

the fiscal year, viz: September 30, 1905, there remained in the Treasury proper a balance of \$1,516,881.78. This large balance no doubt appeals to you as being far in excess of the actual needs of the government, and if so, might have a tendency to beget a too liberal policy on your part. Do not be misled by the figures themselves. Against this large balance there is chargeable certain moneys coming into the Treasury which cannot be diverted from the purposes for which they were received, viz: proceeds from Bond issues, and taxes collected for both Public Schools and Sinking Funds. Therefore, there must be charged against this balance of \$1,516,881.78 the following accounts, with the amounts which stood to the credit of each at the close of the fiscal year:

Public Buildings Loan.....	\$487,802.32
Public School Tax.....	444,796.24
State Loan of 1902.....	4,428.16
Total	<u>\$937,026.72</u>

leaving only a balance of \$579,855.06 with which to meet the other expenses of the State.

I would again direct your attention to another very important fact—the time of this balance, October 1. Our fiscal year begins at this time, a period at which the appropriations of the State government become available; therefore, the demands upon the Treasury are exceedingly heavy, made so by the fact that the regular quarterly distribution of \$200,000 of the Public School Tax is made on October 1, and for the further reason that many institutions demand their money on that date, notwithstanding all appropriations are made subject to the condition of the Treasury, and that the Treasury officials have the right to make payments any time within the fiscal year unless the Act specifically provides a different mode. Therefore the October, November and December disbursements are always among the heaviest of the year, so that the balance on hand January 2, 1906, after the payment of the interest on the public debt, say \$133,000, will be far below that of October 1; indeed barely sufficient to meet the expenses of the Legislature and provide for the other demands of the State.