

MAINE STATE LEGISLATURE

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STATE OF MAINE



FINANCIAL REPORT

OF

Bureau of Accounts and Control

OF THE

Maine. Department of Finance

88735

For Period

• JULY 1, 1941 to JUNE 30, 1942

October 17, 1942

To Governor Sumner Sewall and
Members of the Governor's Council:

Gentlemen:

We submit herewith the Controller's Report showing the financial condition of the several funds of the State of Maine as of June 30, 1942 and their financial operations for the year ended June 30, 1942.

The final State Budget Report, published June 20, 1941, presented a complete picture of the financial program of the State of Maine for the biennium ending June 30, 1943, as authorized by the 90th Legislature. This report presents the actual performance under the first year of that program and reflects the value of proper budgeting. For the first time, a complete comparison of operations with the Budget, as well as with the previous year, is possible. In submitting the final State Budget Report, Frederick G. Payne, then Commissioner of Finance and State Budget Officer, made the following statement: "The 90th Legislature has, I believe, provided adequately for the needs of all Departments and Institutions of State Government, barring unforeseen emergencies. The Legislature has also enacted revenue measures that place the State in a sound financial position, with adequate revenues to offset appropriations made." This has proved true as to the first year's operations.

As of June 30, 1942, a number of material changes were made in accounting methods and forms of reporting, including both the reclassification of many items and the inclusion for the first time of certain assets, principally accounts receivable and plant and equipment of working capital funds. Public Service Enterprises and Working Capital Funds are segregated for the first time. In order to make possible a proper comparison of the 1942 figures with those for 1941, similar changes have been made in the 1941 figures. This has involved the complete rebuilding of the 1941 report to conform to the present fund classification and to include assets which it was not practical to record at that time. In all schedules of this report 1941 figures have been revised to place them on a comparable basis with the 1942 figures. Published newspaper summaries are required by law at such an early date that it was not possible to complete all detailed schedules prior to that publication. In preparing these detailed schedules certain adjustments from the published figures have been found necessary. In the current year these are minor and do not affect final results or total revenues and expenditures. In last year's figures the net gain of the Unemployment Compensation fund has been reduced \$130,070. Revising the State's accounting and reporting to modern accepted standards is a tremendous task which cannot be completed in a short period of time. Progress has been steady and a sound foundation has been established for further progress.

One of the major changes in accounting and reporting has been the adoption of proper fund accounting. Since the term "fund" is characteristic of governmental accounting, but one with which the layman may not be familiar, the nature of each fund has been explained on the first page of the schedules pertaining to that fund. Funds are analogous to separate and unrelated businesses operated by the State. A fund is a sum of money or other resources

set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund is a distinct financial and fiscal entity entirely independent of all others. Each fund has its own balance sheet and its own revenues which are expended for purposes prescribed by law. Some major funds are composed of several minor funds grouped under one caption. The revenues of all funds are accounted for on an accrual basis; expenditures include all invoices applicable to the year's operations received through July 20. Known major commitments have been provided for by carrying balances.

Certain funds finance true governmental functions while others represent activities of a commercial nature, either for service to the public or to produce governmental revenues, or to render services to operating departments more economically and advantageously than those services can be performed by outside agencies. Trust and agency funds are the least related of all funds to the administration of State government. The major funds of the State of Maine are listed below:

Governmental Funds

General Fund
 Special Revenue Funds
 Highway Fund
 Unemployment Compensation Fund
 Other Special Revenue Funds
 Proceeds of General Bond Issues

Non-governmental Funds

Public Service Enterprises
 Working Capital Funds
 Trust and Agency Funds

GENERAL FUND

Summary

The year's operations for the General Fund resulted in a net gain from operations of \$2,070,928. Of this amount \$328,250 was used to call \$325,000 par value of bonds in advance of maturity and \$100,000 was applied against the 1936-37 deficiency as provided by law. The balance reflects in increased cash and surplus accounts. In addition to this, amounts reserved for expenditures in the following year increased \$176,336 over June 30, 1941, thus further strengthening the financial position of the General Fund.

It must be pointed out, however, that the finances of the General Fund are just emerging from a period in which revenues were not always adequate to meet expenditures and after this year's operations the net sinking fund reserve amounts to \$2,134,569. (See Schedule I). This is not an excessive margin of safety against the collection of revenues

of \$18,000,000 or \$19,000,000 annually, some of which are subject to substantial fluctuation corresponding to economic trends.

The original budget estimated an excess of revenues over appropriations of \$247,275. At the special session of the Legislature, it was apparent that revenues were exceeding original estimates, and estimates were revised upward indicating at that time an excess of \$794,820. Revenues continued to surpass even the revised estimates, and actual revenues available for appropriation of \$13,748,688 exceeded estimates by \$925,443, making an excess of actual revenues over appropriations of \$1,720,263.

Appropriations by the Governor and Council of \$57,834 from the Contingent Fund and \$170,200 for emergencies arising from the War reduced this amount to \$1,492,229. Actual expenditures for the year were \$1,482,637 less than amounts available. Of this amount \$903,938 was reserved for expenditures in the following year and \$578,699 was added to the net additions through revenues of \$1,492,229, making a net gain from operations of \$2,070,928. (See Schedules II and III).

Revenues

Revenues of the General Fund totaled \$19,362,134 (See Schedule IV) of which \$13,748,688 was available for appropriation and \$5,613,446 was earmarked by law. These revenues were \$2,274,839 more than last year and \$1,037,553 more than estimated in the budget; of the last increase \$925,443 applied to revenues available for appropriation. The largest single increase in revenues was the net profit in liquor resulting from the largest volume of sales in the history of the Liquor Commission. The net revenue from liquor of \$4,781,712 was \$1,166,531 more than last year and \$318,388 more than the budget even after an upward revision of \$750,000 in the estimate. Other substantial increases over the budget were recorded in the taxes on public utilities in the amount of \$280,744, largely from railroads, and in inheritance and estate taxes in the amount of \$236,759; \$133,804 of the latter was caused by the recording of accounts receivable at June 30, 1942 and additional receivables of \$177,228 affecting other revenue accounts available for appropriation were recorded on that date. Earmarked revenues were slightly over budget estimates, the larger items of this type of revenue being grants from the Federal Government, the cigarette tax earmarked for Old Age Assistance, which in its first complete fiscal year, netted \$1,338,843 or \$38,843 more than estimated, and hunting and fishing licenses.

Expenditures

Total expenditures of the General Fund of \$17,117,777 were \$570,005 more than last year and \$432,928 less than the budget which authorized expenditures of \$1,002,933 more than the previous year. (See Schedule VI). The increases in authorized expenditures over expenditures of the previous year were largely to provide funds to carry out existing statutes for Old Age Assistance, Aid to Dependent Children and Aid to the Blind; amounts in excess of previous expenditures were also authorized for equalization of educational opportunities, aid to hospitals (not State owned) and to cover increased food and operating costs in State-owned institutions.

The principal reductions in actual expenditures from the budget were in the Welfare and Charities group and in Unemployment Compensation Administration. The sharply

reduced expenditures of the latter reflected drop-off in claims for compensation. An increase over the budget in Old Age Assistance expenditures due to ability to take on an increased load faster than anticipated was more than offset by savings in pauper support, emergency aid to towns and other savings.

Since budgeted expenditures, of necessity, are based on estimates of reserves for authorized expenditures carried forward and estimated revenues, consideration of unexpended balances at the end of a period is important, as they reflect the relationship between expenditures and amounts available for expenditure. They are also an indication of administrative efficiency as well as showing the effect of present-day economic conditions upon governmental revenues and expenditures and the adequacy of legislative provisions to meet these conditions.

Unexpended departmental balances of the General Fund at June 30, 1942 were \$1,482,637 an increase of \$546,537. Of these balances \$903,938 was reserved for authorized expenditures in the next fiscal year (carried forward) and \$578,699 was lapsed to increase surplus. These amounts were \$176,336 and \$370,201 respectively more than the previous year. (See Schedule VII).

Notable items contributing to the increase in the carrying balances are the unexpended balances of \$76,928 of appropriations caused by the war emergency, increases of \$42,557 for Aid to the Blind, \$56,248 for Aid to Dependent Children, \$102,646 in Old Age Assistance, \$91,006 in the Institutional Emergency Fund and a decrease of \$76,882 in the amount reserved for the support of State paupers. Other decreases in construction accounts and the institutions accounted for the balance of the change. The larger balances in the accounts for Aid to the Blind, Aid to Dependent Children and Old Age Assistance reflect the adequate financing of these programs and may be used either to provide reserves against future greater needs for these types of assistance or to reduce appropriations in the next biennium. The \$91,006 balance of the Institutional Emergency Fund, together with an appropriation of \$150,000 for the next fiscal year, should provide ample reserves against higher commodity prices or salary levels.

Real progress has been made during the past fiscal year in handling the support of State paupers. A large portion of these expenditures represents reimbursements to cities and towns. These reimbursements were formerly made quarterly and in many cases claims accumulated awaiting correspondence on questioned items. The last legislature authorized monthly billing by cities and towns for these charges. This change, together with a clean-up drive by the Division of Poor Relief, has placed these reimbursements on a current basis and has permitted for the first time an accurate estimate of the outstanding liability at the year end, which, also for the first time, represents only bills not presented by the cities and towns. The decrease in this balance, therefore, represents a definite decrease in an outstanding liability. This has involved the payment in the past year of approximately \$180,000 in charges applicable to prior fiscal periods, for which the reserve at the beginning of the year was only \$111,882. If this net of \$70,000 is added to the lapsed balance of approximately \$130,000 a saving of approximately \$200,000 is indicated in the year just ended from the budget estimate, and at least that amount from the previous year.

Unexpended balances lapsed showed an increase in almost every classification of the General Fund except State institutions and that was due chiefly to the provision making the Institutional Emergency Fund a carrying account. Again Welfare and Charities accounted

for a large portion of the increase. Major items making up the total lapsed balances of \$578,699 were: Welfare and Charities \$264,368, Emergency Payroll and Mileage Funds \$57,608, Bond Retirement and Interest \$45,179, Railroad and Telegraph Tax \$43,065, Adjutant General's Department \$23,551 and Department of Agriculture \$21,661. Other smaller amounts affecting many departments made up the balance. Lapsed balances of \$130,181 from Support of State Paupers, \$47,041 from Emergency Aid, \$26,065 from Administration and \$16,224 from Support of Dependent Soldiers and Sailors combined to make up the principal savings in Welfare and Charities resulting from a combination of decreased demands due to increased employment and administrative economies. The lapsed balance in the administration account was due largely to personnel losses.

The Legislature provided \$92,500 to meet increased costs incurred by the payroll and mileage increases enacted at the special session in January. It has not been practical to segregate increased mileage costs, but the 10% increase in salaries to employees receiving less than \$30.00 per week increased salary costs approximately \$85,000. The various departments and institutions absorbed most of this increase in their regular appropriations and transfers of only \$34,892 from these funds were necessary.

Future Outlook

In our present war-time economy any estimate of future operations must necessarily be predicated on many uncontrollable potentialities. If the war should end and result in a much higher level of relief expenditures, if the liquor stocks in the country become exhausted, or if any one of many such unpredictable contingencies should arise State finances would be seriously affected. However, if approximately the same conditions as in the past year continue, the result of operations of the General Fund should be at least as satisfactory as the year just closed. Liquor sales continue at a greatly accelerated rate over last year's peak and other major revenues should maintain previous levels, with the possible exception of the inheritance and estate taxes, which are subject to wide variation from year to year. It may be expected that increased liquor revenues together with further substantial savings in welfare and charities, especially support of paupers, will offset increased appropriations in the amount of more than \$600,000. Additional savings undoubtedly will be effected in many departments because of scarcity of many commodities and curtailment of travel.

The additional appropriations are occasioned by several factors. 1942-43 is a legislative year with its consequent added expenditures. The appropriation for Old Age Assistance is larger, anticipating carrying the full load of those eligible for this assistance. Current applications indicate that for the present the saturation point for Old Age Assistance may be lower than expected, but this probably will not be reflected in next year's results. The first appropriation for the Employees' Retirement System falls in 1942-43, marking the start of placing these pensions on an actuarially sound basis.

Plans for the coming year place particular emphasis on the reduction of expenditures in those departments whose activities are not essential to the conduct of the war. Functions established by law must continue, but often with a lower volume of transactions or restrictions as to expenditures. Your financial officers are on the alert to control expenditures in accordance with current trends.

HIGHWAY FUND

Summary

The Highway Fund does not have such varied sources of revenue as some other State funds, being largely dependent on income from the gasoline tax and motor vehicle registrations and drivers' licenses. During the sessions of the 90th Legislature there was no indication of the present rubber shortage and gasoline rationing so a program of financing a portion of new construction from surplus rather than by bond issues was undertaken. By thus keeping bond issues at a minimum during a period when large bond and interest payments were maturing, it was hoped to reduce debt service payments to a point where we may place the Highway Department on a pay as you go basis. In accordance with this plan appropriations of \$531,265 in excess of estimated revenues were authorized and new bond issues of \$700,000 as compared with bond maturities of \$2,209,000 were contemplated. Actually, although bonds in the amount of \$500,000 (a balance remaining from previous authorizations) were issued in addition to the \$700,000, a reduction of over \$1,000,000 in the bonded debt was effected. In addition to the budgeted deficit mentioned above, actual revenues fell below estimates by \$423,677, making a deficit of \$954,942 which was reduced, by lapsing balances, to a net loss from operations of \$910,564. (See Schedules II and III).

As the effect of war necessities upon highway revenues became more apparent during the year, expenditures, particularly for new construction, were curtailed and the Highway Fund ended the year in strong financial condition with cash of more than \$5,000,000. This cash balance roughly offset reserves for authorized expenditures and surplus of approximately \$2,500,000 each.

Revenues

Revenues of the Highway Fund totaled \$12,090,706 of which \$9,974,320 was available for appropriation and \$2,116,386 was earmarked. (See Schedule IV). Extraordinary and non-recurring distortions of revenue comparisons were caused by the change in date of reporting gasoline taxes and the recording of certain accounts receivable not previously carried on the general books of the State. If the effect of these changes is eliminated, revenues are slightly higher than last year and approximately \$200,000 less than the budget. Since the current trend of highway revenues is a matter of broad public interest, statistical tables have been included in the body of this report showing the revenue by months over more than a two year period by major highway revenue sources. (See Schedule IX).

To the above revenues were added reserves at the start of the year, proceeds from bond issues and appropriations from surplus to make a total of \$15,185,842 available for expenditure an increase of \$1,743,686 over last year and \$1,292,110 over the budget. Principal increases were for highway construction, bridge construction and highway maintenance.

Expenditures

Total expenditures of the Highway Fund of \$12,549,389 were \$129,937 more than last year and \$1,310,222 less than the budget, (See Schedule VI) the latter drop resulting almost entirely from retrenchment in the proposed highway construction program. Sav-

ings over last year of \$547,083 through discontinuance of the State municipal allotments and a non-recurring transfer to the Highway Garage were more than offset by increases of \$303,433 and \$356,000 in expenditures for highway maintenance and debt retirement respectively. Since unexpended balances of most highway appropriations carry forward by law, the reduction in expenditures from amounts available and from the budget reflect in the reserve for authorized expenditures at the end of the year. Again, the principal increases are in accounts for highway construction, bridge construction and highway maintenance.

Future Outlook

With all major revenues problematical for an indefinite period and many expenditures dependent upon action in Washington as to priorities, authorization of projects and allotment of Federal funds, all highway estimates must be considered highly tentative and subject to revision almost from day to day. Present estimates of revenues available for appropriation anticipate a reduction of approximately 50% to \$5,450,500. To meet this serious inroad on highway revenues, the Governor and Council have pared original legislative appropriations to an absolute minimum as authorized by the special session of the legislature. The present policy is to eliminate practically all expenditures for new construction, and after providing for retirement of bonds, payment of bond interest, and administrative costs to carry on maintenance work at the minimum level compatible with protecting the State's investment in present highways. It is believed that the balance of \$1,643,618 carried forward for highway construction will be sufficient to complete projects already undertaken and to meet Federal requirements and authorizations for work of military or strategic importance. The revised appropriations as compared with estimated revenues indicate a reduction of highway surplus during the coming year in the amount of \$1,041,963 which would cut the present balance to \$1,442,908.

It should be noted that present estimates of revenue will provide ample margin for retirement of bonds and payment of interest, which by law are the first claim against these revenues, will cover administrative costs (which will be relatively lower as revenues and expenditures fall off if surveys required by Federal agencies or the military are not too heavy) and still provide for a minimum maintenance program. The full faith and credit of the State is a further guarantee of outstanding highway fund obligations.

UNEMPLOYMENT COMPENSATION FUND

The Unemployment Compensation Fund operations reflect the purpose for which it was established, namely to accumulate funds during periods of high industrial activity to provide a cushion in less favorable periods. Revenues from the tax on employers were almost 50% higher than the previous year while benefit payments showed an almost equal decrease, in spite of increased rates of compensation, to produce the largest increase in surplus for this fund since the establishment of the Commission. The balance of surplus at the year end was \$10,408,536, most of which was on deposit with the United States Treasury.

OTHER SPECIAL REVENUE FUNDS

The year just ended is the first year in which there has been a complete segregation of all special revenue activities, many of which had formerly been combined with General Fund accounts involving Legislative appropriations. Because of this, comparisons with the previous year are in some cases distorted.

In both years more than half of the revenues of these funds were from Federal grants, principally for vocational education and public health. The largest single grant this year was in the amount of \$718,528 for vocational education, an increase of \$212,188 over the previous year, reflecting demands of war industry for trained workers. Expenditures for this purpose jumped rapidly as the program got under way, rising from \$331,643 last year to \$781,535 this year. Other activities operating from earmarked revenues are the Maine Forestry District, various inspection services of the Department of Agriculture, development and research administered by the Maine Development Commission from potato tax revenues, and numerous smaller agencies.

PROCEEDS OF GENERAL BOND ISSUES

The programs financed by the \$2,000,000 issue of Maine War Bonds and the authorization for \$450,000 of Maine Agricultural Bonds of which \$225,000 have been issued are not yet completed.

War Bonds

From the proceeds of the Maine War Bonds, authorizations for expenditures in the amount of \$1,792,376 have been made leaving \$207,645 which has been reserved for contingencies by the Military Defense Commission. Of the amounts authorized \$1,344,985 has actually been expended leaving a balance committed, but not yet spent of \$466,152.

The expenditures authorized from this bond issue, after providing for administrative expenses, have financed the building of, or major repairs to, armories, have assisted cities and towns in their share of land costs for airports constructed by the Federal Government, and furnished equipment for armories and the State Guard. The armory program is practically completed and the larger contributions to airports authorized to date have been made. Contributions for airports are closely related to Federal regulations and requirements which cannot be foreseen, necessitating ample reserves for contingencies.

Bang's Disease

The program for the eradication of Bang's Disease financed by Maine Agricultural Bonds has proceeded satisfactorily during the year. Both herd population and percentage of infection have proved lower than anticipated. Piscataquis County is now a modified accredited area and it is expected that Aroostook County will become one. Somerset and Franklin Counties have been tested twice and Oxford County once. It is now planned to begin tests in Washington and Hancock Counties immediately and in Penobscot County the first of the year. The program is scheduled to continue into 1945 when it probably will be completed except for retest work. At June 30, 1942 there remained an unexpended

balance of \$47,872 of the bond issue of \$225,000 and an additional \$225,000 of bonds authorized but unissued.

PUBLIC SERVICE ENTERPRISES

Liquor and the cigarette tax revenues were referred to under the General Fund. Substantial economies estimated at about \$50,000 have been effected during the year in the operating expenses of the Liquor Commission. Due to the increased volume of sales, total expenses increased, but a sales increase of 34.2% was handled with an increase of only 5.3% in operating expenses.

Toll Bridges

The effect of gasoline rationing has been much more immediate and severe in the case of toll bridge revenues than of the gasoline tax and motor vehicle registrations. The revenues will probably be reduced at least 50% during the coming year. The Waldo-Hancock bridge has been successful financially since its opening. During the year just ended \$200,000 of outstanding bonds were called in advance of maturity, but sufficient surplus still remains so that with minimum revenues all operating expenses and debt service requirements will be covered for a period of four or five years.

The Richmond-Dresden bridge, on the other hand, has never earned sufficient revenue to meet operating expenses. At least for the duration, this bridge may be expected to continue to draw on the Highway Fund for its deficits. Since the total operating expenses are less than \$10,000 and there was no public financing in connection with this bridge, the present situation will simply necessitate further postponement of repayment of advances made from the Highway Fund.

The Deer-Isle Sedgwick bridge revenues together with a small surplus built up during the years of small bond maturities may be sufficient to meet charges for the coming year. After that time, if abnormally low revenues continue, provision must be made for State assistance in meeting bond maturities and interest which have been guaranteed by the State.

The Carlton bridge is now toll free, but there are still outstanding \$1,500,000 of bonds, principal and interest of which are intended to be retired from payments to the State by the Maine Central Railroad. However, if the payments by the railroad under the terms of the agreement with them are to provide an adequate sinking fund for these bonds, the State must earn 4% on all amounts set aside in the sinking fund. A reserve has been provided against an estimated loss of approximately \$33,000 in impounded bank accounts. The sinking fund now has a small deficit which may be expected to increase from year to year until some action is taken to remedy the situation.

WORKING CAPITAL FUNDS

Home Industries was originally established a few years ago to furnish a combination of vocational education and relief. The cost involved did not seem warranted for the results obtained and the activity is now in process of liquidation. The Food Stamp Plan

is a fund established for financing sales of food stamps to cities, towns and individuals. Prison Industries embraces several industries conducted at the Prison. These industries provide occupational guidance for the prisoners, the products of which are sold to other State departments and to private individuals. All sales to State departments are at actual cost. All other working capital funds are internal service organizations rendering various services to other State departments at cost.

TRUST AND AGENCY FUNDS

Assets of the Trust and Agency Funds totaling \$4,106,109 are entirely segregated from other State assets except for small amounts of current operating cash, which, although not segregated, are definitely earmarked. There are no amounts due to or from other funds. Legislative action is required to determine the disposition of the loss on closed banks estimated at \$80,000. The income on several trust funds is distributed at rates established by law which are in excess of the earnings of the funds, the difference being made up by contributions from the General Fund.

FINANCIAL STATEMENTS

In the following pages are statements setting forth the financial condition of the various funds as of June 30, 1942 and statements of their operations for the year ended June 30, 1942 accompanied by the certificate of the State Auditor.



State Controller



Commissioner of Finance

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STATE AUDITOR'S CERTIFICATE

WILLIAM D. HAYES, C. P. A.
STATE AUDITOR



HAROLD E. CRAWFORD
MUNICIPAL AUDITOR
CHESTER A. DOUGLAS
CHARLES G. DUDLEY
DEPARTMENTAL AUDITORS

STATE OF MAINE

State Department of Audit

Augusta

The State Department of Audit has conducted a continuous postaudit of the accounts, books, records and other evidences of financial transactions kept in the Bureau of Accounts and Control during the year ended June 30, 1942. We have examined the closing entries on the general books of the State of Maine and statements prepared therefrom by methods and to the extent we deemed appropriate and practical.

In our opinion, the balance sheets and related statements of revenue and expenditures, together with all supplemental and supporting schedules included in the pamphlet report of the State Controller, present without material error the financial position of the State of Maine as at June 30, 1942, and the summary of its financial transactions during the year then ended.

There is no generally accepted form for presentation of financial reports for a governmental unit such as the State of Maine; for which reason the arrangement of figures in such a report is governed largely by individual ideas. We hope that the form of presentation of the figures of the State of Maine, adopted for this report by the Finance Commissioner and State Controller after material study, will meet a favorable reception.

William D. Hayes

State Auditor

October 21, 1942.

COMBINED STATEMENTS
of
UNRELATED FUNDS

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ANNUAL REPORT
ALL FUNDS
COMBINED BALANCE SHEETS

SCHEDULE I

JUNE 30

	General Fund	Highway Fund	Unemployment Compensation Fund
ASSETS			
Cash (Exclusive of Closed Banks)	\$1,596,661	\$ 5,255,611	\$ 53,379
Deposit with U. S. Treasury	—	—	10,193,711
Accounts and Notes Receivable:			
Tax Accounts	1,469,027	10,296	107,855
Other	267,619	196,182	60,030
	1,736,646	206,478	167,885
Less—Reserves for Losses	234,517	12,644	—
Net Total Receivables	1,502,129	193,834	167,885
Inventories	—	—	—
Investments (See Note A)	24,037	—	—
Less—Reserve for Losses	12,679	—	—
Net Total Investments	11,358	—	—
Working Capital Advances to Other Funds	812,168	—	—
Other Assets (See Note B)	168,341	—	—
Less—Reserves for Losses	148,950	—	—
Net Total—Other Assets	19,391	—	—
Plant and Equipment	—	—	—
Less—Reserves for Depreciation	—	—	—
Net Plant and Equipment	—	—	—
Amount Necessary to Retire Bonds	3,255,000	20,734,500	—
Account Receivable Due 1942-1977	—	—	—
Total Assets	\$7,196,707	\$26,183,945	\$10,414,975
LIABILITIES			
Accounts Payable	\$ 490,788	\$ 336,224	\$ 6,439
Other Current Liabilities	112,412	36,275	—
Total Current Liabilities	603,200	372,499	6,439
Bonds Payable	3,255,000	20,734,500	—
Total Liabilities	3,858,200	21,106,999	6,439
RESERVES AND SURPLUS			
Reserves:			
For Authorized Expenditures	903,938	2,592,075	—
For Trust and Agency Funds	—	—	—
To Retire Bonds	—	—	—
Total Reserves	903,938	2,592,075	—
Contributions from Other Funds	—	—	—
Contributions for Working Capital	—	—	—
Contributions from Federal Government	—	—	—
Total Contributions	—	—	—
Surplus Accounts:			
State Contingent Fund	300,000	—	—
Unappropriated Amounts Reserved for Contingencies	—	—	—
Unappropriated Surplus	—	—	—
General Highway Fund	—	2,484,871	—
Unemployment Compensation	—	—	10,408,536
Sinking Fund Reserve	2,926,680	—	—
Less—Deficiency Account 1936-1937	(792,111)	—	—
Net Total Surplus Accounts	2,434,569	2,484,871	10,408,536
Total Reserves and Surplus	3,338,507	5,076,946	10,408,536
Total Liabilities, Reserves and Surplus	\$7,196,707	\$26,183,945	\$10,414,975

Contingent Liability—Bonds of Deer Isle-Sedgwick Bridge District \$478,000.

This balance sheet includes inventories and fixed assets of Public Service Enterprises and Working Capital Funds only.

As of June 30, 1942, a number of material changes were made in the accounting set up, including both the grouping of certain items, and the inclusion for the first time of certain assets, principally accounts receivable. In order to make possible a proper comparison of the 1942 figures with those for 1941, similar changes have been made in the 1941 figures.

SCHEDULE I

Other Special Revenue Funds	Proceeds of General Bond Issues	Public Service Enterprises	Working Capital Funds	Trust and Agency Funds	Total June 30, 1942	Total June 30, 1941 <small>(Revised to Comparable Basis)</small>
\$564,048	\$737,111	\$ 384,195	\$ 344,399	\$ 879,748	\$ 9,815,152	\$ 8,519,797
—	—	—	—	—	10,193,711	5,274,254
149,233	—	—	—	22,860	1,759,271	2,388,559
72,981	—	77,559	54,069	4,524	732,964	271,194
222,214	—	77,559	54,069	27,384	2,492,235	2,659,753
31,260	—	5,043	56	—	283,520	232,805
190,954	—	72,516	54,013	27,384	2,208,715	2,426,948
—	—	731,965	352,798	—	1,084,763	952,705
—	—	—	—	3,106,690	3,130,727	2,891,968
—	—	—	—	—	12,679	12,686
—	—	—	—	3,106,690	3,118,048	2,879,282
—	—	—	—	—	812,168	762,168
—	—	41,205	2,144	92,287	303,977	450,298
—	—	33,268	—	—	182,218	298,971
—	—	7,937	2,144	92,287	121,759	151,327
—	—	119,393	1,758,497	—	1,877,890	1,652,183
—	—	96,175	856,322	—	952,497	934,003
—	—	23,218	902,175	—	925,393	718,180
—	—	2,180,000	—	—	26,169,500	28,108,500
—	—	1,444,985	—	—	1,444,985	1,463,207
\$755,002	\$737,111	\$4,844,816	\$1,655,529	\$4,106,109	\$55,894,194	\$51,256,368
\$ 76,255	\$ 15,442	\$ 279,063	\$ 16,273	\$ 7,454	\$ 1,227,938	\$ 1,484,465
—	—	74,948	15,605	—	239,240	333,768
76,255	15,442	354,011	31,878	7,454	1,467,178	1,818,233
—	—	2,180,000	—	—	26,169,500	28,108,500
76,255	15,442	2,534,011	31,878	7,454	27,636,678	29,926,733
678,747	514,024	—	—	—	4,688,784	3,815,308
—	—	—	—	4,098,655	4,098,655	3,719,307
—	—	1,500,000	—	—	1,500,000	1,558,187
678,747	514,024	1,500,000	—	4,098,655	10,287,439	9,092,802
—	—	—	533,602	—	533,602	521,806
—	—	617,168	195,000	—	812,168	762,168
—	—	—	1,000,000	—	1,000,000	1,000,000
—	—	617,168	1,728,602	—	2,345,770	2,283,974
—	—	—	—	—	300,000	300,000
—	207,645	—	—	—	207,645	175,046
—	—	193,637	(104,951)	—	88,686	177,183
—	—	—	—	—	2,484,871	3,398,624
—	—	—	—	—	10,408,536	5,468,352
—	—	—	—	—	2,926,680	1,325,765
—	—	—	—	—	(792,111)	(892,111)
—	207,645	193,637	(104,951)	—	15,624,307	9,952,859
678,747	721,669	2,310,805	1,623,651	4,098,655	28,257,516	21,329,635
\$755,002	\$737,111	\$4,844,816	\$1,655,529	\$4,106,109	\$55,894,194	\$51,256,368

A. In the case of General Funds, includes bank stock after allowance for probable losses in realization; while in Trust Funds investments are carried at cost less ratable amortization of any premium paid.

B. No reserve is provided in Trust Funds for estimated loss of \$80,000 on impounded bank accounts.

COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES

YEAR ENDED JUNE 30, 1942

General Fund, Highway Fund, Unemployment Compensation Fund, Other Special Revenue Funds, and Proceeds of General Bond Issues

SCHEDULE II

AVAILABLE

Revenues	This Year		Last Year (Revised to comparable basis)	
	Amount	%	Amount	%
State Tax on Cities and Towns	\$ 4,566,350	11.58%	\$ 4,473,049	12.83%
State Tax on Wild Lands	334,860	.85	336,458	.96
Inheritance and Estate Taxes (Net)	836,758	2.12	553,500	1.59
Gasoline Tax (Net)	5,794,577	14.69	6,349,921	18.21
Taxes on Public Utilities	1,665,744	4.22	1,397,502	4.01
Taxes on Insurance Companies	747,599	1.90	688,535	1.97
Motor Vehicle Registrations and Drivers Licenses	4,161,999	10.55	4,314,364	12.37
Hunting and Fishing Licenses	415,673	1.05	397,493	1.14
Employers Tax for Unemployment Compensation	6,087,164	15.43	4,234,716	12.14
Other Taxes	917,074	2.33	989,026	2.83
From Federal Government	5,131,369	13.01	4,564,103	13.09
From Cities and Towns	1,126,143	2.86	1,721,340	4.94
Service Charges for Current Services	901,503	2.29	586,691	1.68
Liquor and Beer (Net)	4,781,712	12.12	3,615,181	10.37
Racing (Net)	61,091	.15	44,132	.13
Cigarette Tax (Net)	1,338,843	3.40	236,708	.68
Other Revenues	571,967	1.45	368,489	1.06
Total Revenues	\$39,440,426	100.00%	\$34,871,208	100.00%
Non-Revenues Available for Expenditure				
Reserve for Authorized Expenditures at Beginning of Year	\$ 3,782,573		\$ 1,097,888	
Adjustments Applicable to Prior Years Reserve ..	2,126			
Proceeds from Sale of Bonds (Including premiums) ..	1,202,536		3,225,000	
Total Available for Expenditure	\$44,427,661		\$39,194,096	

APPLICATION

Expenditures	Amount	%	Amount	%
General Administration (Including Legislative and Judicial)	\$ 908,827	2.70%	\$ 1,069,598	3.24%
Protection of Persons and Property	1,715,320	5.10	1,455,026	4.41
Development and Conservation of Natural Resources	1,635,753	4.87	1,564,093	4.74
Health, Welfare, and Charities	7,907,232	23.53	7,478,197	22.66
Institutions	2,412,340	7.18	2,207,608	6.69
Education and Libraries	4,423,440	13.16	3,718,816	11.27
Highways and Bridges	9,206,600	27.40	9,210,317	27.91
Unemployment Compensation	1,699,973	5.06	2,369,596	9.00
Interest on Bonded Debt	804,912	2.40	846,420	2.56
Miscellaneous	322,327	.96	422,663	1.25
Total Operating Expenditures	\$31,036,724	92.36	\$30,942,334	93.73
Debt Retirement*	2,569,000	7.64	2,068,000	6.27
Total Expenditures	\$33,605,724	100.00%	\$33,010,334	100.00%
Reserved for Authorized Expenditures at End of Year	4,688,785		3,782,573	
Total Expenditures Authorized	\$38,294,509		\$36,792,907	
Total Available for Expenditure (as above)	\$44,427,661		\$39,194,096	
Total Expenditures Authorized (as above)	38,294,509		36,792,907	
Net Gain from Operations	\$ 6,133,152		\$ 2,401,189	
Gain Applied as Follows				
Bonds Called in Advance (Including premiums) ..	\$ 328,250		—	
General Fund Sinking Fund Reserve	1,642,678		\$ (-105,730)	
Deficiency Account 1936-37	100,000		100,000	
Total General Fund	2,070,928		(-5,730)	
Highway Fund Surplus	(-910,565)		385,193	
Unemployment Fund Surplus	4,940,184		1,846,680	
Bond Funds Surplus	32,605		175,046	
	\$ 6,133,152		\$ 2,401,189	

Revenues from Gasoline Tax for 1941-42 are for eleven months only. Due to a change in the law the amount of the June assessment in the sum of \$459,990 was not available before the closing of the books.

Revenues for 1941-42 are inflated in the amount of \$685,281 due to the recording as of June 30, 1942 of certain accounts receivable not previously carried on the general books of the State, partially offset by a charge of \$172,716 in the expenditures to provide for the estimated loss in realization. This makes a net inflation of \$512,565 of which \$282,668 applies to the General Fund.

This schedule combines revenues and expenditures of the General Fund (including such net income from Public Service Enterprises as accrues to the General Fund), Highway Fund, Unemployment Fund, Other Special Revenue Funds and Proceeds of General Bond Issues with interfund revenues and expenditures eliminated. It does not include revenues and expenditures of Public Service Enterprises, Working Capital Funds or Trust and Agency Funds which are non-governmental activities.

*The above bond maturities in the current year together with similar maturities of Public Service Enterprises not included in this statement in the amount of \$245,000 and bonds called in advance of \$325,000 results in total debt retirement of \$3,139,000.

ALL FUNDS
SUMMARY OF BONDED DEBT

SCHEDULE III

General Fund	Unmatured	Current Transactions		Unmatured
	Bonds June 30, 1941	New Bonds Issued	Matured or Called	Bonds June 30, 1942
State of Maine War Bonds	\$ 2,000,000	—	\$ 100,000	\$ 1,900,000
Maine Improvement Bonds	1,600,000	—	425,000	1,175,000
Maine Agricultural Bonds	225,000	—	45,000	180,000
State Pier Bonds	115,000	—	115,000	—
Highway Fund				
Highway and Bridge Bonds	21,743,500	\$1,200,000	2,209,000	20,734,500
Public Service Enterprises				
Kennebec Bridge Bonds	1,525,000	—	25,000	1,500,000
Waldo-Hancock Bridge Bonds	900,000	—	220,000	680,000
Totals	\$28,108,500	\$1,200,000	\$3,139,000	\$26,169,500

GENERAL FUND

The General Fund is used to account for all revenues not allocated to specific purposes by law. From the revenues accruing to the General Fund, appropriations are made by the Legislature for all governmental activities not financed by revenues received either from the Federal Government or from special groups and dedicated for specific purposes. Some of the appropriations are supplemented by revenues earmarked for specific purposes but in no case are these revenues sufficient to completely support the activity.

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GENERAL FUND
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

	June 30, 1942	June 30, 1941 (Revised to comparable basis)
ASSETS		
Cash (Exclusive of Closed Banks)	\$1,596,661	(\$ 111,789)
Accounts and Notes Receivable:		
Tax Accounts	1,469,027	1,423,062
Other	267,619	124,752
	1,736,646	1,547,814
Less—Reserve for Losses	234,517	227,805
Net Total Receivable	1,502,129	1,320,009
Investments:		
Securities	24,037	26,228
Less—Reserve for Losses	12,679	12,686
	11,358	13,542
Working Capital Advances to Other Funds	812,168	762,168
Other Assets	168,341	306,634
Less—Reserve for Losses	148,950	265,703
	19,391	40,931
Amount Necessary to Retire Bonds	3,255,000	3,825,000
Total Assets	\$7,196,707	\$5,849,861
LIABILITIES		
Accounts Payable	\$ 490,788	\$ 527,910
Other Current Liabilities	112,412	35,694
Total Current Liabilities	603,200	563,604
Bonds Payable	3,255,000	3,825,000
Total Liabilities	3,858,200	4,388,604
RESERVES AND SURPLUS		
Reserve:		
For Authorized Expenditures	903,938	727,602
Surplus Accounts:		
State Contingent Fund	300,000	300,000
Sinking Fund Reserve	2,926,680	1,325,766
Less—1936-37 Deficiency Account	(792,111)	(892,111)
Net Sinking Fund Reserve	2,134,569	433,655
Net Total Surplus and Deficiency Account	2,434,569	733,655
Total Reserves and Surplus	3,338,507	1,461,257
Total Liabilities, Reserves and Surplus	\$7,196,707	\$5,849,861

GENERAL FUND
ANALYSIS OF SINKING FUND RESERVE

SCHEDULE II

YEARS ENDED JUNE 30

	This Year	Last Year
BALANCE AT START OF YEAR	\$ 1,325,766	\$ 1,325,826
Adjustments affecting previous year's transactions	(41,764)	105,670
	1,284,002	1,431,496
ADDITIONS:		
Total Available for Expenditure (See Schedule IV)	20,092,643	17,278,377
Less: Departmental Expenditures (See Schedule VI)	17,117,777	16,547,772
Miscellaneous Expenditures	—	8,733
Reserved for Authorized Expenditures at End of Year (See Schedule VIII)	903,938	727,602
Expenditures Authorized	18,021,715	17,284,107
Net Gain from Operations	2,070,928	(5,730)
	3,354,930	1,425,766
DEDUCTIONS:		
Bonds called in advance of maturity (including premium of \$3,250)	328,250	—
Amount applicable to 1936-37 deficiency	100,000	100,000
Total Deductions	428,250	100,000
BALANCE AT END OF YEAR	\$ 2,926,680	\$ 1,325,766

GENERAL FUND
SUMMARY OF BUDGETARY OPERATIONS

SCHEDULE III

YEAR ENDED JUNE 30, 1942

 ADDITIONS TO SINKING FUND RESERVE:

Original Budget:		
Estimated Revenues Available for Appropriation	\$11,942,500	
Legislative Appropriations—Regular Session (See Schedule V)	11,795,225	
Estimated Additions per Original Budget		\$ 147,275
Revenues Earmarked for 1936-37 Deficiency		100,000
Budget Revision at Special Session:		
Additional Estimated Revenues Available	780,745	
Legislative Appropriations—Special Session (See Schedule V)	233,200	
Revision of Estimated Additions		547,545
Total Estimated Additions to Sinking Fund Reserve		794,820
Actual Revenues Available for Appropriation (See Schedule IV) ..	13,748,688	
Estimated Revenues as above	12,823,245	
Excess of Revenues over Estimates		925,443
Total Additions Thru Revenues		1,720,263
Less: Appropriations by Governor and Council for Current Operations: (See Schedule V)		
Contingent Fund (See Schedule VIII)	57,834	
Emergency War Fund	170,200	228,034
Net Additions Thru Revenues (See Schedule IV)		1,492,229
Amounts Available to Departments for Expenditures (See Schedule V)	18,600,414	
Less: Expenditures (See Schedule VI)		
Reserved for Authorized Expenditures at End of Year (See Schedule VII)	17,117,777	
Expenditures Authorized	903,938	
Excess of Amounts Available over Expenditures (Lapsed Balances) (See Schedule VII)	18,021,715	
		578,699
NET GAIN FROM OPERATIONS TRANSFERRED TO SINKING FUND RESERVE (See Schedule II)		
		\$2,070,928

GENERAL FUND

COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE
YEARS ENDED JUNE 30

SCHEDULE IV

REVENUES	Totals			Detail of This Year	
	This Year	Last Year	Budget	Available for Appropriation	Earmarked for Departments
Taxes:					
Property Taxes:					
State Tax on Cities and Towns	\$ 4,566,350	\$ 4,473,049	\$ 4,564,541	\$ 4,566,350	—
State Tax on Wild Lands	334,860	336,458	400,000	334,860	—
Other Property Taxes (Including interest)	31,785	93,248	29,800	22,891	\$ 8,894
Inheritance and Estate Taxes (Net)	836,759	553,500	600,000	836,759	—
Taxes on Specific Businesses or Occupations:					
Corporations	224,312	227,420	226,700	224,312	—
Public Utilities	1,665,744	1,397,502	1,385,000	1,665,744	—
Insurance Companies	716,202	658,947	642,100	716,202	—
Banks	197,223	226,471	230,050	96,324	100,899
Other	54,847	58,256	54,045	12,486	42,361
Hunting and Fishing Licenses	415,628	397,493	384,010	—	415,628
Other Taxes	8,543	14,700	10,200	4,430	4,113
Fines, Forfeits and Penalties	14,718	16,889	13,660	—	14,718
Revenue from Use of Money and Property	8,796	4,398	27,435	5,539	3,257
Revenues from Other Agencies:					
Federal Government	2,936,242	2,715,679	2,915,257	—	2,936,242
Cities and Towns	612,951	1,291,405	588,680	255,617	357,334
Other	4,731	36,568	4,500	—	4,731
Service Charges for Current Services:					
Rents	6,151	5,535	5,137	—	6,151
Sale of Services	224,365	350,755 (B)	262,017	148,996	75,369
Sale of Commodities	149,304	91,774	76,955	11,737	137,567
Other	—	5,942	—	—	—
Contributions and Transfers from Other State Funds:					
From Highway Fund	51,281	71,118	57,800	—	51,281
From Other Special Revenue Funds	—	2,700	3,000	—	—
From Public Service Enterprises:					
Liquor (Net)	4,781,712	3,615,181	4,463,324	4,781,712	—
Racing (Net)	61,091	44,132	60,000	61,091	—
Cigarette Tax (Net)	1,338,843	236,708 (A)	1,300,000	—	1,338,843
Other	74,505	42,399	—	—	74,505
From Working Capital Funds	1,336	57,911	2,000	—	1,336
From Trust and Agency Funds	32,372	37,355	18,170	3,413	28,959
Sale and Compensation for Loss of Properties	11,483	23,802	200	225	11,258
Total Revenues	\$19,362,134	\$17,087,295	\$18,324,581	\$13,748,688	\$ 5,613,446
NON-REVENUES AVAILABLE FOR EXPENDITURE					
Reserve for Authorized Expenditures at Beginning of Year	\$ 727,602	\$ 191,082	\$ 161,496	—	\$ 727,602
Adjustment of Prior Year's Reserve	2,907	—	—	—	2,907
Total Available	\$20,092,643	\$17,278,377	\$18,486,077	\$13,748,688	\$ 6,343,955
APPROPRIATIONS					
By Legislature	—	—	—	(\$12,028,425)	\$12,028,425
By Governor and Council	—	—	—	(228,034)	228,034
Sub-total	—	—	—	(\$12,256,459)	\$12,256,459
Total Available	\$20,092,643	\$17,278,377	\$18,486,077	\$ 1,492,229	\$18,600,414
Total Available to Departments as above (See Schedule V)	\$18,600,414	\$17,483,872	\$17,691,257		
Total Available as above Transferred to Sinking Fund Reserve (See Schedule III)	1,492,229	(205,495)	794,820		
	\$20,092,643	\$17,278,377	\$18,486,077		

Revenues for the year 1941-42 are inflated in the amount of \$411,083 due to the recording as of June 30, 1942 of certain accounts receivable not previously carried on the general books of the State, partially offset by a charge of \$128,415 in the expenditures to provide for the estimated loss in realization. This makes a net inflation of \$282,668.

(A) Revenue for one month only. Cigarette tax law was effective June 1, 1941.

(B) A substantial portion of this revenue is classified as Other Special Revenue Funds in 1941-42.

GENERAL FUND
COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE
TO DEPARTMENTS

SCHEDULE V

YEARS ENDED JUNE 30

	Totals	
	This Year	Last Year
GENERAL ADMINISTRATION		
Accounts and Control, Bureau of	\$ 147,722 (C)	\$ 166,463
Attorney General, Department of	49,749	54,729
Audit, Department of	51,438 (B)	80,182
Emergency Municipal Finance Board	5,000	5,000
Emergency Payroll Fund (Net after transfers)	45,108 (D)	—
Emergency Mileage Fund	12,500	—
Executive, Department of	46,094	45,017
Finance Commissioner and Bureau of Budget	11,000	15,768
Insurance Fund, General	56,036 (C)	30,057
Legislative	122,864	320,436
Judicial	191,500	182,000
Personnel Board	9,614	6,576
Public Buildings, Superintendent of	102,118	93,836
Purchases, Bureau of	35,289	58,176
Secretary of State, Department of	35,501	49,586
Taxation, Bureau of	55,012	51,670
Treasurer of State, Department of	33,486	37,779
	\$ 1,010,031	\$ 1,197,275
PROTECTION OF PERSONS AND PROPERTY		
Adjutant General, Department of	\$ 133,600	\$ 233,752
Banks and Banking, Department of	50,240	54,914
Emergency War Fund	168,182	—
Industrial Accident Commission	34,982	34,187
Insurance Department	14,300	16,300
Labor and Industry, Department of	23,084	23,290
State Police, New Headquarters	12,008	38,172
Public Utilities Commission	72,316	83,514
	\$ 508,712	\$ 484,129
DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES		
Agriculture, Department of	\$ 238,625 (B)	\$ 407,818
Development Commission, Maine	221,000	226,878
Fish and Game, Department of Inland	652,591	567,005
Forestry, Department of	68,229	68,088
Geologist, State	2,000	1,000
Sea and Shore Fisheries, Department of	131,516	110,050
	\$ 1,313,961	\$ 1,380,839
HEALTH AND SANITATION		
Health, Bureau of	\$ 160,657	\$ 140,141

SCHEDULE V

Budget	Detail of This Year		
	Reserved for Authorized Expenditures at Start of Year	Appropriations (A)	Earmarked Revenues
\$ 112,000	—	\$ 71,329	\$ 76,393
51,250	\$ 1,800 (E)	47,949	—
81,165	—	37,500	13,938
5,000	—	5,000	—
80,000	—	45,108	—
12,500	—	12,500	—
39,500	—	46,094	—
11,000	—	11,000	—
30,000	—	32,354	23,682
123,650	68,815	53,693	356
191,500	—	191,500	—
9,500	—	9,547	67
89,430	—	100,438	1,680
30,500	—	28,500	6,789
35,500	—	35,500	1
58,800	—	55,010	2
31,050	—	33,375	111
\$ 992,345	\$ 70,615	\$ 816,397	\$ 123,019
\$ 117,950	\$ 13,902	\$ 117,750	\$ 1,948
52,150	600	42,000	7,640
—	—	168,159	23
33,900	—	34,706	276
14,300	—	14,300	—
23,000	—	19,151	3,933
—	12,008	—	—
70,655	410	70,676	1,230
\$ 311,955	\$ 26,920	\$ 466,742	\$ 15,050
\$ 308,617	\$ 2,966	\$ 193,422	\$ 42,237
210,560	50,129	170,000	871
536,119	56,660	125,000	470,931
63,478	8,002	43,100	17,127
2,000	—	2,000	—
127,000	—	124,300	7,216
\$ 1,247,774	\$ 117,757	\$ 657,822	\$ 538,382
\$ 150,700	\$ 3,928	\$ 134,550	\$ 22,179

GENERAL FUND
COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE
TO DEPARTMENTS

SCHEDULE V—Continued

YEARS ENDED JUNE 30

	This Year	Last Year	Totals
WELFARE AND CHARITIES			
Administration—Welfare	\$ 500,284	\$ 479,199	
Blind, Aid to	347,466	321,636	
Education of	20,898	21,000	
Services for	5,000	—	
Charitable Institutions	52,400	63,612	
Children, Aid to Dependent	933,750	746,468	
Board and Care of Neglected	412,393	404,512	
Home for Military and Naval	26,601	27,015	
School Lunches	1,106	4,144	
Commodity Distribution	20,478	25,678	
Deaf, Maine School for	52,801	58,278	
Hospitals, Public and Private	288,000	192,000	
Indians, Passamaquoddy	52,704	55,266	
Penobscot	49,215	48,009	
Insane, Examination and Commitment of	500	565	
Old Age Assistance	4,085,585	3,583,044	
Paupers, Support of State	1,108,843	1,199,977	
Pensions, Special	20,124	2,064	
Soldiers, Sailors, and Their Widows, Burial of	1,500	1,978	
Soldiers and Sailors, Support of Dependent	115,000	121,556	
World War Relief	75,002	75,000	
Towns, Emergency Aid to	89,102	126,647	
	\$ 8,258,752	\$ 7,557,648	
STATE HOSPITALS AND SANATORIUMS			
Administration, Department of Institutional Service	\$ 13,507	\$ 15,000	
Augusta State Hospital	498,983	459,879	
Bangor State Hospital	392,820	400,490	
Central Maine Sanatorium	192,561	183,603	
Northern Maine Sanatorium	119,765	112,872	
Pownal State School	368,141	374,942	
Western Maine Sanatorium	150,030	150,257	
Institutional Emergency Fund (Net after transfer)	91,006 (D)	—	
	\$ 1,826,813	\$ 1,697,043	
CORRECTIONAL INSTITUTIONS			
State School for Boys	\$ 84,310	\$ 73,790	
State School for Boys—Dormitory	32,717	34,446	
State School for Girls	87,265	81,550	
State Reformatory for Men	73,456	67,346	
Maine State Prison	271,319	251,444	
State Reformatory for Women	75,503	68,372	
	\$ 624,570	\$ 576,948	
EDUCATION AND LIBRARIES			
Education, Department of	\$ 2,871,294	\$ 2,680,882	
Historian, State	500	—	
Library, Maine State	42,511	41,077	
Maritime Academy, Maine	50,000	—	
University of Maine	684,764	672,089	
	\$ 3,649,069	\$ 3,394,048	
RECREATION PARKS, ETC.			
State Park Commission	\$ 14,032	\$ 12,298	
Baxter State Park Commission	4,860	930	
Military Forts and Reservations	5,313	—	
State Museum	2,000	—	
	\$ 26,205	\$ 13,228	

SCHEDULE V—Continued

Budget	Detail of This Year		
	Reserved for Authorized Expenditures at Start of Year	Appropriations (A)	Earmarked Revenues
\$ 513,676	\$ 18,807	\$ 367,500	\$ 113,977
351,346	7,314	180,000	160,152
20,000	—	20,898	—
5,000	—	5,000	—
52,400	—	52,400	—
901,399	8,635	250,000	675,115
413,000	—	410,500	1,893
26,600	—	26,600	1
—	1,106	—	—
20,000	1,500	18,500	478
52,000	—	49,000	3,801
302,000	—	288,000	—
52,500	—	52,500	204
48,700	—	48,700	515
500	—	500	—
3,649,547	271,045	565,000	3,249,540
997,100	111,882	996,600	361
20,124	—	20,124	—
1,500	—	1,500	—
115,000	—	115,000	—
75,000	—	75,000	2
90,000	—	89,102	—
\$ 7,707,392	\$ 420,289	\$ 3,632,424	\$ 4,206,039
\$ 13,600	—	\$ 13,507	—
462,000	\$ 15,000	480,948	3,035
374,500	—	390,974	1,846
183,000	—	188,479	4,082
113,000	—	118,356	1,409
349,000	5,000	361,232	1,909
144,000	—	143,518	6,512
150,000	—	91,006	—
\$ 1,789,100	\$ 20,000	\$ 1,788,020	\$ 18,793
\$ 78,500	\$ 2,000	\$ 79,576	\$ 2,734
—	32,630	—	87
77,000	—	85,898	1,367
72,500	—	72,000	1,456
254,750	—	200,093	71,226
67,250	1,200	73,751	552
\$ 550,000	\$ 35,830	\$ 511,318	\$ 77,422
\$ 2,858,325	\$ 6,205	\$ 2,637,961	\$ 227,128
500	—	500	—
42,520	—	41,320	1,191
50,000	—	50,000	—
684,764	—	684,764	—
\$ 3,636,109	\$ 6,205	\$ 3,414,545	\$ 228,319
\$ 9,500	\$ 50	\$ 7,056	\$ 6,926
4,000	24	4,009	827
4,206	1,107 (E)	4,014	192
2,000	—	2,000	—
\$ 19,706	\$ 1,181	\$ 17,079	\$ 7,945

GENERAL FUND
COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE
TO DEPARTMENTS

SCHEDULE V—Concluded

YEARS ENDED JUNE 30

	Totals	
	This Year	Last Year
UNEMPLOYMENT COMPENSATION		
Administration	\$ 376,230	\$ 491,378
INTEREST ON BONDED DEBT		
Maine Improvement Bonds	\$ 31,000	\$ 33,000
Maine Agricultural Bonds	1,125	—
State Pier Bonds	4,600	9,200
War Bonds	38,747	7,500
War Loan Bonds	38	38
	\$ 75,510	\$ 49,738
MISCELLANEOUS		
Miscellaneous Acts and Resolves	\$ 65,538	\$ 22,620
Minor Boards and Commissions	12,025	350
Purchase of Land	13,500	—
Retiring and Pensioning State Employees	70,000	56,130
Refund of Railroad and Telegraph Tax	136,000	136,000
	\$ 297,063	\$ 215,100
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS		
To Highway Fund		
Motor Vehicle Division—Secretary of State	\$ 10,000	—
State Police	3,800	19,630
Repairs to Sourdnahunk Road	2,200	—
To Other Special Revenue Funds		
Maine Forestry District	2,059	—
Education (George Deen)	236	—
To Bond Funds—Military Defense Commission	241	—
To Public Service Enterprises—Augusta Airport	8,197	13,523
To Working Capital Funds	—	649
To Trust and Agency Funds		
Employees' Retirement System—Expense Fund ..	15,000	—
To increase Trust Fund Earnings to Legal Rates ..	37,589	37,555
	\$ 79,322	\$ 71,357
Total Available for Operating Expenditures ..	\$18,206,895	\$17,268,872
DEBT RETIREMENT		
Maine Improvement Bonds	\$ 100,000	\$ 100,000
Maine Agricultural Bonds	45,000	—
State Pier Bonds	148,519	115,000
War Bonds	100,000	—
	\$ 393,519	\$ 215,000
Total Available for Expenditure (See also Schedule IV)	\$18,600,414	\$17,483,872

(A) Adjusted by Interdepartment Transfers.

(B) Last year and budget include activities classified this year as Special Revenue Funds. See Schedule III under Other Special Revenue Funds.

(C) Revenues of approximately \$40,000 for Bureau of Accounts and Control and \$23,000 for General Insurance Fund were netted against expenditures in budget. The same revenues for the General Insurance Fund were netted in 1940-41.

(D) To avoid inflating revenues and expenditures the transfers from Emergency Payroll and Institutional Emergency Funds have been deducted from these appropriations and added to the appropriations for the department or institution receiving the transfers. The original appropriation is shown in the budget column.

SCHEDULE V—Concluded

Budget	Detail of This Year		
	Reserved for Authorized Expenditures at Start of Year	Appropriations (A)	Earmarked Revenues
\$ 519,231	\$ 14,457	\$ 19,500	\$ 342,273
\$ 31,000	—	\$ 31,000	—
5,000	\$ 91	528	\$ 506
4,600	—	4,600	—
29,625	9,122	29,625	—
—	38	—	—
\$ 70,225	\$ 9,251	\$ 65,753	\$ 506
\$ 56,509	\$ 3,666	\$ 61,872	—
2,150	—	12,025	—
13,500	—	13,500	—
70,000	—	70,000	—
136,000	—	136,000	—
\$ 278,159	\$ 3,666	\$ 293,397	—
—	—	\$ 10,000	—
—	—	3,800	—
—	—	2,200	—
—	—	2,059	—
—	—	236	—
—	—	241	—
6,000	410	7,787	—
—	—	—	—
15,000	—	15,000	—
37,561	—	37,589	—
\$ 58,561	\$ 410	\$ 78,912	—
\$17,331,257	\$730,509 (E)	\$11,896,459	\$5,579,927
100,000	—	\$ 100,000	—
45,000	—	45,000	—
115,000	—	115,000	33,519
100,000	—	100,000	—
\$ 360,000	—	\$ 360,000	\$ 33,519
\$17,691,257	\$730,509 (E)	\$12,256,459 (F)	\$5,613,446

(E) Represent adjustments applicable to prior year's reserve as follows:

Reserve per Schedules I, II, IV and VII	\$ 727,602
Adjustments as above	2,907
Balance as above	\$ 730,509

(F) Original appropriations	\$11,795,225
Appropriations at special session	233,200
Appropriations by Governor and Council:	
Contingent Fund	57,834
Emergency War Fund	170,200
Total as above	\$12,256,459

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES BY DEPARTMENTS

SCHEDULE VI

YEARS ENDED JUNE 30

	This Year
GENERAL ADMINISTRATION	
Accounts and Control, Bureau of	\$ 147,722 (B)
Attorney General, Department of	47,908
Audit, Department of	46,909 (A)
Emergency Municipal Finance Board	4,624
Emergency Payroll Fund	— (C)
Emergency Mileage Fund	—
Executive, Department of	44,981
Finance Commissioner and Bureau of Budget	9,297
Insurance Fund, General	56,036 (B)
Judicial	178,433
Legislative	72,837
Personnel Board	9,614
Public Buildings, Superintendent of	99,677
Purchases, Bureau of	33,057
Secretary of State, Department of	35,290
Taxation, Bureau of	46,494
Treasurer of State, Department of	30,724
	\$ 863,603
PROTECTION OF PERSONS AND PROPERTY	
Adjutant General, Department of	\$ 91,665
Banks and Banking, Department of	47,824
Emergency War Fund	91,254
Industrial Accident Commission	34,982
Insurance Department	11,905
Labor and Industry, Department of	22,805
State Police, New Headquarters	11,799
Public Utilities Commission	65,479
	\$ 377,713
DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES	
Agriculture, Department of	\$ 216,964 (A)
Development Commission, Maine	176,115
Fish and Game, Department of Inland	598,803
Forestry, Department of	62,698
Geologist, State	1,791
Sea and Shore Fisheries, Department of	107,985
	\$ 1,164,356
HEALTH AND SANITATION	
Health, Bureau of	\$ 133,214

SCHEDULE VI

Totals		Detail of This Year		
Last Year	Budget	Personal Services	Other Current Expenditures	Capital Outlays
\$ 163,451	\$ 112,000	\$ 102,223	\$ 44,710	\$ 789
52,807	51,250	43,392	4,235	281
79,230	81,165	42,018	4,676	215
1,756	5,000	4,215	409	—
—	80,000	—	—	—
—	12,500	—	—	—
43,829	39,500	30,652	13,709	620
15,762	11,000	8,369	928	—
27,191	30,000	—	56,036	—
173,711	191,500	169,269	9,164	—
253,868	73,650	44,431	28,249	157
6,576	9,500	6,950	2,658	6
91,563	89,430	56,204	40,106	3,367
33,577	30,500	28,102	4,868	87
41,214	35,500	15,088	19,781	421
48,901	58,800	37,214	9,280	—
36,162	31,050	20,643	9,751	330
\$ 1,069,598	\$ 942,345	\$ 608,770	\$ 248,560	\$ 6,273
\$ 225,300	\$ 117,950	\$ 42,411	\$ 35,248	\$ 14,006
49,243	52,150	34,879	12,507	438
—	—	22,644	58,694	9,916
33,504	33,900	30,006	4,847	129
11,275	14,300	8,282	3,384	239
22,562	23,000	17,082	5,453	270
26,165	—	363	3	11,433
74,573	71,000	53,942	10,418	1,119
\$ 442,622	\$ 312,300	\$ 209,609	\$ 130,554	\$ 37,550
\$ 400,289	\$ 308,067	\$ 128,289	\$ 77,581	\$ 11,094
176,750	170,000	29,785	146,013	317
510,345	536,119	295,089	266,609	37,105
59,075	58,878	45,157	15,152	2,389
1,000	2,000	1,465	326	—
112,554	127,000	62,581	39,843	5,561
\$ 1,260,013	\$1,202,064	\$ 562,366	\$ 545,524	\$ 56,466
\$ 126,518	\$ 149,700	\$ 97,010	\$ 35,196	\$ 1,008

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES BY DEPARTMENTS

SCHEDULE VI—Continued

YEARS ENDED JUNE 30

	This Year
WELFARE AND CHARITIES	
Administration—Welfare	\$ 468,583
Blind, Aid to	297,596
Education of	20,898
Services for	792
Charitable Institutions	43,417
Children, Aid to Dependent	868,866
Board and Care of Neglected	407,766
Home for Military and Naval	25,150
School Lunches	6
Commodity Distribution	19,289
Deaf, Maine School for	50,846
Hospitals, Public and Private	287,987
Indians, Passamaquoddy	51,200
Penobscot	44,655
Insane, Examination and Commitment of	474
Old Age Assistance	3,711,894
Paupers, Support of State	943,662
Pensions, Special	19,040
Soldiers, Sailors and Their Widows, Burial of	1,000
Soldiers and Sailors, Support of Dependent	98,776
World War Relief	61,346
Towns, Emergency Aid to	42,061
	\$ 7,465,304
STATE HOSPITALS AND SANATORIUMS	
Administration, Department of Institutional Service	\$ 9,610
Augusta State Hospital	498,983
Bangor State Hospital	392,820
Central Maine Sanatorium	192,561
Northern Maine Sanatorium	119,765
Pownal State School	368,141
Western Maine Sanatorium	150,031
Institutional Emergency Fund	— (C)
	\$ 1,731,911
CORRECTIONAL INSTITUTIONS	
State School for Boys	\$ 84,310
State School for Boys—Dormitory	31,239
State School for Girls	87,265
State Reformatory for Men	75,779
Maine State Prison	261,060
State Reformatory for Women	75,503
	\$ 615,156
EDUCATION AND LIBRARIES	
Education, Department of	\$ 2,864,330
Historian, State	448
Library, Maine State	42,363
Maritime Academy, Maine	50,000
University of Maine	684,764
	\$ 3,641,905

SCHEDULE VI—Continued

Totals		Detail of This Year		
Last Year	Budget	Personal Services	Other Current Expenditures	Capital Outlays
\$ 460,356	\$ 505,750	\$ 369,068	\$ 95,622	\$ 3,893
314,322	345,000	319	297,277	—
17,860	20,000	—	20,898	—
—	5,000	647	87	58
48,656	52,400	—	43,417	—
737,833	890,000	—	868,866	—
404,038	413,000	—	407,766	—
24,398	26,600	9,700	15,159	291
—	—	—	6	—
24,894	20,000	367	18,634	288
46,352	52,000	29,841	18,626	2,379
189,948	302,000	—	287,987	—
54,933	52,500	7,687	43,473	40
47,920	48,700	5,851	38,779	25
565	500	103	371	—
3,312,000	3,640,000	—	3,711,894	—
1,088,008	997,100	6,848	935,222	1,592
1,764	20,124	—	19,040	—
1,978	1,500	—	1,000	—
112,462	115,000	—	98,776	—
71,319	75,000	—	61,346	—
117,969	90,000	—	42,061	—
\$ 7,077,575	\$ 7,672,174	\$ 430,431	\$ 7,026,307	\$ 8,566
\$ 13,478	\$ 13,600	\$ 8,221	\$ 1,276	\$ 113
443,263	462,000	237,969	250,947	10,067
398,955	374,500	172,299	217,001	3,520
181,569	183,000	84,267	107,156	1,138
107,699	113,000	48,983	67,010	3,772
335,587	349,000	159,021	203,632	5,488
142,445	144,000	72,193	75,319	2,519
—	150,000	—	—	—
\$ 1,622,996	\$ 1,789,100	\$ 782,953	\$ 922,341	\$ 26,617
\$ 71,643	\$ 78,500	\$ 30,306	\$ 48,575	\$ 5,429
1,816	—	239	25,571	5,429
81,528	77,000	35,219	47,741	4,305
65,311	72,500	31,293	37,978	6,508
249,685	254,750	94,217	161,381	5,462
66,904	67,250	33,080	39,597	2,826
\$ 536,887	\$ 550,000	\$ 224,354	\$ 360,843	\$ 29,959
\$ 2,674,677	\$ 2,854,300	\$ 456,241	\$ 2,398,034	\$10,055
—	500	48	321	79
40,407	42,520	18,096	24,148	119
—	50,000	—	50,000	—
672,089	684,764	—	684,764	—
\$ 3,387,173	\$ 3,632,084	\$ 474,385	\$ 3,157,267	\$ 10,253

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES BY DEPARTMENTS

SCHEDULE VI—Concluded

YEARS ENDED JUNE 30

	This Year
RECREATION, PARKS, ETC.	
State Park Commission	\$ 14,035
Baxter State Park Commission	4,859
Military Forts and Reservations	4,780
State Museum	1,551
	\$ 25,225
UNEMPLOYMENT COMPENSATION	
Administration	\$ 359,902
INTEREST ON BONDED DEBT	
Maine Improvement Bonds	\$ 31,000
Maine Agricultural Bonds	1,125
State Pier Bonds	4,600
War Bonds	27,125
War Loan Bonds	—
	\$ 63,850
MISCELLANEOUS	
Miscellaneous Acts and Resolves	\$ 63,353
Minor Boards and Commissions	9,608
Purchase of Land	10,000
Retiring and Pensioning State Employees	66,195
Refund of Railroad and Telegraph Tax	92,935
	\$ 242,091
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS	
To Highway Fund:	
Motor Vehicle Division—Secretary of State	\$ 10,000
State Police	3,800
Repairs to Sourdnhunk Road	2,200
To Other Special Revenue Funds:	
Maine Forestry District	2,059
Education (George-Deen)	236
To Bond Funds—Military Defense Commission	241
To Public Service Enterprises—Augusta Airport	7,364
To Working Capital Funds	—
To Trust and Agency Funds:	
Employees' Retirement System—Expense Fund	15,000
To increase, Trust Fund Earnings to Legal Rate	32,647
	\$ 73,547
Total Operating Expenditures	\$16,757,777
DEBT RETIREMENT	
Maine Improvement Bonds	\$ 100,000
Maine Agricultural Bonds	45,000
State Pier Bonds	115,000
War Bonds	100,000
	\$ 360,000
	\$17,117,777

(A) Last year and budget include activities classified this year as Special Revenue Funds. See Schedule IV under Other Special Revenue Funds.

(B) Revenues of approximately \$40,000 for Bureau of Accounts and Control and \$23,000 for General Insurance Fund were netted against expenditures in budget. The same revenues for the General Insurance Fund were netted in 1940-41.

SCHEDULE VI—Concluded

Totals		Detail of This Year		
Last Year	Budget	Personal Services	Other Current Expenditures	Capital Outlays
\$ 12,247	\$ 9,500	\$ 10,214	\$ 3,812	\$ 9
907	4,000	3,133	879	847
—	4,206	2,288	2,426	66
—	2,000	1,411	140	—
\$ 13,154	\$ 19,706	\$ 17,046	\$ 7,257	\$ 922
\$ 476,921	\$ 514,287	\$ 283,029	\$ 74,503	\$ 2,370
\$ 33,000	\$ 31,000	—	\$ 31,000	—
(1,622)	5,000	—	1,125	—
9,109	4,600	—	4,600	—
—	29,625	—	27,125	—
—	—	—	—	—
\$ 40,487	\$ 70,225	—	\$ 63,850	—
\$ 22,732	\$ 56,509	\$ 1,064	\$ 62,289	—
321	2,150	7,000	2,608	—
—	13,500	—	10,000	—
55,907	70,000	—	66,195	—
139,194	136,000	—	92,935	—
\$ 218,154	\$ 278,159	\$ 8,064	\$ 234,027	—
—	—	—	\$ 10,000	—
\$ 19,630	—	—	3,800	—
—	—	—	2,200	—
—	—	—	2,059	—
—	—	—	236	—
—	—	—	241	—
12,790	\$ 6,000	—	7,364	—
649	—	—	—	—
—	15,000	—	15,000	—
27,605	37,561	—	32,647	—
\$ 60,674	\$ 58,561	—	\$ 73,547	—
\$16,332,772	\$17,190,705	\$3,698,017	\$12,879,776	\$179,984
\$ 100,000	\$ 100,000	—	\$ 100,000	—
—	45,000	—	45,000	—
115,000	115,000	—	115,000	—
—	100,000	—	100,000	—
\$ 215,000	\$ 360,000	—	\$ 360,000	—
\$16,547,772	\$17,550,705	\$3,698,017	\$13,239,776	\$179,984

(C) To avoid inflating revenues and expenditures the transfers from Emergency Payroll and Institutional Emergency Funds have been deducted from these appropriations and added to the appropriations for the department or institution receiving the transfer. Expenditures are shown under the individual departments or institutions, but the budgeted expenditures cannot be so allocated.

GENERAL FUND
COMPARATIVE STATEMENTS OF UNEXPENDED
DEPARTMENTAL BALANCES

SCHEDULE VII

JUNE 30

	Reserved for Authorized Expenditures (Carrying Balances)		Unexpended Balances Lapsed	
	This Year	Last Year	This Year	Last Year
GENERAL ADMINISTRATIVE				
Accounts and Control, Bureau of	—	—	—	\$ 3,012
Attorney General, Department of	—	—	\$ 1,840	1,922
Audit, Department of	—	—	4,529	951
Emergency Municipal Finance Board	—	—	376	3,244
Emergency Payroll Fund	—	—	45,108	—
Emergency Mileage Fund	—	—	12,500	—
Executive, Department of	—	—	1,115	1,189
Finance Commissioner and Budget, Bureau of ..	—	—	1,703	6
Insurance Fund, General	—	—	—	2,866
Judicial	—	—	13,066	8,289
Legislative	\$ 41,118	\$ 68,815	8,908	(2,246)
Public Buildings, Superintendent of	824	—	1,617	2,273
Purchases, Bureau of	—	—	2,233	24,598
Secretary of State, Department of	—	—	212	8,372
Taxation, Bureau of	—	—	8,517	2,769
Treasurer of State, Department of	—	—	2,762	1,617
	\$ 41,942	\$ 68,815	\$ 104,486	\$ 58,862
PROTECTION OF PERSONS AND PROPERTY				
Adjutant General, Department of	\$ 18,384	\$ 13,902	\$ 23,551	\$ (5,451)
Banks and Banking, Department of	650	600	1,767	5,071
Emergency War Fund	76,928	—	—	—
Industrial Accident Commission	—	—	—	683
Insurance Department	—	—	2,395	5,026
Labor and Industry, Department of	—	—	278	728
State Police, New Headquarters	—	12,008	208	—
Public Utilities Commission	—	410	6,838	8,531
	\$ 95,962	\$ 26,920	\$ 35,037	\$ 14,588
DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES				
Agriculture, Department of	—	\$ 2,966	\$ 21,661	\$ 4,564
Development Commission, Maine	44,885	50,129	—	—
Fish and Game, Department of	53,788	56,660	—	—
Forestry, Department of	2,205	8,002	3,326	1,010
Geologist, State	—	—	209	(1)
Sea and Shore Fisheries, Department of	18,443	—	5,088	(2,504)
	\$ 119,321	\$ 117,757	\$ 30,284	\$ 3,069
HEALTH AND SANITATION				
Health, Bureau of	\$ 5,067	\$ 3,928	\$ 22,376	\$ 9,695
WELFARE AND CHARITIES				
Administration	\$ 5,636	\$ 18,807	\$ 26,065	\$ 36
Blind, Aid to	49,871	7,314	—	—
Education of	—	—	—	3,140
Services for	—	—	4,208	—
Charitable Institutions	—	—	8,984	14,955
Children, Aid to Dependent	64,883	8,635	—	—
Board and Care of Neglected	—	—	4,626	474
Home for Military and Naval	—	—	1,451	2,617
School Lunches	—	—	1,100	—
Commodity Distribution	—	2,606	1,189	2,322
Deaf, Maine School for	—	—	1,955	11,926
Hospitals, Public and Private	—	—	13	2,053
Indians, Passamaquoddy	—	—	1,504	333
Penobscot	—	—	4,560	88
Insane, Examination and Commitment of	—	—	26	—
Old Age Assistance	373,691	271,045	—	—
Paupers, Support of State	35,000	111,882	130,181	86
Pensions, Special	—	—	1,084	300

SCHEDULE VII—Concluded

	Reserved for Authorized Expenditures (Carrying Balances)		Unexpended Balances Lapsed	
	This Year	Last Year	This Year	Last Year
Soldiers, Sailors and Their Widows, Burial of . . .	—	—	500	—
Soldiers and Sailors, Support of Dependent	—	—	16,224	9,094
World War Relief	—	—	13,657	3,681
Towns, Emergency Aid to	—	—	47,041	8,678
	\$529,081	\$420,289	\$264,368	\$ 59,783
STATE HOSPITALS AND SANATORIUMS				
Administration, Department of Institutional Service	—	—	\$ 3,897	\$ 1,522
Augusta State Hospital	—	\$ 15,000	—	1,616
Bangor State Hospital	—	—	—	1,536
Central Maine Sanatorium	—	—	—	2,034
Northern Maine Sanatorium	—	—	—	5,173
Pownal State School	—	5,000	—	34,356
Western Maine Sanatorium	—	—	—	7,811
Institutional Emergency Fund	\$ 91,006	—	—	—
	\$ 91,006	\$ 20,000	\$ 3,897	\$ 54,048
CORRECTIONAL INSTITUTIONS				
State School for Boys	—	\$ 2,000	—	\$ 148
State School for Boys—Dormitory	\$ 1,478	32,630	—	—
State School for Girls	—	—	—	22
State Reformatory for Men	—	—	\$ 3,771	2,035
Maine State Prison	—	—	4,165	1,758
State Reformatory for Women	—	1,200	—	268
	\$ 1,478	\$ 35,830	\$ 7,936	\$ 4,231
EDUCATION AND LIBRARIES				
Education, Department of	\$ 6,964	\$ 6,205	—	—
Historian, State	—	—	\$ 51	—
Library, Maine State	—	—	148	\$ 670
	\$ 6,964	\$ 6,205	\$ 199	\$ 670
RECREATION, PARKS, ETC.				
State Park Commission	—	\$ 50	\$ (2)	—
Baxter State Park Commission	—	24	—	—
Military Forts and Reservations	\$ 118	—	414	—
State Museum	—	—	449	—
	\$ 118	\$ 74	\$ 861	—
UNEMPLOYMENT COMPENSATION				
Administrative	\$ 6,578	\$ 14,457	\$ 9,750	—
INTEREST ON BONDED DEBT				
State Pier Bonds	—	\$ 91	—	—
War Bonds	—	9,122	\$ 11,622	—
War Loan Bonds	—	38	38	—
	—	\$ 9,251	\$ 11,660	—
MISCELLANEOUS				
Miscellaneous Acts and Resolves	\$ 1,823	\$ 3,666	\$ 362	\$ (3,779)
Minor Boards and Commissions	1,098	—	1,319	29
Purchase of Land	3,500	—	—	—
Retiring and Pensioning State Employees	—	—	3,805	223
Refund of Railroad and Telegraph Tax	—	—	43,065	(3,194)
	\$ 6,421	\$ 3,666	\$ 48,551	\$ (6,721)
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS				
To Public Service Enterprises—Augusta Airport	—	\$ 410	\$ 834	\$ 322
To increase Trust Fund Earnings to Legal Rate	—	—	4,941	9,951
	—	\$ 410	\$ 5,775	\$ 10,273
DEBT RETIREMENT				
State Pier Bonds	—	—	\$ 33,519	—
Total (See Schedules I, II and III)	\$903,938	\$727,602	\$578,699	\$208,498

GENERAL FUND
ANALYSIS OF STATE CONTINGENT FUND

SCHEDULE VIII

YEAR ENDED JUNE 30, 1942

Balance July 1, 1941		\$300,000
TRANSFERS TO GENERAL FUND:		
ATTORNEY GENERAL'S DEPARTMENT		
Cost of Hearing of Liquor Commission	\$ 299	
EXECUTIVE DEPARTMENT		
Copies of Revised Statutes and 1941 Public Laws for Councillors and Governor	\$ 299	
Copies of Murder Indictments	450	
Sinking of Motor Launch "Don"	2,326	
Travel Expenses Not Otherwise Provided for ..	114	
Contribution to "Council of Governors"	500	
Survey of System of Auto Registrations in Secre- tary of State's Office	1,105	
		4,794
GENERAL INSURANCE FUND		
Insurance of New Armories		2,355
INDUSTRIAL ACCIDENT COMMISSION		
Additional Work Caused by War		600
LABOR AND INDUSTRY DEPARTMENT		
Expenses—Board of Arbitration or Conciliation		151
PUBLIC UTILITIES COMMISSION		
Warning Signs, Grade Crossings, Cutting Bushes		176
SUPERINTENDENT OF BUILDINGS		
Fire Protection Equipment	915	
Repairs to Blaine House	2,965	
Cost of Operation—New State Police Building	4,325	
New England Tel. & Tel. Co.—Additional Charges for Period Feb. 1938 to Feb. 1942	1,320	
		9,525
STATE PARK COMMISSION		
Land Use Parks—Additional Appropriation to Compensate Loss of Revenue		750
SANITARY WATER BOARD		
Nuisance Conditions of the Androscoggin River Valley	7,875	
Printing and Publishing Report	2,000	
		9,875
SEA AND SHORE FISHERIES		
Repairs to Boat Engine		4,300
MISCELLANEOUS		
Christmas Funds, National Guard Units	4,800	
Costs, Cherryfield Flood	363	
Total Transfers to General Fund	5,163	
		\$ 37,988

GENERAL FUND

ANALYSIS OF STATE CONTINGENT FUND

SCHEDULE VIII—Concluded YEAR ENDED JUNE 30, 1942

TRANSFERS TO HIGHWAY FUND:

HIGHWAY DEPARTMENT

Repairs and Maintenance, Sourdnahunk Road . . . \$ 2,200

SECRETARY OF STATE'S DEPARTMENT

Administration of "Financial Responsibility
Law" 10,000

STATE POLICE DEPARTMENT

For Firearms and Ammunition 3,800

Total Transfers to Highway Fund 16,000

TRANSFERS TO OTHER SPECIAL REVENUE FUNDS:

FORESTRY DISTRICT

Posting and Publishing, Proclamation re Suspension
of Open Fishing and Hunting 91

Fire-Fighting, Baxter State Park 1,968 2,059

TRANSFERS TO PUBLIC SERVICE ENTERPRISES:

AERONAUTICS COMMISSION

Augusta Airport, Snow Removal and Truck
Repairs 1,787

Total Appropriations \$ 57,834

Balance June 30, 1942 (before closing) \$242,166

Add: Net Adjustments, June 30th Closing
Entries 57,834**Balance June 30, 1942** **\$300,000**

GENERAL FUND
BONDED DEBT AND INTEREST MATURITIES
JUNE 30, 1942

SCHEDULE IX

Year Ending June 30	Total Bond Maturities	Total Interest Maturities	State of Bond Maturities	Maine War Interest Maturities	Maine Improvement Bond Maturities	Interest Maturities	Maine Agricultural Bond Maturities	Interest Maturities
1943	\$ 245,000	\$ 49,150	\$ 100,000	\$ 25,750	\$ 100,000	\$ 22,500	\$ 45,000	\$ 900
1944	220,000	45,800	100,000	24,375	75,000	20,750	45,000	675
1945	220,000	42,700	100,000	23,000	75,000	19,250	45,000	450
1946	220,000	39,600	100,000	21,625	75,000	17,750	45,000	225
1947	175,000	36,500	100,000	20,250	75,000	16,250		
1948	175,000	33,625	100,000	18,875	75,000	14,750		
1949	175,000	30,750	100,000	17,500	75,000	13,250		
1950	175,000	27,875	100,000	16,125	75,000	11,750		
1951	175,000	25,000	100,000	14,750	75,000	10,250		
1952	175,000	22,125	100,000	13,375	75,000	8,750		
1953	175,000	19,250	100,000	12,000	75,000	7,250		
1954	175,000	16,375	100,000	10,625	75,000	5,750		
1955	175,000	13,600	100,000	9,350	75,000	4,250		
1956	175,000	10,625	100,000	7,875	75,000	2,750		
1957	200,000	7,500	100,000	6,500	100,000	1,000		
1958	100,000	5,125	100,000	5,125				
1959	100,000	3,750	100,000	3,750				
1960	100,000	2,375	100,000	2,375				
1961	100,000	1,000	100,000	1,000				
Total	\$3,255,000	\$432,725	\$1,900,000	\$254,225	\$1,175,000	\$176,250	\$180,000	\$2,250

HIGHWAY FUND

Both by the State Constitution and by law, revenues from the gasoline tax, registration of motor vehicles and certain other revenues are restricted to use for highway and bridge construction and maintenance. From these revenues the Legislature makes appropriations for various activities of the Highway Commission. Any revenues not appropriated by the Legislature are available for allocation by the Highway Commission for certain limited purposes. Some highway appropriations are supplemented by revenues earmarked for specific purposes.

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HIGHWAY FUND
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

ASSETS	June 30, 1942	June 30, 1941
Cash	\$ 5,255,611	\$ 4,350,209
Accounts and Notes Receivable:		
Tax Accounts	10,296	688,990
Other	196,182	11,355
	206,478	700,345
Less—Reserve for Losses	12,644	—
Net Total Receivables	193,834	700,345
Amount Necessary to Retire Bonds	20,734,500	21,743,500
Total Assets	\$26,183,945	\$26,794,054
LIABILITIES		
Accounts Payable	\$ 336,224	\$ 675,835
Other Current Liabilities	36,275	37,657
Total Current Liabilities	372,499	713,492
Bonds Payable	20,734,500	21,743,500
Total Liabilities	21,106,999	22,456,992
RESERVES AND SURPLUS		
Reserves:		
For Authorized Expenditures	2,592,075	938,438
Surplus Accounts:		
General Highway Fund	2,484,871	3,398,624
Total Liabilities, Reserves and Surplus ..	\$26,183,945	\$26,794,054

Contingent Liability—Bonds of Deer Isle-Sedgwick Bridge District \$478,000.

HIGHWAY FUND
ANALYSIS OF SURPLUS

SCHEDULE II

YEAR ENDED JUNE 30, 1942

BALANCE AT START OF YEAR	\$ 3,398,624
Less—Adjustments	3,189
	<u>3,395,435</u>
Total Available for Expenditure (See Schedule IV)	14,230,900
Less—Expenditures (See Schedule VI)	\$12,549,389
Reserved for Authorized Expenditures (See Schedule VII)	2,592,075
Total Expenditures Authorized	<u>15,141,464</u>
Net Loss from Operations (See Schedule III)	<u>(910,564)</u>
BALANCE AT END OF YEAR	<u>\$ 2,484,871</u>

HIGHWAY FUND
SUMMARY OF BUDGETARY OPERATIONS

SCHEDULE III

YEAR ENDED JUNE 30, 1942

DEDUCTIONS FROM SURPLUS:

Estimated Revenues Available for Appropriation	\$10,397,997	
Legislative Appropriations (See Schedule V)	10,929,262	
	<u> </u>	
Appropriations in Excess of Estimated Revenues		\$531,265
Estimated Revenues as above	10,397,997	
Actual Revenues (See Schedule IV)	9,974,320	
	<u> </u>	
Estimated Revenues in Excess of Actual		423,677
		<u> </u>
		954,942

ADDITIONS TO SURPLUS:

Amounts Available to Departments for Expenditure (See Schedules IV and V)	15,185,842	
Less: Expenditures (See Schedule VI)	12,549,389	
Reserved for Authorized Expenditures (See Schedule VII)	2,592,075	
	<u> </u>	
Total Expenditures Authorized	15,141,464	
Excess of Amounts Available Over Authorized Expenditures (Lapsed Balances)		44,378
		<u> </u>

NET DEDUCTION FROM SURPLUS (See Schedule II)

\$910,564

HIGHWAY FUND

COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE

SCHEDULE IV

YEARS ENDED JUNE 30

	Totals			Detail of This Year	
	This Year	Last Year	Budget	Available for Appropriation	Earmarked for Departments
REVENUES					
Taxes:					
Property Taxes:					
Non-Resident Excise Taxes	\$ 24,934	\$ 21,366	\$ 18,000	\$ 24,934	—
Selective Sales Taxes:					
Use Fuel Tax	4,384	—	—	151	\$ 4,233
Gasoline Tax (Net)	5,779,769	6,336,563	6,157,942	5,779,769	—
Other Taxes on Specific Businesses or Occupations:					
Use Fuel Licenses	59	—	—	—	59
Licenses for Inspection Stations	2,026	—	—	—	2,026
Motor Truck Application Fees	11,748	11,814	12,900	—	11,748
Outdoor Advertising Permits	9,301	9,723	13,500	—	9,301
Motor Vehicle Registration and Drivers' Licenses:					
Registrations and Drivers' Licenses ..	4,147,650	4,291,232	4,185,600	4,140,479	7,171
Operators' Examination Fees	14,349	16,930	—	—	14,349
Other Taxes	2,225	509	—	—	2,225
Fines, Forfeits and Penalties	28,297	28,586	31,000	28,297	—
Revenue from Use of Money and Property ..	3,907	5,389	505	690	3,217
Revenue from Other Agencies:					
From Federal Government	1,229,461	1,086,722	1,234,783	—	1,229,461
From Counties, Cities and Towns	694,064	414,934	903,500	—	694,064
Other	6,855	5,000	—	—	6,855
Service charges for Current Services	111,024	31,899	11,550	—	111,024
Contributions and Transfers from Other State Funds:					
From General Fund	16,000	19,630	—	—	16,000
Sale and Compensation for Loss of Properties	4,653	5,550	—	—	4,653
Total Revenues	\$12,090,706	\$12,285,847	\$12,569,280	\$ 9,974,320	\$ 2,116,386
NON-REVENUES AVAILABLE FOR EXPENDITURE					
Reserve for Authorized Expenditures at Start of Year	\$ 938,438	\$ 457,237	\$ 266,411	—	\$ 938,438
Adjustment Applicable to Prior Year's Reserve	(780)	—	—	—	(780)
Proceeds from Sale of Bonds (Including Premiums)	1,202,536	1,000,000	700,000	—	1,202,536
Total Available	\$14,230,900	\$13,743,084	\$13,535,691	\$ 9,974,320	\$ 4,256,580
APPROPRIATIONS					
By Legislature	—	—	—	(\$10,929,262)	\$10,929,262
Total Available	\$14,230,900	\$13,743,084	\$13,535,691	(\$ 954,942)	\$15,185,842
Total Available to Departments as above (See Schedule V)	\$15,185,842	\$13,442,156	\$13,893,732		
Total Available as above Transferred to Surplus (See Schedule III)	(954,942)	300,928	(358,041)		
	\$14,230,900	\$13,743,084	\$13,535,691		

Revenues from Gasoline Tax for 1941-42 are for eleven months only. Due to a change in the law the amount of the June assessment in the sum of \$459,990 was not available before the closing of the books.

Revenues for 1941-42 are inflated in the amount of \$200,428 due to the recording as of June 30, 1942 of certain accounts receivable not previously carried on the general books of the State, partially offset by a charge of \$13,042 in the expenditures to provide for the estimated loss in realization.

HIGHWAY FUND

COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE TO DEPARTMENTS

SCHEDULE V

YEARS ENDED JUNE 30

	Totals			Detail of This Year				Non-Revenue Receipts
	This Year	Last Year	Budget	Reserved for Authorized Expenditures at Start of Year	Appropriations*	Earmarked Revenues		
PROTECTION OF PERSONS AND PROPERTY								
State Police	\$ 326,212	\$ 323,268	\$ 317,172	\$ 5,137	\$ 315,000	\$ 6,075		—
Public Utilities Commission—Regulation of Motor Truck Carriers	33,243	33,810	38,425	13,277	—	19,966		—
	\$ 359,455	\$ 357,078	\$ 355,597	\$ 18,414	\$ 315,000	\$ 26,041		—
HIGHWAYS AND BRIDGES								
Highway Administration	\$ 172,031	\$ 228,122	\$ 162,200	—	\$ 168,919	\$ 3,112		—
Highway Planning Survey	29,197	8,000	32,000	\$ 406	16,000	12,791		—
Secretary of State—Motor Vehicle Div. Bureau of Taxation—Gasoline and Use Fuel Tax Divisions	214,759	229,517	160,000	—	159,800	54,959		—
Administration of Outdoor Advertising Law	22,180	20,749	18,737	(99)	17,892	4,387		—
Compensation for Injuries	12,900	14,948	13,500	3,599	—	9,301		—
Special Resolves	68,856	102,288	72,000	43,856	25,000	—		—
State Municipal Allotments	176,027	179,610	263,966	29,705	146,322	—		—
Highway Construction	—	407,641	—	—	—	—		—
Bridge Construction	5,552,621	4,378,430	5,516,096	556,825	2,540,710	1,252,550		\$1,202,536
Highway Maintenance	1,096,368	725,071	565,000	(16,659)	856,901	256,126		—
Highway Maintenance—Snow Removal and Sanding	3,379,944	2,802,941	2,713,500	283,633	2,623,565	472,746		—
Bridge Maintenance	870,527	895,093	800,000	—	850,000	20,527		—
Advance to Maine Turnpike Authority	221,824	221,040	215,464	17,978	200,000	3,846		—
	10,000	—	—	—	10,000	—		—
	\$11,827,234	\$10,213,450	\$10,532,463	\$919,244	\$ 7,615,109	\$2,090,345		\$1,202,536
INTEREST ON BONDED DEBT								
Highway and Bridge Bonds	\$ 738,872	\$ 805,932	\$ 738,872	—	\$ 738,872	—		—
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS								
To General Funds	\$ 51,281	\$ 71,118	\$ 57,800	—	51,281	—		—
To Working Capital Funds	—	140,000	—	—	—	—		—
To Public Service Enterprises	—	1,578	—	—	—	—		—
Total Available for Operating Expenditures	\$12,976,842	\$11,589,156	\$11,684,732	\$937,658	\$ 8,720,262	\$2,116,386		\$1,202,536
DEBT RETIREMENT								
Highway and Bridge Bonds	\$ 2,209,000	\$ 1,853,000	\$ 2,209,000	—	\$ 2,209,000	—		—
Total Available for Expenditures	\$15,185,842	\$13,442,156	\$13,893,732	\$937,658	\$10,929,262	\$2,116,386		\$1,202,536

*Adjusted by Interdepartment Transfers.

HIGHWAY FUND
COMPARATIVE STATEMENTS OF EXPENDITURES

SCHEDULE VI

YEARS ENDED JUNE 30

	This Year	Last Year	Budget
PROTECTION OF PERSONS AND PROPERTY			
State Police	\$ 324,408	\$ 316,974	\$ 317,000
Public Utilities Commission—Regulation of Motor Truck Carriers	17,038	20,533	19,820
	\$ 341,446	\$ 337,507	\$ 336,820
HIGHWAYS AND BRIDGES			
Highway Administration	\$ 147,730	\$ 162,700	\$ 162,200
Highway Planning Survey	30,080	7,594	32,000
Secretary of State—Motor Vehicle Division	209,099	216,213	160,000
Bureau of Taxation—Gasoline and Use Fuel Tax Divi- sions	17,604	17,643	17,893
Administration of Outdoor Advertising	9,966	11,349	13,500
Compensation for Injuries	49,179	58,432	60,000
Special Resolves	116,050	149,285	261,466
State Municipal Allotments	—	407,083	—
Highway Construction	3,909,002	3,820,825	5,516,096
Bridge Construction	869,417	741,730	565,000
Highway Maintenance	2,822,742	2,519,309	2,713,500
Highway Maintenance—Snow Removal	854,854	895,093	800,000
Bridge Maintenance	165,405	203,061	215,464
Maine Turnpike Authority	5,472	—	—
	\$ 9,206,600	\$ 9,210,317	\$10,517,119
INTEREST ON BONDED DEBT			
Highway and Bridge Bonds	\$ 741,062	\$ 805,932	\$ 738,872
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS			
To General Fund	\$ 51,281	\$ 71,118	\$ 57,800
To Working Capital Funds	—	140,000	—
To Public Service Enterprises	—	1,578	—
	\$ 51,281	\$ 212,696	\$ 57,800
Total Operating Expenditures	\$10,340,389	\$10,566,452	\$11,650,611
DEBT RETIREMENT			
Highway and Bridge Bonds	\$ 2,209,000	\$ 1,853,000	\$ 2,209,000
Total Expenditures	\$12,549,389	\$12,419,452	\$13,859,611

HIGHWAY FUND

COMPARATIVE STATEMENTS OF UNEXPENDED BALANCES

SCHEDULE VII

JUNE 30

	Reserved for Authorized Expenditures (Carrying Balances)		Unexpended Balances Lapsed	
	This Year	Last Year	This Year	Last Year
PROTECTION OF PERSONS AND PROPERTY				
State Police	—	\$ 5,137	\$ 1,804	\$ 1,157
Public Utilities Commission—Regulation of Motor Truck Carriers	\$ 6,000	13,277	10,206	—
	\$ 6,000	\$ 18,414	\$ 12,010	\$ 1,157
HIGHWAYS AND BRIDGES				
Highway Administration	—	—	\$ 24,300	\$ 300
Highway Planning Survey	\$ (883)	—	—	—
Secretary of State—Motor Vehicle Division	—	—	5,660	13,304
Bureau of Taxation—Gasoline and Use Fuel Tax Divi- sions	—	\$ (99)	4,577	3,205
Administration of Outdoor Advertising Law	2,934	4,004	—	—
Compensation for Injuries	19,677	43,856	—	—
Special Resolves	59,955	29,705	21	621
State Municipal Allotments	—	—	—	557
Highway Construction	1,643,618	557,605	—	—
Bridge Construction	226,952	(16,659)	—	—
Highway Maintenance	557,202	283,633	—	—
Highway Maintenance—Snow Removal and Sanding ..	15,673	—	—	—
Bridge Maintenance	56,419	17,979	—	—
Advance to Maine Turnpike Authority	4,528	—	—	—
	\$ 2,586,075	\$ 920,024	\$ 34,558	\$ 17,987
INTEREST ON BONDED DEBT				
Highway and Bridge Bonds	—	—	\$(2,190)	—
Total (See Schedules I, II and III)	\$ 2,592,075	\$ 938,438	\$ 44,378	\$ 19,144

BONDED DEBT AND INTEREST MATURITIES

JUNE 30, 1942

SCHEDULE VIII

Year Ending June 30	Bond Maturities	Interest Maturities
1943	\$ 1,824,000	\$ 679,018
1944	2,074,000	616,496
1945	1,774,000	552,723
1946	1,724,000	496,700
1947	1,729,000	441,428
1948	1,729,000	386,706
1949	1,629,000	331,983
1950	1,629,000	280,260
1951	1,429,000	229,538
1952	1,119,000	185,078
1953	944,000	147,100
1954	719,000	113,840
1955	811,500	80,230
1956	500,000	54,000
1957	400,000	36,000
1958	600,000	16,000
1959	100,000	2,000
Total	\$ 20,734,500	\$ 4,649,100

This schedule does not include bonds issued for construction of toll bridges. Such bonds are shown under Public Services Enterprises, Schedule VII.

HIGHWAY FUND REVENUE STATISTICS

SCHEDULE IX

YEARS ENDED JUNE 30

GASOLINE TAX ASSESSMENTS	1940-41	1941-42	1942-43
July	\$ 682,634	\$ 774,523	\$546,049
August	790,840	829,639	402,592
September	609,951	649,243	
October	603,145	624,608	
November	489,453	543,567	
December	432,428	511,317	
January	400,193	441,073	
February	399,979	397,611	
March	415,807	422,332	
April	488,533	395,586	
May	617,931	449,716	
June	638,675	459,990	
Total	\$6,569,569	\$6,499,205	
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AUTO REGISTRATIONS	1940-41	1941-42	1942-43
July	\$ 106,914	\$ 127,419	\$69,770
August	53,667	57,860	42,679
September	83,397	98,756	
October	45,675	66,390	
November	90,129	99,131	
December	220,059	215,465	
January	298,796	313,292	
February	1,735,397	1,753,172	
March	452,380	476,835	
April	309,850	234,579	
May	243,929	159,616	
June	169,413	82,050	
Total	\$3,809,606	\$3,684,565	
<hr/>			
AUTOMOBILE DRIVERS' LICENSES	1940-41	1941-42	1942-43
July	\$ 14,014	\$ 15,866	\$7,486
August	9,656	9,069	5,468
September	10,248	8,264	
October	5,184	6,500	
November	7,542	10,214	
December	256,150	244,327	
January	121,636	164,612	
February	29,696	17,968	
March	23,302	17,292	
April	29,989	19,005	
May	23,303	13,836	
June	19,537	9,894	
Total	\$550,257	\$536,847	

Gasoline tax figures represent gross assessments while the revenues shown on Schedule IV are net after refunds and do not include the June 1942 assessment.

Auto Registrations and Drivers' Licenses represent gross receipts while the revenues shown on Schedule IV are net after refunds.

UNEMPLOYMENT COMPENSATION FUND

Revenues accruing to the State from the tax on employers for Unemployment Compensation are credited to this fund. These revenues are for the purpose of paying benefits to eligible unemployed. Such current revenues as are not required for current benefits accumulate in a trust fund on deposit with the Federal Government to pay future benefits. This operation is closely co-ordinated with the Federal Government and the cost of administration is paid largely from Federal funds.

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UNEMPLOYMENT COMPENSATION FUND
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

	June 30, 1942	June 30, 1941
ASSETS		
Cash	\$ 53,379	\$ 55,919
Deposit with U. S. Treasury	10,193,711	5,274,254
Accounts and Notes Receivable:		
Tax Accounts	107,855	124,112
Other	60,030	31,396
Total Receivables	<u>167,885</u>	<u>155,508</u>
Total Assets	<u>\$10,414,975</u>	<u>\$5,485,681</u>
LIABILITIES		
Refunds Due, Deferred Income, etc.	\$ 6,439	\$ 17,329
Total Liabilities	<u>6,439</u>	<u>17,329</u>
RESERVES AND SURPLUS		
Surplus Accounts:		
Unappropriated Surplus	10,408,536	5,468,352
Total Liabilities, Reserves and Surplus	<u>\$10,414,975</u>	<u>\$5,485,681</u>

COMPARATIVE OPERATING STATEMENTS AND SURPLUS ANALYSES

SCHEDULE II

YEARS ENDED JUNE 30

	This Year	Last Year
Net Revenue from Tax on Employers	\$ 6,081,476	\$4,231,595
Interest on Deposit with U. S. Treasury	193,091	104,639
Recoveries	5,617	3,121
Fines	71	—
Total Revenues	<u>6,280,255</u>	<u>4,339,355</u>
Net Benefit Payments	1,340,071	2,492,675
Net Gain from Operations	<u>4,940,184</u>	<u>1,846,680</u>
Surplus at Start of Year	5,468,352	3,621,672
Surplus at End of Year	<u>\$10,408,536</u>	<u>\$5,468,352</u>

OTHER SPECIAL REVENUE FUNDS

Under this caption are included many separate smaller funds, each of which operates from earmarked revenues which are available for no other purpose. The revenues of these funds are received principally from taxes or fees paid by special groups for activities carried on by the State for development or conservation of natural resources or protection of the public and from Federal grants for State-supervised projects.

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OTHER SPECIAL REVENUE FUNDS
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

	June 30, 1942	June 30, 1941
ASSETS		
Cash	\$564,048	\$588,653
Accounts and Notes Receivable:		
Tax Accounts	149,233	147,467
Other	72,981	—
	222,214	147,467
Less—Reserve for Losses	31,260	—
Net Total Receivables	190,954	147,467
Total Assets	\$755,002	\$736,120
LIABILITIES		
Accounts Payable	\$ 76,255	\$ 85,103
Total Liabilities	76,255	85,103
RESERVES AND SURPLUS		
Reserve for Authorized Expenditures	678,747	651,017
Total Liabilities, Reserves and Surplus	\$755,002	\$736,120

OTHER SPECIAL REVENUE FUNDS
COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE

SCHEDULE II

YEARS ENDED JUNE 30

REVENUES	This Year (All Earmarked)	Last Year
Taxes:		
Property Taxes:		
Maine Forestry District Tax	\$ 133,247	\$ 133,152
Selective Sales Taxes:		
Tax on Aeronautical Gasoline	10,424	13,358 (B)
Tax on Milk Sales by Dealers	14,863	9,826
Taxes on Corporations:		
Insurance Companies—Fire Prevention and Investi- gation Tax	31,397	29,589
Taxes on Amusements:		
Boxing Licenses	1,311	1,802
Commissions on Boxing	1,626	1,706
Other Taxes on Specific Business or Occupations:		
Sardine Packing Licenses	1,600	50
Milk Licenses	1,291	1,222
Small Loan Agency Licenses	4,225	3,925
Registration of Dealers in Securities and Their Agents	8,080	9,320
Insurance Brokers' and Agents' Examinations	1,900	1,750
Real Estate Brokers' and Salesmen's Licenses	4,454	4,788
Filing Fees — Annual Statements of Insurance Companies	7,691	7,845
Aircraft, Pilots' and Parachute Riggers' Licenses ..	1,152	450
Licenses to Sell Prophylactic Rubber Goods	793	876
Licenses for Roadside Eating and Lodging Houses ..	36,344	40,687
Fees for Cosmetics	4,856	5,343
Licenses for Barbers and Hairdressers	3,004	3,028
Other Taxes:		
Potato Tax	112,654	92,349
Permit to Install Plumbing	11,023	13,602
Fines, Forfeits and Penalties	10	60
Revenue from Other Agencies:		
Federal Grants for Public Health	142,915	205,569
Federal Grants for Assistance and Relief	62,335	18,965
Federal Grants for Education	718,528	506,340
Federal Grants for Other Purposes	41,888	30,827
Service Charges for Current Services:		
Auditing Services Rendered	60,284	— (A)
Examination Fees	31,492	30,773
Inspection Services	184,987	18,405 (A)
Tubercular Hospital Services	99,059	46,490
Miscellaneous Fees	261	168
Sale of Commodities	34,578	3,105
Contributions and Transfers from Other State Funds:		
From General Fund	2,295	—
Sale and Compensation for Loss of Property	4,367	25
Total Revenues	\$1,774,934	\$1,235,395
NON-REVENUES AVAILABLE FOR EXPENDITURE		
Reserved for Authorized Expenditures at Start of Year	651,017	449,570
Total Available	\$2,425,951	\$1,684,965

(A) All or a large portion included in General Fund for last year.

Revenues for 1941-42 are inflated in the amount of \$73,770 due to the recording as of June 30, 1942 of certain accounts receivable not previously carried on the general books of the State, partially offset by a charge of \$31,260 to provide for the estimated loss in realization. This makes a net inflation of \$42,510.

(B) Last year is gross before refunds of \$9,389. Similar refunds this year have been deducted from revenues.

OTHER SPECIAL REVENUE FUNDS

COMPARATIVE STATEMENTS OF AMOUNTS AVAILABLE TO DEPARTMENTS

SCHEDULE III

YEARS ENDED JUNE 30

	Totals		Detail of This Year	
			Reserved for Authorized Expenditures at Start of Year	Earmarked Revenue
	This Year	Last Year		
GENERAL ADMINISTRATION				
Audit Municipal Division	\$ 60,266 (A)	—	—	\$ 60,266
PROTECTION OF PERSONS AND PROPERTY				
Maine Aeronautics Commission	\$ 17,030 (B)	\$ 16,258	\$ 5,454	\$ 11,576
Banks, and Banking, Department of	22,641	19,654	10,310	12,331
Boxing Commission	3,815	4,222	878	2,937
Examining Boards	74,912	66,111	52,332	22,580
Insurance Department	92,850	72,686	51,790	41,060
Milk Control Board	16,116	11,425	(38)	16,154
Real Estate Commission	10,178	9,779	5,714	4,464
	\$ 237,542	\$ 200,135	\$ 126,440	\$ 111,102
DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES				
Agriculture, Department of	\$ 187,855 (A)	\$ 20,703	\$ 403	\$ 187,452
Maine Development Commission	136,589	113,438	23,935	112,654
Maine Forestry District	287,745	301,575	107,298	180,447
	\$ 612,189	\$ 435,716	\$ 131,636	\$ 480,553
HEALTH AND SANITATION				
Bureau of Health	\$ 417,389	\$ 421,935	\$ 164,989	\$ 252,400
WELFARE AND CHARITIES				
Child Welfare Service	\$ 24,881	\$ 23,945	\$ 7,098	\$ 17,783
Indian Township Administration	4,402	377	65	4,337
	\$ 29,283	\$ 24,322	\$ 7,163	\$ 22,120
HOSPITALS AND SANATORIUMS				
Emergency Tuberculosis Fund	\$ 108,748	\$ 57,415	\$ 9,689	\$ 99,059
EDUCATION AND LIBRARIES				
Education, Department of	\$ 960,534	\$ 542,742	\$ 211,100	\$ 749,434
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS				
To General Fund:				
Indian Township Administration	—	\$ 2,700	—	—
Total Available for Expenditure (See also Schedule II)	\$2,425,951	\$1,684,965	\$651,017	\$1,774,934

(A) All or a large portion included in General Fund last year.

(B) Last year is gross before refunds of \$9,389. Similar refunds this year have been deducted from revenues.

OTHER SPECIAL REVENUE FUNDS

COMPARATIVE STATEMENTS OF EXPENDITURES BY DEPARTMENTS

SCHEDULE IV

YEARS ENDED JUNE 30

	Totals		Detail of This Year		
	This Year	Last Year	Personal Services	Other Current Expenditures	Capital Outlays
GENERAL ADMINISTRATION					
Audit Municipal Division	\$ 45,224 (A)	—	\$ 28,705	\$ 16,503	\$ 16
PROTECTION OF PERSONS AND PROPERTY					
Maine Aeronautics Commission	\$ 2,194 (B)	\$ 10,804	\$ 1,277	\$ 838	\$ 79
Banks and Banking, Department of	9,138	9,344	7,433	1,650	55
Boxing Commission	3,287	3,345	2,297	990	—
Examining Boards	14,311	13,779	8,252	6,042	17
Insurance Department	26,782	20,896	14,617	11,473	692
Milk Control Board	15,531	11,464	8,739	6,792	—
Real Estate Commission	3,819	4,064	2,683	1,136	—
	\$ 75,062	\$ 73,696	\$ 45,298	\$ 28,921	\$ 843
DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES					
Agriculture, Department of	\$ 166,570 (A)	\$ 20,299	\$ 108,948	\$ 57,622	—
Maine Development Commission	120,894	89,503	19,781	101,068	\$ 45
Maine Forestry District	183,933	194,278	104,949	36,183	42,801
	\$ 471,397	\$ 304,080	\$ 233,678	\$ 194,873	\$ 42,846
HEALTH AND SANITATION					
Bureau of Health	\$ 288,349	\$ 256,946	\$ 182,890	\$ 97,527	\$ 7,932
WELFARE AND CHARITIES					
Child Welfare Service	\$ 18,698	\$ 16,846	\$ 16,040	\$ 2,658	—
Indian Township Administration	1,666	312	520	1,046	100
	\$ 20,364	\$ 17,158	\$ 16,560	\$ 3,704	\$ 100
HOSPITALS AND SANATORIUMS					
Emergency Tuberculosis Fund	\$ 65,273	\$ 47,725	\$ 1	\$ 65,272	—
EDUCATION AND LIBRARIES					
Education, Department of	\$ 781,535	\$ 331,643	\$ 176,749	\$ 526,173	\$ 78,613
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS					
To General Fund—Indian Township Adm.	—	\$ 2,700	—	—	—
Total Expenditures	\$ 1,747,204	\$ 1,033,948	\$ 683,881	\$ 932,973	\$ 130,350

(A) All or a large portion included in General Fund last year.

(B) Last year includes refunds of \$9,389. Similar refunds this year have been deducted from revenues.

OTHER SPECIAL REVENUE FUNDS
COMPARATIVE STATEMENTS OF UNEXPENDED
DEPARTMENTAL BALANCES

SCHEDULE V

JUNE 30

	Reserved for Authorized Expenditures	
	This Year	Last Year
GENERAL ADMINISTRATION		
Audit—Municipal Division	\$ 15,042	—
PROTECTION OF PERSONS AND PROPERTY		
Maine Aeronautics Commission	\$ 14,836	\$ 5,454
Banks and Banking, Department of	13,503	10,310
Boxing Commission	528	878
Examining Boards	60,601	52,332
Insurance Department	66,069	51,790
Milk Control Board	585	(38)
Real Estate Commission	6,359	5,714
	\$162,481	\$126,440
DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES		
Agriculture, Department of	\$ 21,285	\$ 403
Maine Development Commission	15,695	23,935
Maine Forestry District	103,811	107,298
	\$140,791	\$131,636
HEALTH AND SANITATION		
Bureau of Health	\$129,040	\$164,989
WELFARE AND CHARITIES		
Child Welfare Service	\$ 6,183	\$ 7,098
Indian Township Administration	2,736	65
	\$ 8,919	\$ 7,163
HOSPITALS AND SANATORIUMS		
Emergency Tuberculosis Fund	\$43,475	\$ 9,689
EDUCATION AND LIBRARIES		
Education, Department of	\$178,999	\$211,100
Total	\$678,747	\$651,017

PROCEEDS OF GENERAL BOND ISSUES

Under this heading are grouped all expenditures financed solely by the proceeds of general bond issues. Bond funds are used only to handle the proceeds from the sale of bonds and have nothing whatever to do with bond retirements.

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PROCEEDS OF GENERAL BOND ISSUES
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

	June 30, 1942			June 30, 1941
	War Loan Bonds	Agricultural Bonds	Total	
ASSETS				
Cash	\$676,089	\$61,022	\$737,111	\$1,649,597
Total Assets	\$676,089	\$61,022	\$737,111	\$1,649,597
LIABILITIES				
Accounts Payable	\$ 2,292	\$13,150	\$ 15,442	\$ 9,035
Total Liabilities	2,292	13,150	15,442	\$ 9,035
RESERVES AND SURPLUS				
Reserves:				
For Authorized Expenditures	466,152	47,872	514,024	1,465,516
Surplus Accounts:				
Unappropriated Amounts Reserved for Contingencies ..	207,645	—	207,645	175,046
Total Reserves and Surplus	673,797	47,872	721,669	1,640,562
Total Liabilities, Reserves and Surplus	\$676,089	\$61,022	\$737,111	\$1,649,597

PROCEEDS OF GENERAL BOND ISSUES

ANALYSIS OF UNAPPROPRIATED AMOUNTS RESERVED FOR CONTINGENCIES

SCHEDULE II

PERIOD ENDED JUNE 30, 1942

	Maine Agricultural Bonds*	Maine War Bonds
Proceeds from Sale of Bonds Issued August 1, 1940 and May 1, 1941	\$225,000	\$2,000,000
Sale of Plans	—	27
	\$225,000	\$2,000,027
Miscellaneous Adjustments	—	6
Net Expenditures Authorized (See Schedule III)	225,000	1,792,376
Balance June 30, 1942	—	\$ 207,645

*Does not include \$225,000 bonds authorized but not issued.

PROCEEDS OF GENERAL BOND ISSUES
STATEMENT OF AMOUNTS AVAILABLE AND EXPENDITURES

SCHEDULE III

PERIOD ENDED JUNE 30, 1942

	Net Expenditures Authorized*	Earmarked Revenues Prior Years	Revenues This Year	Total Available	Expenditures Prior Year	Expenditures This Year	Balance Reserved for Authorized Expenditures
PROTECTION OF PERSONS AND PROPERTY							
Maine Agricultural Bonds**:							
Eradication of Bang's Disease ..	\$ 225,000	\$ 189	—	\$ 225,189	\$ 11,450	\$ 165,866	\$ 47,873
Maine War Bonds:							
Administration	\$ 122,525	—	—	\$ 122,525	\$ 21,972	\$ 15,890	\$ 84,663
Armories:							
Belfast	\$ 54,242	—	—	\$ 54,242	\$ 36,873	\$ 17,369	—
Brunswick	22,519	\$15,000	—	37,519	37,519	—	—
Houlton	111,300	—	—	111,300	4,699	—	\$106,601
Lewiston	20,000	—	—	20,000	—	10,981	9,019
Newport	51,494	—	—	51,494	8,391	43,103	—
Norway	91,659	—	—	91,659	20,018	71,641	—
Portland, Milk St.	25,399	—	—	25,399	25,399	—	—
Portland, Stevens Ave.	203,324	1,547	—	204,871	95,618	91,286	17,967
Presque Isle	106,650	—	—	106,650	4,655	—	101,994
Rumford	115,137	—	—	115,137	11,629	99,682	3,826
Saco	122,138	—	—	122,138	5,429	116,709	—
South Brewer	136,020	—	—	136,020	14,238	113,789	7,994
South Portland	120,956	—	—	120,956	49,391	71,565	—
	\$1,180,838	\$16,547	—	\$1,197,385	\$313,859	\$636,125	\$247,401
Airports:							
Augusta	\$ 11,723	—	\$1,668	\$ 13,391	\$ 9,529	\$ 3,862	—
Bangor, No. 1	80,999	—	—	80,999	80,999	—	—
Bangor, No. 2 (Old Town) ..	600	—	—	600	—	—	\$ 600
Bar Harbor	14,250	—	—	14,250	—	7,462	6,788
Belfast	5,000	—	—	5,000	2,500	—	2,500
Brunswick, No. 1	7,375	—	—	7,375	2,487	—	4,888
Brunswick, No. 2 (Bath) ..	—	—	—	—	—	—	—
Caribou	15,000	—	—	15,000	10,534	2,500	1,966
Dexter	6,772	—	—	6,772	—	6,772	—
Eastport	23,500	—	—	23,500	15,002	—	8,498
Farmington	—	—	—	—	—	—	—
Fort Kent	—	—	—	—	—	—	—
Greenville	4,000	—	—	4,000	—	—	4,000
Houlton	31,757	—	—	31,757	29,727	2,030	—
Lewiston-Auburn	22,700	—	—	22,700	14,052	6,819	1,830
Millinocket	15,250	—	—	15,250	11,910	2,240	1,100
Norridgewock	4,000	—	—	4,000	—	—	4,000
Pittsfield	3,500	—	—	3,500	1,405	—	2,095
Portland	12,533	—	—	12,533	—	12,532	—
Presque Isle	23,475	—	—	23,475	23,475	—	—
Princeton	38,990	—	305	39,295	34,117	4,014	1,164
Rockland	5,432	—	—	5,432	—	3,682	1,750
Sanford	4,500	—	—	4,500	—	—	4,500
Waterville	13,798	—	—	13,798	9,317	1,876	2,605
Winterport	2,384	—	—	2,384	—	—	2,384
	\$ 347,538	—	\$1,973	\$ 349,511	\$245,054	\$ 53,789	\$ 50,668

PROCEEDS OF GENERAL BOND ISSUES

STATEMENT OF AMOUNTS AVAILABLE AND EXPENDITURES

SCHEDULE III—Concluded

PERIOD ENDED JUNE 30, 1942

	Net Expenditures Authorized*	Earmarked Revenues Prior Years	Earmarked Revenues This Year	Total Available	Expenditures Prior Year	Expenditures This Year	Balance Reserved for Authorized Expenditures
Miscellaneous:							
Armories—Maintenance and Im- provements	\$ 15,000	—	—	\$ 15,000	\$ 6,103	\$ 297	\$ 8,600
Armories—Ranges and Kitchen Equipment	10,000	—	—	10,000	—	7,373	2,628
Artillery Range	40,500	—	—	40,500	2,079	—	38,421
Camp Keyes—Purchase of Land	1,750	—	—	1,750	—	1,750	—
Mineral Research	4,067	—	—	4,067	54	4,012	—
Mineral Research — Bureau of Mines	2,000	—	—	2,000	—	—	2,000
State Guards—Trucks	6,158	—	—	6,158	—	6,158	—
State Guards—Uniforms	2,000	—	—	2,000	389	—	1,611
State Guards — Maintenance and Equipment	60,000	—	—	60,000	—	29,840	30,160
Civilian Defense	—	—	\$ 241	241	241	—	—
	\$ 141,475	—	\$ 241	\$ 141,716	\$ 8,866	\$ 49,430	\$ 83,420
Total—War Bonds	\$1,792,376	\$16,547	\$2,214	\$1,811,137	\$589,751	\$755,234	\$466,152
Total	\$2,017,376	\$16,736	\$2,214	\$2,036,326	\$601,201	\$921,100	\$514,025

*From date of bond issues.

**Does not include \$225,000 bonds authorized but not issued.

PUBLIC SERVICE ENTERPRISES

Commercial enterprises of the State are classified under this fund. Such undertakings differ from the usual governmental functions in that they are business operations which are carried on by government only for the public good or as governmental revenue-producing agencies or a combination of both. This fund is made up of the following minor funds:

Liquor Commission
 Racing Commission
 Augusta Airport
 Waldo-Hancock Toll Bridge
 Richmond-Dresden Toll Bridge
 Deer Isle-Sedgwick Toll Bridge
 Kennebec (Carlton) Bridge Bonds
 Kennebec (Carlton) Bridge Sinking Fund
 Cigarette Tax
 Maine State Pier

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PUBLIC SERVICE ENTERPRISES
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

	Liquor Commission	Racing Commission	Augusta* State Airport	Waldo- Hancock Bridge
ASSETS				
Cash (Exclusive of Closed Banks)	\$132,255	\$236	\$199	\$176,820
Accounts Receivable	10,134	—	197	—
Less Reserves for Losses	5,000	—	—	—
Net Total Receivables	5,134	—	197	—
Inventories	731,965	—	—	—
Other Assets	5,764	—	89	—
Less Reserve for Losses	—	—	—	—
Net Total Other Assets	5,764	—	89	—
Plant and Equipment	119,393	—	—	—
Less Reserve for Depreciation	96,175	—	—	—
Net Plant and Equipment	23,218	—	—	—
Amount Necessary to Retire Bonds	—	—	—	680,000
Amount Due from M. C. R. R. 1942-77	—	—	—	—
Total Assets	\$898,336	\$236	\$485	\$856,820
LIABILITIES				
Accounts Payable	\$277,760	\$236	\$485	—
Other Current Liabilities	3,408	—	—	\$ 440
Interest Matured Not Presented for Payment	—	—	—	—
Total Current Liabilities	281,168	236	485	440
Bonds Payable	—	—	—	680,000
Total Liabilities	281,168	236	485	680,440
RESERVES AND SURPLUS				
Reserves for Retirement of Bonds:				
To be paid by M. C. R. R.	—	—	—	—
To be paid from Sinking Fund	—	—	—	—
For Authorized Expenditures	—	—	—	—
Total Reserves	—	—	—	—
Contributions for Working Capital	617,168	—	—	—
Surplus Accounts:				
Unappropriated Surplus	—	—	—	176,380
Total Liabilities, Reserves and Surplus	\$898,336	\$236	\$485	\$856,820

*Balance sheets of Augusta State Airport and Maine State Pier include only those assets and liabilities carried on the general books of the State.

SCHEDULE I

Richmond- Dresden Bridge	Deer Isle- Sedgwick Bridge	Kennebec (Carlton) Bridge Bonds	Bridge Sinking Fund	Cigarette Tax	Maine* State Pier	Total June 30, 1942	Total June 30, 1941
—	\$17,561	—	\$ 56,746	(\$66,022)	\$66,400	\$ 384,195	\$ 704,699
—	—	—	624	66,604	—	77,559	70,117
—	—	—	43	—	—	5,043	5,000
—	—	—	581	66,604	—	72,516	65,117
—	—	—	—	—	—	731,965	680,161
—	—	—	35,352	—	—	41,205	40,939
—	—	—	33,268	—	—	33,268	33,268
—	—	—	2,084	—	—	7,937	7,671
—	—	—	—	—	—	119,393	113,547
—	—	—	—	—	—	96,175	102,202
—	—	—	—	—	—	23,218	11,345
—	—	1,500,000	—	—	—	2,180,000	2,540,000
—	—	—	1,444,985	—	—	1,444,985	1,463,207
—	\$17,561	\$1,500,000	\$1,504,396	\$ 582	\$66,400	\$4,844,816	\$5,472,200
—	—	—	—	\$ 582	—	\$ 279,063	\$ 108,694
—	—	—	—	—	\$66,400	70,248	260,417
—	—	—	\$ 4,700	—	—	4,700	—
—	—	—	4,700	582	66,400	354,011	369,111
—	—	\$1,500,000	—	—	—	2,180,000	2,540,000
—	—	1,500,000	4,700	582	66,400	2,534,011	2,909,111
—	—	—	1,444,985	—	—	1,444,985	1,463,207
—	—	—	55,015	—	—	55,015	94,980
—	—	—	—	—	—	—	32,736
—	—	—	1,500,000	—	—	1,500,000	1,590,923
—	—	—	—	—	—	617,168	617,168
—	17,561	—	(304)	—	—	193,637	354,998
—	\$17,561	\$1,500,000	\$1,504,396	\$ 582	\$66,400	\$4,844,816	\$5,472,200

PUBLIC SERVICE ENTERPRISES
 MAINE STATE LIQUOR COMMISSION
 COMPARATIVE PROFIT AND LOSS STATEMENTS
 SCHEDULE II YEARS ENDED JUNE 30

	This Year	Last Year
INCOME		
SALES		
Retail	\$8,527,762	\$6,345,223
Wholesale to Licensees	953,023	755,366
GROSS SALES	9,480,785	7,100,589
Less: Licensees' Discounts	88,370	75,663
Returned Sales	937	149
	89,307	75,812
NET SALES	9,391,478	7,024,777
Less: Cost of Goods Sold	6,067,098	4,502,489
GROSS PROFIT ON SALES	3,324,380	2,522,288
OTHER OPERATING INCOME		
Liquor Licenses	41,700	41,100
Malt Beverage Licenses	251,190	269,515
Malt Beverage Filing Fees	17,740	18,840
Malt Beverage Excise Tax (Net)	392,298	297,500
Malt Beverage Deficiency Tax (Net)	1,166,898	892,499
TOTAL OTHER OPERATING INCOME	1,869,826	1,519,454
ADMINISTRATIVE INCOME		
Time Discount—Purchases	121,882	92,883
Profit on Carload Purchases	59,795	46,190
Augusta-Portland Freight Differential	6,248	—
Profit on Special Deals	16,700	23,798
Miscellaneous Income	8,074	4,209
TOTAL ADMINISTRATIVE INCOME	212,699	167,080
TOTAL INCOME	5,406,905	4,208,822
EXPENSES		
Direct Store Operating Expenses	422,746	400,785
Commissioners' Salaries and Expenses	11,964	12,924
General Administration	29,488	27,934
Liquor Stores Supervision	12,256	13,520
Enforcement	66,285	57,745
Merchandising	6,761	4,311
Warehousing	34,656	33,636
Chemical Analysis	83	20
Accounting Services (Transfer to General Fund)	40,946	42,399
Other Accounting Services	80	20
Transferring Warehouse	982	—
Profit or Loss Sale of Equipment	(1,094)	347
TOTAL EXPENSES	625,193	593,641
NET PROFIT TRANSFERRED TO GENERAL FUND	\$4,781,712	\$3,615,181

PUBLIC SERVICE ENTERPRISES
 MAINE STATE RACING COMMISSION
 COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES
 SCHEDULE III YEARS ENDED JUNE 30

	This Year	Last Year
REVENUES		
Licenses for Horse Racing	\$ 280	\$ 280
Commission on Pari-Mutuels	69,569	55,331
Total Revenues	69,849	55,611
EXPENDITURES		
Personal Services	7,128	8,261
Other Current Expenditures	1,630	3,218
Total Expenditures	8,758	11,479
NET REVENUE TRANSFERRED TO GENERAL FUND	\$61,091	\$44,132

AUGUSTA STATE AIRPORT
 COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES
 SCHEDULE IV YEARS ENDED JUNE 30

	This Year	Last Year
REVENUES		
Rental of Land	\$ 153	\$ 152
Rental of Hangars	1,407	757
Rental of Offices and Rooms	954	812
Other Income	173	379
Total Revenues	\$2,687	\$ 2,100
EXPENDITURES		
Personal Services	\$ 6,325	\$ 6,844
Other Current Expenditures	2,879	2,974
Capital Outlays	847	5,072
Total Expenditures	\$10,051	\$14,890
NET LOSS TRANSFERRED FROM GENERAL FUND	\$ 7,364	\$12,790

PUBLIC SERVICE ENTERPRISES
TOLL BRIDGES

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES

SCHEDULE V

YEARS ENDED JUNE 30

	Waldo-Hancock Bridge		Richmond-Dresden Bridge		Deer Isle-Sedgwick Bridge	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
REVENUES						
Tolls Collected	\$ 77,442	\$101,877	\$6,644	\$6,515	\$40,017	\$40,996
Other Revenues	284	115	427	1,577	2	962
Total Revenues	77,726	101,992	7,071	8,092	40,019	41,958
EXPENDITURES						
Operating Expenses:						
Personal Services	8,908	8,980	6,954	6,560	6,293	6,191
Bridge Maintenance	9,696	5,970	1,318	2,240	514	2,018
Damage Claim	—	—	—	—	5,000	—
Other Expenses	2,141	196	545	93	602	115
Total Expenditures	20,745	15,146	8,817	8,893	12,409	8,324
Net Available for Principal and Interest ..	56,981	86,846	(1,746)	(801)	27,610	33,634
Interest Maturities	31,600	36,000	—	—	19,590	19,480
Bonds Matured	20,000	—	—	—	6,000	6,000
Total Requirements	51,600	36,000	—	—	25,590	25,480
Net to Surplus	5,381	50,846	(1,746)	(801)	2,020	8,154
Surplus at Beginning of Year	370,999	320,153	(2,133)	(1,332)	15,541	7,388
	376,380	370,999	(3,879)	(2,133)	17,561	15,542
Bonds Called in Advance of Maturity	200,000	—	—	—	—	—
Transferred from Highway Fund	—	—	3,879	—	—	—
Surplus at End of Year	\$176,380	\$370,999	—	(\$2,133)	\$17,561	\$15,542

PUBLIC SERVICE ENTERPRISES
TOLL BRIDGES
REVENUE STATISTICS
WALDO-HANCOCK BRIDGE

SCHEDULE VI

YEARS ENDED JUNE 30

	1940-41		1941-42		1942-43	
	Tolls	Vehicles	Tolls	Vehicles	Tolls	Vehicles
July	\$ 18,812	35,410	\$15,454	45,078	\$4,428	13,737
August	28,786	52,518	20,129	59,688	3,718	11,971
September	13,623	26,777	9,619	29,542		
October	8,035	17,267	6,130	19,254		
November	5,536	12,423	5,024	15,900		
December	3,112	7,878	3,037	10,364		
January	2,188	6,084	2,555	8,203		
February	2,795	6,979	2,162	7,497		
March	2,890	7,694	2,728	8,991		
April	3,480	11,779	3,202	10,656		
May	5,178	16,586	3,946	12,492		
June	7,442	23,761	3,456	10,971		
	\$101,877	225,156	\$77,442	238,636		

Rates reduced March 29, 1941.

RICHMOND-DRESDEN BRIDGE

	1940-41		1941-42		1942-43	
	Tolls	Vehicles	Tolls	Vehicles	Tolls	Vehicles
July	\$ 749	2,650	\$ 803	2,847	\$ 554	2,095
August	982	3,454	921	3,312	536	1,994
September	696	2,563	651	2,628		
October	526	2,266	616	2,628		
November	411	1,694	550	2,397		
December	291	1,297	376	1,836		
January	385	1,504	502	2,181		
February	444	1,717	493	1,849		
March	430	1,733	378	1,586		
April	410	1,621	380	1,660		
May	587	2,171	500	2,024		
June	604	2,195	474	1,818		
	\$6,515	24,865	\$6,644	26,766		

DEER ISLE-SEDGWICK BRIDGE

	1940-41		1941-42		1942-43	
	Tolls	Vehicles	Tolls	Vehicles	Tolls	Vehicles
July	\$ 5,603	4,658	\$ 5,614	5,569	\$3,378	3,354
August	6,377	6,308	6,781	6,906	3,595	3,546
September	4,135	4,252	4,073	4,490		
October	3,774	3,889	3,828	3,785		
November	2,993	3,017	3,027	3,258		
December	2,438	2,448	2,550	2,655		
January	1,665	1,821	1,892	2,007		
February	1,890	2,035	1,918	2,025		
March	2,314	2,137	2,247	2,399		
April	2,715	2,867	2,705	2,739		
May	3,409	3,334	2,689	2,855		
June	3,683	3,780	2,693	2,709		
	\$40,996	40,546	\$40,017	41,397		

PUBLIC SERVICE ENTERPRISES

TOLL BRIDGES

BONDED DEBT AND INTEREST MATURITIES

SCHEDULE VII

JUNE 30, 1942

Year Ending June 30	Kennebec (Carlton) Bridge** Bond Maturities	Interest Maturities	Waldo-Hancock Bridge Bond Maturities	Interest Maturities	Deer Isle-Sedgwick Bridge* Bond Maturities	Interest Maturities
1943		\$ 60,000	\$ 20,000	\$ 26,800	\$ 11,000	\$ 18,900
1944		60,000	20,000	26,000	11,000	18,460
1945		60,000	20,000	25,200	12,000	18,000
1946		60,000	20,000	24,400	12,000	17,520
1947		60,000	30,000	23,400	12,000	17,040
1948		60,000	30,000	22,200	14,000	16,520
1949		60,000	30,000	21,000	14,000	15,960
1950		60,000	30,000	19,800	14,000	15,400
1951	\$ 75,000	60,000	30,000	18,600	15,000	14,820
1952	75,000	57,000	45,000	17,100	16,000	14,200
1953	80,000	54,000	45,000	15,300	16,000	13,560
1954	80,000	50,800	45,000	13,500	16,000	12,920
1955	30,000	47,600	45,000	11,700	18,000	12,240
1956	30,000	46,400	45,000	9,900	18,000	11,520
1957	35,000	45,200	45,000	8,100	18,000	10,800
1958	35,000	43,800	45,000	6,300	20,000	10,040
1959	35,000	42,400	45,000	4,500	20,000	9,240
1960	40,000	41,000	45,000	2,700	22,000	8,400
1961	40,000	39,400	45,000	900	22,000	7,520
1962	40,000	37,800			23,000	6,620
1963	40,000	36,200			24,000	5,680
1964	45,000	34,600			24,000	4,720
1965	45,000	32,800			26,000	3,720
1966	50,000	31,000			26,000	2,680
1967	55,000	29,000			27,000	1,620
1968	55,000	26,800			27,000	540
1969	55,000	24,600				
1970	55,000	22,400				
1971	55,000	20,200				
1972	60,000	18,000				
1973	60,000	15,600				
1974	65,000	13,200				
1975	65,000	10,600				
1976	70,000	8,000				
1977	70,000	5,200				
1978	60,000	2,400				
Total	\$1,500,000	\$1,376,000	\$680,000	\$297,400	\$478,000	\$288,640

*Contingent liability only.

**To be paid from Sinking Fund (See Schedule I).

PUBLIC SERVICE ENTERPRISES
SINKING FUND FOR KENNEBEC (CARLTON) BRIDGE BONDS
STATEMENT OF REVENUE—COMPARED WITH SINKING
FUND REQUIREMENTS

SCHEDULE VIII

YEAR ENDED JUNE 30

REVENUES	
Payment from Maine Central Railroad for Principal and Interest . . .	\$ 76,570
Excise Taxes	3,130
Interest Earned	651
Total Revenues	80,351
EXPENDITURES	
Interest Matured	60,760
Net Available for Sinking Fund Requirements	19,591
SINKING FUND REQUIREMENTS	18,222
Net to Unappropriated Surplus	1,369
Balance of Unappropriated Surplus July 1, 1941	\$3,327
Less: Adjustment Affecting Prior Year's Transactions	5,000 (1,673)
UNAPPROPRIATED SURPLUS (DEFICIT) JUNE 30, 1942	\$ (304)

SINKING FUND FOR KENNEBEC (CARLTON) BRIDGE BONDS
ANALYSIS OF CHANGES IN RESERVE FOR RETIREMENT OF BONDS

SCHEDULE IX

YEAR ENDED JUNE 30, 1942

REQUIRED RESERVE JULY 1, 1941	\$61,793
Add: Sinking Fund Requirements	18,222
	80,015
Deduct: Bonds Called	25,000
REQUIRED RESERVE JUNE 30, 1942	\$55,015

PUBLIC SERVICE ENTERPRISES

CIGARETTE TAX

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES

SCHEDULE X

YEARS ENDED JUNE 30

	This Year	Last Year (One Month Only)
REVENUES		
Cigarette Tax Stamps Sold	\$1,477,129	\$248,943
Less: Discounts to Dealers	102,845	15,802
Refunds	4,545	655
	107,390	16,457
Net Sales	1,369,739	232,486
Licenses	7,541	12,999
Sale of Confiscated Cigarettes	99	14
Total Revenues	1,377,379	245,499
EXPENDITURES		
Cost of Cigarette Tax Stamps	11,937	2,970
Administration:		
Personal Services	16,546	2,669
Other Current Expenditures	9,378	2,470
Capital Outlay	675	682
Total Administration	26,599	5,821
Total Expenditures	38,536	8,791
NET TRANSFER TO GENERAL FUND FOR OLD AGE ASSISTANCE	\$1,338,843	\$236,708

WORKING CAPITAL FUNDS

This account combines several similar funds, sometimes called revolving funds, representing non-profit but self-reimbursing activities conducted by the State either as service agencies for departments of the State or as financing agencies (similar to petty cash accounts) for activities authorized by law. This fund is made up of the following minor funds:

Home Industries Fund
 Prison Industries
 Departmental Garage
 Highway Garage
 Food Stamp Fund
 Departmental Supplies
 Post Office

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WORKING CAPITAL FUNDS
COMPARATIVE BALANCE SHEETS
JUNE 30

	Home Industries	Prison Industries	Departmental Garage
ASSETS			
Cash	\$ 4,432	\$ 23,232	\$19,775
Accounts and Notes Receivable:			
Other	9,379	13,908	4,532
Less—Reserves for Losses	—	—	—
Net Total Receivables	9,379	13,908	4,532
Inventories	345	48,668	504
Other Assets	—	—	—
Plant and Equipment	—	39,533	72,301
Less—Reserves for Depreciation	—	—	17,287
Net Plant and Equipment	—	39,533	55,014
Total Assets	\$14,156	\$125,341	\$79,825
LIABILITIES			
Accounts Payable	\$ 124	\$ 160	\$ 5,234
Other Current Liabilities	—	—	—
Total Liabilities	124	160	5,234
RESERVES AND SURPLUS			
Contributions from Other Funds	28,421	125,181	—
Contributions for Working Capital	—	—	75,000
Contributions from Federal Government	—	—	—
Surplus Accounts:			
Unappropriated Surplus	(14,389)	—	(409)
Total Liabilities, Reserves and Surplus	\$14,156	\$125,341	\$79,825

Highway Garage	Food Stamp Plan	Departmental Supplies	Post Office	Total June 30, 1942	Total June 30, 1941
\$ 267,633	\$ 25,005	(\$ 436)	\$4,758	\$ 344,399	\$ 537,494
21,441	4,723	—	86	54,069	28,700
56	—	—	—	56	—
21,385	4,723	—	86	54,013	28,700
216,544	70,272	11,404	5,061	352,798	272,544
2,144	—	—	—	2,144	—
1,646,663	—	—	—	1,758,497	1,538,636
839,035	—	—	—	856,322	831,801
807,628	—	—	—	902,175	706,835
\$1,315,334	\$100,000	\$10,968	\$9,905	\$1,655,529	\$1,545,573
\$ 10,284	—	\$ 471	—	\$ 16,273	\$ 56,582
15,605	—	—	—	15,605	—
25,889	—	471	—	31,878	56,582
380,000	—	—	—	533,602	521,805
—	100,000	10,000	10,000	195,000	145,000
1,000,000	—	—	—	1,000,000	1,000,000
(90,555)	—	497	(95)	(104,951)	(177,814)
\$1,315,334	\$100,000	\$10,968	\$9,905	\$1,655,529	\$1,545,573

TRUST AND AGENCY FUNDS

These funds include many minor independent funds not directly associated with governmental functions, as listed below:

EXPENDABLE FUNDS

- Public Trusts
 - Pension or Retirement Funds
 - Maine Teachers Retirement Assn.
 - Employees Retirement System
 - Revenue Receipts of Non Expendable Trusts
- Private Trusts
 - Guaranty Deposits
 - Public Administrators Funds
 - Receivers Funds for Defunct Banks
 - Financial Responsibility Deposits
 - Trustees, Cities and Towns
- Agency Funds
 - Due Other Governmental Units
 - Tax on Bank Stock
 - Dog Licenses
 - County Taxes
 - Road Repair Taxes

NON EXPENDABLE FUNDS

- Public Trusts
 - Lands Reserved for Public Uses
 - Permanent School Fund
 - Other Trust Funds

Trust funds are composed of money held by the State as trustee or custodian, invested as endowment funds to produce revenues supplementing appropriations for specified governmental purposes, for the benefit of cities and towns of the State or other purposes. Agency funds are either temporary deposits to guarantee meeting of obligations to the State or the public, or amounts collected by or deposited with the State for the benefit of the general public or cities, counties and towns of the State.

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TRUST AND AGENCY FUNDS
COMPARATIVE BALANCE SHEETS

SCHEDULE I

JUNE 30

ASSETS	Total Funds		Total Expendable Funds (See Schedule II)	Detail of This Year			
	June 30, 1942	June 30, 1941		Total Non-Expendable Funds	Non-Expendable Lands Reserved Trust Fund	Permanent School Fund	Other Endowment Funds
Cash (Exclusive of Closed Banks)	\$ 879,748	\$ 745,015	\$ 508,739	\$ 371,009	\$ 108,491	\$ 44,023	\$ 218,495
Accounts Receivable:							
Tax Accounts	22,860	4,928	22,727	133	—	—	133
Other	4,524	4,875	4,524	—	—	—	—
Investments (See Note A)	3,106,690	2,865,740	1,421,281	1,685,409	768,483	517,887	399,039
Other Assets (See Note B)	92,287	102,725	—	92,287	35,992	3,295	53,000
Total Assets	\$4,106,109	\$3,723,283	\$1,957,271	\$2,148,838	\$912,966	\$565,205	\$670,667
LIABILITIES							
Accounts Payable	\$ 7,454	\$ 3,976	\$ 6,879	\$ 575	\$ 575	—	—
RESERVES AND SURPLUS							
Reserve for Trust and Agency Funds	4,098,655	3,719,307	1,950,392	2,148,263	912,391	\$565,205	\$670,667
Total Liabilities, Reserve and Surplus	\$4,106,109	\$3,723,283	\$1,957,271	\$2,148,838	\$912,966	\$565,205	\$670,667

(A) At cost less ratable amortization of any premium paid.

(B) No reserve is provided for estimated loss of \$80,000 on impounded bank accounts.

TRUST AND AGENCY FUNDS
BALANCE SHEETS OF EXPENDABLE FUNDS

SCHEDULE II

JUNE 30, 1942

ASSETS	Total (To Schedule I)	Public Trusts			Private Trusts Misc.	Agency Funds		
		Pension or Retirement Fund Teachers	Employees	Revenue of Non-Expendable Trusts		Due to Other Bank Stock Tax	Governmental Units Dog Licenses	Other
Cash (Exclusive of Closed Banks)	\$ 508,739	\$ 64,944	\$ 14,813	\$ 4,531	\$ 79,888	\$ 119,000	\$ 85,597	\$ 139,966
Accounts Receivable:								
Tax Accounts	22,727	—	—	—	—	13,380	—	9,347
Other	4,524	4,524	—	—	—	—	—	—
Investments (See Note A)	1,421,281	840,606	—	—	580,675	—	—	—
Total Assets	\$1,957,271	\$910,074	\$14,813	\$4,531	\$660,563	\$132,380	\$85,597	\$149,313
LIABILITIES								
Accounts Payable	\$ 6,879	—	\$ 406	—	\$ 757	—	\$ 3,616	\$ 2,100
RESERVES AND SURPLUS								
Reserve for Trust and Agency Funds	1,950,392	\$910,074	14,407	\$4,531	659,806	\$132,380	81,981	147,213
Total Liabilities, Reserves and Surplus	\$1,957,271	\$910,074	\$14,813	\$4,531	\$660,563	\$132,380	\$85,597	149,313

(A) At cost less ratable amortization of any premium paid.

TRUST AND AGENCY FUNDS

ANALYSIS OF CHANGES IN RESERVE FOR TRUST AND AGENCY FUNDS

SCHEDULE III

YEAR ENDED JUNE 30, 1942

	Total	Total Expendable Trusts (See Schedule IV)	Total Non- Expendable Trusts	Non-Expendable Trusts		
				Lands Reserved	Public Trusts Permanent School Fund	Other Trust Funds
BALANCE JULY 1, 1941	\$3,713,334	\$1,586,711	\$2,126,623	\$889,956	\$565,205	\$671,462
ADDITIONS:						
Contributions and Transfers from General Fund	47,647	47,647	—	—	—	—
Interest Earned (Net after Amortization of Premiums)	88,632	88,632	—	—	—	—
Profit or Loss on Sale of Securities	5,298	7,093	(1,795)	—	—	(1,795)
Rents Earned	3,520	3,520	—	—	—	—
Profit or Loss on Sale of Farms	(9,099)	(9,099)	—	—	—	—
Revenue from Reserved Lands	20,722	—	20,722	20,722	—	—
Miscellaneous Sales	115	115	—	—	—	—
Tax for Debt Retirement of Deorganized Towns	8,388	8,388	—	—	—	—
Individual Contributions for Pensions	150,542	150,542	—	—	—	—
Deposits by Cities and Towns	138,132	138,132	—	—	—	—
Miscellaneous Trust Deposits	79,151	78,151	1,000	—	—	1,000
Tax on Bank Stock	136,134	136,134	—	—	—	—
Dog Licenses	123,350	123,350	—	—	—	—
Taxes Collected for Counties	178,597	178,597	—	—	—	—
Amounts Due Deorganized Towns from State School Fund	1,713	—	1,713	1,713	—	—
Adjustments	1,042	1,042	—	—	—	—
TOTAL ADDITIONS	\$ 973,884	\$ 952,244	\$ 21,640	\$ 22,435	—	\$ (795)
	\$4,687,218	\$2,538,955	\$2,148,263	\$912,391	\$565,205	\$670,667
DEDUCTIONS:						
Administrative Expenses	\$ 17,874	\$ 17,874	—	—	—	—
Claims for Damage by Wild Animals	30,234	30,234	—	—	—	—
Bounty on Bears	3,810	3,810	—	—	—	—
Distribution to Counties, Cities and Towns of Agency Account Balances	210,850	210,850	—	—	—	—
Refunds of Trust Deposits	218,199	218,199	—	—	—	—
Transfer to General Funds of Unclaimed Balances	11,733	11,733	—	—	—	—
Retirement of Debt of Unorganized Territories	11,208	11,208	—	—	—	—
Distribution of Income from Non-Expendable Trusts:						
To University of Maine	9,933	9,933	—	—	—	—
To Schools and Academies	590	590	—	—	—	—
For Benefit of Patients in State Owned Institutions	3,085	3,085	—	—	—	—
Interest on Lands Reserved Trust Funds Paid to Plantations	38,675	38,675	—	—	—	—
Contributions and Transfers to General Fund:						
Revenue Available for Appropriation	3,413	3,413	—	—	—	—
Interest on Lands Reserved Trust Funds of Unorganized Territories Earmarked for Equalization of Educational Opportunities	9,973	9,973	—	—	—	—
To State School Fund	18,986	18,986	—	—	—	—
TOTAL DEDUCTIONS	\$ 588,563	\$ 588,563	—	—	—	—
BALANCE JUNE 30, 1942	\$4,098,655	\$1,950,392	\$2,148,263	\$912,391	\$565,205	\$670,667

TRUST AND AGENCY FUNDS

ANALYSIS OF CHANGES IN RESERVES FOR EXPENDABLE TRUSTS

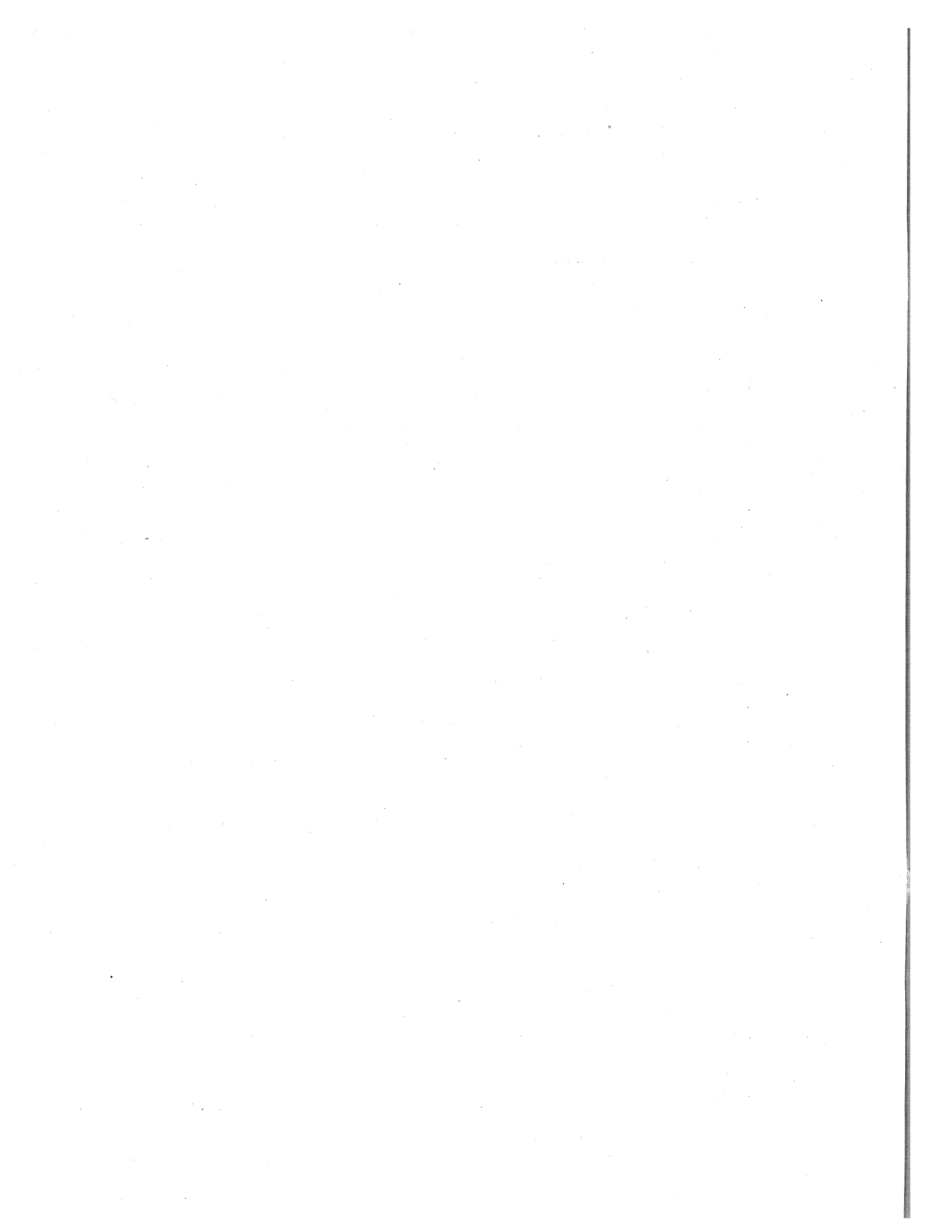
SCHEDULE IV

YEAR ENDED JUNE 30, 1942

	Total Expendable Trusts (To Schedule III)	Public Trusts Pension Funds	
		Teachers	Employees
BALANCE JULY 1, 1941	\$1,586,711	\$794,721	—
ADDITIONS:			
Contributions and Transfers from General Fund	47,647	—	\$15,000
Interest Earned (Net after amortization of premiums)	88,632	32,963	—
Profit or Loss on Sale of Securities	7,093	(2,238)	—
Rents Earned	3,520	—	—
Profit or Loss on Sale of Farms	(9,099)	—	—
Miscellaneous Sales	115	—	—
Individuals Contributions for Pensions	150,542	150,542	—
Deposits by Cities and Towns	138,132	—	—
Miscellaneous Trust Deposits	78,151	195	—
Tax on Bank Stock	136,134	—	—
Dog Licenses	123,350	—	—
Taxes Collected for Counties	178,597	—	—
Tax for Debt Retirement of Deorganized Towns	8,388	—	—
Adjustments	1,042	—	—
Total Additions	\$ 952,244	\$181,462	\$15,000
	\$2,538,955	\$976,183	\$15,000
DEDUCTIONS:			
Administration Expenses	\$ 17,874	\$ 1,030	\$ 593
Claims for Damage by Wild Animals	30,234	—	—
Bounty on Bears	3,810	—	—
Distribution to Counties, Cities and Towns of Agency Account Balances	210,850	—	—
Refunds of Trust Deposits	218,199	65,079	—
Transfer to General Funds of Unclaimed Balances	11,733	—	—
Retirement of Debt of Unorganized Territories	11,208	—	—
Distribution of Income from Non-Expendable Trusts:			
To University of Maine	9,933	—	—
To Schools and Academies	590	—	—
For Benefit of Patients in State Owned Institutions	3,085	—	—
Interest on Lands Reserved Trust Funds Paid to Plantations	38,675	—	—
Contributions and Transfers to General Fund:			
Revenue Available for Appropriation	3,413	—	—
Interest on Lands Reserved Trust Funds of Unorgan- ized Territories Earmarked for Equalization of Edu- cational Opportunities	9,973	—	—
To State School Fund	18,986	—	—
Total Deductions	\$ 588,563	\$ 66,109	\$ 593
BALANCE JUNE 30, 1942	\$1,950,392	\$910,074	\$14,407

SCHEDULE IV

Revenue Receipts of Non-Expendable Trusts			Private Trusts Misc.	Agency Funds		
Lands Reserved	Permanent School Fund	Other Trust Funds		Bank Stock Tax	Dog Licenses	Other
\$ 1,655	\$ 377	\$ 2,715	\$621,838	\$120,683	\$ 39,089	\$ 5,633
28,333	—	4,314	—	—	—	—
21,888	18,278	15,503	—	—	—	—
11,595	708	(2,972)	—	—	—	—
3,520	—	—	—	—	—	—
(9,099)	—	—	—	—	—	—
115	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	138,132
—	—	—	77,956	—	—	—
—	—	—	—	136,134	—	—
—	—	—	—	—	123,350	—
—	—	—	—	—	—	178,597
—	—	—	—	—	—	8,388
1,042	—	—	—	—	—	—
\$57,394	\$18,986	\$16,845	\$ 77,956	\$136,134	\$123,350	\$325,117
\$59,049	\$19,363	\$19,560	\$699,794	\$256,817	\$162,439	\$330,750
\$ 8,926	—	—	—	—	\$ 7,325	—
—	—	—	—	—	30,234	—
—	—	—	—	—	3,810	—
—	—	—	—	—	39,089	\$171,761
—	—	—	\$ 28,166	\$124,386	—	568
—	—	—	11,733	—	—	—
—	—	—	—	—	—	11,208
—	—	\$ 9,933	—	—	—	—
—	—	590	—	—	—	—
—	—	3,085	—	—	—	—
38,675	—	—	—	—	—	—
—	—	3,273	89	51	—	—
9,973	—	—	—	—	—	—
—	\$18,986	—	—	—	—	—
\$57,574	\$18,986	\$16,881	\$ 39,988	\$124,437	\$ 80,458	\$183,537
\$ 1,475	\$ 377	\$ 2,679	\$659,806	\$132,380	\$ 81,981	\$147,213



STATE OF MAINE

Twenty-third Report
of the
Department of Audit



For Period

July 1, 1941 to June 30, 1942

WILLIAM D. HAYES, C. P. A.
STATE AUDITOR



HAROLD E. CRAWFORD
MUNICIPAL AUDITOR
CHESTER A. DOUGLAS
CHARLES G. DUDLEY
DEPARTMENTAL AUDITORS

STATE OF MAINE
State Department of Audit
Augusta

August 31, 1942.

In accordance with the provisions of Section 4, Article VI, of Chapter 216 of the Public Laws of 1931, the Department of Audit submits herewith its report for the fiscal year ended June 30, 1942. From this, there are omitted all statements of the general finances of the State, since the same are covered in the report of the Controller for the same period, certified by the State Auditor.

Reference to the data set forth in the current Controller's Report will show that the State of Maine is in an enviably sound financial position at this critical time, and that its affairs have been ably and economically administered in the year just ended. The results of another year's work of the Department of Audit indicate plainly that still further, and very material, progress has been made by the various departments in overcoming certain detrimental tendencies and practices of earlier years.

William D. Hayes
State Auditor.

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ORGANIZATION OF DEPARTMENT AND SUMMARY OF WORK

The work of the Department of Audit has continued in the year ended June 30, 1942 under the same two divisions; the Municipal Division handling the audits of municipalities, counties, courts and normal schools; and the Departmental Division the audits of the Bureau of Accounts and Control and the various other departments, institutions and agencies of the State, as well as the Port of Portland Authority, Maine Maritime Academy (newly organized) and the various State aided academies.

Since July 1, 1941, the Department has lost a total of 16 employees, of whom 4 went directly into military service, and 5 to other State departments; the other 7 in most cases due at least indirectly to defense work. New employees, totaling 13, were put on, resulting in a total personnel as of date numbering 33, of whom 17 are in the Departmental Division, 14 in the Municipal Division, the State Auditor and chief clerk.

The Municipal Division receives no appropriation from the State, its activities being financed entirely by charges for services of its men at the rate of \$10 per day plus expenses; the Departmental Division and overhead were financed last year by an appropriation of \$37,500, plus charges against the Highway Department at cost-plus-overhead for services rendered them totalling \$11,377.47 (this compares with \$12,500 estimated in the biennial budget), and a few small scattering bills against others. The financial outcome of the department for the year just ended is shown in Exhibit A herewith. As of the end of the year, both divisions were credited with their accounts receivable as of that date, so that beginning July 1, 1942 they will be on an accrual basis; while the Municipal Division was also put on a revolving basis, with balances to be carried forward.

The Department of Audit personnel were granted one rather general salary increase as of approximately January 1, 1942, which brings the salaries more nearly in line with those paid similar personnel in other State departments and in outside work.

The Department issued on March 9, 1942 a supplemental report summarizing work of its Municipal Division, with particular reference to certain financial statistics of the various municipalities of the State; and plans to issue a similar report again this year as soon as the current municipal audits are completed.

The law provides that the Controller shall hold his books open until July 20 and that the annual report of the State Auditor shall be published by August 31 covering the transactions of the fiscal year ended June 30. The short time between these two dates makes impossible the completion of the examination by the Department of Audit of final figures on all the various departments, institutions and agencies of the State government before the date specified for our report. This work is now complete in most cases up to various dates between March 31 and June 30, and the results so far shown support in general the accuracy of the Controller's figures.

The summary figures shown by the Controller in his report as of June 30, 1942, were prepared from the records in the Bureau of Accounts and Control, to which a Department of Audit man has been constantly assigned throughout the year, as has also been true of the State Treasurer's office. This, coupled with the fact that certain of our personnel have been constantly in touch with the year-end closing of the Controller's accounts and the preparation of the figures shown in his report, minimizes the probability of any sizable exceptions thereto.

The relatively few minor irregularities in handling the State's cash which have shown up during the year, have been quickly adjusted without any extreme measures; while further steady progress has been made in reductions of unnecessary and excessive expenditures.

A high proportion of the subject matter of this report is, by its very nature, open to possible variance of opinion, in which the ideas set forth in this report might, and probably do, differ

materially from those of others. In all matters, we have reported situations, tendencies, and actions as they appear to us, without malice or the desire to criticise.

The Department of Audit has followed the policy that the provisions for State administration set forth in the legislative enactments should be followed; and that if the same proved impractical or inconsistent with other enactments, such should be brought to the attention of the Legislature in the hope that proper changes would be made therein. In following this policy, we have sometimes encountered a seemingly different feeling, in some quarters almost approaching the thought that only such provisions of the law need be followed, or that the law could be interpreted, as coincided with personal wishes of the affected party.

Our department, realizing the possibility of differing viewpoints on many matters of accounting, etc., has attempted in all things to meet at least half way those holding ideas differing from our own.

We express our hearty appreciation of the faithful and loyal work of the personnel of the department in the year that has now passed, as well as of the cooperation of the personnel of the various other departments of State.

ACADEMIES, STATE AIDED

In accordance with Chapter 132, Public Laws of 1931, reports were made by our department on the over 40 academies which are receiving State aid, covering the school year ended in June, 1941; in connection with which we "accepted" (usually after obtaining material additional information) audits of certain of these units performed by public accountants. Considerable opposition and trouble was experienced in obtaining proper data regarding certain of these units, resulting in delays in their receiving checks for State aid. Similar examinations for the school year ended in June, 1942, are now in process.

ACCOUNTS AND CONTROL, BUREAU OF

The improvement in accounting and reporting methods, and in the accuracy, clarity, and practical value of the results, to which attention was called last year, has continued with accelerated momentum, reaching more or less of a climax at the year-end on June 30, when, in addition to a much improved closing and presentation of figures, a completely revised set of accounts was established for the future, the principles of which govern the assemblage of figures in the current Controller's report.

Further lines along which improvement is understood to be projected by the present Controller are: Reduction of costly duplication of work in the Controller's office and in the various State departments, institutions and agencies; improved supervision by the Controller of necessary accounting in other departments; improved correlation between the control accounts in the Controller's office and the detail accounts in other departments; earlier availability of monthly figures, and their arrangement in such form as to make them of the greatest practical value for administrative control; with a possibility later of quarterly or even monthly publication of summary figures.

Earlier accomplishment of these to-be-desired results has been handicapped by changes in personnel of the State Controller, which office has been held by four different men during the last two and one-half years. This is despite the fact that it is a position in which continuity of personnel and thorough familiarity with the wide range of State activity, are both essential for real accomplishment. The last change, in May, 1942—at a time of great activity in preparing for year-end closings, and issuing the annual Controller's report—was made necessary by the elevation of Controller Mossman to fill the position vacated by Finance Commissioner Payne who had entered the military service.

Material headway has been made during the year just ended in obtaining increased supervisory personnel, previous lack of which had handicapped proper results.

One major change in the accounting procedure of the State, first effective June 30, 1942 and resulting in a net increase of \$526,897.93 in the assets shown in the State's balance sheet, was the inclusion therein of virtually all accounts receivable in whatever department originating, with indicated reserves to care for probable losses in realization as per summary in Exhibit E. This in effect puts the State onto the accrual basis, accounts payable having already been considered at year-ends, and results in a much truer picture of the financial outcome. The wisdom of the projected later inclusion of buildings and other fixed assets in the balance sheet of the State would appear to the writer as open to argument.

The clearest and most accurate form of presentation of the financial standing of a governmental body such as the State of Maine is something regarding which there is no generally accepted optimum, and in which there is wide divergence of both opinion and practice. The principles generally accepted in commercial procedure are applicable only limitedly to governmental units, in fact, some states never even attempt a balance sheet. The form of presentation adopted by the Finance Commissioner and Controller for the current report differs from that previously employed for Maine, and was only decided on by them after study of the various factors involved, and the practice of others. It is hoped that it will meet a favorable reception.

Recent discussion has been heard of the possible value of decentralization of accounting through reduction of this work done directly in the Controller's office, and of greater dependence placed on details worked up in the various departments, institutions and agencies of the State. Limited adjustments along this line are believed worthy of consideration, but only provided much closer supervision can be maintained by the Controller of the accounts handled in the other departments; especially when we consider that even after very material reductions in the last two years, the records of the Controller's office indicate expenditures directly by them in the year just ended totalling nearly \$150,000, a substantial portion of which is on top of the cost of accounting work—relatively little supervised by the Controller in the past—in each and every department, institution and agency of the State.

ACCOUNTS RECEIVABLE CHARGED OFF

During the year, accounts receivable totalling \$304,310.14 have been charged off, on the certification by the Finance Commissioner and State Auditor and with the approval of the Governor, under the provisions of Chapter 13 of the Public Laws of 1941.

Included in these accounts are unrealizable balances in impounded bank accounts totalling \$122,721.56 covering all such accounts in banks completely liquidated as far as they contain general funds of the State. Adjustments of similar unrealizable balances in trust funds are held awaiting legislative action, as covered under the heading "Trust Funds," and analyzed in Exhibit F.

A high proportion of these items originated years ago, before the present controls and augmented collection policy were effective; it is hoped that no such sizable housecleaning will ever again be necessary.

Impounded bank accounts (balance after final liquidation)	\$122,721.56
State Hospitals—Augusta and Bangor	72,901.12
Franchise Tax on Corporations	62,203.03
Tax on Railroad Companies	6,141.04
Personal Property Tax, Unorganized Territory	4,787.59
Highway Department	4,748.06
Wild Land Tax	4,580.02
Department of Agriculture	4,536.78
Maine State Prison	3,807.96

Tubercular Sanatoriums	3,359.96
Protested Checks	2,594.08
Scattering	11,928.94
	\$304,310.14

The above include items totalling \$209,196.09 shown on page 59 of last year's report as then in the process of being charged off.

ADJUTANT GENERAL

In our last year's report attention was called to unliquidated accounts against then and previous employees of the Adjutant General's Department totalling \$1,258.30. Since then, liquidation has been had through the efforts of the Attorney General of three items totalling around \$400, leaving unliquidated an item of over \$700 for damage to trucks, due from men now in the army against whom legal action, at least under present conditions, we are informed is impractical; and an item of \$51.35 against a former employee of this department now receiving monthly pension from the State.

Steps have been taken by the present Adjutant General to minimize the probability of such matters coming up in the future.

APPROPRIATION ACCOUNTS, BALANCES AT YEAR-END

A rather critical scrutiny by our Department of the June 30, 1942 balances in the various appropriation and other similar accounts, and their disposition by the Governor and Council, indicates that all balances were lapsed to the Sinking Fund Reserve thru the Contingent Fund, as provided in Sections 101 and 102 of Chapter 2 of 1930 Revised Statutes and Chapters 92 and 93 of Private and Special Laws of 1941, "except those that carry forward as provided by law"; the only possible exception thereto being the balance in the account for equipping the State Guard which was carried ahead because of commitments claimed thereunder for which there was no appropriation in the 1942-43 year.

ATTORNEY GENERAL, REPORTS

Chapter 91 of the Revised Statutes, Section 91, as amended by Section 9 of Chapter 225 of the Public Laws of 1931, provides for a biennial report from the Attorney General "on the first day of December," (probably of the even numbered years) covering the "official business done by him and by the several County Attorneys," etc. As far as we can find, the report for the years 1931 and 1932 is the last one ever issued by this office, tho' we understand one is now projected covering 1941 and 1942, during which the present incumbent has been in office.

Somewhat allied to this is the provision of Section 20 of Chapter 93 of the Revised Statutes providing for annual reports to the Attorney General by each of the various County Attorneys, failure to file the same rendering any County Attorney liable to forfeiture of one-half his salary for the current quarter.

AUDIT DEPARTMENT, EXEMPTIONS FROM AUDIT

Varying interpretations of Article I, Section 1, of Chapter 216 of the Public Laws of 1931, (otherwise known as the "Code"), and as well of the laws setting up the Forestry District, have been taken in some quarters as exempting entirely or in part accounts of the Legislative, Executive and Judicial Departments and the Forestry District from examinations by the Department of

Audit. To us, this would seem of questionable wisdom both from the standpoint of the officials responsible for handling the affairs of these departments, and of the State as a whole. We suggest the early clarification of the law in these regards.

BANK DEPOSITS UNCLAIMED

Section 53 of Chapter 57 of the 1930 Revised Statutes provides for transfer to the State Treasurer, and holding by him for 20 years, of unclaimed deposits in involuntarily liquidated savings banks. As far as we know there is no definite provision for disposition of unclaimed deposits in savings banks other than those liquidated involuntarily, or for any unclaimed balances in trust and banking companies; while the disposition at the end of 20 years of the first mentioned funds in the hands of the State Treasurer is not definitely covered. We suggest the possible wisdom of statutory provisions covering the above points.

BONDS, FIDELITY

The situation in regard to fidelity bonds to which attention was called last year, has so far failed of being cleared up, due primarily to conflicting and impractical statutes as they have grown up a few at a time over the many years; and secondarily to lack of decisions regarding approval of bond forms, etc., despite conferences between the Insurance Department, the State Auditor, the Attorney General, the Finance Commissioner, a special committee of the Executive Council, and insurance executives from Portland and New York. The matter has now been taken up actively by the Interim Legislative Research Committee and a bill drafted for submission to the 1943 Legislature which has the approval of the various interested parties as of value in clearing up the situation.

An inventory on July 15, 1942 showed 149 bonds in the hands of the Insurance Department awaiting correction or approval, and 68 filed in suspense without approval; some of these went back to 1940 and 1941, a few of which had run their entire life without approval.

That the weak position of the State regarding fidelity bonds has been long appreciated without corrective action, can be gathered from the following excerpts from the 1930 survey of the State by National Institute of Public Administration:

“There is little relation between the amount of bonds carried and the responsibility of the employee—the rates of premiums on bonds vary widely. Many bonded employees handle no money—others handle such small amounts of cash that, given a proper system of control—bonding in any amount would be unnecessary. We recommend that the list—be greatly curtailed and the amount of bonds reduced to the lowest safe figure. The State can reduce the cost of bonding employees by approximately one-half in this way.”

BOND LIABILITY

At no time in the fiscal year ended June 30, 1942, have there been any temporary loans by the State of Maine; nor has there been at any time any delay in meeting liabilities because of lack of available cash.

The following serial highway bond issues have been floated during the year just ended:

<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Premium</u>	<u>Effective Rate (Approximate)</u>
July 1, 1941	\$500,000	$\frac{7}{8}\%$	July 1, 1942-51	\$1,451	.82%
April 1, 1942	\$700,000	1%	April 1, 1947-53	\$1,085	.97%

It might be questioned whether either or both of the above bond issues were really necessary, when it is considered that on June 30, 1942 the Highway Commission had \$5,255,000 cash on hand, which with revenue to be expected during the next fiscal year from sources reserved by law for

use of the Highway Department, is estimated to exceed, possibly by a very material amount, the probable cash necessities of that department for the fiscal year ending June 30, 1943.

All bond maturities have been met, together with all interest payments due, as far as the same have been presented for payment, as follows:

<u>Purposes</u>	<u>Principal</u>
Highway and Bridge	\$ 2,209,000
Kennebec Bridge	25,000
Waldo-Hancock Bridge	220,000
State Pier	115,000
Maine Improvement	425,000
Maine Agricultural	45,000
State of Maine War Bonds	100,000
	<hr/>
	\$ 3,139,000

The summary of the above bond transactions results in the following:

Unmatured Balance July 1, 1941	\$28,108,500
Matured or called, as above	3,139,000
	<hr/>
	\$24,969,500
New Bonds Issued, as above	1,200,000
	<hr/>
Unmatured Balance, June 30, 1942	\$26,169,500

Separate provision has been made in the Balance Sheet as of June 30, 1942 for all bonds matured but not at that date presented for payment in the sum of \$153,500; plus \$690 premium on bonds called and unpaid; and in addition, for all interest coupons similarly not presented, in the sum of \$24,220.

Noting the fact that the year resulted in a net decrease of unmatrued outstanding bonds of \$1,939,000, despite the new issue of \$1,200,000, it may be of value to call attention to the fact that, as shown in the following schedule, not only is the total present bonded indebtedness of the State the lowest since 1931 at least, but the current year's net reduction in the same was nearly twice as large as in any of the intervening years:

<u>Fiscal Year Ended June 30</u>	<u>Increase</u>	<u>Decrease</u>	<u>Total Bond Liability*</u>
1932			\$27,251,500
1933	\$4,194,000		31,445,500
1934		\$1,050,000	30,395,500
1935		856,000	29,539,500
1936	201,000		29,740,500
1937	695,500		30,436,000
1938		989,000	29,447,000
1939		1,015,000	28,432,000
1940		1,032,000	27,400,000
1941	976,000		28,376,000
1942		2,053,000	26,323,000

*Includes both bonds unmatrued as in figures above, and those matured but not presented for payment.

BUDGETARY CONTROL

In our opinion, one of the most outstanding accomplishments of the recent past in proper handling of the financial affairs of the State, has been the establishment for the first time of actual and practical budgetary control over all disbursements of the State, thru the endeavors of Finance Commissioner and Budget Officer Payne, aided by his then assistant, Julian A. Mossman.

While the State has had a budget for years, it was more or less mechanical in actually controlling expenditures, and largely worked from the somewhat weak basis of appropriation balances alone, a weakness especially invalidating its beneficial effect in dealing with expenditures charged against income, for which no appropriation is made.

At the present time, disbursements of every department, institution and agency are controlled by quarters, and to a less degree monthly. In this, we are not using the word "controlled" as a mere figure of speech, but as indicating the necessity of actually proving to the Budget Officer the necessity of *all* projected disbursements before the authorizing allotment is given, and this irrespective of whether it is an appropriation account or not.

The results even at the end of the first year, as reflected in the report of the Controller, speak for themselves.

While the annual report of the Budget Officer prepared for the 1941 regular session of the Legislature, was exceedingly clear cut and all inclusive, and as such should be a source of great assistance in many ways, it is to be hoped that some arrangement can be made to reduce materially the publishing cost of future issues of the same from the 1941 figure of \$6,081.51.

In this connection, attention is called to the possibility of questions being raised as to detail appropriations by the Legislature, under the present law and practice. Since the law was passed in 1931 providing for lump sum appropriations, the appropriation acts cover usually only a single item, sometimes hundreds of thousands of dollars, for a whole department. This however is of necessity broken down on the books of the Controller into any number of smaller items for the various activities of that department; for which the only authority is either the "final" edition of the budget report printed some time after the Legislature has passed the appropriation act, or the Budget Recommendation breakdown in the preliminary budget report.

CARLTON BRIDGE

Final accounts have been rendered of excise tax payable to the State in lieu of tolls on the Carlton Bridge in connection with the freeing of this bridge on March 26, 1941, in accordance with the Attorney General's revised opinion dated February 12, 1942; tho' all payments have not as yet been received.

Attention has been called by our department to the fact that the amount of the annual payments from the Maine Central R. R. on account of construction costs was originally computed thru use of a higher rate of interest than can now be realized on sound investments; and that a material amount of the money in the sinking fund established therefrom is in impounded bank accounts and hence subject to a shrinkage of around \$33,000, for which latter reserve has been set up on the books. These two points will probably result in a material deficit in cash on hand in this fund to meet the maturities of the balance of the bonds supposed to be liquidated therefrom, unless early provision is made therefor.

CASH

The current, almost daily, deposit of cash receipts with, and by, the State Treasurer has been carried thru during the year to a very logical and worth while conclusion, and has shown its value from every standpoint. The balances maintained at the various banks, while in total showing a rather steady increase, have indicated a slightly better distribution among the various units, with

reductions as a whole in certain rather weak depositories and also in the concentration of combined balances in one bank and its branches.

Since the total Treasurer's balances on deposit as of June 30 (exclusive of trust funds, impounded accounts, and of Unemployment Compensation Commission cash with the Treasurer of the United States) amounted to over nine million dollars, we again suggest consideration of the possible wisdom of changes in the law to allow use for surplus funds of one or two Boston or New York banks.

We also raise the question as to whether it may not be practical to arrange, probably after Legislative action, for the investment of some of this excess cash in conservative liquid securities, to relieve the pressure on the banks and at the same time obtain a small return thereon.

CONTINGENT FUND

Reference to the data shown in the current Controller's report will indicate that improvements in the State's financial handling have resulted in material reduction in the volume of demands on the Contingent Fund, which by law is now adjusted to \$300,000 at the beginning of each fiscal year.

This brings up again the question whether the amount of this fund cannot be advantageously reduced; regarding which we note the following in the 1930 report on a survey by the National Institute of Public Administration:

"With a system of budgetary control—it should be possible to dispense with this fund altogether. For real emergencies an appropriation to be allotted by the Governor of \$50,000 for the biennium should suffice. This amount should be carried in the budget and a detailed accounting of it made to the Legislature."

While one might question the sufficiency of a \$50,000 appropriation for a biennium, the underlying idea would appear worthy of careful consideration.

CONTINGENT FUND, GOVERNOR'S

We again call attention to what appears possibly an unsound legal foundation for the Governor's Contingent Fund, especially as long as the same has never, as far as we can find, been provided for by legislative action; and suggest that the same either be definitely provided for by legislative action, or abandoned.

COUNTY AUDITS

Improvements in the audit work on the county records have been possible in the past year, partly because of the changes made in the law by the 1941 Legislature. The fiscal year of all counties ends on December 31, and the last of the 1941 reports were issued in May of 1942, along a somewhat revised and improved basis. Summaries of the standing of each of the 16 counties as of December 31, 1941 are included herein as Exhibit D. It is hoped a little later to expand this summary to include comparative data on receipts and disbursements of each of the counties, along lines shown in the individual reports.

The early satisfactory completion of this work for 1941 was handicapped by two factors; first, conditions were encountered in Franklin County which required weeks of work of all available personnel which could be assigned to it, leading to court action along a number of lines, not all of which have as yet been entirely cleared up; second, the assistant assigned to our County Auditor was called back to the army. Current work is progressing satisfactorily and it is hoped that, if no further complications are encountered, it can be completed so that even better reports can be issued on the 16 counties early next winter. There has been a material improvement in the co-operation of the officials of the various counties with our work, and in the type of records being kept by them.

As in the case of court audits, our work is handicapped at almost every turn by complications resulting from conflict and ambiguity in the laws governing the financial affairs of the counties, and in the interpretations placed thereon; which has been a matter of frequent conferences with the Attorney General and has also been discussed with the Revisor of Statutes, with some hope for improvement in the future.

COURT AUDITS

In accordance with Chapter 27 of the Public Laws of 1941, the Department of Audit instituted in July, 1941, a continuous postaudit of the various Municipal and Trial Justice Courts, Superior Court Clerks, and the accounts of the Sheriff in each county, relative to fines, fees and costs in connection with criminal cases, and civil fees. Generally, these audits were started to cover the records in the various courts from January 1, 1940 on, although in some cases it was necessary to cover periods prior to that date.

We have, at the present time, completed audits on all of the courts up to, and including, December 31, 1941 and are working on periods since that date.

As this branch of our work progressed, we encountered more or less opposition when installation of proper records was suggested, which opposition is at present decreasing; but with the lack of proper legislation, it is impossible to install satisfactory forms or books to keep the court records as they should be.

We found laxness in certain of these courts in carrying out the provision of the law governing the handling of cash transactions; in fact, during our court audits up to and including December 31, 1941, approximately \$17,000 of fines, costs and civil fees collected by, and due from, the courts were found not to have been deposited with the County or State Treasurer in the manner and at the times specified in the statutes.

Chapter 293 of the Public Laws of 1939 is quite specific in regard to the handling of cash received by the magistrates, while other statutes require handling of the same funds in various other ways and at various times. We are suggesting to the Legislative Committee on Revision of Statutes some changes to clarify or correct statutes covering handling of court records and cash received by the magistrates.

In May and June respectively, the two men from this department assigned to court audit work severed their connections with the State, one leaving for military service and the other to go into private work. On August 3rd, we were fortunate to obtain a new man who has been assigned to this court audit work and the same has now been resumed, including analysis of conditions, etc. found in the courts due to the many and varied interpretations of the laws by the judiciary. We feel quite certain that information gathered during the next three or four months will be of great assistance in clarifying or correcting conflicting statutes.

DOG LICENSES AND DEFICIENCY

The situation in connection with Dog Licenses, etc., to which attention was called in last year's report, has been cleared up, and present refunds include all receipts during the current year from this source.

Other situations however have come up indicating the present law to be somewhat ineffective in accomplishing proper results, and as not furnishing the best protection to the State and its municipalities. Certain of the municipalities appear to be making very little active effort to collect these items.

EMERGENCY WAR FUND

By Chapter 305 of the Public Laws of 1941, enacted at the January 1942 special session of the Legislature, the right was granted to the Governor and Council to transfer to an Emergency

War Fund any moneys in the general funds not otherwise appropriated; and at the year-end, such unexpended appropriation balances, other than those that carry forward as provided by law, as they thought best. The fund thus established is open to use by the Governor "to carry out the provisions of this act",—i. e. the proper protection of the State during the present war emergency. In addition, by another act of the same special session, permission was granted to issue bonds as necessary for this purpose up to \$1,000,000.

To date, it has not been necessary to issue any bonds, nor is this probable future necessity apparent at the present time. Previous to the year-end closings of appropriation accounts, transfers totalling \$170,200 had been made to this fund by the Governor and Council. Of these sums, allocations to direct expenditure accounts had been made previous to closing the books as of June 30 to a total sum of \$160,500, leaving \$9,700 unallocated; all as summarized in Exhibit G herewith. Detail audits by our Department of the various expenditure accounts have not yet been completed, tho' the same has progressed far enough to warrant our statement that as far as yet seen, the use of these emergency funds has been in accordance with both the intent and wording of the law. Attention is, however, called to the wisdom of limiting the allocation of these sums to purposes necessitated by real emergencies, which are directly the outgrowth of the present war.

We also suggest that all transfers of unappropriated income or of unexpended appropriations be to a single Emergency War Fund account, to which no expenditures will be directly charged, but from which transfers of allocations to various expenditure accounts will be made as authorized.

EQUIPMENT OWNED BY STATE

Section 18, Article II, of Chapter 216 of the Public Laws of 1931 authorizes the Finance Commissioner through the Bureau of Purchases "to make an inventory of all removable equipment belonging to the state government and keep it current."

We understand that each department head, exclusive of the Highway Department and the 13 State institutions, was requested to send to the Purchasing Department a list of equipment held by them as of July 1, 1941, together with approximate then values; and that since that date these lists have been kept more or less current in the Bureau of Purchases by adding thereto new purchases as taken from purchase orders going through their hands. We do not understand that as yet any attempt has been made to verify the changes in these inventories with records of the Controller's office, to adjust the lists for items discarded or otherwise alienated, or to verify the running inventories thus arrived at by periodic physical inventory.

Audits of the 13 institutions indicate that each of them has now fairly efficient control of their equipment inventory; a good start in establishing such has been made in the Highway Department, where the values involved run into very sizable figures, with items necessarily scattered all over the State, but with much further yet to be accomplished; while in the other departments we question the effectiveness of the present control, despite the very sizable values of State property involved.

FINANCIAL REPORTS, LEGAL PROVISIONS FOR

The law specifies that the annual report of the Controller shall be released not later than August 25 of each year; and that of the State Auditor not later than August 31. The 1941 appropriation act requires that the books shall be held open until July 20.

Even with the best possible accounting system, in smooth operation for an extended period without material changes, and with long-continued, able personnel, it would be well nigh impossible to effectuate proper closings and to summarize the resultant figures into really safe and satisfactory report form between the dates of July 20 and August 25 for a financial unit as large, and covering such a wide range of activities, as is now true of the State of Maine. The attempt to accomplish this results not only in the necessity of working for weeks under keen pressure, virtually every night and Sunday; but in addition decreases the safety and value of the results attained.

In the case of the report of the Department of Audit, whose work supposedly begins where that of the Controller ends,—that is, with the examination and verification of final figures in the Controller's report,—the 6 day longer time allowed is a mere "drop in the bucket", especially when it is considered that this work to be really satisfactory should go back into detail records of every department, institution and agency of the State; and the added consideration that as late as August 18 few, if any, final figures from the Controller's office as of June 30 have been made available to the various departments.

As throwing further light on this question, we received within a few weeks the Controller's report of another state as of June 30, 1941; indicating what others have found necessary in this regard.

The only provision for publication by the Controller of financial reports of the State of Maine of which we have knowledge is that in Chapter 292 of the Public Laws of 1939. While the provisions of this law are not entirely plain, it apparently provides only for a report to be published in all newspapers in Maine, limited in size to a 6 column page. While this limitation has been followed in the 1941 and 1942 newspaper reports, it was not always previously so followed, and resulted in costs to the State as follows: 1939, \$24,574; 1940, \$10,692; 1941, \$5,054.

Because of the impossibility of properly setting forth these matters inside the limits thus imposed, it has, apparently very wisely, been the practice of the Controller to publish in addition a pamphlet report, that for 1941 embracing 34 pages and costing \$525.

It would appear worth considering to clarify the law in this regard by authorizing specifically a report in pamphlet form; and also by providing whatever steps are practical to reduce very materially the cost of newspaper publication in such a way as to result, from a practical standpoint, in almost the same effective distribution of information to all interested parties.

In this connection the following approximate analysis of costs of the 1941 reports may be of interest:

Department of Audit, Pamphlet Report		\$ 252.11	
Bureau of Accounts and Control,			
Pamphlet Report	\$ 525.38		
Newspaper Report:			
Setting up, etc.	\$ 871.35		
Publication in 11 daily papers	1,042.03		
Publication in 57 weekly papers	3,133.15		
Miscellaneous	8.30	5,054.83	
			\$5,580.21

FORESTRY DISTRICT

We again suggest that the disbursement and recording of Forestry District funds be handled thru the State Treasurer and State Controller, as provided by law for all other State funds; instead of concentrating in one person all responsibility for contracting financial liabilities, approving all vouchers, recording all accounts, and paying all bills. Only by such can proper check and counter-check on the same be had.

Aside from the present unsound principle which we feel underlies the handling of the financial affairs of the Forestry District, as stated in our report of last year, we have found the practice not to be for the best interest of the State.

FORMS, PRENUMBERED

During the year just ended, further progress has been made in extending the use of pre-numbered forms for receipts, licenses, permits, etc. Since that serves as a valuable, and sometimes

about the only, substantiation of integrity of cash receipts, our department is advising their use wherever practical, in which in most cases we have had the cooperation of the departments involved.

HEALTH AND WELFARE

Continuous postaudit of the accounts maintained in this department has been carried on throughout the year with one auditor continuously assigned. Special audits and investigations relating to pauper claims submitted by certain towns have been made by our department at the request of former Commissioner Earnest which has resulted in substantial present and probable future reductions in such claims. Due directly or indirectly to the great increase in employment on account of the war, the financial demands on this department have decreased considerably with particular reference to pauper support, such having decreased approximately forty percent. Countering this trend, payments of old age benefits have increased from 12,502 cases receiving pensions at June 30, 1941 to 15,901 cases receiving such pensions at June 30, 1942.

Continuation of the material progress in the efficient handling of the various activities of this department noted in our last year's report has been evident in the year just closed; this despite the fact that since the voluntary enlistment of Commissioner Earnest in the military service early in June, no one has as yet been chosen to succeed him as head of the department.

Summation of revenues and expenditures for the year ended June 30 is shown in Exhibit B.

HIGHWAY DEPARTMENT

The accounting system of the Highway Department itself, and its correlation with, and partial duplication of, similar work in the Controller's office, appears to lack in yielding really satisfactory results at a reasonable total cost; this is despite, on the one hand, the vital necessity and great volume of the accounts of this department, and on the other, the work looking to improvements in their handling by personnel of both our department and the Controller's office. We understand that the Controller plans to major on this situation next fall, at which time we hope for material improvements.

The law provides specifically for *annual* reports of the Highway Commission to be issued on December 31 of each year. The last report issued in March 1941 covered the two years 1938 and 1939. We are informed that reports for 1940 and 1941 will be issued as soon as figures therein can be reconciled with Controller's records.

The law provides that all departments of the State shall be on a fiscal year ending June 30, while the Highway Department still runs its accounts on a calendar year basis, which adds to the complications in tying their records into the June 30 fiscal year records in the Controller's office.

The law provides that all money received from certain sources shall be available only for highway and bridge construction and maintenance, and necessary administration of the department. This has, at least for the last few years, been carried out by the administrative officials of the State of Maine, except as the Legislature itself may have diverted highway funds to old age benefits under an enactment now expired, and thru provision in various appropriation acts for transfers of these funds to certain other departments as reimbursement for services performed for the Highway Department. While from a cost keeping basis, such transfers have much to defend them, the fact that the Highway is the only department of the State from which they are made brings in the possibility that it might be considered to result in more or less of a diversion of highway funds, contrary to the spirit, at least, of the provisions of the law prohibiting such diversion. We acknowledge that this is a matter regarding which there is room for, and is, divergence of opinion.

The records show that in the year ended June 30, 1942, the following transfers of highway funds were made, as charges for services performed:

Bureau of Accounts and Control	\$35,503.53
Department of Audit	11,377.47 (a)
Bureau of Purchases	3,415.95 (b)
Attorney General	2,800.00
	<hr/>
	\$53,096.95

- (a) Exclusive of \$1,463.99 for court audits under Paragraph 4, Section 3, Article VI, Chapter 216, Public Laws of 1931, as amended by Chapter 27 of the Public Laws of 1941.
- (b) After the books of the State were closed as of June 30, 1942, it was discovered that thru error the 4th quarter charges of around \$1,100 had been omitted, that postage for September was possibly duplicated, and that of the total charges, \$2,561.98 had been posted to Highway Garage account instead of administration, as provided by the appropriation act.

A possible exception to the statement that the Highway Department is the only department contributing to the upkeep of service departments might be considered from the fact that there are charges from the Bureau of Accounts and Control to the Liquor Commission amounting in the year just ended to \$40,985.94. This, however, is a little different, as the Controller accomplishes, with personnel paid for by his department, virtually all the accounting and statistical work for the Liquor Commission; while the Highway Department has its own sizable accounting staff, including its own bookkeeping machines, working entirely apart from the services of the personnel of the Controller's office supposedly covered by the first mentioned charge in the above list.

Attention was also called in last year's report to another case in which the present practices would appear to constitute in effect a diversion of Highway funds,—the financing from Highway funds of all expenses of the State Police to a total net sum of \$313,196.50 in the year just ended; when an increasing amount of their activities could not be considered as in the slightest connected with highway construction or maintenance.

INSTITUTIONS

The improvements outlined in last year's report in recording the financial transactions of the 13 State institutions have continued with the increasingly hearty cooperation of the various local personnel. A summary of their standing as of June 30, 1941, is shown in Exhibit C herein; the audits for the year ended in 1942 not yet having been brought to a final conclusion, partly due to the delays in obtaining final inventory figures, and final control figures from the Controller's office.

Success has not yet been had in obtaining separation of income as between the various tubercular sanatoriums by the Bureau of Institutional Service for the full fiscal year, separate records having only been inaugurated in December 1941.

LAWS: INCONSISTENCY AND INTERPRETATION

Attention was called in our last year's report to material inconsistency and lack of clarity in laws governing the administration of the State and its subsidiary units; and to the differing interpretations placed thereon. The seriousness of the resultant situation has become increasingly apparent to us with the passage of another year.

This matter has been the subject of many conferences with the Revisor of Statutes, and the situation will we hope be improved either directly or indirectly in connection with the revision of the statutes now in process.

LAWS: REVISED STATUTES AND SESSION

While the distribution of the copies of these books is progressing much more efficiently than in the past, we again suggest the wisdom of concentrating all of this whether by sales or of free

copies in the hands of one official from the very start, and that probably the State Librarian. The same applies to the distribution of Maine Reports, which also should be printed directly at State expense and all revenue therefrom accrue to the State.

LIBRARY, FILING DEPARTMENTAL REPORTS IN

Chapter 3, Section 8 of the Revised Statutes of 1930 provides that at least 10 copies of every publication of any department or institution of the State shall be deposited in the State Library. Each of these 10 copies has a specific use,—two being catalogued, one sent to the Library of Congress, two to the University of Maine Library, one each to Bates, Colby and Bowdoin Libraries, and two to the special legislative and research files.

We understand from the State Librarian that this very wise provision of the law is quite often overlooked by department heads, so that despite all practical watchfulness of the Library staff, their files and those to whom they furnish copies are far from complete; this would appear to be detrimental to the best interests of the State.

LIQUOR COMMISSION

Improvements have been noted during the year along certain of the lines summarized in last year's report, while in others, the conditions are approximately the same as reported therein. Inefficient correlation between the two sets of records, both maintained by the Bureau of Accounts and Control, one for their own records and the other maintained for the Commission, continues with little improvement; while we note in this regard charges during the year from this Bureau to the Commission totalling \$40,985.94.

Attention is called to the following other matters in this department, to which possible thought should be given:

Inventories are priced above actual cost to the Commission, thru use of less than carload prices F. O. B. Augusta, despite the fact that a very high proportion of the purchases are made in car lots, and that one-half the inventory never has been north of Portland.

Many of the cash discounts shown in the Commission's records are due to inflation by the seller, *at the request of the purchaser*, of purchase price to permit of discount being shown, which would seem to result in computation of a mark-up and resultant sales profit greater than contemplated by Chapter 295 of the Public Laws of 1941.

The flat discount on wholesale sales, at 10% before allowance for increased federal tax, is in our opinion in excess of the "reasonable allowance for the difference in expense to the State between selling at wholesale and selling in the state stores at retail" specified in Chapter 257 of the Public Laws of 1941.

The provisions in Chapter 295 of the Public Laws of 1941 that mark-up shall be not less than a specified percentage of the "less carload cost F. O. B. Augusta" should be changed to read "carload cost F. O. B. Portland", since virtually all liquor is now bought in carload lots delivered at Portland.

To the provision in Chapter 90 of the Public Laws of 1941 that *inventory* shall not exceed a certain figure, should be added a provision that the total working capital or net investment of the State in the Liquor Commission shall be set at some specified figure, large enough to allow of handling the affairs of the Liquor Commission on a sound economic basis.

Our department has called attention repeatedly to the false profit shown by the Liquor Commission through lack of inclusion of approximately \$2,500 annual cost to the State of insurance on their inventory, etc.

With the elimination of the previous limitation on working capital by Chapter 90 of the Public Laws of 1941, effective in July, 1941, the Controller froze the permanent working capital of the

Commission at \$617,167.56, this being at one and the same time the State's net investment in the Commission on June 30, 1941 and the amount of accumulated net profits to that date of the Commission which had not been turned over to, and used in other ways by, the State. This appears to be logical and to lead to simple, easily understood, and clear-cut results, until such time as further legislative action is taken on the matter.

The year-end balance sheet and analysis of profit and loss of the Liquor Commission have been verified by our department, based on current audits throughout the year; subject to possible qualification along certain of the lines mentioned above, we believe the same to be substantially correct and in line with sound accounting.

MAINE MARITIME ACADEMY

This new agency of the State came into active operation only during last winter and early spring, financed partly by state and partly by federal funds. Considerable delay was occasioned setting up proper books of account; this has now been accomplished, and the records have been examined by our department to June 30, 1942. There remains a question whether this is a direct agency of the State, whose assets are owned by the State; or whether it is an entirely separate corporation to which the State appropriates certain funds; which should, if possible, be cleared up at an early date.

MUNICIPAL AUDITS

The work of the Municipal Division of the Department of Audit in assuring satisfactory audits of the slightly over 500 municipalities of the State has been handicapped by the changes by the 1941 Legislature in the law governing the same, which is already resulting in less sound handling of the financial affairs of certain of these municipalities. We understand that the officers of the Maine Municipal Association are in sympathy with our views on this point, and that they will cooperate in an attempt to secure corrective legislation at the forthcoming session of the Legislature. Optimum results have been handicapped by the losses in personnel of this division of the Department of Audit, well nigh impossible to replace under existing conditions; together with the fact that one outside auditor handling over 25 municipalities is no longer available for this work.

A supplemental report of the Department of Audit, summarizing the results of municipal audits, was issued on March 9, 1942, having been delayed some time by the various factors mentioned above. Even then no figures were available for some towns, while in other cases we inserted in our summations unaudited figures from printed town reports, necessarily of somewhat questionable value. A number of municipalities apparently failed entirely to carry out the legal provisions for an audit, while other units went thru the motions with but little of value resulting therefrom.

The audits for the current year are proceeding, with every probability that our department will handle directly about the same proportion of the units as in previous years—approximately 50%. When it will be possible to issue summary figures thereon in a supplemental report, or how many units will lack any figures therein, cannot now be foretold, tho' the number of the latter will probably be larger than last year.

We strongly recommend that the economic health of each of the municipalities making up the State of Maine, and proper protection of their officials, be supported by an annual audit by men capable of performing the same in a satisfactory manner, probably best accomplished by a combination of the Department of Audit and outside men whose experience and caliber has been such as to warrant their approval by the State Auditor for such work.

A point in this regard which should not be overlooked is that the State of Maine depends on the various municipalities for several million dollars of taxes, reimbursement of health and welfare and highway funds, etc.; and that the orderly realization of these accounts is assisted materially by systematic handling of the financial affairs of the municipalities.

Further improvements have been made and are now projected in the type of both field and audit work performed by our men for the municipalities, which, with the accumulated experience of the men assigned to this work, will make the same of even greater value to them in the future.

As covered elsewhere in this report, the work of the entire Municipal Division is accomplished without any appropriation by the State, its cost being covered by charges to the various units audited at the rate of \$10 a day plus expenses, which about covers salaries, office overhead, supplies, etc. The time may come in the future when it will be advisable for the Legislature to consider making a small appropriation for the work of this division, to accomplish two ends of material value to the sound health of the various municipalities of the State:—first, to enable a much more thorough analysis of the figures shown by the reports of the various municipalities and the summation of certain vital statistics therefrom; and second, the employment of at least one field man working constantly with, and for, all municipalities of the State to the better assure sound handling of their financial affairs, records and audits. Such in our opinion would be money well spent by the State of Maine.

MUNICIPALITIES, STATE ACCOUNTS AGAINST

The volume of charges by the State to municipalities, especially items from Highway, Health and Welfare, and some other departments, has increased materially in the last few years. Because of delay in payments of amounts due to the State, a law was enacted in 1933 providing for interest charges on past due State taxes, which assisted for a while in their collection. The Department of Audit has observed a tendency in the last year or two, however, for certain municipalities to consider their liabilities of various kinds to the State as secondary to those due to others. This is probably due partly to their using available cash to take advantage of cash discounts on commercial bills, and partly to the feeling that the State or Federal government will "take care of them" in some way.

Recently accounts of material size due the State by a number of municipalities were submitted for compromise settlement, under the provisions of Chapter 13 of the Public Laws of 1941, through application to the State Finance Commissioner and State Auditor for certification as "impractical of realization". Investigation showed that in some cases these municipalities had paid virtually all commercial bills leaving the State's accounts only unpaid, while in one or two cases there was actually cash on hand to pay the State's accounts.

With full appreciation of the rather serious financial situation of certain Maine municipalities, the Finance Commissioner and State Auditor did not certify these accounts, since they felt that whenever financial assistance is really necessary, release from legal and equitable liabilities to the State should come through open legislative procedure rather than under the provisions of Chapter 13 of the Public Laws of 1941; and that pending such possible action, each municipality should spread its available money more evenly between commercial and State charges.

NORMAL SCHOOLS

During the year just ended, the audits of the normal schools under Chapter 27 of the Public Laws of 1941 have been completed for the school year ended June 30, 1941; while the examination for the year ended June 30, 1942 is now (in August) well underway with a probability that it will be completed early in the fall.

In this connection, suggestions have been made looking toward a sounder accounting procedure and a better administrative control, which is already bearing fruit in overcoming certain previous weaknesses which have developed in these State agencies.

PENSIONS, RETIREMENT

The financial unsoundness of the previous laws regarding retirement pensions appears to have largely been overcome by the enactment in January, 1942, of the new Contributory Retirement

Pension law, effective on July 1, 1942, under conditions which apparently protect as far as practical the rights of long-serviced State employees under the previous non-contributory law. No action was taken under the new law previous to July 1 other than to obtain as clear cut and simple interpretation of the meaning of the same as was possible, and to set up the machinery to handle it after its effective date. The election of the employees on July 1 to come under the new law was as a whole gratifying; no option being given employees who commence work after that date.

The granting of pensions under the old law of necessity continues, along with continuing questions as to interpretations of the law and computations of pensions, in which the State employee status is sometimes stretched a little thin.

PORT OF PORTLAND AUTHORITY

In accordance with specific provisions of the 1941 statute, examination has been made of the accounts of this Authority for the years ended June 30, 1940 and 1941, while work for the year ended in 1942 has not yet been accomplished. In connection with this work, weaknesses were developed in the accounting procedure employed, requiring the investigation of some of the accounts back to the date of their inception. Improvements in these matters suggested to the Authority officers will, we hope, be adopted.

POTATO TAX FUNDS, EXPENDITURES

These expenditures are handled under the direct supervision of the Development Commission, working in conjunction with a special committee for that purpose. The wisdom of allocation of these funds is a matter entirely outside our audit province, but the fact that they totalled last year approximately \$120,800 and that of this total, \$38,200 and \$69,600 was expended by Brooke, Smith, French & Dorrance and the University of Maine, respectively, would indicate the possible wisdom of handling the mechanics thereof at least as carefully as are other disbursements of State money.

SALARY ADJUSTMENTS

An emergency act approved by the Governor January 24, 1942 increased by 10% the salaries of all State employees earning less than \$30 per week, provided that this increase should not result in a salary of over \$30 per week; in the attempt to compensate for the increased cost of living. As finally passed, the act might possibly have failed of assistance to those who were feeling the pinch of increased living costs the most, young married people with one or two children, a high proportion of whom would be in the \$30 to \$40 class.

The law was probably intended to be only a temporary measure, although not so stated therein, and would appear to require definite legislative action to repeal it at such time as it is desired to reduce salaries to the amounts prevailing prior to passage of the act. It would appear from the wording of the law that it was intended to apply only to salaries of those permanently on the payroll of the State at a weekly salary of less than \$30 per week on its effective date. By interpretation, it has been construed to apply not only to employees on the payroll on the effective date (February 2, 1942), but also to new employees entering the service of the State after that date, and as affecting any salary increases granted after that date; thus in effect increasing the base rates of pay for all employees earning less than \$30 per week permanently, unless the law is repealed at a later date.

SECRETARY OF STATE, MOTOR VEHICLE DIVISION

During the year just ended, the audits of this division of the Secretary of State's Department were brought up-to-date and the last of the back reports issued; at which time a reduction was possible in personnel assigned to this work. In addition, the current work on the 1941 and 1942

registrations on the revised basis has been at all times kept up-to-date, so that one day's transactions are audited within a very few days. This has been facilitated greatly by adoption of much improved methods in the division's own office. The auditor who had had charge of our work on their records since the same was started in 1938 was released by us in May to become Chief Clerk of the Motor Vehicle Division.

"SINKING FUND RESERVE"

The Department of Audit has called attention several times in the last two years to the confusion and misconception engendered by the specific statutory provision for a "sinking fund reserve" in which shall be accumulated from year to year all excess of income over expenditures; which "shall . . . be set aside as a sinking fund . . . to be applied to the payment of outstanding obligations of the State . . ."

In actual practice, the account over the years has been handled more nearly as an unappropriated surplus account, with no actual reservation of cash or other assets to match the reserve provided for by the law.

In their report dated in 1930 on a survey of the State government, the National Institute of Public Administration said (in part):

"One may reasonably assume that this act intended that surplus current funds—be applied to the reduction of the funded debt of the State—. The result is merely a book account entitled 'Sinking Fund Reserve'—to all intents and purposes what is commonly called 'surplus' in governmental accounting—."

Our department has held that the State of Maine should at once clear up this confusion and misconception by adopting through legislative action one of the following lines of procedure:

- (a) Abandon entirely even the appearance of a sinking fund reserve, and legalize the handling of the account as an unappropriated surplus, to which title the name should be changed, or
- (b) Enforce the handling of the account as a real sinking fund reserve.

Conferences between the Revisor of Statutes, Commissioner of Finance, the State Controller and men from our department have resulted in drafting a bill along (a) above with which our department is in accord, *but only* if the State is willing to abandon entirely all thought of a real *sinking fund reserve*, which apparently forms the very foundation of the 1925 statute, was intended to control the accumulations of excess revenue, but is not being effectuated.

Whatever the decision on this broader aspect of the matter, we feel that the machinery set up by Sections 101 to 103, inclusive, of Chapter 2 of the Revised Statutes, for closing the books of the State at the year-end is too detailed and along an impractical line, which should be corrected.

TAX ASSESSOR

During the year, the collection of the last of the various accounts, placed by the statutes for years in the hands of the Treasurer but previously actually handled by the Tax Assessor, has been turned over to the State Treasurer.

The troubles reported by us previously in the assessment and apportionment of certain of these tax accounts have now been largely overcome thru the efforts of the present Tax Assessor.

TEACHERS' RETIREMENT SYSTEM

At the time of our annual report as of June 30, 1942 on the Teachers' Retirement System, we called attention to what appeared to us as possibly an unsound situation in this matter in that the State, thru changes in the law, has made no deposits in the System since 1933, to match those being made by the teachers; and that they are crediting interest at 4% when the funds are only earning around 3.5%. This will be apt to result in one of two things when sizable payments to the members start about 1953,—either an early depletion of the assets of the System, or the necessity for burden-

some appropriations to make up for the 20 years in which the State's contributions have been lacking.

The law specifically calls for an actuarial survey of the System at least every 3 years, but only one has ever been made, in 1939. We suggested an immediate actuarial survey, and if indicated, legislative action at the next session to correct any unsound situation which may be found; which we understand is now being arranged for.

TREASURER, STATE

The Department of Audit has continued throughout the year just ended the assignment of one of its men to the office of the State Treasurer, maintaining a continuous verification of all receipts, transfers and disbursements together with resultant balances, and the monthly reconciliations of bank balances and of the accounts in the Treasurer's office with those in the Controller's records. All year-end balances of both cash and securities were especially carefully verified by our personnel. Such minor matters as came to our attention were at once straightened out by the personnel of that office.

The work of the Treasurer's office has increased materially during the past twelve to eighteen months thru the necessity for handling food stamps, and the added responsibilities in recording and collection of accounts receivable.

Our department has taken the position in the past, and has seen no reason during the year just ended to change the same, that the office of the State Treasurer is not a proper collection agency for State accounts, other than possibly State taxes; but that the same should be centralized under an experienced collection man working under the Commissioner of Finance. In this connection, it should be mentioned that we feel that a proper man could save many dollars for the State of Maine, over and above a fair salary for himself, in proper handling of just two sets of accounts receivable,—those from the insane asylums and the tubercular sanatoriums, both of which under existing laws are capable of, and probably are, resulting in unnecessary losses to the State.

TRUST FUNDS

The close supervision and analysis of Trust Funds covered in our previous report has been continued for the year just ended, including the verification of year-end investments, computation of proper year-end balances after current amortization of premiums on investments purchased, etc. For the first time, the accounts of the Teachers' Retirement Fund were, as of June 30, 1942, rearranged to carry its investments at actual cost less amortization of premiums paid. Based on the results of our work, we believe that all trust funds of the State of Maine are intact, legally and as a whole soundly invested, and that their current income has been allotted during the year just ended in the proper manner.

As a possible exception to one of the above statements, attention is again called to the fact that about \$90,000 of these trust funds are in bank accounts impounded since the "Bank Holiday" with a final shrinkage in realization estimated by us to total nearly \$80,000 as per summary details in Exhibit F. Since the liquidation of these impounded bank accounts is approaching completion, with final losses either determined already or open to close estimation, we suggest that the final disposition of this loss be a matter of consideration by the Legislature at its next session.

During the year just ended, copies have been made of the 1931 report of Frank I. Cowan on the trust funds of the State, which, with copies of our reports on the since financial transactions therein, have been permanently filed with the State Librarian.

Attention has been called in our previous reports to the fact that in a number of cases, interest at specified rates is paid or transferred by the State to the beneficiaries of certain funds, which specified rates range from 4 to 6%. At the present time the investments of those funds are yield-

ing the State usually not over 2 to 3%, resulting in the necessity of material appropriations to make up the balance; which leads us again to suggest the possible wisdom of reducing these specified rates whenever possible to figures more nearly in line with the present earning power of money when soundly invested.

UNEMPLOYMENT COMPENSATION COMMISSION

The Department of Audit has maintained throughout the year just ended a continuous post-audit of the financial transactions of the compensation fund of the Unemployment Compensation Commission. Under a reciprocal arrangement with the federal auditors, the latter handle the audit of certain other sections of this department, making available to us their audit reports on these in return for use of our audit reports on the sections covered by us. This reciprocal arrangement, coupled with the exceedingly efficient handling of all matters by the Commission, including their own internal audit procedure, has enabled still further reduction in time (and resultant cost) necessarily taken by us.

DEPARTMENT OF AUDIT PERSONNEL

During the year just ended four of our men have entered the military services of the United States:

Albert L. Connors
Raymond J. Crosby
Lloyd A. Koonz
Frederick A. Reichel

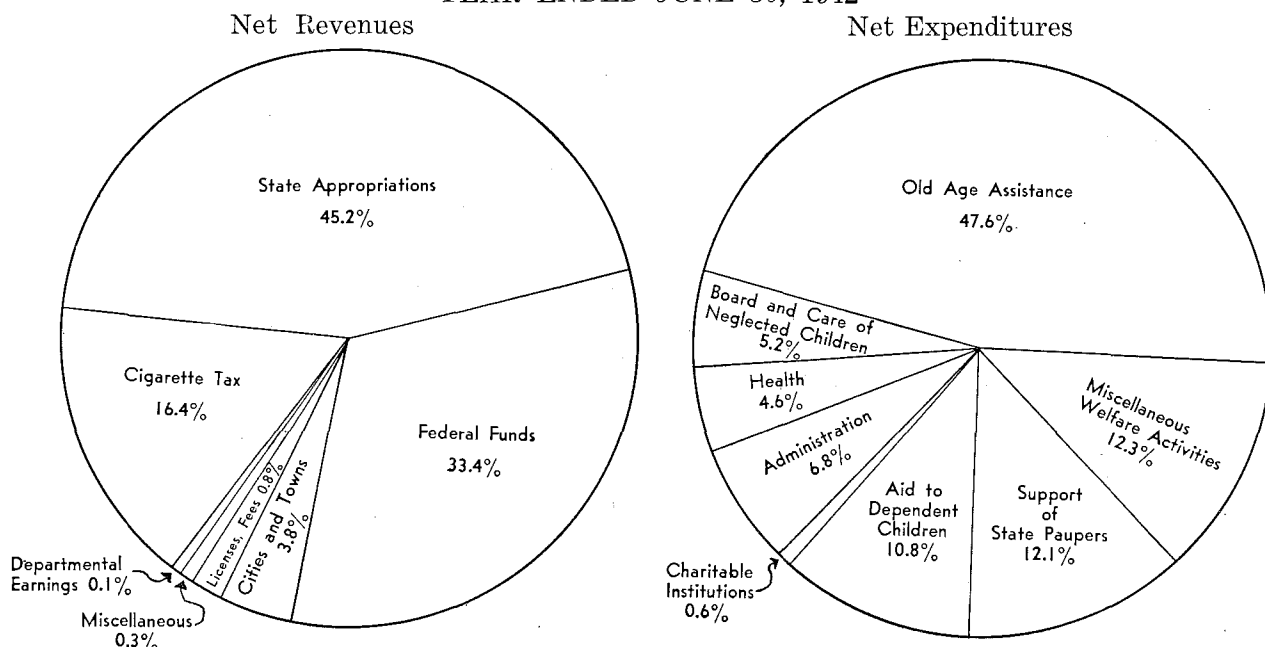
Of the five who have been transferred to other departments of the State government, Michael Napolitano (now assistant to the State Controller) had been with our Municipal Division since 1934; and Stanton S. Weed (now chief clerk in the Motor Vehicle Division under the Secretary of State) came into the Municipal Division in 1937, being transferred soon after to the Departmental Division and assigned to audit of automobile registrations.

DEPARTMENT OF AUDIT
INCOME AND EXPENSE
FISCAL YEAR ENDED JUNE 30, 1942
(Appropriation Basis)

	<u>Departmental Division</u>	<u>Municipal Division</u>	<u>Combined</u>
Appropriation	\$37,500.00		\$37,500.00
Income from Audits:			
Highway Dept.	\$11,377.47		
Towns		\$30,846.97	
Counties and Courts		10,589.20	
Normal Schools		3,615.72	
Scattering	2,067.30	33.40	
	<u>13,444.77</u>	<u>\$45,085.29</u>	<u>58,530.06</u>
	50,944.77	45,085.29	96,030.06
Expenditures:			
Direct Expense			
Salaries	35,720.35	28,704.57	
Travel Expense	2,891.38	13,463.25	
Office: Expense	178.32	440.80	
Supplies	21.94	31.67	
Equipment	—	16.41	
	<u>38,811.99</u>	<u>42,656.70</u>	
Overhead			
Salaries	6,297.01		
Travel Expense	28.60		
Office: Expense	674.79		
Supplies	593.45		
Equipment	208.62		
	<u>7,802.47</u>		
	46,614.46	42,656.70	89,271.16
Net Balance Current Year, Cash Basis	\$ 4,330.31	\$ 2,428.59	\$ 6,758.90
Accounts Receivable as of June 30, 1942, Net ..	198.45*	12,613.02*	12,811.47
Appropriation Balance Lapsed to General Funds	\$ 4,528.76		
Unexpended Balance Carried Forward		<u>\$15,041.61</u>	

*As of June 30, 1942, the Controller first entered the accounts receivable of the Department on the books of the State, which are here considered to reconcile with his year-end figures. A more true outcome on the accrual basis for the year just ended would be shown by considering as well the accounts receivable and work in process balances as of both June 30, 1941 and 1942.

DEPARTMENT OF HEALTH AND WELFARE
SUMMARY OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 1942



NET REVENUES

Source:

	Amount	Per Cent
State Appropriations	\$3,695,824.00	45.2
Federal Funds (Analysis below)	2,735,450.96	33.4
Cigarette Taxes (for Old Age Assistance)	1,338,843.24	16.4
Cities and Towns (Analysis below)	311,048.27	3.8
Licenses and Fees	66,231.64	.8
Miscellaneous	27,152.86	.3
Departmental Earnings	9,948.72	.1
Totals	\$8,184,499.69	100.0

NET EXPENDITURES

Purpose:

	Amount	Per Cent
Old Age Assistance	\$3,721,618.22	47.6
Miscellaneous Welfare Activities	965,291.23	12.3
Support of State Paupers	944,885.73	12.1
Aid to Dependent Children	847,509.00	10.8
Administration	533,155.15	6.8
Board and Care of Neglected Children	408,667.15	5.2
Health	357,881.01	4.6
Charitable Institutions	43,416.51	.6
Totals	\$7,822,424.00	100.0

ANALYSIS OF REVENUES FROM FEDERAL FUNDS AND CITIES AND TOWNS

	Federal Funds	Cities and Towns
Administration:		
Health	\$ 606.76	\$ 2,775.33
Welfare	113,605.14	
U. S. Public Health Service	110,875.01	
U. S. Aid to Crippled Children	44,552.00	
U. S. Maternal and Child Health	32,040.12	
Public Health Nursing		12,197.51
Child Welfare Service	17,782.55	
Aid to the Blind	160,151.73	
Aid to Dependent Children	357,520.09	296,075.43
Old Age Assistance	1,898,317.56	
Totals	\$2,735,450.96	\$311,048.27

The above differ in certain details from figures shown by the Controller, due in most instances to methods of assembling in groups and of handling offsets.

INSTITUTIONS—STATE OF MAINE
STATEMENT OF ASSETS, LIABILITIES AND NET STATE INVESTMENT

June 30, 1941
(Cents Omitted)

	Augusta State Hospital	Bangor State Hospital	Pownal State School	Maine State Prison	State Reformatory for Men	State Reformatory for Women	State School for Boys	State School for Girls	Northern Maine Sanatorium	Central Maine Sanatorium	Western Maine Sanatorium	Maine School for the Deaf	State Military and Naval Children's Home	Total
ASSETS														
Cash														
Petty Cash	\$ 150	\$ 200	\$ 202	\$ 350	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 150	\$ 51	\$ 100	\$ 100	\$ 1,808
Patients and Inmates Cash	6,511	5,774	2,883	2,154	58	265	2,268	2,146				17	366	22,442
Trust Fund Income Cash	5,619		379					802		43	3,403	521	422	11,189
Store Cash				652										652
Coupon Cash				145										145
Accts. Rec. (Net value after reserves)	34,162	12,985	1,349	13,187	181									61,864
Trust Funds	54,773		9,162				700	11,730		2,012	90,060	6,516	17,643	192,596
Inventory—Supplies	42,196	29,108	65,153	76,338	16,219	5,130	19,053	8,040	9,375	10,862	7,707	5,729	1,531	296,441
Fixed Assets (Undepreciated)	2,696,608	1,812,750	1,834,371	983,672	246,468	403,938	243,000	342,833	324,640	395,006	372,403	202,062	44,756	9,902,507
Equipment (Net Current Use Value)	231,891	176,020	195,807	87,154	35,046	30,136	23,992	42,765	46,042	72,916	49,024	26,703	10,575	1,028,071
TOTAL ASSETS	\$3,071,910	\$2,036,837	\$2,109,306	\$1,163,652	\$298,072	\$439,569	\$289,113	\$408,416	\$380,157	\$480,989	\$522,648	\$241,648	\$75,393	\$11,517,710
LIABILITIES & NET STATE INVESTMENT														
State of Maine														
State Treasurer's Advances	\$ 150	\$ 200	\$ 202	\$ 350	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 150	\$ 51	\$ 100	\$ 100	\$ 1,808
Trust Fund Income Unexpended	5,619		379					802		43	3,403	521	422	11,189
Accounts Receivable	34,162	12,985	1,349	13,187	181									61,864
Trust Funds	54,773		9,162				700	11,730		2,012	90,060	6,516	17,643	192,596
Store Fund				652										652
Coupon Fund				145										145
Patients and Inmates Funds	6,511	5,774	2,883	2,154	58	265	2,268	2,146				17	366	22,442
Net State Investment	2,970,695	2,017,878	2,095,331	1,147,164	297,733	439,204	286,045	393,638	380,057	478,784	429,134	234,494	56,862	11,227,019
TOTAL LIABILITIES & NET STATE INVESTMENT	\$3,071,910	\$2,036,837	\$2,109,306	\$1,163,652	\$298,072	\$439,569	\$289,113	\$408,416	\$380,157	\$480,989	\$522,648	\$241,648	\$75,393	\$11,517,710

SUMMARY OF APPROPRIATIONS, REVENUES, EXPENDITURES, ETC.

Year Ended June 30, 1941

Appropriations, Current Year	\$442,200	\$363,000	\$370,000	\$160,000	\$58,000	\$64,000	\$73,000	\$73,000	\$112,000	\$180,000	\$144,000	\$53,000	\$27,000	\$2,124,200
Special Approps., Balances Forward, etc.	14,920	35,939	4,000	20,000	7,700	4,000		3,000	1,276		3,104	1,500		95,439
Income and Other Credits*	74,766	35,870	7,886	115,463	1,646	372	818	550	859	2,327	3,312	3,778	15	247,662
TOTAL	531,886	434,809	381,886	295,463	67,346	68,372	73,818	81,550	112,859	183,603	150,416	58,278	27,015	2,467,301
TOTAL NET EXPENDITURES	\$443,737	\$393,729	\$328,722	\$250,933	\$59,959	\$67,723	\$70,044	\$80,860	\$108,031	\$181,317	\$141,385	\$47,197	\$24,367	\$2,198,004
Average Population—Inmates	1,478	1,138	1,105	427	111	131	129	170	114	188	139	105	37	5,272
Annual Per Capita Cost Based on Net Expenditures Less Capitalized Expenditures**	\$290.15	\$317.19	\$290.89	\$576.57	\$515.55	\$492.22	\$515.07	\$449.75	\$935.86	\$953.14	\$991.01	\$432.16	\$646.95	\$401.17

*Includes income from Board and Care of Patients in each case, except the three Sanatoriums.

**The computations of per capita cost are this year changed to a basis considered as furnishing figures for the various institutions more truly comparable.

ASSETS AND LIABILITIES OF THE SIXTEEN COUNTIES OF THE STATE OF MAINE

As of December 31, 1941

(Cents Omitted)

	ASSETS							TOTAL
	CASH			TAXES		Other Assets	Probate Accounts	
	General Funds	Sinking Funds	Impounded	Cities and Towns	Road Repair and Wild Lands			
Androscoggin	\$19,874					\$8,000		\$27,874
Aroostook	121,861	\$10,000		\$138,088	\$13,291		\$289	283,481
Cumberland	20,168	99,878						120,046
Franklin	2,691			717	17,920	5,640		26,969
Hancock	10,085			5,720	3,968			19,774
Kennebec	46,024					910	4,070	51,005
Knox	17,765			2,537	11			20,313
Lincoln	25,888	11,500			7	2,500		39,895
Oxford	84,699	94,369	45,986		2,994			228,049
Penobscot	114,578			11,221	5,785			131,585
Piscataquis	9,375			2,557	1,968			13,900
Sagadahoc	14,384			28,066		1,511		43,963
Somerset	21,481		500		1,331	2,473	4,390	30,177
Waldo	11,973		759	10,614				23,347
Washington	15,899	1,925		51,222	6,868	12,524	517	88,958
York	141,904	44,691	3,310	4,766		8,005		202,677
	\$678,655	\$262,364	\$50,556	\$255,463	\$54,146	\$41,566	\$9,268	\$1,352,021

	LIABILITIES							TOTAL
	Accounts Payable	Temporary Loans	Notes	Bonds	Probate Accounts	Total Liabilities	Surplus or (Net Debt)	
Androscoggin	\$15,034			\$92,800		\$107,834	(\$79,960)	\$ 27,874
Aroostook	8,420			55,000	\$289	63,710	219,770	283,481
Cumberland				385,000		385,000	(264,953)	120,046
Franklin	1,246		18,000	19,243		19,243	7,720	26,969
Hancock	660	25,000	25,134	203,600		254,394	(234,619)	19,774
Kennebec	29,164				4,070	33,234	17,770	51,005
Knox				45,000		45,000	(24,686)	20,313
Lincoln				27,635	159	27,794	12,101	39,895
Oxford	18,120			135,000		153,120	74,929	228,049
Penobscot				37,000	1,065	38,065	93,519	131,585
Piscataquis	11,366		4,000			15,366	(1,465)	13,900
Sagadahoc	3,910	42,000				45,910	(1,946)	43,963
Somerset					4,390	4,390	25,785	30,177
Waldo	12,485	45,000		402,000	517	460,003	(371,044)	88,958
Washington	818			230,000	3,451	234,270	(31,592)	202,677
York								
	\$101,729	\$112,000	\$47,134	\$1,613,035	\$13,944	\$1,887,843	(\$535,821)	\$1,352,021

ACCOUNTS RECEIVABLE AND RESERVES PROVIDED

First Entered on General Books of the State of Maine

At June 30, 1942

Department	Accounts Receivable as Entered	Reserves Provided
Agriculture	\$ 3,843.07	\$ 1,927.13
Aeronautics Commission	197.00	
Audit	15,675.20	2,863.73
Adjutant General	932.04	
Education	498.51	
Fish and Game	15,510.80	
Health	3,276.50	1,190.25
Health and Welfare (Bureau of Social Welfare)	163,851.58	71,008.12
Highway	190,943.92	13,097.32
Institutional Service	49,278.62	22,005.33
Maine Development Commission (Potato Tax)	1,247.91	540.12
Maine Forestry District	4,218.44	4,218.44
Treasury (Bank Stock Tax)	13,380.00	
Inheritance Taxes	133,803.89	
State Institutions		
Augusta State Hospital	46,609.08	29,888.90
Bangor State Hospital	44,551.89	25,237.49
Pownal State School	1,555.71	795.69
Gasoline Taxes	10,296.29	
Totals	<u>\$699,670.45</u>	<u>\$172,772.52</u>

IMPOUNDED BANK ACCOUNTS INCLUDED IN TRUST FUNDS

As of June 30, 1942

With Estimated Losses

	Original Principal Impounded	Unliquidated Balance	Probable Further Realization	Estimated Final Loss
University of Maine				
Coburn Fund	\$ 25,000.00	\$ 2,000.00	none	\$ 2,000.00
Land Grant Fund	53,300.00	18,065.00	\$ 132.00	17,933.00
State Military and Naval Children's Home				
Administrative Fund	3,862.10	1,158.65	154.48	1,004.17
State School for Girls				
Jessie F. Godfrey Fund	893.00	267.90	35.72	232.18
Pownal State School				
Joseph C. Greene Fund	6,000.00	1,800.00	240.00	1,560.00
Madawaska Territory School Fund	2,500.00	875.00	425.00	450.00
Maine School for the Deaf				
Sweat Fund	2,868.71	5.73	none	5.73
Martha Barton Fund	712.35	1.42	none	1.42
Penobscot Indian Fund	58,092.44	26,234.74	3,323.70	22,911.04
Passamaquoddy Indian Fund	6,610.37	1,983.11	264.41	1,718.70
Permanent School Fund	18,505.77	2,918.65	523.54	2,395.11
Lands Reserved for Public Uses Fund	83,210.00	34,516.86	6,459.50	28,057.36
	<u>\$261,554.74</u>	<u>\$89,827.06</u>	<u>\$11,558.35</u>	<u>\$78,268.71</u>

The above includes only principal of the funds. The estimated losses are based on data furnished by the various receivers and conservators and, in the case of national banks, by Federal officials.

EMERGENCY WAR FUND

FISCAL YEAR ENDED JUNE 30, 1942

Transfers from Unappropriated General Funds:

Jan. 30, 1942, Council Order No. 72	\$100,000	
April 3, 1942, " " No. 225	25,000	
April 29, 1942, " " No. 274	43,200	
June 30, 1942, " " No. 398	2,000	\$170,200
		<hr/>
Allocated as below		160,500
		<hr/>
Balance unallocated June 30, 1942		\$ 9,700.00

Allocations:	Amount Allocated	Allocations Unexpended June 30, 1942
Civilian Defense Council	\$100,000	\$ 16,379.90
Biddeford Defense Training School	1,200	228.91
Blood Bank Centers	4,500	—
Farm Placement Program	4,000	4,000.00
Farmerettes	2,500	2,500.00
Food Production	5,400	5,400.00
Food Conservation	11,300	11,300.00
Community Centers	20,000	20,000.00
Maine Aeronautics Commission (C.P.A. and C.A.A.) ..	1,200	—
" " " (C.A.P. Seaplane Base)	6,600	5,485.36
Executive Department	1,800	—
State Travel Bureau	2,000	1,933.33
		<hr/>
Total Allocated as above	\$160,500	
Total Unexpended Allocations Carried Forward ...		67,227.50
		<hr/>
Emergency War Funds Unexpended—June 30, 1942 ...		\$76,927.50
		<hr/> <hr/>

EMERGENCY FUNDS, OTHER

PAYROLL

Chapter 325, Public Laws 1941 providing for 10% salary increases for those earning under \$30 a week, effective February 2, 1942, set up an Emergency Payroll Fund in the sum of \$80,000 for the fiscal year ended June 30, 1942; to be available as necessary where regular departmental appropriations were insufficient to carry the additional cost of this salary increase; from which transfers were to be made as necessary by the Governor. From this fund, transfers were made totalling \$34,892.25, leaving \$45,107.75 to be lapsed.

Original Appropriation		\$80,000.00
Transferred to: Bureau of Accounts and Control	\$1,328.76	
Department of Education	5,551.87	
Industrial Accident Commission	356.33	
Augusta State Hospital	7,661.59	
Bangor State Hospital	5,060.35	
State School for Boys	971.58	
Central Maine Sanatorium	2,515.43	
State School for Girls	1,141.28	
Northern Maine Sanatorium	1,368.85	
Pownal State School	4,986.98	
Western Maine Sanatorium	518.35	
State Reformatory for Women	963.64	
Legislative Department	42.67	
State Park Commission	306.03	
Baxter Park Commission	8.41	
Bureau of Personnel	46.90	
Superintendent of Buildings	2,063.23	
		<u>34,892.25</u>
Lapsed to Contingent Fund		<u>\$45,107.75</u>

MILEAGE

The same law set up an Emergency Mileage Fund in the sum of \$12,500 for the fiscal year just ended to similarly care for overdrafts caused by the increase of rates to be paid by the State for use of private automobiles specified in the same law. No transfers were made, and the entire fund was lapsed at the year-end.

INSTITUTIONS

Chapter 93 of the Private and Special Laws of 1941, as affected by Chapter 329 of the 1941 Public Laws, set up an Institutional Emergency Fund in the combined sum of \$150,000 from which should be transferred "such sums as may be deemed necessary (by the Commissioner of Institutional Service and the Governor and Council) to care for any emergency that may arise (in the institutions) during the fiscal year ending June 30, 1942." From this there was transferred a total of \$58,994.50 and the balance of \$91,005.50 was carried forward at the year-end, as follows:

Appropriations		\$150,000.00
Transferred to: Augusta State Hospital	\$13,986.70	
Bangor State Hospital	11,913.99	
State School for Boys	1,604.62	
Central Maine Sanatorium	5,963.29	
State School for Girls	7,756.46	
Northern Maine Sanatorium	3,987.16	
Pownal State School	7,745.18	
State Reformatory for Women	6,037.10	
		<u>58,994.50</u>
Carried forward to 1942-43 fiscal year		<u>\$91,005.50</u>

The verification of the validity of these transfers under the provisions of the special laws cited, will be gone into by our various auditors as a part of their regular work on the various departments and institutions.