

FREE SCHOOL FUNDS.

In statement "E" will be found exhibited in full the receipts and disbursements of this fund. The total receipts during the year, including the balance brought down from the year previous, are \$82,002.60, while the disbursements during the same period were \$72,148.87, leaving a balance to the credit of this fund of \$9,853.73, being a slight increase over that of last year.

SINKING FUNDS.

By reference to statement "E," the several transactions of these funds will be clearly shown in detail. The receipts during the year, including the balances brought down from the year previous, aggregate \$576,597.17, all of which was invested not later than July 1, 1902, even to the increment accruing to these several funds on that day. On that day there was issued, of even date therewith, \$400,000 of the \$600,000 "State Loan of 1902," herein before mentioned, the total amount of which was immediately placed in the Sinking Funds, viz.:

SINKING FUNDS.	STATE LOAN OF 1902.
Consolidated Loan of 1899.....	\$264,000
General Sinking Fund.....	35,000
Penitentiary Loan.....	70,000
Insane Asylum Loan.....	11,000
State Building and Improvement Loan.....	20,000
Total.....	\$400,000

In addition to the above, there was also purchased for these funds during the year the following bonds:

\$ 17,000 Cumberland City 6's, costing.....	\$19,819.17
40,000 Annapolis City 4's, costing.....	43,278.00
100,000 Baltimore City 3½'s, 1940, costing.....	113,500.00

The entire amount accruing to these funds during the year has been invested, as shown above, so that at the close of the fiscal year there was nothing carried down as a cash balance.

The remainder of the "State Loan of 1902," viz., \$200,000, will no doubt be taken by the State whenever the Treasury officials may deem it advisable to issue the same.