

BIENNIAL REPORT
OF THE
AUDITOR OF STATE

TO THE
GOVERNOR OF IOWA

JULY 1, 1908.

B. F. CARROLL, Auditor of State.

PRINTED BY ORDER OF THE GENERAL ASSEMBLY

DES MOINES
EMORY H. ENGLISH, STATE PRINTER.
1908

AUDITORS OF IOWA WITH TERMS OF SERVICE.

TERRITORIAL.

Name	County	Terms
Jesse Williams.....	Jefferson.....	Jan. 14, 1840, to Jan. 23, 1843
William L. Gilbert.....	Jan. 23, 1843, to 1845
Robert M. Secrest.....	1845, to Dec. 4, 1846

STATE.

Joseph T. Fales.....	Des Moines.....	Dec. 4, 1846, to Dec. 2, 1850
William Patee.....	Bremer.....	Dec. 2, 1850, to Dec. 4, 1854
Andrew J. Stevens.....	Folk.....	Dec. 4, 1854, to Sept. 22, 1855
John Patee.....	Bremer.....	Sept. 22, 1855, to Jan. 3, 1859
Jonathan W. Cattell.....	Cedar.....	Jan. 3, 1859, to Jan. 2, 1865
John A. Elliott.....	Mitchell.....	Jan. 2, 1865, to Jan. 1871
John Russell.....	Jones.....	Jan. 1871, to Jan. 1875
Buren R. Sherman.....	Benton.....	Jan. 1875, to Jan. 1881
William V. Lucas.....	Cerro Gordo.....	Jan. 1881, to Jan. 1883
John L. Brown.....	Lucas.....	Jan. 1883, to March 19, 1885
Jonathan W. Cattell.....	Lucas.....	March 19, 1885, to Jan. 23, 1886
John L. Brown.....	Lucas.....	Jan. 23, 1886, to April 13, 1886
Charles Beardsley.....	Des Moines.....	April 13, 1886, to July 14, 1886
John L. Brown.....	Lucas.....	July 14, 1886, to Jan. 3, 1887
James A. Lyons.....	Guthrie.....	Jan. 3, 1887, to Jan. 3, 1893
Cornelius G. McCarthy.....	Story.....	Jan. 3, 1893, to Jan. 2, 1899
Frank F. Merriam.....	Delaware.....	Jan. 2, 1899, to Jan. 5, 1903
*B. F. Carroll.....	Davis.....	Jan. 5, 1903, to

*Term expires January 4, 1909.

AUDITOR'S DEPARTMENT.

B. F. Carroll, Auditor.....	Davis County
Amos W. Brandt, Deputy Auditor.....	Polk County
Ole O. Roe, Chief Clerk, Insurance Department.....	Polk County
W. M. Lewis, Security Clerk, Insurance Department.....	Polk County
J. H. Byrnes, Fee Clerk, Insurance Department.....	Blackhawk County
J. F. Wall, Chief Clerk, Revenue Department.....	Ringgold County
F. E. Roberts, Chief Clerk, Banking Department.....	Jasper County
B. P. Rosser, Assistant Clerk, Banking Department.....	Davis County
Stella Elliott, Stenographer.....	Appanoose County
Elizabeth Rodgers, Stenographer.....	Wapello County
H. F. Wood, Extra Clerk.....	Sac County
Sarah G. French, Extra Clerk and Stenographer, Banking Department.....	Polk County
A. D. Sheets, Chief Clerk, Municipal Department.....	Adams County
Merze Marvin, Clerk, Municipal Department.....	Page County
J. W. Johnson, Janitor.....	Davis County
George E. Pennell, Municipal Examiner.....	Cass County
J. A. McKeller, Insurance Examiner and Actuary.....	Polk County
I. M. Sproull, Bank Examiner.....	Washington County
C. E. Putnam, Bank Examiner.....	Linn County
H. M. Cormany, Bank Examiner.....	Harrison County
Ellis D. Robb, Bank Examiner.....	Hardin County

REPORT OF THE AUDITOR OF STATE

DES MOINES, IOWA, Nov. 1, 1908.

HON. ALBERT B. CUMMINS, *Governor of Iowa*:

Sir,—In accordance with the provisions of Section 122 of the Code and Chapter 5, Acts of the Thirty-first General Assembly, I have the honor to submit my report as Auditor of State for the biennial period ending June 30, 1908.

REVENUE AND TAXATION.

The receipts from all sources paid into the general revenue of the state for the biennial period ending June 30, 1906, were \$6,892,938.00; and the receipts for the biennial period ending June 30, 1908, amount to \$7,247,078.00, which shows an increase in receipts of \$354,140.00.

At the close of the former period, after deducting all our outstanding warrants, there was a balance in the treasury of \$911,822.24. At the close of the fiscal period ending June 30, 1908, after like deduction was made, the balance was \$437,602.11, showing a decrease of \$474,220.13.

ESTIMATED RECEIPTS.

Statement No. 4 shows my estimate of the general revenue receipts for the biennial period ending June 30, 1911, to be \$7,605,400.00, which is based upon a levy sufficient to produce \$2,250,000.00 per year from taxation and such receipts from other sources as the past and future seem to justify. I believe this estimate is conservative, but do not think it would be safe to anticipate more. Adding the above amount to the cash in the hands of the State Treasurer, making no deduction for outstanding warrants on the first day of July, 1908, namely \$644,189.00, together with the estimated receipts from July 1, 1908, to July 1, 1909, namely, \$3,783,800.00, makes the total available resources of the state from July 1, 1908, to July 1, 1911, \$12,033,400.00.

ESTIMATED EXPENDITURES.

Statement No. 5 shows my estimate of the ordinary expenditures of the state for the biennial period ending June 30, 1911, based upon the present general laws and the expenditures during the last fiscal period, and amounts to \$6,291,000.00. This does not include any special or extraordinary appropriations which may be made by the Thirty-third General Assembly. The estimated expenditures, as shown above, together with the estimated expenditures of the present year, that is, from July 1, 1908, to July 1, 1909, namely, \$4,240,000.00, makes the total estimated expenditures from July 1, 1908, to July 1, 1911, to be \$10,531,000.00. By deducting this from the probable available resources to July 1, 1911, as shown above, namely, \$12,033,400.00, we find the probable available amount for extraordinary appropriations by the Thirty-third General Assembly to be, in round numbers, \$1,500,000.00.

It should be borne in mind, however, that the receipts from taxes between July 1, 1911, and October 1, 1911, will be practically nothing, and that the expenditures of the state continue right along, making it necessary that \$800,000.00 or more remain in the treasury July 1, 1911, to meet the running expenses of the state between July and October. This does not, however, take into account the fact that some of the appropriations made will likely remain unexpended at the time referred to.

SUMMARY OF RECEIPTS AND EXPENDITURES.

RECEIPTS.

Amount on hand July 1, 1908.....	\$ 644,200.00
Estimated receipts from July 1, 1908, to July 1, 1909.....	3,783,800.00
Estimated receipts from July 1, 1909, to July 1, 1911.....	7,605,400.00
Total	\$12,033,400.00

EXPENDITURES.

Estimated expenditures from July 1, 1908, to July 1, 1909....	\$ 4,240,000.00
Estimated expenditures from July 1, 1909, to July 1, 1911....	6,291,000.00
Amount available for special appropriations by Thirty-third General Assembly.....	1,502,400.00
Total	\$12,033,400.00

PERMANENT SCHOOL FUND.

The permanent school fund of the state at the present time amounts to \$4,778,019.46, having increased during the biennial period just closed from escheat estates and sales of school land

\$863.92. This fund is all in the hands of the officers of the various counties by whom it is easily kept at interest at statutory rate. A new form of report sent out one year ago has developed the fact that in the main this fund is being handled in a very satisfactory manner. The interest is being well kept up and mortgages are promptly paid or renewed when due, as the law requires, but in some ten or twelve counties this report shows that this fund is being badly neglected; in some cases mortgages have been permitted to run as high as twenty years past due with interest delinquent as high as ten years.

COUNTY ACCOUNTS.

The law passed by the Thirty-first General Assembly providing for a definite time and manner for reimbursing the state for support of county patients at our eleemosynary institutions and providing a penalty on all accounts on and after sixty days from date of certificate to county auditor, I am pleased to say has furnished a very satisfactory solution of the difficulties encountered in the past relative to these accounts and has had the effect to reduce the delinquent amounts due the state from over \$100,000.00 at the beginning of my first term to \$2,000.00 undisputed and subject to penalty on July 1, 1908. This amount was due from one county and was delinquent on account of a bank failure which had depleted the county treasury, but has since been paid in full with penalty, leaving no undisputed account now delinquent. The strict enforcement of this penalty added about \$1,500.00 to the general revenue of the state within the first year, since which time the accounts have been promptly paid before subject to penalty. County officials having now become familiar with the provisions of this law, I anticipate no further difficulties in reference to these accounts.

NON-RESIDENT INSANE.

Under the law passed by the Thirty-second General Assembly making counties liable for the support of non-resident patients in case the county officials fail to bring suit within six months to determine the residence of such patients, we have been able to secure settlement of all such cases save in two counties and suit has been ordered in each of these and we hope to have a settlement of same before the close of the present year.

BUILDING AND LOAN ASSOCIATIONS.

There are five domestic and forty-three domestic-local associations now reporting to this department. Of the five domestic associations at least four of them are closing out business as rapidly as circumstances will permit. Since my last report, the following named associations have wound up their business and gone out of existence:

Boone Building and Loan Association, Boone.
 Eagle Grove Building and Loan Association, Eagle Grove.
 Grinnell Building, Loan and Savings Association, Grinnell.
 Iowa Deposit & Loan Association, Des Moines.
 Iowa Business Men's Building & Loan Association, Marshalltown.
 Iowa Central Savings and Loan Association, Des Moines.
 Iowa Central Building and Loan Association, Des Moines.
 Fort Dodge Building and Loan Association, Fort Dodge.
 Northwestern Deposit and Investment Company, Holstein.
 Oskaloosa National Loan & Investment Association, Oskaloosa.
 Perpetual Building Association, Clinton.

BANKS.

During the biennial period ending June 30, 1908, there have been four failures of state and savings banks, with a combined capital of \$150,000.00, and deposits of \$301,000.00; the net loss will, however, not exceed twenty-five to thirty per cent. At the time of the last call, May 14, 1908, there were 571 savings banks reporting to this department, 261 state banks and 13 loan and trust companies. During the last biennial period, 97 savings banks and 23 state banks have been organized. The banks and loan and trust companies reporting to this department, possess a combined capital of \$28,694,300.00, with deposits of \$197,927,303.89, showing an increase of capital over that of June 30, 1906, of \$2,994,500.00, and an increase in deposits of \$28,317,557.13. As a result of the financial disturbance of last fall there was some shrinkage in the amount of deposits, but the loss was quickly regained and normal banking business resumed. I am pleased to be able to announce that none of the failures of state or savings banks referred to above, could in any way be traced to the financial panic of last year.

MUNICIPAL ACCOUNTING DEPARTMENT.

The Thirty-first General Assembly passed a law creating a municipal accounting department. This department was not fairly established until within the biennial period just closed. Under the

provisions of the law, a system of uniform blanks and books has been provided and in the main is now in use by the officials of various cities and towns. The law provides that this department, through its appointed examiners, shall examine the books and accounts of all cities having a population of five thousand or more, at least once during each biennial period. There are twenty-five such cities in the state and each of them has been examined. In addition to this we have examined several other smaller cities at the request of the officials thereof or upon petition, as provided by law.

UNIFORM BLANKS FOR COUNTY OFFICIALS.

The Thirty-second General Assembly passed a law creating a commission to prepare a system of uniform accounts and blanks for county auditors, county treasurers and clerks of the court. As members of such commission, I appointed O. B. Peterson of Story City, A. W. Miller of Mount Pleasant, W. C. Dewal of Algona, F. G. Bryner of Vinton, F. W. Leedham of Clinton, C. C. Hunt of Montezuma and W. H. Cahail of Guthrie Center. The uniform books and blanks were to have been installed January 1, 1908, but the scope of the work was such as to make it impossible for the commission to complete it within that time. So far as the blanks have been installed they seem to be reasonably satisfactory, but it will require more time and possibly an inspection by an examiner appointed by the state to secure complete compliance with the provisions of the law.

DEATH OF EX-AUDITORS.

I deem it not improper in connection with this report to call attention to the fact that since I came into office six years ago, four of my predecessors have passed to the great beyond. In the order of service which they rendered to the state, I refer briefly to each of them as follows:

Honorable John Russell of Jones county served as Auditor from 1870 to 1874. Previous to his election to the office of Auditor of State he was elected to the legislature from Jones county, having served in the Ninth, Tenth, Eleventh, Twelfth and Thirteenth General Assemblies, and after his retirement from the office of Auditor of State he was again elected to the Senate, serving in the Eighteenth and Nineteenth General Assemblies. It was during his administration, and largely through his efforts, that the law placing

permanent school funds in the hands of the counties, and making the counties liable to the state for the interest thereon, was enacted. The law for the regulation of savings banks was also enacted during his term of office and to him belongs a great deal of credit for the law as it then existed. He was a soldier in the late war, having served as such while a member of the legislature. Mr. Russell was born in Scotland in 1821, came to Iowa in 1852. He died at his home in Jones county on the tenth day of October, 1908.

Honorable Buren R. Sherman was elected as Auditor in the fall of 1874, assuming his duties in the spring of 1875, and held office for three terms, or six years. Previous to his election to the office of Auditor he had been County Judge in Benton County, his home being at Vinton. He served his county as Clerk of the Courts from 1868 to 1874. He was a veteran of the late war, having enlisted as a member of Co. G, Thirteenth Iowa Infantry, and was later Second Lieutenant, Co. E., and was severely wounded in the battle of Shiloh, April 6, 1862. He was elected to the office of Governor in the year 1881, which position he held for four years—1882 to 1886. Mr. Sherman was born in Ontario County, New York, on the twenty-eighth day of May, 1836, and died at his home in Vinton Nov. 11, 1904.

Honorable John L. Brown of Lucas County was elected Auditor of State in 1882, assuming the duties of the office in January, 1883, which position he held for a period of four years. His service, however, having been interrupted by the impeachment charges and trial resulting from a misunderstanding between himself and Governor Sherman. He was acquitted of all the charges and after a number of years was reimbursed by the General Assembly for expense incurred during the trial. Previous to his election to the office of Auditor of State he had served his county as Auditor for a period of seven years. He was a member of Co. A, Seventeenth Indiana Volunteers, and received a wound at the battle of Resseca, Georgia, May 15th, 1864, which caused the loss of an arm. He was born in Essex County, New Jersey, October, 31, 1838, and died at his home in Chariton, Iowa, May 24, 1906.

Honorable J. A. Lyons of Guthrie County succeeded Hon. John L. Brown as Auditor of State, assuming the duties of that office January, 1886, which position he held for a period of six years. His home was in Guthrie Center, Guthrie County, from which place he was elected to the Twentieth and Twenty-first General Assemblies. He was active in support of the prohibitory liquor

law, which was then before the General Assembly for consideration. He was a member of Co. K, First Iowa Cavalry, having enlisted from McGregor, Clayton County, and was wounded in the battle with Quantrell's Guerrilla Band at Montevale, Missouri, April 14, 1862, and as a result was soon afterward discharged. He again enlisted in Company A, Twenty-seventh Iowa Regiment, but was compelled to resign on account of his wound. Captain Lyons was born in Morgan County, Ohio, April 12, 1838, and died May 16, 1906, at his home in Grand Junction, Colorado.

All of which is most respectfully submitted.

B. F. CARROLL,
Auditor of State.