

beverages and the titling tax on motor vehicles, and the unexpected reversion of appropriations items. It is estimated that the surplus at September 30, 1941, the close of the present biennium, will be \$7,556,665.25, subject to any change which may be occasioned by amendments to the income tax law. It is felt that the present condition of the State Treasury is most satisfactory and doubtless the best since the beginning of the budget system.

It is particularly recommended that you refer to Statement "D," referred to in the preceding paragraph. This statement is the Balance Sheet and shows in summary and readily understandable form the State's assets and liabilities. Details for the various items in this statement are shown elsewhere in the report as indicated by reference thereto in the Balance Sheet.

I believe you will be interested in Statement "M," pages 45 to 47, which shows the property owned by the State, by agencies, location, class of property and valuation. The total, inclusive of \$174,439,406.58 invested in the state roads system, is \$232,866,915.06.

While particular reference has been made to two of the Statements, I am sure you will find many others of much interest and your careful perusal of them at convenient times should be quite helpful in your consideration of the State's fiscal problems.

I had the privilege of appearing before the Legislative Council at one of its sessions during the month of October and discussed several matters which I thought were of concern to the State, and I want to assure you that it will be a pleasure to cooperate with you to the fullest extent to the end that the best interests of the people of the State will be served.

I am glad to record here the fact that this office has received splendid cooperation from the various state agencies in the transaction of the State's business; and we are always ready and anxious to be of assistance wherever possible, so that the greatest efficiency may be obtained in the carrying out of the duties of the different institutions and departments.

Respectfully submitted,

J. MILLARD TAWES,

State Comptroller.