

STATE DEBT.

The funded debt of the State will be found in Statement "J," aggregating \$6,718,926.13, or in excess of that of the year previous by \$640,000. This increase is represented by the amount of bonds sold during the year on account of the new State Roads Loan, Chapter 141 of the Acts of 1908. By the provisions of said Act the Board of Public Works were authorized to offer for sale said bonds, viz: On August 1, 1908, \$500,000, and on February 1, 1909, \$1,000,000, and in pursuance of said authority did offer for sale Series "A" and "B" of said bonds, but by virtue of the discretion therein conferred the purposes of said Act not demanding an immediate sale of the entire Series "A" and "B," the Board of Public Works have only issued \$740,000 of said Loan, \$760,000 yet remaining in the Treasury. On February 1, 1910, Series "C," \$1,000,000 are to be offered for sale, and inasmuch as the work of the State Roads Commission has been thoroughly and efficiently inaugurated throughout the entire State, the demands upon this fund may require the sale of the balance of Series "A" and "B" and the entire issue of Series "C." If this expectation should be realized it will necessarily increase the gross debt of the State during the fiscal year by \$1,760,000.

The net debt of the State at the close of the fiscal year, September 30, 1909, is shown to be \$679,976.41, or an increase of \$313,332.50, so that while the gross debt was increased during the year by \$640,000, yet by reason of the investments for the Sinking Funds in the State's own securities, the increase in the net debt of the State was only \$313,332.50.

PUBLIC SCHOOLS.

Statement "L" shows the receipts and disbursements on account of the Public School Tax and Free Books, the total amount disbursed for these two funds being \$1,371,333.26. Under the head of "Receipts" you will observe an item of \$75,000, being receipts from the Treasury proper by an appropriation direct under Chapter 253 of the Acts of 1908, subtitle "Schools."