

FREE SCHOOL FUND.

In Statement E will be found in detail the receipts and disbursements on account of this Fund, while the stock or investment account will be found in Statement F-A. The receipts for the fiscal year, including the balance of \$8,070.30 brought down from the preceding year, were \$80,024.49, while the disbursements distributed to Baltimore City and the various counties were \$71,516.49, leaving a balance at the close of the fiscal year to the credit of this Fund of \$8,508.00.

SINKING FUNDS.

Statements E and F show in detail the several transactions of these funds. You will notice there is no cash balance carried down into the next fiscal year to the credit of any of these funds, so that all moneys received were invested immediately without loss of interest. The total receipts, including a cash balance brought down from the preceding year of \$100,000, were \$755,000, all of which was invested in the very highest grade of securities—State of Maryland Bonds—viz:

Consolidated Loan of 1899	\$155,000.00
Public Buildings Loan	600,000.00
Total	<u>\$755,000.00</u>

Two factors enter into the above result, which must be carefully borne in mind, for such exhibit is abnormal.

The gross receipts of \$755,000, including the cash balance of \$100,000 brought down from the previous year, also included a stock receipt of \$155,000 and a further cash receipt of \$2,325, which represents the stock and cash proceeds of sale of the State's interest in the Chesapeake and Ohio Canal Company.

After due notice by public advertisement, the Board of Public Works called for sealed proposals, to the highest bidder, for all the State's interest in the Chesapeake and Ohio Canal Company. When the bids were opened it was found that Fairfax S. Landstreet was the highest bidder therefor—\$155,000—and his proposal was accordingly accepted, he tendering on January 17, 1905, to the State, as prescribed by Section 3 of Article 12 of