

MAINE STATE LEGISLATURE

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DECEMBER SPECIAL SESSION

E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 165

House of Representatives, Dec. 12, 1933.

Read and placed on file. 500 copies ordered printed. Sent up for concurrence.

HARVEY R. PEASE, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED
AND THIRTY-THREE

To the Honorable Members of the Eighty-sixth Legislature:

In compliance with Order of December 7, 1933, regarding the handling of revenues by the State Controller under the direction of the Governor and Council by order of the act providing flexibility and the handling of State revenues and expenditures during the period of the present State cash stringency, said act is Chapter 77 of the Private and Special Laws of 1933, I wish to submit the following:

By authority of this act, together with the authority of Section 8 of Chapter 216, Public Laws of 1931—an act relating to the Administration of the State which allows for work program and allotments approved by the Governor and Council directly giving the State Controller authority for expenditures to be made from the appropriations on the basis of such allotments and further by the original appropriation bill made by the last Legislature which sets up certain amounts for each of the various institutions and departments, we have carried on the business of the State in the payment of bills and payrolls against these accounts. The Flexibility Bill directs that the Controller shall show by proper record the special funds as constituted by law from which any such revenues are diverted, that proper provision may be made when funds are available for the restoration thereof.

The appropriations made by the last Legislature became available on

July 1. These amounted to \$8,230,326.73 and there was brought forward from the previous year unexpended balances, which were to be available for the next year, \$1,412,014.82 or a total available for expenditure of \$9,642,241.55. On this date there was due from cities and towns the sum of \$1,448,519.54 on account of previous years' taxes.

According to Chapter 2, Sections 101 and 102, a State Contingent Fund and a Sinking Fund Reserve are both created, the first being created by previous year's balances from unexpended appropriations to the extent of \$300,000, any amount in excess of this going toward creating a Sinking Fund Reserve. The Sinking Fund Reserve balances on July 1, 1932 amounted to \$1,121,653.45. After the various transfers were made during the year and considering appropriations at the start of the year totaling \$11,663,226.65 and receiving from taxes and other revenues \$9,483,895.14, the surplus revenue account, which is a balancing book account, showed an apparent deficit of \$1,437,336.68. Transfers made during the year totaled \$166,942.45 and the securing of the State Contingent Fund for the following year bringing it to \$300,000 gave the State Contingent Fund, which in effect is the first balancing account prescribed by law, a net deficit of \$898,977.28. This amount was transferred to the Sinking Fund Reserve and deductible from the balance of the previous year of the account of \$1,121,653.45 leaving a credit balance on July 1, 1933 of \$222,676.17. This balance together with the State Contingent Fund of \$300,000, of which I have already spoken as having been secured, totaled \$522,676.17 which would be the exact financial standing of the State on this date if all taxes had been paid, all accounts receivable standing on the books of the State were paid and all State liabilities were satisfied.

Accordingly on July 1 appropriations were set up as credits for the institutions and departments, and warrants commenced to be drawn against them.

On December 1, taxes outstanding amount to \$906,221.82. This is understood to be a gross figure as against actual cash due of \$460,984.91. The differences are deductibles such as school tax, railroad tax, dog license refunds, etc. It should be borne in mind that the appropriations which became available on July 1 and against which warrants have been drawn were dependent upon taxes due on December 1 from cities and towns to the extent of about \$5,000,000. Accordingly, it was necessary to find some other source of revenue to pay these bills and in accordance with the Flexibility Bill, the Controller was authorized to segregate cash items against which there were definite obligations, copy of which I am enclosing, which shows a total of \$4,704,750.48 as of December 1. The State Treasurer had on hand or in banks \$3,118,876.66 or a net shortage

of \$1,585,873.82; this being the extent that other funds were drawn on. In addition, it should be borne in mind that included in this \$3,118,876.66 is \$573,625.37 in checking accounts or time deposits in closed banks or banks under suspension.

I am giving you copy of the State Contingent Fund and Sinking Fund Reserve transfers showing the account as balanced to substantiate information given herewith; also withdrawals made from the State Contingent Fund from April 1 to December 1 in the amount of \$89,568.95, which for the most part were overdrawn accounts.

In summarizing the above, with a cash position of \$3,118,876.66 in the Treasury as of December 1, \$3,194,197.58 is the total of the actual cash balances which should be segregated to the credit of the State Highway, and from which the payments of other department and institution pay-rolls and bills have been paid as the other accounts shown as segregated are not available for use by reason that the State at most is only acting as custodian for the funds, the balance of the items being as shown on the list obligated making a grand total of \$4,704,750.48.

Respectfully submitted,

WILLIAM A. RUNNELLS,

State Controller.

WAR:K

Sinking Fund Reserve

Balance on July 1, 1932		\$1,121,653.45
Less balance of State Contingent Fund	\$898,977.28	
Balance in Fund July 1, 1933 (Credit)	222,676.17	
		<hr/>
	1,121,653.45	1,121,653.45

State Contingent Fund

Transfer for year	166,942.45	
Credits for year		300,000.00
Transfer		10,000.00
Lapses on June 30, 1933		1,437,336.68
Debits from Surplus Revenue Balance	2,179,371.51	
Carried to year, 1934	300,000.00	
		<hr/>
	2,646,313.96	1,747,336.68
Balance to Sinking Fund Reserve (Debit)		898,977.28
		<hr/>
	2,646,313.96	2,646,313.96

Surplus Revenue

Appropriation for year, etc.	11,663,266.65	
All Taxes and other Revenue		9,483,895.14
Balance to State Contingent Fund		2,179,371.51
		<hr/>
	11,663,266.65	11,663,266.65

Withdrawn from

STATE CONTINGENT FUND

from April 1, 1933 to Nov. 30, 1933

April	Adjutant General's Dept.	
	Soldiers Bonus Fund	\$1,300.00
May	Miscellaneous	
	Auburn and Ellsworth Fires	1,000.00
	Public Utilities Commission	
	Regulation of Trucks	2,000.00
June	Adjutant General's Dept.	
	Military Fund	2,884.55
	Treasurer of State	
	Notes Payable	3,920.00
	Adjutant General's Dept.	
	Soldiers Bonus Fund	500.00
	Bureau of Accounts and Control	
	Salary and Clerk Hire	5,018.12
	Maine State Prison	
	Personal Services	204.17
	Maintenance	1,352.14
	Repairs and Equipment	732.06
	Retiring Prison Officials	1,013.36
	Dept. Health and Welfare	
	Support of Needy Blind	18,864.51
	Support Paupers	31,946.11
	Executive Department	
	Reconstruction Finance Corp.	1,323.94
	Payroll of Council	4,740.47
	Retiring and Pensioning Employees	2,009.42
July	Emergency Relief	
	General Expenses	288.84
August	Legislative Dept.	
	Expenses	4,638.99
	Treasurer of State	
	Notes Payable	4,024.10
Sept.	Adjutant General's Dept.	
	Soldiers Bonus Fund	400.00
October	State Geologist	
	Expenses	9.50

November Maine Development Commission	
Eastern States Exposition	898.67
Miscellaneous	
National Recovery Admin.	500.00
	\$89,568.95

Analysis of Financial Position—12-1-33

Items that should be represented by Cash:

Railroad and Telegraph Tax	\$ 67,094.25
Highway Loan Fund	954,971.28
Soldiers Bonus Fund	93.15
War Loan Fund	495.30
Hannibal Hamlin Statue	3,450.00
County Taxes	3,894.89
Public Administrators Fund	26,751.05
Defunct Banks	19,928.69
Bank Stock Tax	70,319.07
Dog Licenses	10,249.40
Examining Boards	18,862.24
Dog Licenses Deficiency	151.00
Federal Emergency Relief	514,827.45
Smith Hughes Act	11,481.08
George Reed Act	2,293.30
Federal Rehabilitation	663.43
Forestry District	133,886.53
Fines and Penalties—Fish and Game	5,686.88
Carlton Bridge Fund	134,551.93
Waldo Hancock Bridge Fund	172,401.37
Maine Kennebec Bridge Included in Highway Loan Fund above	
Motor Transportation and Equipment	458,540.68
General Highway Fund	1,528,086.88
National Highway Fund	54,154.56
Sinking Fund Reserve	222,676.17
Contingent Fund	289,239.90
	4,704,750.48
Less Cash on hand and in Banks	3,118,876.66
	1,585,873.82
Checking acct. in closed banks	\$215,869.42
Time deposits in closed banks	100,000.00
Checking Acct. Bank Balance Suspended	257,755.95
	\$573,625.37