



State of Delaware
Office of the Governor

Ruth Ann Minner
Governor

November 27, 2003

To the People of Delaware
and the Honorable Members of the
142nd General Assembly

I am pleased to submit the State of Delaware's Comprehensive Annual Financial Report for fiscal year 2003. In addition to providing sound information for policymakers and legislators, this all-inclusive financial report is designed to encourage taxpayers to understand their state government's financial activities.

Included herein are the State's Basic Financial Statements, prepared in conformity with Generally Accepted Accounting Principals (GAAP) and audited by KPMG LLP.

Despite a sustained national economic slowdown, Delaware's economic and fiscal conditions remain sound as the enclosed report demonstrates. Our long history of prudent financial management and sound fiscal controls, coupled with the decisions we make to sustain our economy and investments to protect our unique quality of life, have allowed the State to weather the current economic challenges. These efforts helped Delaware become one of only seven states to hold the nation's highest bond ratings – Aaa from Moody's Investment Service, AAA from Fitch Ratings and AAA from Standard & Poor's –signifying its place among the most creditworthy states in the nation.

I am proud to report that we have effectively managed the economic and fiscal challenges that have confronted us through the end of fiscal year 2003, and will continue to do so in fiscal 2004 and beyond. As we face these challenges, I am confident that Delaware will continue its long tradition of prudent financial management.

Sincerely,


Ruth Ann Minner
Governor