

# MAINE STATE LEGISLATURE

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**PUBLIC DOCUMENTS**

**OF THE**

**STATE OF MAINE**

**BEING THE**

**REPORTS**

**OF THE VARIOUS**

**PUBLIC OFFICERS**  
**DEPARTMENTS AND**  
**INSTITUTIONS**

**FOR THE TWO YEARS**

**JULY 1, 1932--JUNE 30, 1934**

**STATE OF MAINE**

**FOURTEENTH REPORT**

**OF THE**

**DEPARTMENT OF AUDIT**



**Published pursuant to Chapter 216, Article VI,  
Sect. 4, Public Laws of 1931.**

**For Period**

**July 1, 1932 to June 30, 1933**

STATE OF MAINE  
DEPARTMENT OF AUDIT

Augusta, Maine, September 1, 1933.

Herewith is submitted the annual report of the Department of Audit. The law provides that the State Auditor shall annually prepare and publish a report setting forth the essential facts of his audit of the accounts, books, records and other evidences of financial transactions of the departments and agencies of the State government. He is also required to publish biennially statistics relative to the financial affairs of cities, towns, and village corporations and other information of public interest pertaining to municipal affairs, said part of his report to be printed as a separate document, if he believes it to be advisable.

The agencies of the State which this department is by law required to audit include the several State departments and institutions, the cities, towns and village corporations, the distributors of internal combustion engine fuel, the academies of the State, and the various courts which impose and collect fines accruing to the State for violation of the fish and game laws and the motor vehicle laws.

The detailed report of the receipts and expenditures of the various departments and institutions of the State government are now required to be published by the Controller. The last report of my department, covering receipts and expenditures, and which was for the period July 1, 1930 to December 31, 1931, a year and a half, was published in February, 1933. To this the Controller added a statement for the next six months period.

In the past year more attention has been given to the income accounts of the several departments. These have been audited and include the Adjutant General, the Attorney General, the Bank Commissioner, the Forest Commissioner, including his accounts as Land Agent, the Inland Fish and Game Commission, the Insurance Commissioner, the Secretary of State, Corporation Bureau and dealers' temporary plates.

An annual audit of the State institutions, fourteen in number, cannot be conducted in the sixty days between the close of the fiscal year and the time the report of the Department of Audit is required to be made. The brief condensed statement herewith attached was

therefore necessarily that for the fiscal year ended June 30, 1932. However, an audit has lately been completed of the patients' accounts at the Augusta State Hospital and of the inmates accounts of the State School for Girls, Hallowell. The Department of Finance through the State Controller is continuing its work of more adequate control at the several State institutions. Perpetual inventories have been installed at the several State institutions and, in most cases, are being carried on efficiently.

The past year has been one in which the municipal accounting work has been very important. In fact, the value of this work increases each year. Although the law of 1923, permitting municipalities to call upon this department to conduct audits of their books, has had many warm supporters who have desired to see included in this service all the municipalities of the State, the Legislature has refused to act in the matter, though the question of amending the law to permit more audits has three times been before it in the last eight years. The Administrative Code, enacted in 1931, broadened the powers of the Department of Audit so that it is now authorized to audit every agency of the State, of which the cities and towns are among the principal ones. It is therefore evident that the auditing of any or all of the municipalities now only awaits such time as the Legislature may make an appropriation for the purpose. This, of course, will not be forthcoming while economic conditions remain serious.

At the last session of the Legislature the most ambitious effort ever made in this State for the reduction of State expenditures was put forth. The powers of control lodged in the Governor and the Department of Finance, through the Budget Officer, conferred by the recent consolidation of the departments of the State government, were brought into use, and due to this control and the harmonious functioning of these officials with the Legislature a reduction in expenditures approximating some forty per cent was provided for. It was in every way a noteworthy accomplishment.

While much more work would have been accomplished if the office had not made a reduction now totalling thirty-three and one third per cent in its personnel, it is fully realized that in order to cut expenses this reduction was necessary.

Respectfully submitted,

ELBERT D. HAYFORD,  
*State Auditor.*

## REPORTS ON AUDITS OF THE VARIOUS STATE AGENCIES

### STATE INSTITUTIONS

A further reduction in the per capita cost of the State institutions has occurred in the fiscal year which closed June 30, 1932. There follows a condensed statement of population, total appropriations and net cost of the several State institutions:

STATISTICS OF STATE INSTITUTIONS AS PREPARED FROM AUDITS CONDUCTED FOR THE FISCAL YEAR ENDED  
JUNE 30, 1932

	Number of Inmates June 30, 1932	Average Number of Employees	Total Appropriations and Credits	Total Appropriation Expenditures	Lapsed to State Con- tingent Fund	Net Cost of Operation after Adjustments and less Cash Income	Net per Capita Cost per Week
Augusta State Hospital (Mental) . . . . .	1245	252	\$427,614.88	\$345,853.80	\$81,761.08	\$309,991.94	\$4.81
Bangor State Hospital (Mental) . . . . .	964	188	379,052.26	325,160.58	53,891.68	292,615.11	5.90
Central Maine Sanatorium (Tuberculosis) . . . . .	181	77	189,191.90	183,617.17	5,574.73	183,766.43	19.31
Maine School for the Deaf . . . . .	117	32	64,400.00	52,948.96	11,451.04	51,945.66	8.55
Maine State Prison (Penal) . . . . .	280	43	149,604.71	149,267.47	337.24	141,731.64	10.41
Northern Maine Sanatorium (Tuberculosis) . . . . .	109	47	124,257.22	115,433.48	8,823.74	124,781.74	21.05
Pownal State School (Sub-normal) . . . . .	806	144	358,219.13	312,336.21	45,882.92	266,235.36	6.92
State Military and Naval Children's Home (Charitable) . . . . .	42	13	29,383.24	26,999.00	2,384.24	27,487.98	13.22
State Reformatory for Men (Penal) . . . . .	156	22	89,837.23	71,487.34	10,255.32	57,306.72	7.45
State Reformatory for Women (Penal) . . . . .	107	21	71,500.00	58,285.38	6,255.52	52,551.97	8.95
State School for Boys (Correctional) . . . . .	136	31	76,697.96	76,647.16		82,537.22	12.60
State School for Girls (Correctional) . . . . .	137	32	86,567.08	77,283.88	8,762.19	81,727.11	9.14
Western Maine Sanatorium (Tuberculosis) . . . . .	146	79	144,057.56	136,819.66	7,237.90	134,010.43	17.65
	4426	981	\$2,190,383.17	\$1,932,140.09	\$242,617.60	\$1,806,689.31	

Average per Capita Cost per Week All Institutions . . . . . \$11.22 +  
Previous Year . . . . . \$12.14

## MUNICIPAL AUDITS

Herewith is submitted a condensed financial statement in case of the towns where detailed audits were conducted. In many towns the department was employed to close the books, but no regular report was prepared.

*Allagash Plantation.* Audit of this plantation for a five year period 1927-1932. By an over-assessment in 1929-1930 \$2,875.28 was committed and collected in excess of the requirements. (A 5% overlay, permitted by law, would be only \$233.02). This over-assessment we showed as a liability to the town, but so far as can be learned no adjustment with the taxpayers has ever been made for this excessive tax paid by them. The treasurer on March 31, 1932, was accountable for \$9,287.48, but had only \$3,921.25, being \$5,366.23 short. Some of the facts connected with this audit were reported to the County Attorney for investigation. In 1927 the cash balance at start was \$1,161.94 and treasurer's receipts for the period were \$139,426.56, making a grand total of \$140,588.50. The payments in the five year period were \$131,301.02 though the appropriations for the period were but \$90,991.43. In the year of the over-assessment above referred to the cash balance and receipts totaled \$32,904.69, while the disbursements were only \$29,283.05, a difference of \$3,621.64. In the last year the receipts were \$26,703.21; disbursements, \$20,861.98, a difference of \$5,841.23. New plantation officers have been chosen and an effort is being made to adjust the difficult financial condition of the plantation. At the last session of the legislature an enabling act was passed, (Chap. 58, Private and Special Laws of 1933), authorizing the plantation to surrender its organization and become an unorganized place. This has been voted on by the inhabitants, 2 voting to accept the act and 59 voting to reject it.

*Corinna.* An audit was conducted of the accounts of this town for the municipal years 1930-1931 and 1931-1932. The total receipts for the two years were \$88,633.58 and \$75,006.88, respectively, including temporary loans for the two years of \$10,000.00 and \$7,500.00, respectively. In the latter year \$8,000.00 was set aside in a sinking fund to retire sewer bonds. The payments in 1930-1931 and in 1931-1932 were \$79,441.72 and \$69,109.87, respectively. At the time of retiring \$9,000.00 of sewer bonds in 1931 an error was apparently made in the order drawn to the treasurer, with the result that when correctly entered on the town's books left both the cash balance of the treasurer and the sinking fund account in error by \$1,000.00. This has been corrected and fully adjusted.

*Denmark.* In this five year audit of the town treasurer the balance due the town for the year ending Feb. 12, 1928, was shown as \$1,-664.99. This balance could not be verified, owing to the fact that it has not been the practice of the treasurer to deposit all of the town funds as received, a considerable amount of cash always being in his hands. In this case the auditors checked all payments made by the treasurer against orders drawn by the selectmen and gave credit for all payments made on behalf of the town where no order had been issued. There were practically no records aside from the orders, checks and bank statements and there had never been an audit of the town's accounts so far as known since its incorporation one hundred and twenty-five years ago. The cash balance as shown by the treasurer on above date was therefore accepted. The treasurer had drawn nearly one hundred checks which he had indicated were for personal use, these aggregating over \$1,700.00. In all he was approximately \$4,250.00 short in his accounts and has settled with the town.

*Dexter.* A two year audit of the accounts of this town (1931-1932 and 1932-1933) was conducted. It included verification of the treasurer's accounts, test checking two months' work of each year of the accounts of the town manager and reconciliation of the accounts of the tax collector for the period. The State system of accounting, formerly installed here, has been superseded by a cash system used by the town manager and while perfectly correct, recommendation was made to continue on the accrual basis for the reason that it better lends itself to a determination of the financial standing of the town through its better method of showing the receivables and debts of the town. The treasurer's accounts were in excellent condition. The accounts of the tax collector were properly kept. In this case it was recommended that deposits with the treasurer be made monthly. The list of uncollected taxes is not printed in the town report. It was decided to publish the list in the local newspaper. The assessed valuation of Dexter in 1931-1932 was \$2,590,800.00 and in 1932-1933 was \$2,431,000.00, the total tax assessed for these years respectively being \$132,050.29 and \$117,715.53. Uncollected taxes at the time of the audit were \$7,803.03. Outstanding bonds totaled \$80,000.00 and notes \$16,000.00. The treasurer's receipts for the first year, including \$109.82 cash on hand, and \$30,000.00 temporary loans, were \$196,299.17. For the second year the receipts, including \$2,-360.19 cash on hand, and \$34,500.00 temporary loans, were \$185,-859.34. The treasurer's payments for each of the years were \$193,-938.98 and \$184,699.47. The town is well within its debt limit of 5% of the valuation.



*Eastbrook.* An audit of the accounts of this town was conducted for the years 1931-1932 and 1932-1933. The assessed valuation for the two years was \$105,606.00 and \$101,850.00, respectively, on which taxes were assessed totaling \$9,068.83 and \$6,600.02. The uncollected taxes at the close of the fiscal year 1932-1933 amounted to \$4,198.55, and there were notes payable of \$2,590.80. The treasurer's receipts for the year 1931-1932, including cash on hand of \$1,656.91 and a temporary loan of \$3,000.00, were \$19,769.05, and for the following year, including cash on hand of \$1,581.23 and a temporary loan of \$1,500.00, were \$11,055.00. Payments by the treasurer for the two years were \$18,187.85 and \$10,127.60. The selectmen are to be commended on the marked retrenchment in expenditures in the last fiscal year. The treasurer reported that porcupine bounties were due from the State of \$175.07, while an examination of the claims filed with the State showed only \$69.50 on hand for payment.

*Eastport.* In July, 1932, an audit was conducted of the books and accounts of the city of Eastport, except the books of the Collector of Taxes. His books could not be found, though he stated that he had deposited them in the office of the tax collector at city building at the close of his term of office. The excise tax receipts up to February 1, 1932, had been destroyed. Though the statutes require that upon settlement with the municipal officers the tax collector shall furnish them with a list of all delinquent tax payers, this he has not done. The severe economic conditions of the past two or three years have to a marked degree affected the finances of this city. The treasurer's receipts for the year 1931-1932 were \$193,070.58, which include \$95,818.67 from taxes and \$82,200.00 from temporary loans. The payments for the period were \$191,220.96. Bonds outstanding March 14, 1932 were \$33,000.00, a decrease of \$2,000.00 from the previous year. Notes and bills payable March 14, 1932, reached a total of \$34,381.81, an increase of \$16,758.56 over the previous year. Tax deeds and uncollected taxes on March 14, 1932, were \$25,065.95, an increase of \$7,781.98 over the previous year. Cash on hand March 14, 1932, amounted to \$1,327.30, a decrease from the previous year of \$4,896.69.

*Edmunds.* An audit for the fiscal year 1931-1932 was conducted. The valuation of the town was \$107,229.00 on which taxes amounting to \$10,265.01 were assessed. Uncollected taxes in March, 1933, were \$4,300.01. Town loans, \$3,612.50. Treasurer's receipts in 1931-1932, including \$202.27 cash on hand and \$3,955.00 temporary loan,

were \$17,568.36; for the following year including \$76.60 cash on hand and \$2,812.50 temporary loan, were \$13,369.70. Treasurer's payments in 1931-1932 were \$17,491.76 and in the following year \$12,754.14. Slight differences only were found in the treasurer's accounts. A great majority of the town orders were signed by but one of the town officers. All payments should be authorized by at least a majority of the board.

*Fayette.* A one year audit (1932-1933) was conducted in this town. The treasurer's accounts were kept in excellent condition. All her payments were authorized by orders, or were covered by receipts. The selectmen's records fail to show all the accounts of the town, especially payments made without orders, so there was set up an independent ledger showing all the accounts. It had been the custom here to carry forward all balances. We recommended that hereafter only the accounts required by law to be carried, such as school, etc., be brought forward and that all others be lapsed, as the appropriations are made for the current year only. We also recommended the adoption of the State uniform system of accounts. In some cases it was found that taxes had been abated that had subsequently been paid. It was recommended that these be recommitted as supplementary taxes. Total taxes assessed in 1932-1933 amounted to \$15,188.82. Uncollected taxes, tax deeds and notes amounted to \$3,408.02. Treasurer's receipts for the year were \$25,722.62, which included a temporary loan of \$4,500.00. Cash on hand is represented by \$2,170.59, while the very large amount of \$14,425.14 is outstanding in uncollected taxes and in tax deeds taken by the town on property. Payments were \$25,017.54, of which \$1,000.00 was on account of a note for a tractor. We recommended that the tax deeds be placed in the hands of an attorney for collection and ascertainment be made as to which ones were collectible. Without doubt some are not collectible as they have been improperly drawn, some even lacking a description of the property that they purport to sell.

*Greenbush.* A six year audit was had of the accounts of this town for the period 1927-1928 to 1932-1933 inclusive. Except for minor errors the accounts were in good order. Some confusion existed in regard to tax titles and it was urged that all tax titles be followed up more closely and a report by years be made summarizing the transactions. Cemetery trust funds of \$400.00 had not been invested as required by law, but had been mingled with the general account of the town. This has now been brought to the attention of town

officers and the trust funds will be segregated. For the year 1932-1933 the treasurer's receipts were \$21,201.66, including \$3,000.00 from proceeds of a temporary loan. The payments were \$21,239.52. Uncollected taxes and tax deeds totalled \$2,092.84.

*Hallowell.* An audit of the accounts of this city was conducted for the municipal year ending December 31, 1932. The assessed value of the city is \$1,965,983.00 and the appropriations for the period were \$97,172.02. The treasurer's payments for the year were \$130,621.46, which included the payment of a temporary loan of \$28,500.00. The outstanding indebtedness of the city is \$100,000.00, of which \$73,000.00 is on account of bonds and \$27,000.00 in notes. The city's borrowing capacity on 5% on its assessed valuation is \$98,299.15, so that it is \$1,700.85 in excess of its constitutional authority to borrow.

*Lyman.* A two year audit was completed of the accounts of the tax collector of this town for the years 1930-1931 and 1931-1932; also an audit of the account of the selectmen and treasurer for the year 1931-1932. The valuation of the town for 1931-1932 was \$392,723.00. The total commitment for that year was \$20,188.81; appropriations totaled \$15,438.61. The receipts were \$32,473.71, which included a temporary loan of \$8,000.00; expenditures, \$32,343.55, which latter included \$8,800.00 paid on loans. Uncollected taxes were \$2,837.81, of which amount tax deeds were taken for \$1,566.37. The tax collector for the years 1930-1931 and 1931-1932 was short in his accounts by \$1,324.10. He has settled in full with the town for this amount and his successor has been appointed and has qualified.

*New Sharon.* The assessed valuation of the town is \$383,306.00. The treasurer's receipts for 1931-1932 including a temporary loan of \$22,000.00 were \$59,230.76; payments, \$59,678.16. Uncollected taxes and tax deeds totalled \$4,745.89. Cash on hand, \$854.30. The net town debt was \$19,550.12, a decrease of \$2,721.80 as compared to previous year. Unpaid loans were \$17,963.60, a decrease of \$1,500.00 as compared to the previous year.

*Oakland.* This town has been annually availing itself of the facilities of the Department of Audit since the State uniform system of accounts was installed there several years ago. The valuation of the town is \$1,429,054.50. The net town debt at the close of the town's fiscal year 1932-1933 was \$44,801.99. Uncollected taxes due were \$17,927.22. Cash on hand \$8,327.98 and accounts receivable

were \$7,181.41. On January 30, 1933, the town's obligations were outstanding bonds, \$41,000.00; notes, \$24,000.00, and a temporary loan of \$10,000.00. This town has an exceedingly difficult situation as regards relief to its citizens. The appropriation for relief was \$4,000.00 to which accrued miscellaneous receipts of \$329.30. The payments, however, totaled \$24,348.54, an overdraft of \$20,019.24. However, it was well within its debt limit.

*Palermo.* A two year audit was conducted of the books and accounts of this town. Total receipts for the year 1931-1932 were \$30,521.55 and total payments were \$31,457.15. Total uncollected taxes and tax deeds were \$1,987.41.

*Plantation No. 14.* In 1931 the Plantation received from the State on porcupine bounty \$212.25, but it only paid out in that year of that amount \$31.00. Unexpended in its hands, \$181.25. This should be condemned, as the plantation evidently put in its bills certified as if paid, when greater part of them had not been paid.

Its school fund for 1931 was \$261.17 and its Interest on Reserved Land Fund was \$628.33. Still its overdraft on school account was \$423.35. The following year the school fund was \$284.00 and Interest on Land Reserved Fund \$643.35; total unexpended on school account, \$139.57. This left net overdraft on schools for the two years, \$283.78.

*Plantation No. 33, Hancock County.* This was a four year audit from 1927 to 1931, inclusive. The sum of \$72.98 was found to be due the plantation from the various collectors in these years. The municipal officers took credit on their books for various accounts due from the State before they were actually received. Total taxes assessed in 1930-1931 were \$2,380.90, an increase of \$783.27 over 1930. Treasurer's receipts for the year 1930-1931 were \$4,818.64, in which is included \$1,100.00 borrowed on temporary loan. Assets in the form of cash, taxes and accounts receivable totaled \$509.00. Notes payable amounted to \$200.00.

*Pownal.* A one year audit of the accounts of the former treasurer for the municipal year 1932-1933 was conducted in this town. The total receipts were \$24,795.31; total payments \$26,729.61. There was found to be due to the former treasurer \$1,001.20. However, there was considerable confusion in the accounts. No cash book was kept and to reconcile the checking account would be a long and complicated task, as the former treasurer had held that position for forty

years. No deposits were posted on the check book, nor were any totals carried for checks drawn. A determination as to whether all bills had been paid would require an enormous expenditure of time and money as many bills were paid by cash, in other cases town orders were traded for taxes and a checking account was carried to pay still other bills. The municipal officers therefore decided to have prepared a cash statement for the year 1932-1933 and consider all bills paid. If after the beginning of the fiscal year 1933-1934 bills or checks dated prior to the beginning of that year are presented for payment, the former town treasurer will be liable for same. The bank has been instructed not to charge any checks signed by the former treasurer to the present treasurer. The following recommendations were made to the municipal officers:

1st. To install the State System for Municipalities. This would include a cash book for the Town Treasurer which is of great importance to this town.

2nd. To carry uncollected taxes as an asset to the town until they have been collected or properly charged off by order of selectmen or vote of town. The custom has been to carry only the current year's uncollected taxes as an asset. When these taxes are paid (back years) they are credited to the contingent account. This is not good accounting and a change would be beneficial to the town.

3rd. Tax deeds should be listed in detail in the town report to agree with amount carried as an asset. There are chances of losing sight of these by the present accounting methods.

4th. To carry excise tax collected in fiscal year for following year's auto taxes as a reserve and to make allowances for same when figuring tax rates for following year's taxes of the town.

5th. To discontinue carrying overdrafts and unexpended balances in all accounts not affected by State funds and to have each year's business stand on its own. If it is found a net overdraft has been incurred for any one year, an appropriation made to cover same will relieve the town of further indebtedness. However, the liabilities of the town are only approximately \$5,000.00—well within their debt limit.

*Randolph.* Total taxes assessed in 1932 amounted to \$22,378.41. Taxes and interest collected were \$19,700.36, a decrease of \$1,330.22 from the preceding year. Town loans in the fiscal year were \$7,500.00, a decrease of \$500.00 from the previous year. Accounts payable at

the close of the fiscal year were \$2,769.37, against none for the previous year. Total receipts of the treasurer in the fiscal year, including a temporary loan of \$13,000.00 were \$44,325.75; payments for same period, \$44,310.75. For the previous year the receipts, including a temporary loan of \$4,000.00, were \$34,270.88, while the payments for that period were \$33,860.19. Assets on hand, including cash, uncollected taxes, tax deeds and accounts receivable for the fiscal year 1932-1933 were \$5,341.54, an increase of \$1,984.54 over the previous year, reflecting a net debt of \$5,877.89, which was an increase in the net debt over the previous year of \$316.42. It was found that many items of cash receipts were not credited to the proper accounts. The matter of placing delinquent taxes with attorneys for collection has caused much confusion. Many so-called abatements were intended to be later collected. The receivable account on the ledger was thus a good deal confused and a recommendation was filed that these practices cease. A remittance to the poor department was never entered on the book but was accidentally discovered. The accounts of the tax collector were kept in good order. The uniform system installed in 1932 has been admirably kept by the selectmen, the books being in perfect balance. The treasurer's accounts for 1932-33 were well kept.

*Ripley.* A one year audit was conducted of the books of this town. The treasurer's receipts for 1932-33 were \$17,047.79, including a temporary loan of \$3,000.00. The payments totaled \$17,158.95. Uncollected taxes, tax deeds, accounts receivable, together with cash on hand, totaled \$1,784.16. The net debt Feb. 4, 1933, was \$2,435.07.

*Searsmont.* A one year audit was conducted of the books of this town. On Jan. 1, 1933, a town loan of \$3,042.21 was outstanding. There had been paid during the year one note of \$1,042.20. Uncollected taxes, tax deeds and accounts receivable, together with cash on hand, totaled \$8,528.79. The net surplus Jan. 31, 1933, was \$2,340.49.

## TOWN ACCOUNTING PRACTICES

It will be noted that in many towns total payments far exceed the commitment. Aside from the fact that in the period covered by these audits many towns have found it impossible to collect their taxes to anything like the same degree as was possible a few years ago, receipts and the commitment bear but little relation to each

other. In Lyman, for instance, the commitment was about \$20,000.00, while the actual receipts were over \$24,000.00, not including a temporary loan of \$8,000.00. The total payments were some \$24,000.00. In other words, an examination of the commitment as published in the town report, or even of the appropriation bill, gives no information as to what expenditures may be. The reason, of course, is that such items as third class road, snow removal, State aid road, etc., which in the case of the town cited exceeded \$4,500.00, are received from the State and in no manner affect the receipts side of their published town report. The appropriations of the town should include such items, or at least a full statement in relation to same should appear. In only a few towns can the excise tax receipts be readily proved by a duplicate set of receipts. However, such duplicate set is easily kept and is worth in satisfaction many times the additional work of keeping it. This is a matter that should be insisted upon by selectmen, who are the town's fiscal officers and have a right to prescribe the forms to be used by treasurers and collectors. In a number of towns we found that the tax commitment as totaled by the selectmen had been incorrectly added, but the collector had not taken the trouble to verify the additions, having settled with the town on the basis of the incorrect figure as set down. In one instance a collector attempted to take credit on his commitment for some \$50.00 of added costs on tax deeds, this amount, according to his books, perfectly balancing his accounts.

## AUDIT OF GASOLINE DISTRIBUTORS

The work of auditing the gasoline distributors, who number about one hundred, was continued during the year ending June 30, 1933, requisition having been made by the State Tax Commissioner on this department for assistance in this line of work as required. The following indicates the value of this service to the State and certainly shows that no cessation of this activity should be permitted. The following tabulation sets forth the result of audits of gasoline distributors in the past year:

<i>Distributor</i>	<i>Amount due State of Maine</i>	<i>Amount due Distributor</i>
No. 1	.....	....
No. 2	.....	....
No. 3	.....	....
No. 4	.....	\$9.56
No. 5	.....	....
No. 6	\$1,160.52	....
No. 7	41.80	....
No. 8	56.72	....
No. 9	.....	....
No. 10	596.12	....
No. 11	201.28	....
No. 12	.....	....
No. 13	102.52	....
No. 14	8.96	....
No. 15	332.16	....
No. 16	39.52	....
No. 17	.....	....
No. 18	159.72	....
No. 19	.....	....
No. 20	576.72	....
No. 21	81.00	....
No. 22	.....	....
No. 23	6,927.20	....
	<hr/>	<hr/>
	\$10,284.24	\$9.56

There has been a large decrease in the amount of refunds, on account of gasoline used off the highways, principally due, no doubt, to depressed business conditions. Many farmers and fishermen have given up for the time use of their tractors and motor boats. In some States this decrease has run as high as thirty per cent.



## AUDIT OF FINES ACCOUNT OF MOTOR VEHICLES AND FISH AND GAME VIOLATIONS

As the law of 1931, (Chapter 216, Art. VI, Section 3) requires that the Department of Audit shall audit all agencies of the State, the various dockets of the courts have been audited to determine the amount due the State on account of fines imposed and forfeitures taken for violation of the motor vehicle laws and fish and game laws. In the former cases one-half of the fines and forfeitures accrue to the State and one-half to the county having jurisdiction of the case. In the latter cases the entire fine accrues to the State. Much of this work remains to be done, but in the fiscal year ended June 30, 1933, in forty-three courts visited the audit revealed \$8,982.87 due the State, a considerable part of which has already been paid to the Treasurer of State. There probably remains nearly one-half of the State to cover in this work.

## ACADEMIES AND INSTITUTES

The department has audited the accounts of the various academies and institutes by authority of Chap. 132, of the Public Laws of 1931. These audits have greatly added to the work of the department. They are required to be performed between the first day of July and the first day of September, annually. The Commissioner of Education has held that an audit is necessary in case of each academy receiving State aid and the department last year audited twenty-six, as follows:

Anson Academy,	Lee Academy,
Aroostook Central Institute,	Limington Academy,
Berwick Academy,	Lincoln Academy,
Calais Academy,	Litchfield Academy,
Cherryfield Academy,	Mattanawcook Academy,
East Corinth Academy,	Monmouth Academy,
Erskine Academy,	Monson Academy,
Foxcroft Academy,	Pennell Institute,
Freedom Academy,	St. Joseph's Academy,
Hampden Academy,	Somerset Academy,
Hartland Academy,	Washington Academy,
Leavitt Institute,	Wilton Academy,
Lebanon Academy,	Wiscasset Academy.

In case of the following sixteen academies satisfactory proof was submitted to the department that the books, accounts and financial documents for the fiscal year preceding had been audited by others:

Bridgewater Classical Academy,	Higgins Classical Institute,
Bridgton Academy,	Maine Central Institute,
Coburn Classical Institute,	Oak Grove Seminary,
Eastern Maine Institute,	Parsonsfield Seminary,
East Maine Conference Seminary,	Patten Academy,
Fryeburg Academy,	Ricker Classical Institute,
Gould Academy,	Robert W. Traip Academy,
Greeley Institute,	Westbrook Seminary.

The academies are now practically high schools. If discontinued as academies and reorganized as high schools the saving would average some sixty per cent. If the academy aid should be withdrawn most of them would probably reorganize as high schools.

A serious situation has developed in regard to the academies of the State. Several of them have hypothecated their bonds or other securities representing trust funds, depositing them with banks from which they have borrowed money for current expenses. Some of them find it impossible to repay these loans and the question now arises as to the authority of the trustees to make loans on the security of such bonds where the provisions of wills were that the income only was permitted to be expended. It is assumed that the banks did not scrutinize the terms of the wills by which these funds arose and if the banks insist upon converting bonds in case of unpaid loans, the trustees are not only placed in a difficult position, but interested heirs may come forward and claim a forfeiture of the funds, due to violation of the terms of the will. This question is now receiving consideration by this department and by the Commissioner of Education.

RECEIPTS AND EXPENDITURES OF ACADEMIES AND INSTITUTES  
FOR THE FISCAL YEAR ENDING JUNE 30, 1933

Name of Academy	Received from State	Received from Other Sources	Total Receipts	Total Expenditures	Trust Funds (Par Value)	Interest on Trust Funds
Anson Academy	\$4,308.46	\$9,634.27	\$13,942.73	\$15,406.76	\$5,300.00	\$287.23
Aroostook Central Institute	2,190.00	8,732.99	10,922.99	10,930.92		
Berwick Academy	2,036.00	15,299.15	17,335.15	18,183.50	60,975.20	2,348.32
Bridgewater Classical Institute	1,825.13	3,009.22	4,834.35	4,473.19		
Bridgton Academy	4,250.00	28,498.09	32,748.09	30,634.39	43,100.32*	2,612.58
Calais Academy	2,436.64	459.22	2,895.86	2,707.30	4,145.96	270.81
Cherryfield Academy	1,924.24	7,889.72	4,813.96	4,357.37		
Coburn Classical Institute	500.00	39,710.28	40,210.28	47,870.39	40,164.85	2,248.63
East Corinth Academy	2,652.00	5,211.24	7,863.24	8,571.51	13,600.00	519.58
Eastern Maine Institute	1,500.00	3,376.72	4,876.72	4,927.23		
East Maine Conference Seminary	750.00	52,400.29	53,150.29	58,884.33	12,800.00	412.50
Erskine Academy	3,044.00	6,900.39	9,944.39	10,192.06	18,820.01	812.31
Foxcroft Academy	1,828.33	26,566.17	28,394.50	29,466.73	45,500.00	
					33,232.03*	2,689.63
Freedom Academy	2,918.00	5,836.34	8,754.34	9,007.25		
Fryeburg Academy	2,502.00	36,663.41	39,165.41	50,517.94	4,991.28	250.00
Gould Academy	2,940.00	25,268.62	28,208.62	24,143.43	58,821.31	4,802.18
Greely Institute	1,937.62	6,831.11	8,768.73	8,887.40	26,185.00	1,361.60
Hampden Academy	2,636.00	7,868.60	10,504.60	10,575.46	11,575.00	475.12
Hartland Academy	2,184.00	7,122.28	9,306.28	9,183.33	7,000.00	408.79
Higgins Classical Institute	5,452.00	21,100.37	26,552.37	26,005.63	20,500.00	1,037.50
Leavitt Institute	3,081.25	51,134.86	54,216.11	54,038.86	82,656.49	3,729.24
Lebanon Academy	1,020.00	3,022.22	4,042.22	3,366.79	3,100.00	131.75
Lee Academy	4,732.00	11,798.50	16,530.50	17,448.06	5,500.00	333.78
Limington Academy	1,300.00	3,983.72	5,283.72	5,855.55	5,136.46	(Prin. and Int.)
Lincoln Academy	3,088.00	14,814.33	17,902.33	17,342.20	25,664.37	1,819.50
Litchfield Academy	1,438.00	1,309.25	2,747.25	3,179.99	6,000.00	256.25
Maine Central Institute	5,000.00	34,192.86	39,192.86	38,184.55	79,301.16	2,911.77
Mattanawcook Academy	1,750.00	8,633.00	10,383.00	10,646.56		
Monmouth Academy	2,467.59	6,731.02	9,198.61	9,189.90	6,094.52	299.65
Monson Academy	1,742.00	5,130.50	6,872.50	6,342.02	9,925.00	457.00
Nasson Institute	5,400.00	16,079.35	21,479.35	21,508.67	18,280.84	609.35
Oak Grove Seminary	4,700.00	63,877.80	68,577.80	59,023.29	76,000.00	2,623.06
Parsonfield Seminary	500.00	11,991.35	12,491.35	11,776.78	127,454.32	6,074.12
Patten Academy	2,030.00	5,533.67	7,563.67	9,314.70	7,200.00	365.00
Pennell Institute	1,991.63	5,416.15	7,407.78	7,907.13	32,075.00	1,854.85

Ricker Classical Institute.....	3,876.26	25,998.25	29,874.51	30,901.80	56,500.00	4,958.10
Robert W. Traip Academy.....	1,750.00	38,966.04	40,716.04	18,900.49	37,382.50	1,974.53
St. Joseph's Academy.....	300.00	20,747.59	21,047.59	18,971.24	.....	.....
Somerset Academy.....	1,640.00	2,361.74	4,001.74	3,676.60	{18,300.00†	.....
Washington Academy.....	1,250.00	10,925.45	12,175.45	13,337.44	{1,000.00	114.00
Westbrook Seminary.....	3,846.00	47,679.87	51,525.87	54,647.24	44,445.14	2,385.77
Wilton Academy.....	3,497.15	16,993.85	20,491.00	20,409.75	66,455.00‡	2,835.50
Wiscasset Academy.....	1,824.24	2,902.61	4,726.85	4,688.19	8,219.60	394.70
Totals.....	\$108,038.54	\$723,602.46	\$831,641.00	\$825,583.92	\$1,123,401.36	\$54,664.70

\*Book Value

†Income from these funds not used for the Academy

‡This Seminary also owns 26 shares of United Fruit Co. no par value stock

## FARM LANDS LOAN COMMISSION

The fiscal year ended June 30, 1932, witnessed the completion of the investment of the Reserved Land Fund. In the fiscal year which closed June 30, 1933, no loans were made. It seems to be a proper time to report in some detail concerning the operations of the Commission. The Commission was established in 1917, its personnel being the Governor as chairman, State Auditor as secretary, the other members being the Commissioner of Agriculture, Commissioner of Education and the Forest Commissioner. Loans were made beginning with January 1, 1918; rate of interest 5%, with twenty years to run, if the borrower so desired. Loans outstanding June 30, 1933, were 204 and 9 foreclosures on which title had not been perfected. Seven farms were in hands of the Commission through failure of the mortgagors to meet the requirements. Total amount current loans outstanding on last above named date, \$416,819.30; total, including foreclosed loans, \$460,758.89. Past due interest on current loans June 30, 1933, amounted to \$8,732.78 and on foreclosed loans, \$4,666.23. Taxes, insurance and other charges advanced on current loans, \$1,984.14; on foreclosed loans, \$4,523.89. Loans outstanding in all of the sixteen counties of the State are as follows:

	<i>No.</i>	<i>Amount</i>		<i>No.</i>	<i>Amount</i>
Androscoggin	8	\$25,075.00	Oxford	5	\$7,800.00
Aroostook	61	215,315.84	Penobscot	24	35,166.06
Cumberland	6	10,231.40	Piscataquis	4	4,650.00
Franklin	1	1,180.00	Sagadahoc	13	23,220.00
Hancock	2	620.00	Somerset	6	11,834.59
Kennebec	61	90,235.00	Waldo	6	8,000.00
Knox	2	1,175.00	Washington	3	3,650.00
Lincoln	13	11,456.00	York	5	11,150.00
				<hr style="width: 100%;"/>	
				220	\$460,758.89

The average loan is \$2,094.00 and the average appraised value of lands, including buildings, is approximately \$24.00 per acre. The Commission has operated on a very conservative basis. The act has been of assistance to many and the Commission believes, that in spite of the present distressing condition of agriculture, that the investment will culminate safely.