

Estimated surplus June 30, 1944.....		\$6,062,671.10
Estimated receipts in fiscal year ending June 30, 1945.....	\$24,543,546.00	
Estimated expenditures in fiscal year ending June 30, 1945, including transfer of \$475,100.78 to Annuity Bond Fund.....	\$26,698,030.78	2,154,484.78*
Estimated Surplus June 30, 1945.....		<u>\$3,908,186.32</u>

* Excess of estimated expenditures over estimated revenues.

The amounts shown for expenditures in the fiscal years 1944 and 1945 include the bonus payable to state employees and school teachers; the amount necessary to supplement the budgets of state agencies to put into operation the Standard Salary Plan for state employees, and appropriations of \$1,000,000.00 in each year for the War Emergency Fund and the General Emergency Fund. The sum of \$2,000,000.00 has been reserved for post war construction. After giving effect to everything entering into the surplus account we find that at June 30, 1945, it is estimated there will be available \$3,908,186.32, which amount includes the working fund of \$2,000,000.00 which is customary for the State to maintain, leaving the amount of \$1,908,186.32 clear of any obligations whatever and subject to use for tax reduction under the provisions of Chapter 709 of the Acts of 1943 as may be determined by the Board of Public Works.

Chapter 764 of the Acts of 1943 levies state taxes for the years 1944 and 1945 of 18½c and 17c, respectively, but it is contemplated, as represented to the General Assembly at its 1943 Session, that the rate will be reduced to 12c for each year. This reduction is made possible by use of that part of the surplus in the Annuity Bond Fund which could be devoted to the purpose, supplemented by the sum of \$475,100.78 to be transferred from the general funds surplus.

The bonded indebtedness of the State at June 30, 1943, is \$33,619,000.00. The State will issue in September 1943 the remaining part, or \$451,000.00, of the General Bond Issue of 1941. The bonds to be redeemed during the biennium ending June 30, 1945, amount to \$8,972,000.00, reducing the bonded debt at that date to \$25,098,000.00.

I have limited my reference in this letter of transmittal to the two items of compelling interest in the State's fiscal picture; namely, the surplus and the bonded debt. However, you will find full information as to the many items making up the complete picture in the schedules which follow.

We are appreciative of the cooperation received from the various agencies of the State in our work of administering its fiscal affairs and we have endeavored to be as helpful as possible to everyone in the solution of problems which have arisen during the year.

Respectfully submitted,

J. MILLARD TAWES,

Comptroller.