This is an increase over the amount expended in the years 1863 and 1864, and is the consequence of the continued advance of the price of eervy article required for the supply of the Institution, the salaries of officers and the extensive repairs, including new boilers, it was found necessary to make to the steam engine.

On the other hand the Institution has not received the full benefit of the advance in wages, which might have been obtained, but for the long periods for which prisoners were hired to contractors when labor was low, and which cannot be changed until the contracts terminate. As fast as they do expire, however, a very considerable advance is obtained on new ones.

The Directors do not apprehend any necessity of calling on the State for appropriations, as they have still at their credit in the State Treasury a fund of \$10,000, appropriated in 1863, which has never been drawn. They even hope it may not be necessary to use this fund the present fiscal year.

The prisoners received the past year are, a large proportion of them, of a more unprofitable character than heretofore, there being among them an extraordinary number of colored women, boys and men for short terms. A prisoner for six months or less is a serious charge upon the Institution, over and above the proceeds of all the labor that can be obtained from him, as the law requires that he be furnished with prison clothing on his entrance and a new freedom suit on his going out with \$2 00 in money. We are fully of the opinion that no convict ought to be sent to this Institution for a less period than one year.

The large number of female prisoners, mostly colored, will in the course of the year render it necessary to provide further accommodations for them.

We would suggest that a chaplain be appointed for the Institution, as every similar Institution in the country, so far as we are acquainted, is supplied with one.

The reports of the Warden and Physician, we would refer to as entitled to your consideration.

It is with sincere regret that we have to mention the death of Sterling Thomas, Esq., on the 11th of January last; one of the wisest, most vigilant and active directors this Institution has ever had, and to whom we are greatly indebted for any success that has attended our management.

It only remains for us to express our thanks to your Excellency for the kindness and courtesy you have shown us,