



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

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March 10, 2004

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

This is the State's Financial Report for January, 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 \$246.1 million with no outstanding short-term general obligation debt as of January 31, 2004.

As of January 31  
(millions of dollars)

	<u>FY04</u>	<u>FY03</u>	<u>FY02</u>	<u>FY01</u>
Net Cash Balance	246.1	243.1	274.2	296.0

The net cash balance of \$246.1 million results from a carryover cash balance of \$464.0 million on June 30, 2003, less a \$217.9 million operating cash deficit for the first seven months of FY 2004. For the first seven months, disbursements exceeded receipts by \$353.0 million and the Revenue Refund Account had a surplus of \$135.1 million. The combination of these two balances yielded the \$217.9 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 4, 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 Seven Months of  
(millions of dollars)

	<u>FY04</u>	<u>FY03</u>	<u>FY02</u>	<u>FY01</u>
Operating Balance	(353.0)	(372.4)	(289.4)	(356.1)
Revenue Refund Account	<u>135.1</u>	<u>133.8</u>	<u>53.7</u>	<u>42.2</u>
Net Cash Surplus/(Deficit)	<u>(217.9)</u>	<u>(238.6)</u>	<u>(235.7)</u>	<u>(313.9)</u>

As of January 31, 2004, \$136.5 million of the \$246.1 million cash balance was dedicated to the Budget Reserve Account of the General Fund.

The combined General Fund/Special Fund Cash Balance at January 31, 2004 was \$1314.4 million.

GENERAL FUND RECEIPTS

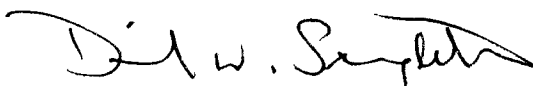
General Fund receipts for the first seven months of FY 2004 were \$1348.1 million, an increase of 4.5% over last year. Personal Income Tax (PIT) receipts were up 4.6% from last year. As noted on Exhibit A-1a, \$200.0 million of the \$482.8 million in PIT collections were deposited in the Revenue Refund Account.

GENERAL FUND DISBURSEMENTS

Exhibit A-4 analyzes expenditures and shows total expenditures increased \$59.8 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 JANUARY 31, 2004, 2003, 2002, 2001**

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

	<u><b>2004</b></u>	<u><b>2003</b></u>	<u><b>2002</b></u>	<u><b>2001</b></u>
RECEIPTS (EXHIBIT A-1a)	\$1,148,133,811	\$1,076,023,007	\$1,176,150,012	\$1,122,522,838
DISBURSEMENTS (EXHIBITS A-3 and A-4)	1,501,149,443	1,448,453,072	1,465,540,525	1,478,599,653
RECEIPTS OVER/(UNDER) DISBURSEMENTS	(353,015,632)	(372,430,065)	(289,390,513)	(356,076,815)
BALANCE CARRIED OVER FROM PREVIOUS FISCAL YEAR	464,018,574	481,752,669	509,914,235	609,912,750
GENERAL FUND CASH BALANCE-JANUARY 31	111,002,942	109,322,604	220,523,722	253,835,935
REVENUE REFUND RECEIPTS (See Exhibit A-1a)	200,020,937	213,816,642	130,014,194	100,023,575
REVENUE REFUND DISBURSEMENTS (See Exhibit B)	64,913,662	79,995,538	76,317,465	57,835,499
REVENUE REFUND ACCOUNT CASH BALANCE-JANUARY 31	135,107,275	133,821,104	53,696,729	42,188,076
TOTAL CASH BALANCE-JANUARY 31	<u>\$246,110,217</u>	<u>\$243,143,708</u>	<u>\$274,220,451</u>	<u>\$296,024,011</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 JANUARY 31, 2004, 2003, 2002, 2001**

**FIRST SEVEN 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	\$482,808,702	4.6	\$461,539,579	(2.3)	\$472,178,640	2.4	\$460,944,637	(2.1)
Franchise Taxes	181,005,155	(2.9)	186,390,610	(7.7)	201,977,655	10.6	182,648,956	12.3
Business and Occupational Gross Receipts	93,039,944	2.6	90,724,124	7.2	84,634,564	(1.3)	85,764,404	3.1
Corporation Income Taxes	42,098,734	(5.7)	44,664,754	(41.6)	76,534,275	53.1	49,993,511	(11.4)
Hospital Board and Treatment	46,931,942	2.7	45,704,365	(1.4)	46,355,730	(1.0)	46,828,596	4.6
Dividend and Interest	5,162,325	(63.8)	14,272,662	(35.3)	22,043,569	25.1	17,616,061	6.1
Public Utility	19,291,817	2.7	18,792,949	12.3	16,729,819	(4.9)	17,584,087	19.6
Cigarette Taxes	41,949,869	**	20,634,745	30.1	15,860,731	0.4	15,804,795	3.6
Inheritance and Estate Taxes	6,915,505	(31.6)	10,113,266	(38.1)	16,326,161	(7.0)	17,559,210	(44.1)
Realty Transfer Tax	56,340,804	33.1	42,314,870	29.2	32,763,359	11.0	29,520,614	(5.6)
Insurance Taxes	26,084,934	14.5	22,783,037	17.2	19,431,915	28.0	15,184,647	(32.2)
Abandoned Property	84,107,880	60.9	52,275,867	32.7	39,401,381	(30.3)	56,546,159	(15.3)
Alcoholic Beverage Taxes	7,638,655	6.8	7,150,059	10.6	6,464,660	(4.2)	6,750,616	7.2
Business and Occupational License Fees	5,545,923	26.7	4,378,818	4.9	4,173,663	2.6	4,066,242	3.4
Corporate Fees	24,812,585	22.0	20,330,813	(13.3)	23,443,738	(12.5)	26,779,004	7.8
Bank Franchise Tax	53,446,579	8.8	49,108,659	(4.9)	51,613,959	43.0	36,084,262	(26.3)
Court Fines and Costs	1,409,396	18.0	1,194,209	(0.4)	1,199,347	5.6	1,136,087	(3.4)
Public Accommodations	6,710,550	6.6	6,293,943	5.3	5,974,712	3.4	5,778,667	(8.8)
Lottery	119,897,555	(5.4)	126,692,832	(3.8)	131,733,114	15.3	114,259,027	12.0
Other Revenue by Department (See Exhibit A-2a )	42,955,894	(33.4)	64,479,488	72.8	37,323,213	17.8	31,696,831	28.7
Subtotal	1,348,154,748	4.5	1,289,839,649	(1.2)	1,306,164,205	6.8	1,222,546,413	(1.0)
Less: Personal Income Taxes Deposited In Revenue Refund Account	200,020,937	(6.5)	213,816,642	64.5	130,014,194	30.0	100,023,575	(0.0)
Net Receipts	<u>\$1,148,133,811</u>	<u>6.7</u>	<u>\$1,076,023,007</u>	<u>(8.5)</u>	<u>\$1,176,150,011</u>	<u>4.8</u>	<u>\$1,122,522,838</u>	<u>(1.0)</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 JANUARY 2004, 2003, 2002, 2001**

**SEVENTH 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	\$96,666,196	5.5	\$91,585,772	(2.6)	\$93,987,287	3.7	\$90,655,063	3.9
Franchise Taxes	19,288,907	15.8	16,654,687	(13.2)	19,186,306	(1.8)	19,533,609	29.4
Business and Occupational Gross Receipts	14,024,642	(12.9)	16,105,336	16.5	13,820,491	(14.8)	16,224,067	8.3
Corporation Income Taxes	1,931,565	(16.7)	2,319,505	2.9	2,253,919	19.9	1,879,945	(41.4)
Hospital Board and Treatment	6,295,487	(17.0)	7,582,836	10.8	6,841,389	15.7	5,911,417	23.6
Dividend and Interest	1,257,935	**	(1,005,753)	**	1,073,262	(69.6)	3,533,904	**
Public Utility	3,010,950	14.7	2,624,551	16.5	2,252,088	(13.9)	2,615,165	37.9
Cigarette Taxes	5,941,853	**	2,695,182	20.5	2,235,890	(10.1)	2,486,485	34.0
Inheritance and Estate Taxes	662,114	(45.0)	1,202,766	(67.7)	3,723,164	178.8	1,335,504	(84.5)
Realty Transfer Tax	10,841,254	**	5,284,824	5.5	5,010,632	19.6	4,188,280	2.7
Insurance Taxes	(147,738)	**	148,709	**	34,656	**	(713,885)	**
Abandoned Property	19,700,180	56.1	12,618,054	**	1,104,028	(84.8)	7,272,848	54.2
Alcoholic Beverage Taxes	1,064,755	13.1	941,033	(17.4)	1,139,494	(7.5)	1,232,039	(5.3)
Business and Occupational License Fees	3,355,701	**	877,210	0.9	869,659	(24.2)	1,146,883	39.9
Corporate Fees	4,369,912	14.7	3,811,316	(19.4)	4,729,418	11.6	4,238,910	5.2
Bank Franchise Tax	47,540	(94.5)	860,047	**	12,802	**	0	(100.0)
Court Fines and Costs	346,505	69.7	204,209	38.6	147,316	(4.4)	154,067	(20.8)
Public Accommodations	350,168	(17.6)	424,770	(44.2)	760,873	**	397,897	39.4
Lottery	16,234,857	8.5	14,963,446	(13.5)	17,293,358	15.3	15,002,282	(16.1)
Other Revenue by Department (See Exhibit A-2b)	9,817,801	(38.1)	15,855,514	70.2	9,315,375	(12.6)	10,653,353	92.0
Subtotal	215,060,584	9.9	195,754,014	5.4	185,791,407	(1.0)	187,747,833	6.2
Less: Personal Income Taxes Deposited Revenue Refund Account	5,546	**	522	(100.0)	20,001,645	**	1,786	**
Net Receipts	<u>\$215,055,038</u>	<u>9.9</u>	<u>\$195,753,492</u>	<u>18.1</u>	<u>\$165,789,762</u>	<u>(11.7)</u>	<u>\$187,746,047</u>	<u>6.2</u>

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

**FIRST SEVEN 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	4,059,225	10,616,810	3,087,117	2,682,957
Executive	785,776	177,593	208,794	719,663
Technology and Information	0	0	0	0
Other Elective Offices	19,033,811	17,776,839	9,740,390	13,178,392
Legal	2,515,564	5,369,735	5,943,817	6,653,851
Department of State	14,099,875	14,823,316	15,563,117	5,575,097
Department of Finance	429,020	785,089	426,141	634,955
Department of Administrative Services	21,720	13,672,196	434,656	113,284
Department of Health and Social Services	1,219,035	423,300	1,023,930	1,372,870
Department of Services to Child/Youth/Families	5,237	33,361	17,660	6,706
Department of Correction	138,087	84,560	200,093	130,581
Department of Natural Resources	88,236	43,693	40,192	44,172
Department of Public Safety	154,413	114,172	147,982	104,975
Department of Transportation	0	0	0	0
Department of Labor	16,585	10,698	58,430	87,703
Department of Agriculture	68,788	200,190	50,001	165,547
Department of Elections	1,010	910	700	930
Fire Prevention	19,283	21,301	20,424	17,468
Delaware National Guard	97,015	0	0	0
Advisory Council for Exceptional Children	0	0	1,144	0
Higher Education	8,043	17,848	18,334	44,039
Public Education	191,005	304,656	339,315	163,213
<b>GRAND TOTAL</b>	<b><u><u>\$42,955,894</u></u></b>	<b><u><u>\$64,479,488</u></u></b>	<b><u><u>\$37,323,215</u></u></b>	<b><u><u>\$31,696,831</u></u></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**  
**STATEMENT OF GENERAL FUND RECEIPTS FOR OTHER THAN MAJOR CATEGORIES**  
**MONTH OF JANUARY 2004, 2003, 2002, 2001**

SEVENTH MONTH OF FISCAL YEARS ENDING JUNE 30

<b>COLLECTING AGENCY</b>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Legislative	\$0	\$0	\$0	\$0
Judicial	457,814	595,947	449,739	310,823
Executive	1	36,058	1,400	3,717
Technology and Information	0	0	0	0
Other Elective Offices	6,872,614	2,128,043	4,430,740	579,238
Legal	429,436	4,146,377	4,250,077	3,684,257
Department of State	1,336,584	1,777,247	963,804	540,783
Department of Finance	93,688	47,434	157,046	41,288
Department of Administrative Services	2,406	11,378	4,995	2,382
Department of Health and Social Services	534,353	347,878	228,643	206,098
Department of Services to Child/Youth/Families	25	307	11	3,798
Department of Correction	24,380	13,245	16,659	31,081
Department of Natural Resources	15,789	11,974	11,773	50,935
Department of Public Safety	3,044	25,850	16,982	14,978
Department of Transportation	0	0	0	0
Department of Labor	0	10,040	6,537	9,435
Department of Agriculture	37,814	7,749	67,661	54,857
Department of Elections	0	0	0	0
Fire Prevention	2,271	2,364	2,760	1,963
Delaware National Guard	0	0	0	0
Advisory Council for Exceptional Children	0	0	0	0
Higher Education	0	2,404	31,608	330
Public Education	7,582	151,082	12,918	13,649
<b>GRAND TOTAL</b>	<u>\$9,817,801</u>	<u>\$9,315,377</u>	<u>\$10,653,353</u>	<u>\$5,549,612</u>

**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 JANUARY 31, 2004**

<u>DEPARTMENT</u>	<u>APPROPRIATIONS</u>	<u>ENCUMBRANCES</u>	<u>EXPENDITURES</u>	<u>UNENCUMBERED BALANCES</u>
Legislative	\$14,050,521	\$617,376	\$6,074,506	\$7,358,639
Judicial	68,096,921	2,467,450	38,747,435	26,882,036
Executive	135,960,165	2,409,471	59,462,881	74,087,813
Technology and Information	35,454,564	3,434,418	22,112,811	9,907,335
Other Elective Offices	64,330,089	78,361	40,551,789	23,699,939
Legal	28,689,023	533,860	16,964,780	11,190,383
Department of State	22,464,260	559,706	8,469,311	13,435,243
Department of Finance	35,782,727	1,217,901	22,805,697	11,759,129
Department of Administrative Services	89,339,524	13,676,481	28,665,596	46,997,447
Department of Health and Social Services	704,087,600	52,704,110	374,552,539	276,830,951
Department of Services to Child/Youth/Families	98,500,379	17,799,934	55,589,682	25,110,763
Department of Correction	195,823,474	24,241,592	104,057,614	67,524,268
Department of Natural Resources	56,874,766	4,272,743	26,815,306	25,786,717
Department of Public Safety	94,850,633	2,100,646	58,302,426	34,447,561
Department of Transportation	0	0	0	0
Department of Labor	6,209,346	139,644	3,665,446	2,404,256
Department of Agriculture	7,939,670	1,010,427	4,336,872	2,592,371
Department of Elections	5,281,456	292,455	2,048,991	2,940,010
Fire Prevention	4,311,835	213,121	2,017,773	2,080,941
Delaware National Guard	4,039,239	572,866	1,824,662	1,641,711
Advisory Council for Exceptional Citizens	118,508	35	60,990	57,483
Higher Education	209,484,950	2,380,383	116,566,021	90,538,546
Public Education	917,113,977	49,698,172	518,629,048	348,786,757
<b>GRAND TOTAL</b>	<b>\$2,798,803,627</b>	<b>\$180,421,152</b>	<b>\$1,512,322,176</b>	<b>\$1,106,060,299</b>
<b>LESS: VOUCHERS PAYABLE</b>			<b>11,172,733</b>	
<b>CASH DISBURSEMENTS</b>			<b>\$1,501,149,443</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 January 31, 2004**

TYPE OF EXPENDITURES	<u>JULY 1 through JANUARY 31</u>				
	<u>2004</u>	INCR./ (DECR.) <u>04 over '03</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
SALARIES and WAGES	\$568.5	(\$12.5)	\$581.0	\$572.7	\$551.4
FRINGE BENEFITS (excluding pensions)	136.1	5.4	130.6	120.5	111.3
PENSION COSTS	77.4	11.1	66.3	61.5	53.1
MEDICAID	184.9	8.0	176.9	167.4	148.0
PUBLIC ASSISTANCE	38.3	2.0	36.3	34.8	34.3
GRANTS in AID	159.1	38.6	120.5	127.4	190.2
PERSONAL SERVICES and TRAVEL	86.4	(14.1)	100.5	93.8	87.4
CONTRACTUAL SERVICES	137.5	0.7	136.8	144.6	129.9
SUPPLIES and MATERIALS	38.8	0.2	38.6	39.4	41.2
CAPITAL OUTLAY	28.4	(2.4)	30.8	63.8	86.1
DEBT SERVICE	56.8	22.6	34.2	45.9	48.9
TOTAL EXPENDITURES	<u>\$1,512.3</u>	<u>\$59.8</u>	<u>\$1,452.5</u>	<u>\$1,471.7</u>	<u>\$1,481.9</u>
LESS: VOUCHERS PAYABLE	<u>11.2</u>		<u>4.0</u>	<u>6.3</u>	<u>3.4</u>
CASH DISBURSEMENTS	<u><u>\$1,501.1</u></u>		<u><u>\$1,448.5</u></u>	<u><u>\$1,465.4</u></u>	<u><u>\$1,478.5</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 JANUARY 31, 2004, 2003, 2002, 2001**

	<u>FIRST SEVEN MONTHS OF FISCAL YEARS ENDING JUNE 30</u>				<u>SEVENTH 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	\$20,693,984	\$21,227,284	\$18,719,066	\$16,130,210	\$3,447,572	\$3,257,062	\$2,863,625	\$2,192,345
Franchise Taxes	13,965,325	14,661,042	14,957,769	9,633,377	(138,837)	(238)	(3,905)	(30,728)
Corp. Income Tax	19,312,665	26,068,838	37,683,893	22,174,562	387,716	1,235,150	16,134,556	2,185,479
Bus. & Occup'l Lic.	2,093,080	6,420,263	693,835	701,626	84,499	73,887	252,920	160,089
Cigarette Taxes	131,555	159,948	97,557	68,648	37,090	9,049	12,704	1,850
Inheritance & Est. Tax	1,319,389	431,976	1,232,528	442,483	13,916	301,014	37,416	20,962
All Other Refunds	7,397,664	11,026,187	2,932,817	8,684,593	770,498	706,758	189,510	361,580
<b>TOTAL REFUNDS</b>	<u><u>\$64,913,662</u></u>	<u><u>\$79,995,538</u></u>	<u><u>\$76,317,465</u></u>	<u><u>\$57,835,499</u></u>	<u><u>\$4,602,454</u></u>	<u><u>\$5,582,682</u></u>	<u><u>\$19,486,826</u></u>	<u><u>\$4,891,577</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.*