

FOURTEENTH BIENNIAL REPORT

OF THE

STATE AUDITOR

IDAHO



October 1, 1916
September 30, 1918

C. VAN DEUSEN
State Auditor

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Report of State Auditor

Boise, Idaho, December 15, 1918.

HON. M. ALEXANDER,
Governor.

My dear Sir:

Pursuant to law I hand you herewith the fourteenth biennial report of the State Auditor and State Examiner. The condition in which I found the State Auditor's office cannot properly be described in a report, and I shall simply say that in so far as the proper bookkeeping records were concerned, there was practically nothing of value in the office. I would estimate that we threw out about 75 per cent of the antiquated system which was being used, and it its place have installed a few simple systems which accomplished the work with about one-half of the labor previously used.

This office is required by law to check minutely all State Departments, Institutions and counties, and I estimate that we have been able to perform about 10 per cent of the work as prescribed by law, owing to the fact that I have only one deputy for this work. I most earnestly recommend that the Legislature provide for ten deputy examiners or assistants. While this would cost a few thousand dollars per year, the value to the State will be enormous.

Only men of trained bookkeeping experience should be employed, and the salaries to be paid should be in keeping with the salaries which these appointees can make in the business world.

The following recommendations are made, based upon my experience as an expert accountant for twenty years, and upon my experience of two years in this office:

The Land Department in 1891 was placed under the jurisdiction of the Governor, Attorney General, Secretary of State and the State Superintendent of Public Instruction, acting as an ex-officio board. Six years ago the State Auditor was added to the board. In the early days, the work connected with the Land Board was very small, but today it is the largest individual business in the State of Idaho, and is only about 10 per cent as large as it will be at the end of forty years, at which time I estimate all of the State lands and timber will have been sold. If properly handled, the various endowment funds handled by the Land Board should equal one hundred million dollars. They are now over ten million dollars, although at the present time they should be about seventeen million dollars. This shortage is due to the method of appraising agricultural lands at \$10.00 per acre, when they are worth \$25.00, and also to the appraising of timber for about one-quarter the value of the stumpage which is upon the land, and I have come to the conclusion after very careful thought that a plan should be devised by the Legislature not conflicting with the constitution of the State, that a bi-partisan board of three members should be appointed by the Governor for terms of two, four and six years, at a salary which would secure the best talent in the State, one of whose members would take the place of the Register of the Land Board, the second to take the place of the State Land Commissioner, abolishing those two offices and appointing a third member to complete the Board. This Board to take control of all the duties of the State Land Board in Idaho, not in conflict with the constitution, and these members of the Board would be in touch with all correspondence and all the duties of the offices which an ex-officio Board cannot possibly do. I would suggest that this Board consist of one person who understands accounting. The Attorney General's office could furnish the legal advice necessary.

I also wish to most earnestly suggest that the bookkeepers in the Land Department, the State Treasurer's office, the Secretary of State's office, and

the State Auditor's office be not changed on account of a change of political administration for the very good reason there is no politics in good accounting.

I desire to recommend that the bounty on bear which costs the State of Idaho about \$15,000 per year, which amount is generally paid out of the general fund continuing appropriation of \$25,000 per year, be abolished, as I believe Idaho is the only State today in the United States paying a bounty on bear. The natural consequences are the State is paying thousands of dollars per year in my judgment for bear killed in Canada, Montana, Wyoming, Utah, Nevada, Oregon and Washington.

I desire to recommend a law be passed by the Legislature cancelling all State warrants outstanding within two years from the time that they are dated, with a provision that the same could be reissued upon a proper showing made by the original claimant to the State Board of Examiners.

I desire to recommend that the Legislature cancel all of the outstanding checks in the State Treasurer's office over two years old, some of which have been out for a great many years.

In the interest of economy, I desire to recommend the abolishment of the office of the Commissioner of Education, as the people have shown decisively that they wish to retain the Superintendent of Public Instruction. In my judgment, the Superintendent of Public Instruction should be the head of the State Board of Education, thereby eliminating a top-heavy, unwieldy and ever-increasing expensive coterie of employes working under the present Commissioner of Education.

I desire to call your attention to the fact that the State Auditor's report of the State of Washington, which is now before me, shows that all governmental money, such as the Morrell, Hatch, Adams and Smith-Lever funds are in the State Treasurer's hands, and that the State draws warrants against these funds.

The Federal law permits this to be done, and it is only necessary for the State Board of Education, as successors to the State Board of Regents of the State University, to elect the State Treasurer of Idaho to be the Treasurer of the University. All money received for the running of State Institutions and State Departments should pass through the hands of the State Treasurer.

All claims for money expended for every Institution and Department should be approved by the State Board of Examiners and paid by a State warrant signed by the State Auditor.

Up to two years ago it had been the policy for twenty-five years for the officials who run the State University to come to the Legislature and secure as large an appropriation as possible, and in addition to be allowed to use the ever-increasing interest funds and all of their local receipts, which during the years 1915 and 1916 amounted to \$300,000, all of which was handled at local banks at Moscow and subject to the expenditure by the officers of the University without any knowledge of the State of Idaho's constitutionally elected officials.

During the last Legislature House Bill No. 316 was devised, limiting the total expenditure for all Institutions to a certain specific sum, and the Supreme Court has held that this was constitutional. The last Legislature created the first budget system in the history of the State, and I have personal knowledge that the entire appropriation committee was in favor of said bill, and they desired that all the funds both local and governmental be handled through the State House officials, but a joker was inserted in the bill which read that this did not apply to the Federal money which under the law could not be handled this way.

This last statement was a false one, pure and simple, and can very easily be overcome by the present Legislature if it sees fit by electing the State Treasurer, the University Treasurer.

Under the method used the past twenty-five years, while I do not charge anything has been wrong, it is possible for those who handle the money at the University to present a set of claims and have the same paid out of the government money on deposit in the banks of Moscow, and then turn round and

present duplicate claims against the State and have the same paid out of State funds; and as the government agents do not check the state departments, and state officials do not check the government departments, neither the United States Government nor the State of Idaho would ever find out that a gross and rank injustice was being perpetrated upon the State. This is a condition which is dangerous in my opinion and should be done away with.

No officer, either high or low, or any Institution or Department, should be allowed to carry a special bank account of any kind whatsoever.

I desire to recommend to the Legislature that a State tax be placed upon the two hundred and eleven private car companies now sending their rolling stock through the State, and the State tax shall be paid into the State Treasury instead of the various counties as is now done.

The uniform accounting which has been established according to law in the Auditor's office of twenty-five counties should be finished during the next two years. This work has been under the direct control and supervision of Mr. James Munro, Deputy State Examiner, who has carried out my wishes in the matter, and the next two years will be required to finish the work, and I sincerely trust my successor will continue along the same lines as followed in the last two years.

I desire to recommend to the Legislature that they abolish that part of Chapter 209 of the 1911 Session Laws relating to Sleeping Car Companies. This law was passed in the interest of the Pullman Palace Car Company, and has resulted in this Company not paying over 30 per cent of the taxes which they should pay.

I also desire to report that as a result of the work done under Senate Bill No. 108, Thirteenth Legislature, that there is a shortage of \$237,000 in the various endowment funds belonging to the State of Idaho. This covers a period of twenty-seven years. Owing to the fact that the appropriation was exhausted, I have been unable to ascertain in which years this shortage occurred.

The success of my administration in the office of State Auditor has been due largely to the intelligence, integrity and ability of Mr. Howard Snell, my Chief Deputy, and to Mr. James Munro, the Deputy State Examiner, whom particularly I wish to thank. To the rest of my clerks who have served during the two years, Mr. Anderson, Mr. Day, Mr. Roehrig, Miss Palmer, Miss Smith and Miss Rush, I desire to thank for their loyalty and good work which they have done. No office can be run successfully unless the members of the office force are competent, honest and loyal, and I believe after thirty years' experience as a bookkeeper, that there never has been an office where harmony has reigned, where intelligence has been shown, to equal mine during the past two years.

Respectfully submitted,

CLARENCE VAN DEUSEN,
State Auditor.

FINANCIAL STATEMENT, SEPTEMBER 30, 1918

Assets

Cash in Treasury	
Special and Trust Fund.....	\$ 557,954.76
Interest and Sinking Funds.....	128,941.78
Endowment Funds	18,290.61
Total Cash (Schedule "C").....	\$ 705,187.15
Investments	
Farm Mortgages	\$3,240,293.17
Bonds (School, Highway and U. S. Liberty Loan)	3,151,315.14
Certificates of Sale	3,658,861.15
Total Investments	10,050,469.42
Inventories	
Lands	\$ 600,727.37
Equipment	162,368.22
Buildings	3,117,633.68
Machinery	48,406.32
Apparatus	78,262.40
Furniture and Fixtures	252,658.51
Libraries	244,285.97
Supplies	135,002.47
Live Stock	88,161.75
Total Inventories	4,727,506.69
Taxes Receivable from Counties.....	988,368.03
Cash in Revolving Funds.....	14,108.96

Liabilities

Warrants Payable	\$ 315,245.62
Bonds Payable (schedule "D").....	2,818,750.00
Balances 1917-18 appropriations (schedule "E").....	980,770.48
Reserve for Land Grant Irreducible Funds.....	10,068,760.03
Surplus	2,302,114.12
	\$16,485,640.25

RECEIPTS AND DISBURSEMENTS

Statement showing receipts and disbursements for the biennial periods, as shown by the accounts with the State Treasurer from January 1, 1893, to October 1, 1918.

Year—	Receipts	Disbursements
January 1, 1893, balance.....	\$ 94,823.76	
January 1, 1893, to January 1, 1895.....	882,220.76	\$ 852,838.89
January 1, 1895, to January 1, 1897.....	762,341.54	837,957.61
January 1, 1897, to January 1, 1899.....	774,031.35	770,652.66
January 1, 1899, to January 1, 1901.....	970,841.64	891,990.29
January 1, 1901, to January 1, 1903.....	1,891,732.95	1,304,797.31
January 1, 1903, to January 1, 1905.....	2,053,553.21	2,592,213.07
January 1, 1905, to October 1, 1906.....	2,825,142.14	2,538,057.22
October 1, 1906, to October 1, 1908.....	4,652,112.76	4,473,109.75
October 1, 1908, to October 1, 1910.....	5,279,321.80	5,008,396.46
October 1, 1910, to October 1, 1912.....	6,798,898.09	6,525,359.46
October 1, 1912, to October 1, 1914.....	5,430,742.32	5,555,035.90
October 1, 1914, to October 1, 1916.....	6,132,527.40	6,251,072.00
October 1, 1916, to October 1, 1918.....	8,829,391.68	9,071,013.74
October 1, 1918, balance.....		705,187.15
Totals	\$47,377,681.40	\$47,377,681.40

ABSTRACT OF FUNDS (Schedule "C")

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Funds	Balance October 1, 1918	Cash Receipts	Transfer Receipts	Cash Disbursements	Transfer Disbursements	Balance Oct. 1, 1918
Agricultural College Endowment Fund.....	\$ 24,784.53	\$ 168,661.94	\$ 36,900.00	\$ 33,515.00	\$ 196,760.00	\$ 71.47
Agricultural College Interest Fund.....	8,707.04	94,993.52		11,034.34	92,062.49	603.73
Albion Normal School Interest Fund.....		31,841.20	7,573.46	1,699.44	33,689.05	4,026.17
Capitol Building Sinking Fund.....	15,973.57	111,558.47	22.50	58,470.00	18,830.00	40,254.54
Carey Act Trust Fund.....	844.64	12,044.27		2,431.16	8,931.68	1,526.07
Charitable Institutions Endowment Fund.....	81,453.50	228,836.41	117,320.00	107,113.00	320,250.00	246.91
Charitable Institutions Interest Fund.....		3,132.70		15.00	3,062.50	55.20
Deaf and Blind School Interest Fund.....	2,523.91	3,231.04	205.08	94.93	5,732.32	132.78
Experimental Farms Fund.....		4,868.80			4,868.80	
Game Fund.....	13,852.20	129,768.31		18,836.94	86,162.55	38,621.02
General Fund.....	135,318.33	2,359,333.42	337,748.61	309,124.36	2,648,081.23	*115,805.23
General Interest and Sinking Fund.....	43,298.06	164,443.18	5.66	88,456.25	84,988.75	34,301.90
Idaho Technical Institute Interest Fund.....	19,897.50	25,835.12		20,802.07	24,737.63	192.92
Industrial Training School Interest Fund.....	8,893.85	26,042.17		11,626.17	22,196.26	1,113.59
Insane Asylum Endowment Fund.....	12,877.96	78,456.23	43,400.00	24,100.00	110,200.00	434.24
Insane Asylum Interest Fund.....	11,400.34	35,644.10		120.24	41,243.61	5,680.59
Lava Hot Springs Fund.....		17,793.55	3,435.28		20,757.98	470.85
Law Library (Boise) Fund.....	12,132.31	6,055.00		1,198.19	9,362.76	7,626.35
Law Library (Lewiston) Fund.....	2,347.21	2,470.00		400.10	1,770.56	2,646.55
Law Library (Pocatello) Fund.....		2,570.00	5,000.00		6,796.14	773.85
Live Stock Sanitary Fund.....	37,439.67	26,525.12		3,338.60	50,160.47	10,465.72
Loan Expense Fund.....		16,539.29	111.35		16,414.17	236.47
Normal School Endowment Fund.....	14,196.77	144,856.67	158,980.00	16,350.00	298,900.00	2,783.44
Normal School Interest Fund.....	50,911.68	16,739.13		42,456.98	25,193.83	
National Forest Reserve Fund.....	87,395.79	199,647.73		87,395.79	92,470.30	107,177.43
North Idaho Insane Asylum Interest Fund.....	4,331.91	25,839.29		6,366.73	23,602.31	202.16
Penitentiary Endowment Fund.....	14,741.47	48,471.67	11,000.00	14,900.00	59,150.00	163.14
Penitentiary Interest Fund.....	21,360.69	37,957.21		9,438.18	46,113.94	3,765.78
Predatory Animal Fund.....	7,454.75	79,447.26	65,020.00	55,624.10	91,812.74	4,485.17
Public School Endowment Fund.....	125,359.30	1,488,727.24	13,236.82	124,015.00	1,490,345.66	12,962.70
Public School Interest Fund.....	92,599.47	1,004,887.78	24.00	541.84	1,019,239.09	77,730.32
Public Building Endowment Fund.....	2,985.47	79,529.04	130.47	773.75	60,000.00	21,871.23
Public Building and Sinking Fund.....	130.47				130.47	
School of Science Endowment Fund.....	302.79	95,179.36	108,000.00	6,400.00	195,900.00	1,182.15
School of Science Interest Fund.....	17,229.89	43,910.87		18,227.53	42,757.02	156.21

Soldiers' Home, Federal Aid Fund.....	6,352.66	32,464.81	5,269.89	3,430.72	40,656.64	
Soldiers' Home, Interest Fund.....	3,743.38	17,901.68		312.97	20,816.54	515.55
State Asylum and Sanitarium Fund.....	2,496.21	829.62	4.17	45.67	54.41	3,229.92
State Highway Fund.....	6,216.45	1,335,277.39	451.58	73,376.29	1,250,158.39	18,410.74
State Highway Redemption No. 1 Fund.....	6,033.95	23,715.45	96.89	13,500.00	4,440.71	11,905.58
State Highway Redemption No. 2 Fund.....		64,802.64	1,872.09	19,112.22	26,953.98	20,608.53
State Insurance Fund.....		229,052.49			199,719.30	29,333.19
Teachers Certification Fund.....	2,102.66	8,061.90		1,732.24	8,119.32	313.00
University Endowment Fund.....	18,419.96	132,976.60	120,300.00	29,450.00	241,800.00	446.56
University Interest Fund.....	10,926.10	70,571.39	29.16	10,832.87	70,477.50	216.28
Gopher Bounty Fund.....		40,787.41			17,114.53	23,672.88
Vocational Educational Trust Fund.....		15,116.50			3,892.93	11,223.57
Lewiston Normal School Library Fund.....	10.18	35.00			45.18	
Lewiston Normal School Improvement Fund.....	1.95				1.95	
University Rebuilding and Equipment Fund.....	93.95			93.95		
Homesteaders Fund.....	201.85				201.85	
Leadore-Pahsimeroi Wagon Road Fund.....	37.03				37.03	
Kootenai Wagon Road Fund.....	3,392.51				3,392.51	
Warrants Payable Account.....			8,162,780.84	7,830,626.54	16,908.68	315,245.62
North Idaho Bldg. and Improvement Fund.....	36.22				36.22	
Idaho State Sanitarium Building Fund.....	821.60	190.84			1,012.44	
Bonneville County Snake River Bridge Fund.....	263.25				263.25	
Idaho-Oregon Wagon Bridge Fund.....	10,000.00			10,000.00		
Fort Hall Road Fund.....	3,894.95				3,894.95	
Boise-Yellowstone Highway Fund.....	46.65				46.65	
King Hill Project Fund.....	972.63	8,112.27		1,861.68	7,223.22	
Lewiston Normal School Improvement Fund.....	1.95		8,845.01	772.90	36,003.07	3,910.29
U. S. Hydrographers Trust Fund.....		1,817.30			1,817.30	
Totals.....	\$ 946,809.21	\$ 8,829,391.68	\$ 9,207,762.86	\$ 9,071,013.74	\$ 9,207,762.86	\$ 705,187.15

STATE AUDITOR'S REPORT, 1917-18

* Over-payment.

NOTE—Prior to January 1st, 1917, warrants issued were not charged to the Funds until paid by the State Treasurer, and amounts shown as "Cash Disbursements" from the different Funds, represents the payments of such warrants.

All warrants issued since January 1st, 1917, are charged to the respective Funds when issued, and the amounts placed to credit of Warrants Payable Account until same are paid. Totals of such warrants issued against each Fund are included in the amounts shown in "Transfer Disbursements" column above.

BOND STATEMENT (Schedule "D")

Statement Showing the Bonded Indebtedness of the State of Idaho, Oct. 1, 1918

Bonds	Series	Rate of Int.	Amount
University of Idaho Rebuilding.....	1907	4%	\$ 50,000.00
Industrial Training School.....	1907	4%	50,000.00
Elk City-Dixie-Ora Grande Wagon Road.....	1907	4%	10,000.00
Albion State Normal School.....	1907	4%	20,000.00
Lewiston State Normal School.....	1907	4%	40,000.00
Academy of Idaho Improvement.....	1907	4%	21,000.00
North Idaho Insane Asylum Building and Impmt.....	1907	4%	45,000.00
Idaho Lewiston State Normal.....	1909	4%	52,750.00
Idaho State Penitentiary Improvement.....	1909	4%	20,000.00
Paris-Franklin Road.....	1909	4%	3,000.00
Idaho Industrial Training School Improvement.....	1909	4%	55,000.00
Idaho Soldiers' Home Improvement.....	1909	4%	18,500.00
Albion State Normal School.....	1909	4%	36,000.00
Academy of Idaho Improvement.....	1909	4%	36,000.00
North Idaho Insane Asylum Building and Impmt.....	1909	4%	35,000.00
University of Idaho Improvement.....	1909	4%	52,000.00
Salmon River Bridge.....	1909	4%	9,000.00
Industrial Training School Improvement.....(I)	1911	4%	33,000.00
Paris-Franklin Road.....(J)	1911	4%	2,500.00
Snake River Bridge (Mountainhome).....(K)	1911	4%	15,000.00
North and South Wagon Road.....(L)	1911	4%	20,000.00
Deaf, Dumb and Blind Building.....(M)	1911	4%	30,000.00
St. Joe River Bridge.....(N)	1911	4%	30,000.00
North Idaho Insane Asylum.....(O)	1911	4%	9,000.00
Idaho State Sanitarium Building.....(P)	1911	4%	25,000.00
Bonneville S. F. of S. R. Wagon Bridge.....(Q)	1911	4%	5,500.00
Ross Fork Road.....(R)	1911	4%	20,000.00
University of Idaho Building.....(S)	1911	4%	75,000.00
Twin Falls & Lincoln Co. S. R. Wagon Bridge (T)	1911	4%	6,000.00
Soldiers' Home Improvement.....(U)	1911	4%	13,000.00
State Penitentiary Improvement.....(V)	1911	4%	30,000.00
Salmon-Challis Wagon Bridge.....(G)	1911	4½%	7,500.00
Burley Bridge.....(F)	1911	5%	10,000.00
Canyon-Snake River Wagon Bridge.....(E)	1911	5%	25,000.00
Leadore-Pahsimeroi Wagon Road.....(D)	1911	5%	5,000.00
Kootenai Wagon Bridge.....(C)	1911	5%	25,000.00
Whitebird-Dumacque-Graves Crk. Wag. Rd. (W)	1911	4½%	4,000.00
Idaho State Penitentiary Improvement.....	1913	4%	25,000.00
Interstate Snake River Bridge.....	1913	4%	40,000.00
Ross Fork Road.....	1913	4%	19,000.00
Potato and Sugar Beet Seed Exp. Station.....	1913	4%	6,000.00
Boise-Yellowstone Park Highway.....	1913	4%	10,000.00
Lava Hot Springs Improvement.....	1913	4%	10,000.00
Capitol Building.....	1909	4%	60,000.00
Capitol Building.....(H)	1911	4½%	750,000.00
State Highway.....	1915	4½%	200,000.00
State Highway.....	1917	4¾%	500,000.00
State Highway.....	1917	4¾%	250,000.00
Total.....			\$ 2,818,750.00

SOURCE OF CASH RECEIPTS

October 1st, 1916, to October 1st, 1918

Source	Year Ending Sept. 30, 1917	Year Ending Sept. 30, 1918	2 Yrs. Ending Sept. 30, 1918
Land Department			
Register	\$ 655,938.41	\$ 1,114,500.79	\$ 1,770,439.20
Collection Department	1,328,728.58	842,355.26	2,171,083.84
County Treasurers			
General Taxes	607,527.50	648,451.77	1,255,979.27
General Interest & Sinking Fund			
Taxes	64,197.01	100,365.08	164,562.09
Public Building & Sinking Fund			
Taxes	58,803.53	52,857.96	111,661.49
Predatory Animal Tax	34,904.31	44,930.44	79,834.75
Highway Bond Redemption Tax...		40,459.65	40,759.65
Gopher Bounty Tax		40,759.83	40,759.83
25% Automobile Licenses.....	89,730.48	141,664.26	231,394.74
Inheritance Taxes	29,352.88	21,833.81	51,186.69
Licenses, Escheated Estates, Etc...	11,164.54	13,707.24	24,871.78
Secretary of State.....	147,292.82	95,249.60	242,542.42
Insurance Commissioner	123,173.86	142,532.66	265,706.52
Supreme Court	7,000.83	3,284.60	10,285.43
Bank Commissioner	11,385.00	12,144.60	23,529.60
Board of Education.....	6,778.59	3,959.90	10,738.49
State Engineer	7,840.42	17,774.69	25,615.11
Insurance Manager (Industrial Accdt.)		248,154.57	248,154.57
Board of Health	922.31	512.80	1,435.11
Dairy, Food & Sanitary Department..	9,262.10	11,420.12	20,682.22
District Court Fees	13,266.55	11,971.58	25,238.13
State Veterinarian	13,765.70	12,828.14	26,593.84
Public Utilities Commission	317.06	24.00	341.06
Lava Hot Springs	10,656.77	10,572.06	21,228.83
Game Department	59,808.54	69,959.77	129,768.31
Highway Commission	54,109.30	317,438.48	371,547.78
Horticultural Department	449.05	500.50	949.55
King Hill Project	661.94		661.94
Refunds	2,380.13	435.50	2,815.63
U. S. Government (Soldiers' Home Aid)	17,964.81	14,500.00	32,464.81
Deaf and Blind School.....	48.83	35.43	84.26
Judgment O. V. Allen Bond.....	40,543.03		40,543.03
State Depositories	44,180.22	35,586.80	79,767.02
Seed Commissioner	371.25	185.75	557.00
Attorney General	61.60		61.60
Farm Markets	607.00	807.00	1,414.00
University of Idaho.....	676.84	20,735.05	21,411.89
Express Companies' 3% Tax.....	5,769.72	7,460.02	13,229.74
5% Sale of Public Lands.....	7,066.19	5,945.19	13,011.38
Panama Pacific International Expo...	836.47		836.47
Capitol Building Commission	101.56	3,961.86	4,063.42
Idaho State Sanitarium	965.93	987.83	1,953.76
Idaho Insane Asylum	15,654.90	2,792.40	18,447.30
Lewiston Normal School	5,113.97	20,391.30	25,505.27
Soldiers' Home	1,982.70	57.40	2,040.10
Industrial Training School	4,286.74	9,793.86	14,080.60
Penitentiary	8,716.18	16,369.54	25,085.72
Northern Idaho Sanitarium	1,125.66	1,619.20	2,744.86
Miscellaneous	65.15	2.00	67.15
Albion State Normal School.....	7,594.82	32,320.13	39,914.95

Idaho Technical Institute	2,075.50	17,093.13	19,168.63
Sale of Highway Bonds	500,000.00	250,000.00	750,000.00
Premium and Accrued Interest on Highway Bonds	10,102.91	14,212.50	24,315.41
U. S. Govt. for Vocational Education..		15,000.00	15,000.00
Fire Insurance			
Northern Idaho Sanitarium		818.85	818.85
Lewiston State Normal School		84,005.86	84,005.86
Soldiers' Home		29,063.00	29,063.00
U. S. Forest Reserve		199,647.73	199,647.73
Totals	\$ 4,025,330.19	\$ 4,804,061.49	\$ 8,829,391.68

TAX LEVY ACCOUNTS WITH COUNTIES

Debits	General	General Interest and Sinking	Public Building and Sinking	Predatory Animal	Highway Bond Sinking	Gopher Bounty
Balances due State October 1st, 1916	\$ 615,006.39	\$ 64,683.02	\$ 60,046.10	\$ 18,557.16	\$	\$
Tax Levies, 1916 Personal Property Rolls				17,201.36		
Tax Levies, 1917 Real Property Rolls	650,000.00	103,757.04	53,953.64	19,761.31	40,555.36	40,555.36
Tax Levies, 1917 Personal Property Rolls				28,042.07	3,203.90	3,203.90
Tax Levies, 1918 Real Property Rolls	978,686.89	88,971.50	44,485.75	24,741.42	42,623.37	42,623.37
Totals	\$ 2,243,693.28	\$ 257,411.56	\$ 158,485.49	\$ 108,303.32	\$ 86,382.63	\$ 86,382.63
Credits						
Remittances year ending October 1st, 1917	\$ 607,527.50	\$ 64,197.01	\$ 58,236.02	\$ 34,687.78		
Remittances year ending October 1st, 1918	647,797.75	100,365.08	53,378.59	44,656.18	40,459.65	40,759.83
Balances due State October 1st, 1918	988,368.03	92,849.47	46,870.88	28,959.36	45,922.98	45,622.89
Totals	\$ 2,243,693.28	\$ 257,411.56	\$ 158,485.49	\$ 108,303.32	\$ 86,382.63	\$ 86,382.63

Note—Chapter 58, Section 98, 1913 Session Laws, requires all Counties to remit in full for the previous year's tax levy on or before the second Monday of each July.

Upon assuming the duties of State Auditor in January, 1917, I found that 40% of the Counties in the State had not complied with this provision, and that taxes were due the State for levies prior to 1916 as far back as 1907, in a total amount of approximately \$60,000.00.

Up to this date, November 12th, 1918, I have secured a settlement in full with all the forty-one Counties for tax levies prior to 1918, with the exception of Latah County, in the amount of \$388.45, and Boundary County, in the amount of \$1,838.57.

ABSTRACT OF ACCOUNTS WITH APPROPRIATIONS 1917-1918 (Schedule "E")

October 1st, 1918

Department or Institution	Appropriation	Expended	Balance
Adjutant General	\$ 50,000.00	\$ 34,676.49	\$ 15,323.51
Attorney General	27,230.00	22,997.60	4,232.40
Auditor	27,492.75	22,970.13	4,522.62
Bank Examiner	26,995.00	21,775.61	5,219.39
Board of Education	47,600.00	40,850.37	6,749.63
Board of Health	23,655.00	18,569.80	5,085.20
Capitol Building	59,000.00	54,205.31	4,794.69
Dairy, Food and Sanitary	19,340.00	15,581.59	3,758.41
District Courts	214,900.00	153,408.69	61,491.31
Farm Markets	21,655.00	17,156.04	4,498.96
Governor	24,000.00	20,086.87	3,913.13
Horticultural Inspector	30,000.00	21,610.30	8,389.70
Insurance Commissioner	11,900.00	9,313.17	2,586.83
King Hill Project	26,332.00	26,332.00	
Land	120,380.00	115,720.92	4,659.08
Mine Inspector	11,100.00	8,422.13	2,677.87
Public Utilities	58,430.00	43,653.99	14,776.01
Secretary of State	30,670.00	24,825.93	5,844.07
State Engineer	51,000.00	48,215.32	2,784.68
Supreme Court	81,460.00	58,946.96	22,513.04
Traveling Library	8,300.00	6,207.61	2,092.39
Treasurer	33,000.00	25,633.77	7,366.23
Veterinarian	49,450.00	40,704.45	8,745.55
Albion State Normal School			
Maintenance	169,200.00	136,286.05	32,913.95
Improvements	30,000.00	24,893.60	5,106.40
Deaf and Blind School—Maintenance ..	76,000.00	58,594.45	17,405.55
Industrial School—Maintenance	142,640.00	141,548.15	1,091.85
Improvements	15,000.00	1,862.65	13,137.35
Insane Asylum—Maintenance	116,250.00	98,683.79	17,566.21
Improvements	17,750.00	16,679.42	1,070.58
Idaho Sanitarium—Maintenance	65,000.00	53,966.39	11,033.61
Lewiston State Normal School			
Maintenance	189,700.00	160,059.44	29,640.56
Improvements	40,000.00	34,660.16	5,339.84
Northern Idaho Sanitarium			
Maintenance	102,600.00	99,759.50	2,840.50
Improvements	9,500.00	3,689.50	5,810.50
Penitentiary—Maintenance	124,720.00	116,519.41	8,200.59
Improvements	12,500.00	8,426.19	4,073.81
Soldiers' Home—Maintenance	89,560.00	81,719.41	7,840.59
Improvements	1,460.00	850.67	609.33
Idaho Technical Institute—Maintenance	164,172.00	136,233.37	27,938.63
Improvements	40,000.00	10,937.00	29,063.00
University of Idaho—Maintenance	648,860.00	405,269.83	243,590.17
Improvements	112,000.00	62,372.12	49,627.88
Children's Home Finding & Aid Society			
Maintenance	13,500.00	11,350.00	2,150.00
Pure Seed	10,000.00	7,865.27	2,134.73
State Board of Equalization	5,500.00	5,166.86	333.14
Rewards by Governor	2,500.00	6.90	2,493.10
Return of Fugitives	3,000.00	2,368.71	631.29
Official Bonds	4,500.00	4,395.52	104.48

Insurance, Law Library and Lewiston			
Supreme Court Building	500.00	341.50	158.50
Legislature	80,000.00	73,589.64	6,410.36
H. B. No. 1, National Guard of Idaho ..	7,333.50	6,889.50	444.00
G. A. R.	1,600.00	1,399.94	200.06
Historical Society	4,375.00	3,227.70	1,147.30
Land Department Audit (S. B. No. 108)	20,000.00	20,000.00	
Industrial Administration Fund	15,000.00	9,237.72	5,762.28
Lava Hot Springs	5,000.00	4,978.48	21.52
State Insurance Manager	20,000.00	5,199.93	14,800.07
Board of Agriculture	40,000.00	25,743.72	14,256.28
Convict Road Work	15,000.00	9,531.60	5,468.40
Chapter 112, 1915 Session Laws	860.09	575.91	284.18
House Bill No. 180, Deficiencies	422.58	422.58	
House Bill No. 276, Deficiencies	35,127.09	34,969.09	158.00
House Bill No. 387, Deficiencies	1,600.12	1,401.16	198.96
House Bill No. 387, Bounty Deficiencies	15,000.00	15,000.00	
Northwest Live Stock Show	2,500.00	2,500.00	
Printing Constitutional Amendmts.	7,500.00		7,500.00
Hansen Bridge	20,000.00		20,000.00
Gem Irrigation District	96,670.00		96,670.00
Golden Spike Exposition	10,000.00		10,000.00
Boise Summer School	3,000.00	2,979.33	20.67
Five Snake River Bridges	50,000.00		50,000.00
Steunenberg Monument	15,000.00		15,000.00
High Altitude Experimental Station	3,500.00		3,500.00
Pure Oil Testing	500.00		500.00
Totals	\$ 3,744,290.13	\$ 2,763,519.65	\$ 980,770.48

Report of State Examiner

Boise, Idaho, December 15, 1918.

HON. M. ALEXANDER,
Governor.

Sir:

As required by Section 184 of the Revised Codes, I hereby submit my report as State Examiner:

An inventory of all State property has been taken each year during this administration and the data is on file in this office. Institutions and Departments already crowded with other work have had to be depended upon for most of the information without assistance from this Department. Apparently every effort was made by these Institutions and Departments to have the inventories complete, but the total value of property as shown will not be exact, for in a few cases the information was not accurately given. However, the inventories have been of considerable value to the State, especially in connection with the fire losses at the Soldiers' Home and at the Lewiston Normal School. In both of these cases immediate satisfactory adjustment was made by the Insurance Companies on the basis of the inventories on file in this office.

The main purpose of the inventory is to maintain a bookkeeping control over property belonging to the State which, not including State lands, is valued at about five million dollars. Considerable of this property is subject to abuse and theft, the loss of which means as much to the State as if cash were taken or misused. Strict accountability for property should be required, but it cannot be done unless the means for doing it is provided by the Legislature. This, to start with, would require a proper system of purchasing, and perhaps a central purchasing department, if established, would be of considerable value to the State.

Official bonds of all the county officers were examined and found proper as to form and amount, except those of the county treasurers. As all the bonds are written by surety companies admitted to the State by the State Insurance Commissioner, it is assumed that the security is satisfactory.

Section 1987, Revised Codes, requires Treasurers to be bonded for at least double the probable amount that may at any time come into their hands officially. In some counties this would require a bond of over one million dollars, and practically no county could comply with the law without bonding its treasurer in at least \$250,000.00. Needless to say, counties are not complying with this law, and to compel them to do so would be absurd. On the other hand, it was found in some cases the bonds were entirely inadequate in amount when the cash transactions involved are considered. The Legislature should enact a law that would be reasonable and yet require sufficient security.

The assessors' bonds are fixed at \$5000.00, which is adequate to cover their duties as assessors, but insufficient to cover their duties as collectors of automobile licenses, and there should be an additional bond required for this branch of the work.

Securities held by counties to protect county money on deposit in the various banks, were investigated. The investigation developed a very unsatisfactory condition, due to the fact that proper attention was not given to this matter by the officials. It was found that amounts required of the banks were not sufficient, personal bonds did not meet legal requirements, and securities offered were not legally acceptable. In a few cases, the treasurer was found to be depositing in excess of the amount of the bond, and inquiry developed the fact that this was due to the treasurer not receiving notice of any changes that had been made in the amount of securities, although the

changes had taken place months before. This occurred in several counties, all of which were considered models of administration.

Personal surety bonds may be good for some purposes, but as security for county funds in banks, their usefulness may be seriously questioned. Invariably, the personal bond given has as surety the bank's own officers, directors or stockholders, and even where the same people are connected with banks in two or more counties, their names also appear as surety for these banks. There is no question but that these bonds are perfectly good, provided a bank is sound, but it is material to note that bonds are to protect the county only in case of the failure of the bank, which naturally leads one to inquire if the various sureties who are also stockholders would have the free assets after the failure, that were reported when the bond was signed. They would know far in advance of the condition of the bank, and arrangements could be made to dispose of their holdings before county officials suspected its insolvency.

Such things have happened. Even when commissioners are inclined to suspect wrong conditions, strong personal appeals are made asking them not to disturb local conditions by withdrawing county funds, thus putting upon the commissioners the responsibility of precipitating a crisis. It would require a man of very strong personality to take the proper action in a case of this kind, and from this standpoint the personal bonds could be considered morally wrong.

In 1915 a law was passed prohibiting the State from accepting personal bonds as security from banks for State deposits. The fact that counties were not included in the law at that time seems rather inconsistent. County as well as State deposits protected by personal bonds were lost through the very same bank failures that prompted the passage of the law. While the law prohibits the use of any Government or municipal bonds as security if they are quoted below par on the New York stock exchange, no action was taken to prohibit the use of Liberty Bonds, although they are not always at par as required.

The amount that may be deposited by the county treasurer in any bank must not exceed the amount of the bank's paid up capital stock. During certain times of the year the aggregate paid up capital stock of all banks in some counties is not sufficient to provide accommodation for the county funds, and it has been suggested that the limit should be based upon the capital and surplus of banks in order to relieve this condition to some extent. A law putting this change into effect would give the banks a more equitable distribution of the deposits as the combined capital and surplus seems to be a better indication of the comparative strength of the banks than the capital alone.

The law requires the Examiner to submit an abstract of the financial conditions of the counties with this report. The annual financial statements of the counties are on file in this office, but a compiled report on them could not be gotten up without spending time and money that is not now available, as all the information required to show the actual financial standing of the counties is not disclosed in their reports.

These county reports do not give a complete financial statement of the operations in independent school districts, highway districts, drainage districts, and so forth, and for the purpose of statistics would be of as much value as a family budget that did not include the expenses of the children in the family. As a matter of fact, these "children of the county" are blamed to a large extent (and in most cases properly so) for the high taxes. People living in cities, independent school districts and highway districts no doubt have "kicked about high taxes" when paying the county tax collector. This officer by way of explanation could, and perhaps did, call the taxpayers' attention to the difference between the State and county levies and the levies of other taxing units in order to relieve the county administration of the blame for a condition over which the county commissioners had less control than the taxpayer himself.

The Idaho Tax Commission on February 14, 1914, made a report to Governor John M. Haines on the tax situation in Idaho. It is the only report of any value ever made in this State on the subject, but it was not printed for

general distribution by the State because of lack of funds. The work was so well done that it deserved a better fate.

The same difficulties that confronted the Tax Commission in getting out this report—that is, lack of proper reports from taxing districts—still exist, but could easily be obviated through a law placing all districts under a central accounting control, when such data would be compiled each year as a matter of course.

No particular value is attached to the following table of comparative statistics developed from reports on hand, and it should not be used for political purposes, as it is incomplete and the figures, while fairly accurate, are not vouched for. It is simply submitted to show the possibilities that can be developed from reliable reports and also to emphasize what is lacking under present conditions:

	Years 1913	Compared 1917	Pct. Inc.	Pct. Decr'se
Number of Counties.....	31	41	32.26	.....
Population of the State.....	350,000	425,000	20.43	.....
Cost of County Administration.....	\$1,562,000	\$1,875,000	20.00	.....
Cost per County.....	50,387	45,732	.....	9.24
Cost per capita	4.36	4.41	1.15	.....
Bonded Debt of Counties.....	2,254,249	3,182,335	41.17	.....
per county	72,717	77,643	6.77	.....
per capita	6.44	7.49	16.31	.....
Bonded Debt School Districts.....	4,884,488	5,990,638	23.85	.....
per county	157,564	146,113	.....	7.30
per capita	13.86	13.31	.....	4.69
Cost of State Administration.....	1,335,750	1,945,567	45.66	.....
per county	43,790	47,456	8.01	.....
per county	3.82	4.57	19.64	.....
State Taxes Assessed to Counties.....	1,041,132	908,582	.....	12.73
per county	33,585	22,167	.....	34.00
per capita	2.97	2.14	.....	27.95

Your attention is called to the fact that the above table only covers county and State administration expenditures amounting to \$3,820,567, but it would be safe to say that in addition to this amount more than \$7,000,000 of the taxpayers' money is spent annually by other taxing units and departments for which no reports are made to this department.

Of this eleven million who can answer these questions: Where does it go? Is it increasing? How does it compare with expenditures in other or similar units for this year or other years? What is the total paid by taxpayers of the State for various purposes?

The counties are divided into various districts, some of which in turn are further divided. There are common school districts, independent school districts, rural high school districts, joint high school districts, highway districts, god roads districts, and special road districts with the usual three trustees or directors and, of course, with the usual special taxing powers. In one county alone there are more than 120 special levies made and in the State perhaps 3000 would be a low estimate. They overlap until it is possible for the same piece of farm land to be assessed for State, county, independent school, highway, highway special and rural high school taxes. The laws creating these districts were drawn at different times by different people apparently without much thought of the technical difficulties imposed in the collection and accounting for the funds.

And the boundaries of these districts! A look at the map will show that

they are drawn as if by a magnet to some choice public utility valuation and hold along its course to stop only at the boundary line of some other prior existing "right to tax." In numerous cases people would not vote to create these districts were it not possible to extend the boundaries to include the rights of way of railroads and other public utilities.

Without considering the justice or injustice to the corporations, is such practice fair to districts that are not fortunate enough to include them? Are not districts without the corporation valuation paying the taxes of the more fortunate ones when paying freight and other service charges to the corporations?

One solution has been proposed to obviate this situation with regard to the schools and from an accounting and financial standpoint has the recommendation of this department, and that is the county unit of school districts which would reduce the number of districts in the State from 1508 to 50. This plan is now in operation in twenty-eight States and has the endorsement of a large majority of educators in this State.

A complete solution cannot be offered until an opportunity to investigate and report has been given to some competent person or department.

There are only a few counties showing an actual deficit at the end of the year; that is to say, their expenses are exceeding their revenues. The law limiting the amount of the levy for current expense to 75 cents on \$100 in counties under five million valuation and to 50 cents on \$100 in counties over five million valuation is responsible to a large extent for the fact there is a deficit in some counties. A county with a valuation of \$4,900,000 can raise \$36,760 but should the valuation be increased \$100,000 its taxing power would be limited to \$25,000, or cause a loss of \$11,750 in available revenue. As a factor in judging the probable cost of administration of a county its valuation is of far less importance than other items, such as area and poor transportation facilities.

Expenses in counties of large area in stock raising or mining districts are likely to be more in proportion to valuation than compactly settled counties in good agricultural districts. While some counties can run on \$25,000 per annum, some cannot and it happens in most cases these are the very counties just over the five million valuation. The limit of levy must be changed if county officials are to be expected to keep the county court house open without violating the law by spending more than their levies.

In this connection attention is called to Chapter 116 of 1915 Session Laws which provides that officers are liable personally and on their official bonds for approving bills or issuing warrants in excess of the amount provided by the levies. The levies are not made until nine months after the beginning of the year which affects county expenditures only for the last three months.

Counties should be put on a budget basis. The word "levy" in the law should be changed to "appropriation" and thus permit control on expenditures for the entire year. If the present law is strictly enforced what would counties do with revenues not derived from the levies?

Sometimes it seems as if the laws are not intended to be taken seriously. Here is one law restricting the county to a levy of 50 cents on \$100 valuation to run the county for an entire year and then there is a mandatory levy to be made the next year limited to 100 cents on \$100 valuation to take up warrants written in excess of the first mentioned levy. Ultimately the restriction first made amounts to nothing.

There should be no occasion for a warrant redemption levy, but it is part of the constitution and will have to remain on our statute. However, the wording of the statutes should be changed so that it will be less confusing and yet comply with the constitution.

The fiscal year in counties should be made definite. If possible the fiscal year should be made uniform for all municipal and district organizations.

Probate court charges should be placed on a flat fee basis similar to the method used by the clerk of the district court. Probate judges seem to be unanimous in endorsing this change.

The date of first delinquency should be the third Monday in December, 1918.

as to give the tax collector time to complete the collection and make a settlement before going out of office. Care should be taken to see that other departments are not imposed upon through any change that is made.

County institute fees should be apportioned to the current expense fund. The creation of a special fund serves no purpose as there is never sufficient revenue from this source to meet the expenditures for institutes and the balance to make up the deficit is paid out of the county current expense fund.

Delinquent taxes are now apportioned to the various State and county funds according to the levy of the year in which they were originally assessed. As time goes on, the needs for the different funds change, and one or another fund may have served its purpose so that no further revenue is required. By having the law provide that delinquent taxes shall be apportioned to the State and county funds according to current levies, the revenue for the current year will be increased or decreased in harmony with revenue requirements, and would save considerable trouble to the county auditors in looking up the various levies for the past years.

The law requiring the excess of State taxes collected, after the State has been paid, to be apportioned to the current expense fund, should be changed to allow this balance to remain to the credit of the State fund. This would prevent counties making excessive State levies for the purpose of improperly adding to the current expense revenues.

Sections 901 and 902 of Revised Codes relating to the payment of special road taxes in labor should be amended so they will be in harmony with Secs. 2135, 1943 R. C., and sections following. As it is, the commissioners do not pass upon money spent on this particular labor on the roads before the claim is allowed.

Organizations that aim to set a standard for their own members and consider laws that bring about better conditions are of great value to the State. County superintendents are now organized along this line, and it seems that other county officials should follow. Discussions in convention where better methods and results are disclosed would cause the spur of competition that has been the incentive for the high efficiency developed in private business.

A county auditor's convention was held in the latter part of January, 1918. Day and night sessions were held, but the entire program could not be now carried out, as the discussion of the draft rules took a great deal of time not anticipated. So much good was obtained from the meeting that it is hoped that they can be held annually by the auditors and perhaps by other officials upon call of the Governor. At this meeting the report of the committee on a resolution was submitted and the following resolutions were adopted:

1. That all county warrants that are outstanding three years from the time they are issued, be cancelled, provided that such cancelled warrants, when presented, be treated as a new claim against the county for the face of the warrant, and the interest earned, if any.
2. That the tax collector collect all taxes, Property tax, Personal tax, and Delinquent tax, and be the custodian of all tax rolls and tax certificates.
3. The abolishment of the poll tax.
4. That the State Auditor, to fully perform the duties of his office as Auditor and Examiner, be provided with sufficient assistance to enable him to regularly and properly audit the county offices.
5. That Personal Property, subject to exemption, need not be entered on the tax rolls, unless such property exceeds the amount of exemption as provided by law, and when so entered the entry for the excess amount only shall be made. The Assessor, however, to assess all property, regardless of exemptions, but that such property as under the above law, not appear on the tax roll, but be placed upon a convenient and supplemental record for the purpose of computing total valuations.
6. That a budget law similar to Section 1647, Revised Codes, as amended by the extraordinary session of 1912 Legislature be passed, and that the period for which appropriations are made be definitely stated in the law.
7. That the penalty on delinquent taxes be abolished, and that the rate

of interest be fixed at 15 per cent per annum after delinquency, and providing further that the county shall refuse to assign any certificate for a period of one year from date of issue.

8. That the fiscal year in counties of this State begin on the second Monday in January, and that beginning with the financial statement for the year 1917, financial statements to cover the year for the period ending the Saturday before the second Monday in January.

9. That the county auditors meet annually in Boise; and that the 1919 meeting be held in May or June of that year.

The Legislature should provide that the expenses by the officials at these meetings be paid by the counties.

The taxation of private car lines should be changed so that the revenue would be collected by the State instead of by the counties. At present the total revenue from this source is considerable but after the valuations have been apportioned to the counties according to law the tax in some cases is not worth the expense of collecting it. Some method similar to the taxing of express companies is suggested but in any event the present method is to be condemned.

Chapter 52, Sec. 3, 1917 Session Laws, should be amended to make clear the process to be followed in seizure of cars for failure to pay the auto license.

There are forty-one counties, twelve State Institutions, and thirty-four State Departments that would, under the law, require over one hundred separate examinations per annum by this Department. Allowing for the time used in travelling, making up reports and other necessary work, this would leave an average of less than one day to each examination. All of the counties were visited at least once and as many of the State Institutions as possible were visited, but sufficient time could not be given to any of them to make a thorough examination. When conditions seemed to justify criticism, the facts were reported to the proper authorities, and considerable time was also spent with counties that were in need of help. This was especially true of the new counties and counties where new accounting books were installed. It may be well to add that, in view of the fact that county officials are not elected primarily because of their fitness or peculiar qualifications for the office, the work done by a great majority of them is worthy of favorable comment, and some are doing much better than one would naturally expect under the circumstances.

The law requires the Examiner to order and enforce a uniform system of bookkeeping by the State and County officers. Upon taking office, a system of accounting was being installed for the State, so this Department investigated conditions of accounting in counties, and found that while in some counties the books were well set up and kept, they were as a whole anything but uniform. In compliance with the law, this office began at once to install a uniform system of accounts.

Realizing that this would take more time and money than was at the disposal of the Department, it was thought best to make changes gradually and begin with the bookkeeping in the County Auditor's office. A general ledger for this purpose was devised that would show the financial standing of the county and also reflect a correct operating statement based upon revenues and expenses, instead of cash receipts and disbursements. This is a very important distinction, especially in this State where the main revenue to meet the current year's operations is only half collected by the close of the fiscal year.

It was perhaps unfortunate that the County Auditor's office was selected, for shortly after this work commenced, this office was seriously affected, owing to the Auditor's position on the Draft Board, loss of help through the draft, and other war activities. However, the books were opened in more than half of the counties, and where proper attention could be given to them, the results have been satisfactory. This Department could not give proper supervision even to this matter. After opening the books and instructing the officials, which would take from four to eight days, the Examiner would unavoidably have to leave without covering some points, making repeated visits necessary. A book of instructions and charts were prepared to assist the Auditor, but the conditions mentioned were such that he could not give the time for study, and knowing

these conditions, the Examiner did his best to give personal instruction and help. At the same time other County and State Departments were visited, and new methods and books were devised when requested.

In most counties there had been no visit from the State Examiner in the preceding four years, during which time almost a complete change of officers had taken place. The lack of effective general supervision was very noticeable, and it is evident that unless there is a central authority and means of supervision, the tendency is for the officials to individualize the county work, in which process many essential matters are dispensed with in the name of economy or through lack of proper training. Another difficulty that new officers, who were without advice from the outside, had to contend with, was the continual changing of the laws by the Legislature without providing a compilation of the laws. Their duties are now affected by the various Acts of the Legislature since the Code in 1907. Many of these laws were not clear or were subject to different interpretation, and in some cases were overlooked. The Examiner can be of great assistance to these officials as he is in position to become familiar with the law and extend the best ideas found in each county to the counties as a whole, and an attempt was made to carry out this plan.

At present the State Examiner has no jurisdiction over the accounts of cities, highways, schools and other minor taxing districts where the need of supervision is just as essential as it is for the counties. To the personal knowledge of the Examiner considerable loss has resulted because of the lack of proper method of keeping books in the cities and school districts, and it is to be hoped that some steps will be taken to have all the municipal accounting placed upon a uniform basis and under a central control.

With the present duties as prescribed by law ten assistants would be needed to carry on the work of this department. The expense necessary in this connection would be amply justified as there is an absolute need for such work. After the counties are once on a uniform basis the activities of the department could be extended to other taxing districts, which the law should include within the jurisdiction of the Department.

Respectfully submitted,

C. VAN DEUSEN, State Examiner,

By James Munro, Deputy.