

FREE SCHOOL FUND.

Statement "E" will give you in full the receipts and disbursements on account of this Fund. The total receipts during the year, including the balance brought down from the year previous, are \$87,899.09, while the disbursements during the same period were \$79,272.24, leaving a balance of \$8,626.85. In this Statement you will observe a receipt of "Baltimore and Ohio Rights, \$4,451.87," which, together with the sum of \$1,409.68, received from the same source during the fiscal year 1902, aggregates \$5,861.55. This sum was invested by the Treasury officials in United Railways and Electric Company's First 4 per cent. Gold Bonds, costing \$5,592.50, the par value of which is \$6,000, and placed to the credit of this Fund, thereby increasing its annual revenue \$240.00. In explanation of this I would state that the Baltimore and Ohio Railroad Company in increasing its stock issue, gave the right to its stockholders to increase their holdings if they saw proper so to do. The stock at the time being above par, the Treasury officials sold the State's rights to subscribe for additional stock, for the sum aboved named, \$5,861.55.

SINKING FUNDS.

In Statements "E" and "F" are exhibited in detail the several transactions of these Funds. As every dollar to their credit during the previous year was invested, no balance was available for the fiscal year ended September 30, 1903. The receipts during this period were \$377,853.61, with disbursements of \$363,688.71, leaving a balance of \$14,164.90. These moneys were invested in securities, the par of which is \$359,000, as follows:

\$ 25,000	Havre de Grace City 5's, costing.....	\$ 27,343.61
134,000	Allegany Co. Con. Debt 3½'s, costing....	136,345.10
200,000	State Loan of 1902 3's, costing.....	200,000.00
	Cash balance carried down.....	14,164.90
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\$359,000	Total	\$377,853.61

The above item of \$200,000 of the "State Loan of 1902" represents the remainder of the \$600,000 Loan, and bears date of