The Feoffees' Accounts

- The only financial statement published by the Feoffees is the two-page financial statement they submit for the Town's annual report.
- For many years past it has been deficient in many respects:
  - It has not distinguished between the Feoffees' real estate assets and the tenants' assets (their cottages).
  - Since FY 1993 it has given essentially the same figure each year for the real estate assets, e.g. $22,317,500 in FY 1993, $22,275,300 in FY 2000.
  - It has not distinguished between the real estate taxes paid on the Feoffees' land and buildings and the taxes on the cottages collected by the Feoffees and paid over to the Town.
  - It has shown the balances in various savings accounts but not the interest earned, if any.
  - Nor has it detailed transfers into and out of the savings accounts.
  - Although it has recorded transfers in recent years to a "School Acct." it has not shown the balances in this account.
  - The figures have not always added up, e.g . in FY 1998 "cash receipts" of $304,779.87 and $131,828.09 were shown as totaling $559,607.96.
  - Without explanation different income totals have been shown in different places.
  - The financial statement has not been published until March, half way through the following fiscal year (and school year).
  - There is no indication that the accounts are audited.
- An examination of the Feoffees's accounts for FY 2000 showed deposit slips and cancelled checks agreeing with the chairman's summary of income and expenses and his summary also agreeing with the Feoffees' financial statement in the Town Report. It appeared the accounts for FY 2001 were similarly in order. (Examination by Heather Ellerkamp).

The School Committee's relations with the Feoffees

- Although the Feoffees' contributions to the schools have been much smaller than a beneficiary would normally expect from a trust with assets as valuable as the Feoffees' assets, the School Committee has never publicly reminded the Feoffees of their fiduciary responsibility and has never publicly pressed them to increase their conrtributions.
- The Feoffees say that in the years when they made no contributions to the schools - in 1982-84, 1986 -92 and 1994 – it was "at [the]Superintendent's request" (Feoffees' "Comments").
- The Superintendent's office has not kept a record of the Feoffees' contributions. o
- In 1991, following a concerned citizen's letters to the School Committee chairman, the School Committee and the Selectmen sought the opinion of Town Counsel on the Feoffees' legal status. His opinion (3/11/91), submitted confidentially to the two boards, characterized the Feoffees as a "quasi-public trust". He attached the text of the 18th century statutes but suggested it was likely that a Massachusetts court would "find the Feoffees' arrangement illegal on state constitutional grounds". He made no mention of William Paine's will. He wrote that if Little Neck were sold, the proceeds could be dedicated "exclusively to the School Budget, exclusively to the General Government Budget, or some combination of both".