815	206,196
Other Elective Offices	77,934,911	50,447,329	25,814,956	25,044,757
Legal	21,082,126	19,179,941	19,675,612	18,978,449
Department of State	12,583,300	9,427,143	10,997,797	10,863,992
Department of Finance	35,806,737	24,296,351	9,903,610	11,201,678
Department of Administrative Services	45,430,150	34,064,924	29,993,521	30,116,547
Department of Health and Social Services	471,610,514	430,344,312	420,951,064	409,417,510
Department of Services to Child/Youth/Families	70,207,703	63,535,914	63,415,152	62,404,929
Department of Correction	128,541,319	118,718,901	115,878,675	113,001,419
Department of Natural Resources	29,917,435	29,613,502	25,992,822	28,053,482
Department of Safety and Homeland Security	66,212,840	64,466,682	66,186,679	64,031,305
Department of Transportation	0	0	0	0
Department of Labor	4,424,241	4,228,869	4,251,117	4,406,316
Department of Agriculture	4,599,849	4,866,594	3,833,866	4,076,345
Department of Elections	3,205,127	2,766,860	3,959,048	1,972,141
Fire Prevention Commission	2,882,604	2,445,113	2,272,166	2,665,601
Delaware National Guard	2,317,024	2,220,583	2,085,981	2,198,775
Advisory Council for Exceptional Citizens	72,572	68,240	65,456	65,429
Higher Education	155,498,957	137,599,391	135,688,542	142,948,198
Department of Education	637,042,515	588,154,123	579,180,291	582,850,864
	<u>1,945,624,018</u>	<u>1,725,700,889</u>	<u>1,631,302,925</u>	<u>1,637,761,919</u>
Less Vouchers Payable	5,694,307	2,355,800	3,354,517	3,780,674
Total Disbursements	1,939,929,711	1,723,345,089	1,627,948,408	1,633,981,245
Ending Cash Balance	\$ 338,783,843	\$ 294,997,423	\$ 257,726,276	\$ 315,338,857

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.

3/7/2005

State of Delaware
Statement of General Fund Receipts and Refund Disbursements by Major Category
as of 2/28/2005

Exhibit A-1

	Fiscal Year 2005	% Change	Fiscal Year 2004	% Change	Fiscal Year 2003	% Change	Fiscal Year 2002
Receipts							
Personal Income Taxes	\$ 607,594,638	10.1	\$ 551,780,461	5.3	\$ 524,027,275	(1.8)	\$ 533,780,386
Franchise Taxes	270,408,576	4.6	258,397,695	3.5	249,543,815	(11.0)	280,490,604
Corporate Fees	33,699,077	9.5	30,777,658	24.8	24,653,836	(12.8)	28,275,570
Limited Partnership and LLC	10,858,549	58.7	6,843,406	37.4	4,982,363	5.6	4,717,944
Uniform Commercial Code	8,964,859	4.2	8,604,850	(20.4)	10,807,687	28.5	8,408,435
Corporation Income Taxes	58,250,841	29.7	44,905,127	(1.5)	45,569,661	(41.5)	77,847,800
Bank Franchise Tax	66,369,687	(1.5)	67,351,748	(4.9)	70,819,324	9.9	64,459,381
Gross Receipts Tax	123,413,753	11.8	110,357,507	9.1	101,117,029	6.9	94,624,342
Lottery	153,072,220	9.4	139,877,151	(0.5)	140,525,338	(6.0)	149,425,356
Abandoned Property	107,322,717	(19.4)	133,222,292	121.2	60,233,141	14.8	52,468,503
Hospital Board and Treatment	36,009,867	(34.4)	54,860,064	5.8	51,853,747	(3.1)	53,527,118
Dividends and Interest	4,699,080	(35.7)	7,313,660	(51.5)	15,073,163	(34.2)	22,914,211
Realty Transfer Tax	80,547,022	26.3	63,770,285	34.8	47,300,933	24.4	38,037,999
Estate Tax	4,607,864	(37.7)	7,398,834	(32.7)	10,991,782	(37.3)	17,521,298
Insurance Taxes	30,277,619	4.3	29,024,113	8.6	26,736,554	(5.8)	28,385,172
Public Utility Tax	23,615,418	5.3	22,424,694	4.5	21,450,777	12.7	19,025,246
Cigarette Taxes	49,590,090	4.3	47,529,587	104.9	23,191,241	31.0	17,703,404
Other Revenues	68,534,928	14.6	59,819,681	(21.0)	75,747,273	59.7	47,432,906
Total Receipts	1,737,836,807	5.7	1,644,258,814	9.3	1,504,624,941	(2.2)	1,539,045,675
Refund Disbursements							
Personal Income Taxes	48,664,054		40,726,845		39,353,050		37,615,791
Franchise Taxes	11,496,075		14,844,720		14,661,042		16,288,268
Corporation Income Taxes	35,185,426		22,728,042		28,045,957		40,301,277
Bank Franchise Tax	706,770		1,518,405		3,734,460		
Gross Receipts Tax	1,991,048		2,246,810		6,480,894		806,815
Abandoned Property	4,242,516		5,145,389		2,581,246		2,160,701
Estate Tax	307,591		1,567,048		432,052		1,293,906
Cigarette Taxes	150,742		134,986		162,569		125,879
Withholding	591,964		745,483		3,836,212		505,264
Insurance Taxes	1,348,088		179,524		891,447		473,971
Miscellaneous Refunds	400,388		97,625		523,996		67,935
Total Refund Disbursements	105,084,664	16.8	89,934,876	(10.7)	100,702,926	1.1	99,639,808
Net Receipts	\$ 1,632,752,144	5.0	\$ 1,554,323,937	10.7	\$ 1,403,922,015	(2.5)	\$ 1,439,405,867

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.

3/7/2005

State of Delaware
Statement of General Fund Appropriation Balances
as of 2/28/2005

Exhibit A-2

	Current FY Appropriations	Prior Year Continuing and Encumbered	Expenditures	Encumbrances	Unencumbered Balance
Legislature	12,997,300	2,551,242	7,530,941	503,214	7,514,387
Judicial	68,925,525	2,912,988	48,931,499	2,822,165	20,084,850
Executive	186,112,818	34,128,772	97,271,893	2,017,988	120,951,708
Department of Technology and Information	31,965,200	2,839,085	22,519,761	4,037,563	8,246,962
Other Elective Offices	84,963,151	107,801	77,934,911	141,567	6,994,474
Legal	31,263,185	168,380	21,082,126	646,077	9,703,361
Department of State	21,735,100	7,327,421	12,583,300	741,992	15,737,228
Department of Finance	51,351,400	5,875,621	35,806,737	1,062,433	20,357,850
Department of Administrative Services	86,686,353	36,617,966	45,430,150	23,653,812	54,220,358
Department of Health and Social Services	682,046,217	52,136,105	471,610,514	49,105,794	213,466,014
Department of Services to Child/Youth/Families	97,923,401	6,237,683	70,207,703	12,901,972	21,051,410
Department of Correction	198,203,155	5,743,422	128,541,319	21,612,164	53,793,094
Department of Natural Resources	48,940,100	13,913,180	29,917,435	6,222,142	26,713,703
Department of Safety and Homeland Security	93,846,411	1,790,859	66,212,840	3,462,327	25,962,103
Department of Labor	6,596,017	144,849	4,424,241	204,247	2,112,378
Department of Agriculture	8,101,800	460,814	4,599,849	1,119,651	2,843,115
Department of Elections	3,919,300	1,030,519	3,205,127	251,292	1,493,401
Fire Prevention Commission	4,095,728	269,481	2,882,604	129,586	1,353,019
Delaware National Guard	3,750,500	362,156	2,317,024	447,168	1,348,463
Advisory Council for Exceptional Citizens	119,700	3,156	72,572	630	49,654
Higher Education	238,102,343	3,950,127	155,498,957	2,950,145	83,603,368
Department of Education	913,714,296	61,599,264	637,042,515	42,647,053	295,623,992
Total	\$ 2,875,359,000	\$ 240,170,891	\$ 1,945,624,018	\$ 176,680,981	\$ 993,224,892

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State of Delaware
Statement of General Fund Expenditures by Major Category
as of 2/28/2005

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	685,614.2	6.5	643,548.4	(1.7)	654,564.3	1.7	643,475.3
Fringe Benefits (less Pension)	173,926.0	11.9	155,430.5	4.7	148,515.4	7.9	137,638.5
Pension Costs	99,058.8	15.5	85,768.2	17.5	73,023.9	8.3	67,442.8
Medicaid	242,603.0	12.0	216,569.3	4.3	207,593.8	6.2	195,529.5
*Public Assistance	47,595.4	7.8	44,163.5	7.9	40,933.0	0.2	40,833.3
*Grants	227,590.5	31.5	173,044.5	28.1	135,087.2	(4.0)	140,734.4
*Personal Services and Travel	104,060.3	7.0	97,260.3	(11.4)	109,763.9	3.8	105,716.2
*Contractual Services	159,758.4	3.2	154,850.4	1.2	153,086.4	(4.9)	160,997.9
Supplies and Materials	45,341.6	6.5	42,581.1	1.7	41,862.2	(2.8)	43,061.6
Capital Outlay	37,603.1	22.4	30,712.1	(6.0)	32,685.4	(53.3)	69,920.2
Debt Service	122,472.7	49.8	81,772.6	139.2	34,187.6	5.5	32,412.3
Total	\$ 1,945,624.0	12.7	\$ 1,725,700.9	5.8	\$ 1,631,302.9	(0.4)	\$ 1,637,761.9

*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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3/7/2005