



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

**RICHARD S. CORDREY
SECRETARY OF FINANCE**

March 13, 2006

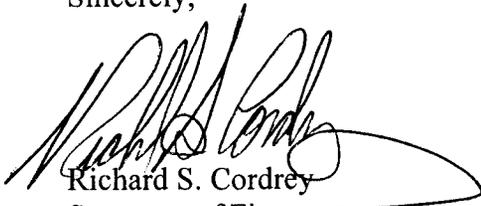
TO: The Honorable Ruth Ann Minner, Governor
Members of the 143rd General Assembly

Attached is the monthly financial report for the month ending February 28, 2006. 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

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

Sincerely,



Richard S. Cordrey
Secretary of Finance

TLN:ed
Attachment

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OVERVIEW

GENERAL FUND CASH BALANCE

The General Fund had a cumulative operating surplus and cash balance of \$325.0 million with no outstanding short-term general obligation debt as of February 28, 2006.

As of February 28, 2006
(\$ Millions)

	<u>FY06</u>	<u>FY05</u>	<u>FY04</u>	<u>FY03</u>
Beginning Fiscal Year Cash	701.2	\$ 646.0	\$ 464.0	\$ 481.8
<u>Operating Cash Surplus/(Deficit)</u>	<u>(\$ 376.2)</u>	<u>(\$ 307.2)</u>	<u>(\$ 169.0)</u>	<u>(\$ 224.1)</u>
Net Cash Balance	\$ 325.0	\$ 338.8	\$ 295.0	\$ 257.7

The net cash balance of \$325.0 million results from a beginning cash balance of \$701.2 million on July 1, 2005, less a \$376.2 million operating cash deficit for FY 2006. Included in the cash balance is a surplus of \$108.8 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.

\$161.1 million of the \$325.0 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 \$1,515.8 million.

State of Delaware
Statement of General Fund Cash Condition
as of 2/28/2006

Exhibit A

	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003
Beginning Fiscal Year Cash	\$ 701,197,260	\$ 645,961,410	\$ 464,018,574	\$ 481,752,669
Revenue				
<u>Receipts</u>				
Taxes	1,648,387,803	1,448,705,397	1,358,263,667	1,199,949,238
Licenses	8,199,239	9,664,581	7,485,519	6,292,460
Fees	62,131,375	55,832,139	53,211,535	50,299,888
Permits	446	577	542	788
Fines	1,352,914	1,725,491	1,434,197	1,273,107
Rentals & Sales	197,231,347	189,112,621	194,768,813	192,407,328
Governmental Contributions	327	0	28,865	0
Earnings and Investments	7,406,780	4,699,080	7,313,660	15,073,163
State Government/Agency Revenue	1,987,761	28,096,922	21,752,016	39,328,969
	<u>1,926,697,992</u>	<u>1,737,836,807</u>	<u>1,644,258,814</u>	<u>1,504,624,941</u>
Less Refund Disbursements	91,216,843	105,084,664	89,934,876	100,702,926
Total Revenue	1,835,481,150	1,632,752,144	1,554,323,937	1,403,922,015
Disbursements				
<u>Agency Expenditures</u>				
Legislature	8,414,778	7,530,941	7,071,803	7,109,877
Judicial	55,555,347	48,931,499	43,945,439	43,242,587
Executive	235,576,871	97,271,893	64,750,615	58,675,290
Department of Technology and Information	27,037,256	22,519,761	23,488,261	2,128,815
Other Elective Offices	47,719,264	77,934,911	50,447,329	25,814,956
Legal	23,951,902	21,082,126	19,179,941	19,675,612
Department of State	12,173,258	12,583,300	9,427,143	10,997,797
Department of Finance	50,963,383	35,806,737	24,296,351	9,903,610
Department of Administrative Services	0	45,430,150	34,064,924	29,993,521
Department of Health and Social Services	514,851,627	471,610,514	430,344,312	420,951,064
Department of Services to Child/Youth/Families	78,766,321	70,207,703	63,535,914	63,415,152
Department of Correction	145,314,382	128,541,319	118,718,901	115,878,675
Department of Natural Resources	39,580,303	29,917,435	29,613,502	25,992,822
Department of Safety and Homeland Security	74,682,762	66,212,840	64,466,682	66,186,679
Department of Transportation	7,538,054	0	0	0
Department of Labor	5,547,783	4,424,241	4,228,869	4,251,117
Department of Agriculture	4,764,010	4,599,849	4,866,594	3,833,866
Department of Elections	2,445,819	3,205,127	2,766,860	3,959,048
Fire Prevention Commission	2,938,708	2,882,604	2,445,113	2,272,166
Delaware National Guard	3,475,548	2,317,024	2,220,583	2,085,981
Advisory Council for Exceptional Citizens	90,289	72,572	68,240	65,456
Higher Education	164,365,510	155,498,957	137,599,391	135,688,542
Department of Education	710,153,327	637,042,515	588,154,123	579,180,291
	<u>2,215,906,502</u>	<u>1,945,624,018</u>	<u>1,725,700,889</u>	<u>1,631,302,925</u>
Less Vouchers Payable	4,180,644	5,694,307	2,355,800	3,354,517
Total Disbursements	2,211,725,858	1,939,929,711	1,723,345,089	1,627,948,408
Ending Cash Balance	\$ 324,952,552	\$ 338,783,843	\$ 294,997,423	\$ 257,726,276

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.

3/7/2006

State of Delaware
Statement of General Fund Receipts and Refund Disbursements by Major Category
as of 2/28/2006

Exhibit A-1

	Fiscal Year 2006	% Change	Fiscal Year 2005	% Change	Fiscal Year 2004	% Change	Fiscal Year 2003
Receipts							
Personal Income Taxes	\$ 688,263,370	13.3	\$ 607,594,638	10.1	\$ 551,780,461	5.3	\$ 524,027,275
Franchise Taxes	271,645,929	0.5	270,408,576	4.6	258,397,695	3.5	249,543,815
Corporate Fees	38,738,563	15.0	33,699,077	9.5	30,777,658	24.8	24,653,836
Limited Partnership and LLC	13,484,385	24.2	10,858,549	58.7	6,843,406	37.4	4,982,363
Uniform Commercial Code	9,677,687	8.0	8,964,859	4.2	8,604,850	(20.4)	10,807,687
Corporation Income Taxes	73,251,854	25.8	58,250,841	29.7	44,905,127	(1.5)	45,569,661
Bank Franchise Tax	71,504,532	7.7	66,369,687	(1.5)	67,351,748	(4.9)	70,819,324
Gross Receipts Tax	130,053,170	5.4	123,413,753	11.8	110,357,507	9.1	101,117,029
Lottery	158,925,501	3.8	153,072,220	9.4	139,877,151	(0.5)	140,525,338
Abandoned Property	174,680,850	62.8	107,322,717	(19.4)	133,222,292	121.2	60,233,141
Hospital Board and Treatment	38,272,223	6.3	36,009,867	(34.4)	54,860,064	5.8	51,853,747
Dividends and Interest	7,406,780	57.6	4,699,080	(35.7)	7,313,660	(51.5)	15,073,163
Realty Transfer Tax	83,525,112	3.7	80,547,022	26.3	63,770,285	34.8	47,300,933
Estate Tax	4,278,187	(7.2)	4,607,864	(37.7)	7,398,834	(32.7)	10,991,782
Insurance Taxes	40,058,935	32.3	30,277,619	4.3	29,024,113	8.6	26,736,554
Public Utility Tax	26,097,351	10.5	23,615,418	5.3	22,424,694	4.5	21,450,777
Cigarette Taxes	55,000,650	10.9	49,590,090	4.3	47,529,587	104.9	23,191,241
Other Revenues	41,832,913	(39.0)	68,534,928	14.6	59,819,681	(21.0)	75,747,273
Total Receipts	1,926,697,992	10.9	1,737,836,807	5.7	1,644,258,814	9.3	1,504,624,941
Refund Disbursements							
Personal Income Taxes	57,391,883		48,664,054		40,726,845		39,353,050
Franchise Taxes	5,710,987		11,496,075		14,844,720		14,661,042
Corporation Income Taxes	19,650,162		35,185,426		22,728,042		28,045,957
Bank Franchise Tax	1,160,487		706,770		1,518,405		3,734,460
Gross Receipts Tax	3,250,496		1,991,048		2,246,810		6,480,894
Abandoned Property	1,984,133		4,242,516		5,145,389		2,581,246
Estate Tax	900,162		307,591		1,567,048		432,052
Cigarette Taxes	171,129		150,742		134,986		162,569
Withholding	839,406		591,964		745,483		3,836,212
Insurance Taxes	48,205		1,348,088		179,524		891,447
Miscellaneous Refunds	109,792		400,388		97,625		523,996
Total Refund Disbursements	91,216,843	(13.2)	105,084,664	16.8	89,934,876	(10.7)	100,702,926
Net Receipts	\$ 1,835,481,150	12.4	\$ 1,632,752,144	5.0	\$ 1,554,323,937	10.7	\$ 1,403,922,015

NOTES:

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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.
4. Additional Dividends and Interest may have been received but not officially recorded.

3/7/2006

State of Delaware
Statement of General Fund Appropriation Balances
as of 2/28/2006

Exhibit A-2

	Current FY Appropriations	Prior Year Continuing and Encumbered	Expenditures	Encumbrances	Unencumbered Balance
Legislature	14,255,800	3,158,329	8,414,778	383,994	8,615,358
Judicial	74,370,430	4,544,362	55,555,347	2,645,469	20,713,976
Executive	328,068,444	104,003,111	235,576,871	33,241,363	163,253,322
Department of Technology and Information	34,312,100	3,763,372	27,037,256	3,425,461	7,612,755
Other Elective Offices	55,865,271	4,511,612	47,719,264	170,352	12,487,268
Legal	35,094,900	265,083	23,951,902	801,126	10,606,955
Department of State	20,920,700	12,454,535	12,173,258	1,215,896	19,986,082
Department of Finance	50,480,800	25,445,047	50,963,383	729,395	24,233,070
Department of Health and Social Services	768,663,987	40,040,312	514,851,627	47,399,315	246,453,356
Department of Services to Child/Youth/Families	106,656,785	5,706,349	78,766,321	13,394,328	20,202,485
Department of Correction	213,974,501	8,056,108	145,314,382	22,627,735	54,088,491
Department of Natural Resources	70,925,600	14,075,024	39,580,303	8,594,563	36,825,758
Department of Safety and Homeland Security	107,967,923	3,621,459	74,682,762	5,760,737	31,145,883
Department of Transportation	14,000,000	5,000	7,538,054	3,631,658	2,835,288
Department of Labor	6,748,796	623,084	5,547,783	232,941	1,591,155
Department of Agriculture	8,857,300	1,576,056	4,764,010	1,519,091	4,150,255
Department of Elections	3,683,200	943,489	2,445,819	196,703	1,984,167
Fire Prevention Commission	4,334,600	213,950	2,938,708	126,996	1,482,846
Delaware National Guard	4,069,900	361,255	3,475,548	475,321	480,285
Advisory Council for Exceptional Citizens	152,100	5,042	90,289	200	66,653
Higher Education	236,280,986	13,884,628	164,365,510	4,744,492	81,055,611
Department of Education	1,011,890,748	80,556,423	710,153,327	47,474,647	334,819,197
Total	\$ 3,171,574,870	\$ 327,813,630	\$ 2,215,906,502	\$ 198,791,783	\$ 1,084,690,215

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State of Delaware
Statement of General Fund Expenditures by Major Category
as of 2/28/2006

Exhibit B

	Fiscal Year 2006 \$(000) s	% Change	Fiscal Year 2005 \$(000) s	% Change	Fiscal Year 2004 \$(000) s	% Change	Fiscal Year 2003 \$(000) s
Salaries and Wages	749,252.8	9.3	685,614.2	6.5	643,548.4	(1.7)	654,564.3
Fringe Benefits (less Pension)	198,857.6	14.3	173,926.0	11.9	155,430.5	4.7	148,515.4
Pension Costs	122,438.2	23.6	99,058.8	15.5	85,768.2	17.5	73,023.9
Medicaid	265,852.9	9.6	242,603.0	12.0	216,569.3	4.3	207,593.8
*Public Assistance	52,621.8	10.6	47,595.4	7.8	44,163.5	7.9	40,933.0
*Grants	314,061.0	38.0	227,590.5	31.5	173,044.5	28.1	135,087.2
*Personal Services and Travel	115,406.3	10.9	104,060.3	7.0	97,260.3	(11.4)	109,763.9
*Contractual Services	183,516.5	14.9	159,758.4	3.2	154,850.4	1.2	153,086.4
Supplies and Materials	50,243.4	10.8	45,341.6	6.5	42,581.1	1.7	41,862.2
Capital Outlay	58,540.3	55.7	37,603.1	22.4	30,712.1	(6.0)	32,685.4
Debt Service	105,115.7	(14.2)	122,472.7	49.8	81,772.6	139.2	34,187.6
Total	\$ 2,215,906.5	13.9	\$ 1,945,624.0	12.7	\$ 1,725,700.9	5.8	\$ 1,631,302.9

*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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