

State of Iowa
1945

Fundamentals
of
STATE
FINANCE



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Published by
THE STATE OF IOWA
Des Moines

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INTRODUCTION

This is written for busy people who want to gain the maximum of information about the State's business in a minimum of time.

Any business, whether public or private, in order to function must have income. Iowa State business, although public, is not conducted primarily to secure income. However, income is necessary that it may conduct its business to further the welfare of the people. Consequently, all business done by the State is everybody's business.

The people through the ballot elect Senators and Representatives to act for them in the General Assembly to make laws to establish various business functions of the State.

The General Assembly by law established institutions of learning under the State Board of Education, consisting of the State University, Iowa State College of Agriculture and Mechanic Arts, State Teachers College, School for Blind, and the School for Deaf.

Under the State Board of Control, the penal and correctional institutions were established to protect the people from those with criminal tendencies; other institutions were established for the care and treatment of insane, and others who need care and treatment, such as juveniles, epileptic, feeble-minded, tubercular, etc.

Highways have been established and bridges constructed so the public can go from place to place in the shortest time with the least expense and effort.

Provision has been made for "The Aged" who do not have the necessities of life by granting "Old Age Assistance". The Blind and Dependent Children are also provided assistance.

Justice is provided through the Attorney General's Office, Judges of the District Courts and the Supreme Court, creation of the Highway Patrol System for protection of the motorist, and organization of the National and State Guard for purposes of defense, if necessary. State Parks have been established for recreation. Measures have been prepared and made into law for protection of health, labor and our present living conditions are the result of laws made by the General Assembly.

Many citizens may differ as to the desirability of these services. However, all will agree that government is necessary.

STATE FINANCE

The State's business has not always been what it is today. Since World War I and the depression of 1932, many new State Responsibilities have been undertaken together with much more federal aid.

To override the mass of detail necessary to account for and administer the State's finance system is the purpose of this article. To get away from technical financial terms, accounting principles and try to explain by funds and functions the various revenues, how they are used, and why.

In the beginning, the State had only one fund known as the general revenue fund; just **one pocket-book** into which all revenues were placed and from which all bills were paid. This was a simple system, easily understood and accounted for and was continued until the primary road system was established when licenses for automobiles were segregated for road purposes only.

About the time of World War I, the General Assembly began to establish Trust Funds. These laws created departments saying all revenues collected by the department were to be used for the operation of that department, and for no other purpose.

The State then had **two pocketbooks**, part of the State's business operating through the general revenue fund pocketbook No. 1 and part through the trust fund pocketbook No. 2. This worked fairly well until the General Assembly passed laws that began to intermingle some of the revenues. They ordered some of the trust funds, under certain conditions, be taken from the trust fund pocketbook No. 2 and put in the general revenue fund pocketbook No. 1. Then trouble began to make the accounting so that State's business could be easily understood.

About 1932, or in the depression years, the General Assembly began to establish special funds. A special fund is revenues collected which may be used for certain designated purposes. Unlike trust funds being used for one purpose only, special funds may be used for as many purposes as are named by the General Assembly.

The special fund known as the Sales, Income and Corporation Tax (3-Point Tax Fund) was first used as a refund to counties and relief. However, now it is used for Old Age Assistance, Homestead Credits, and to pay part of the cost of its administration.

The other main special fund is the Use Tax. This is revenue principally from tax on automobiles; however, there are revenues from sale of other personal property. This special fund can be used under existing laws for the general revenue fund and for making up deficits in the Homestead Credit Fund.

Since 1932, the State has **three pocketbooks through** which all revenues must pass. Federal aid has been greatly increased since 1932 creating many special funds. The General Assembly has passed laws whereby some of the functions of special funds are intermingled with the general revenue fund, trust fund, federal and county funds, and the accounting grows complicated and technical. However, Federal and State accountants in making postaudits are able to trace each transaction and reconcile all accounts and funds.

The creating of revenues for Iowa using the language of Topsy "just grew up". It is now understood that Iowa has three pocketbooks through which it does the State's business.

General Revenue Fund	:	Pocketbook No. 1
Trust Funds	:	Pocketbook No. 2
Special Funds	:	Pocketbook No. 3

For general discussion, we are going to take each pocketbook separately, forgetting all intermingling of revenues and try to explain where revenues come from, where they go and why.

GENERAL REVENUE FUND—POCKET- BOOK NO. 1

The general revenue fund is made up from collections from counties for care and treatment of insane, feeble-minded, epileptic, tubercular, and others, in the state institutions in total of \$3,086,-987.50.

From taxes such as cigarette, inheritance, equipment car, insurance premium, chain store, beer barrel and oleomargarine taxes in total of \$8,169,-389.45.

From liquor sales profit \$3,500,000.00.

From fees, licenses, etc. from offices, boards, commissions and agencies of the State \$1,951,075.49, amounting in all for the year ending June 30, 1944, \$16,707,452.44.

In addition, the 50th General Assembly transferred \$2,000,000.00 from the special fund known as "Sinking Fund for Public Deposits" to the general revenue fund and the Treasurer of State drew

\$1,000,000.00 from county treasuries, **which money is the residue of the property tax for the general revenue fund discontinued in 1942.**

There are some departments that make sales of sand, gravel, ice, farm produce, livestock, etc. that are credited to their appropriations, making the total to be accounted for in the general state fund \$21,632,795.21 for the year ending June 30, 1944.

However, it should be noted that actual money credited to the general revenue fund (exclusive of transfers of money from special funds and property tax) was much less in previous years.

Receipts by Fiscal Years

1936-37.....	\$ 8,646,792.59
1937-38.....	9,811,408.09
1938-39.....	11,140,175.99
1939-40.....	14,714,461.03
1940-41.....	12,617,001.13
1941-42.....	13,300,454.16
1942-43.....	13,626,933.72
1943-44.....	16,707,452.44

The December 31, 1944, Quarterly Statement made a part hereof will now be considered by funds. Each fund has a number so it can be traced.

December 31, 1944

Quarterly Statement

No. 1(A). On quarterly statement ending December 31, 1944, is the balance in the State Treasury of the General Revenue Funds of \$2,170,392.45.

No. 1(B). Is the amount in the various county treasuries being the residue of the property tax for general revenue purposes of \$8,301,000.87. Total available in general revenue fund December 31, 1944, \$10,471,393.32.

This general revenue fund is **pocketbook number one** from which the General Assembly makes its appropriations for support of state offices, departments, commissions, state institutions, etc. as follows: Governor, Attorney General, Auditor of State, Treasurer of State, Secretary of State, Secretary of Agriculture, and various divisions, Superintendent of Public Instructions, Comptroller, Supreme Court, District Court, Adjutant General (National and State Guard), Clerk of Supreme Court, Grand Army of the Republic, Reporter of Supreme Court and Code Editor, Public Safety and its divisions, State Tax Commission.

The Board of Control and the 15 institutions, which includes four insane hospitals, State Penitentiary, Men's Reformatory, Women's Reformatory, State Juvenile Home, Reform School for Boys, Reform School for Girls, Soldiers' Orphans' Home, Tuberculosis Sanatorium, School for Feeble-minded and Hospital for Epileptics.

The Board of Education and its five institutions as follows: State University, Iowa College of Agriculture and Mechanic Arts, School for Blind, School for Deaf and Iowa State Teachers College.

Board of Parole, Bureau of Labor, Commerce Commission, Commission for the Blind, Conservation Commission, Custodian of the Capitol Building, Department of Health and its divisions, Executive Council, Geological Survey, Historical Department, Historical Society, Industrial Commissioner, Insurance Commissioner, Iowa Industrial and Defense Commission, Mine Examiners and Inspectors, Pharmacy Examiners, Printing Board, Spanish-American War Veterans, State Library Commission and its divisions, Vocational Education and Rehabilitation, and others.

The total amount appropriated by the 50th General Assembly from the general revenue of the state was \$37,247,508.99 for the biennium ending June 30, 1945, or \$18,623,754.49 for each year, and in addition certain departments being authorized to include with their appropriation sales, etc. bringing the total to around \$20,000,000.00.

There are a few standing appropriations authorized in the Code of Iowa that go on year after year requiring no further action by the General Assembly which all have a tendency to swell the total that may be expended from the general revenue fund.

The general revenue fund is not earmarked and may be appropriated for any purpose the General Assembly in its wisdom may see fit. No money may be spent except that authorized by the General Assembly and only as designated in the appropriation act. If revenues coming into this fund are not sufficient to pay in full expenditures as authorized by law, the Comptroller may transfer from the Use Tax Fund, but if no Use Tax is available the Comptroller must certify to the State Tax Commission the amount necessary in his judgment to meet appropriations and expenditures in full and maintain a working balance. It is then the duty of the State Tax Commission to certify to each county auditor

the millage rate to be levied on property to raise the amount certified by the Comptroller.

The general revenues have been so managed since 1942 that a property tax has not been necessary.

LOOKING AHEAD TO JUNE 30, 1947

It appears that the appropriations necessary for ordinary functions from the general revenues of the state (**Pocketbook No. 1**) will aggregate near \$20,000,000.00 for each year beginning July 1, 1945, and ending June 30, 1947 (biennium), or \$40,000,000.00 for the two-year period.

The estimated collections of revenues for this two-year period is \$31,432,300.00 which will necessitate the drawing in from the various county treasuries money collected from the old property tax and from cash in the State Treasury the sum of \$8,567,000.00 to balance the budget for the biennium using up practically all our reserve. (See No. 1(A) and (B) on quarterly statement.)

GENERAL REVENUE FINANCING AFTER JULY, 1947

The reserve will be practically all used if estimates are correct. Something must be done. What is the remedy?

1. Make a definite portion of Use Tax for general revenue fund. Make a definite portion of the Use Tax for Homestead Credit Deficit. Certain amounts should be for each of these funds by percentage or otherwise.
2. Resort to the property tax levy.
3. Reduce appropriations to a point that they will not exceed the revenues collected.

THE GENERAL REVENUE HAS NO SURPLUS AT THE PRESENT. THERE IS NO PROSPECT OF A SURPLUS IN THE FUTURE.

We have tried to make plain the operations of the general revenue fund (**Pocketbook No. 1**) and will move on to the Trust Funds.

TRUST FUNDS—POCKETBOOK NO. 2

No appropriations are necessary by the General Assembly. Each division of the State operating under a trust fund is required to live on fees, licenses, etc. that they are authorized to collect.

The State Departments supported entirely by this method are: Banking Department, Board of Educational Examiners, Pipeline and Motor Truck Divisions of the Commerce Commission, Fish and Game Divisions of the Conservation Commission, Restaurant Inspection Division of Department of Agriculture, some divisions of the Department of Health, including those supported in whole or in part from federal funds, Iowa Dairy Industry, Liquor Control Commission, Nurse Examiners, Primary Roads and Farm-to-Market Roads, Homestead Credits and Beer Permit Board under State Tax Commission, Board of Examiners for Accountants, Architects, Basic Science and others.

Each one of these departments must function on the fees or licenses collected and the money cannot be used for any other purpose. This is **pocketbook No. 2** and it has a compartment for each trust department to keep the collections separate so each will know just exactly how much money it has.

THE GENERAL ASSEMBLY CANNOT APPROPRIATE OR USE ANY OF THIS MONEY UNLESS IT REPEALS OR AMENDS THE LAWS NOW ON THE STATUTES, AND IN CASE OF ROAD FUNDS THE CONSTITUTION MUST BE AMENDED. IT FOLLOWS THAT NONE OF THIS MONEY IS A FREE BALANCE BUT EACH DOLLAR IS EARMARKED AND CANNOT BE USED FOR ANY OTHER PURPOSE.

In addition to the amount \$9,705,493.68 set out in the quarterly statement of December 31, 1944, cash in the State Treasury at **No. 2(A)** there is in the various county treasuries at **No. 2(B)** the sum of \$8,925,286.68, being collections of automobile licenses for the exclusive use of Primary Roads that may be drawn by the State Treasurer any time needed.

This makes the grand total available in Trust Funds December 31, 1944, \$18,630,780.36. Of this amount, there is \$11,882,351.30 belonging to the Primary Roads, and for Farm-to-Market Roads \$4,292,231.86, which leaves only enough for all the other Trust Fund Departments to function on.

The actual cash receipts credited to all trust accounts for the year ending June 30, 1944, was \$49,449,613.04. Three divisions produce most of this revenue: Liquor Control Commission sales, etc. \$21,045,394.55, Employment Security Commission, \$11,451,604.19 (Payroll Tax) and Road Funds, Primary

and Farm-to-Market \$13,361,151.62. AS SAID BEFORE, NONE OF THE BALANCES IN TRUST FUNDS REFLECT A SURPLUS.

Collections for previous years (exclusive of transfers) were as follows:

Receipts by Fiscal Years

1936-37.....	\$33,008,766.65
1937-38.....	37,293,212.62
1938-39.....	41,903,052.19
1939-40.....	41,848,542.40
1940-41.....	50,860,313.86
1941-42.....	52,748,078.64
1942-43.....	47,916,402.97
1943-44.....	49,449,613.04

FARM-TO-MARKET ROAD FUND

The State Highway Commission shall transfer from the PRIMARY ROAD FUND to the FARM-TO-MARKET ROAD FUND, on or before June 30th of each year, all moneys in excess of the sum of \$17,000,000.00 received in the PRIMARY ROAD FUND from state sources, exclusive, however, of funds received from the sale of PRIMARY ROAD BONDS.

SPECIAL FUNDS—POCKETBOOK NO. 3

Special funds are funds established by the General Assembly that are in the same nature as trust funds, differing only in that a special fund may have more than one purpose or function.

All the business of the State done on special funds operates through **pocketbook** No. 3 which has separate compartments for each special fund.

Each special fund will be discussed separately.

No. 3(a). Gasoline Tax. This is the 3 cents per gallon state tax paid when you purchase gasoline. The money is used to pay administration costs in the State Treasurer's office and Comptroller's office, and refunds. Five-ninths of the balance goes to Primary Roads and four-ninths goes to County Secondary Roads. At the November election in 1942, the people of Iowa voted an amendment to the Constitution which prohibits the use of this tax for anything but administrative expense and highway purposes.

The collections of the 3 cents per gallon gasoline tax for the year ending June 30, 1944, was \$14,824,113.08, distributed as follows:

Sales Tax.....	\$ 322,032.41
Treasurer's Admr.....	101,500.00
Comptroller's Admr.....	4,000.00
Refunds	3,542,580.67
Secondary Roads.....	4,824,000.00
Primary Roads	6,030,000.00

Total distributed for the year..\$14,824,113.08

Receipts by Fiscal Years

1936-37.....	\$14,424,537.19
1937-38.....	15,286,791.48
1938-39.....	16,128,690.01
1939-40.....	16,770,633.76
1940-41.....	17,487,800.60
1941-42.....	18,206,230.96
1942-43.....	15,120,412.31
1943-44.....	14,824,113.08

No. 4(a). Soldiers' Bonus Funds on quarterly statement dated December 31, 1944, is Bonus Disability Fund. This fund was created from the residue of the original \$22,000,000.00 bond issue. After World War I the people of Iowa voted a \$22,000,000.00 bond issue which was to pay returned soldiers a bonus of 50 cents for each day in the service of his country with a maximum of \$350.00 to any one veteran.

After all of these bonus claims filed and paid (within the time provided by law) from the \$22,000,000.00 realized from the bonds, there remained a balance which the General Assembly directed to be invested and the interest or any part of the principal necessary could be used as a fund for payment of administration expenses of the Soldiers' Bonus Board and to pay veterans not able to follow a gainful occupation a stipulated amount each month worked out in conjunction with the Soldiers' Relief Commission of the county in which the veteran was a resident, the county also contributing to the veteran. The two amounts (state and county) aggregating the monthly allowance agreed upon as necessary for the veteran and his family. In addition to the amount at No. 4(a) there is invested in securities the sum of \$2,545,000.00.

No. 4 (B), (C) and (D). The \$22,000,000.00 bond issue above referred to was paid from an annual

upon which the Treasurer of State wrote checks that have never been presented for payment.

No. 15. Federal Funds in State Treasury. All money deposited by the Federal Government in the State Treasury to be used for particular projects and only upon the order of the federal authorities. The money does not belong to the State of Iowa. When any project is discontinued, the balance for that project is returned to the Federal Government.

The funds must be handled and accounted for same as state money but Iowa acts only as an agent of the Federal Government in doing so.

No. 16. Unemployment Funds. This fund is not in the State Treasury but is sent to the Federal Government and is held as a credit to Iowa and should not be considered as part of Iowa's cash balances.

CONCLUSION

Pocketbook No. 1. General Revenue Funds.

It would appear that the general revenue fund of the State is solvent but without surplus if estimates are fairly correct.

Pocketbook No. 2. Trust Funds.

Any surpluses existing in these funds would appear in the road funds which the Constitution prohibits being used for other than road purposes. Hence no segregation can be made.

Pocketbook No. 3. Special Funds.

There does not appear any surplus in any of the special funds unless it is in the 3-Point Tax "Special Fund" from the receipts of Income, Corporation and Sales Tax. The balances carried are more than necessary and as has been suggested there may be a surplus to be designated and set aside, only if and when the General Assembly may decide.

There may also be a surplus in the Use Tax Fund as has been suggested, to be decided only by the General Assembly.

CASH FINANCIAL STATEMENT
STATE OF IOWA
For the Quarter Ending December 31, 1944

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	Gross Balance Sept. 30, 1944	Receipts and Transfers Oct., Nov. and Dec., 1944	Total to Be Accounted for	Transferred and Paid Out, Oct., Nov. and Dec., 1944	Gross Balance Dec. 31, 1944	Warrants Outstanding Dec. 31, 1944	Net Expendable Balance Dec. 31, 1944
1. GENERAL REVENUE FUND							
(a) IN STATE TREASURY							
Balances and Receipts made up from Counties paying for care of Insane, Tubercular, Feeble-minded, Juvenile, Epileptic, Blind and Deaf in State Institutions, from special taxes such as Cigarette, Inheritance, Equipment Car, Chain Store, Insurance Premium, Beer and Oleomargarine, from Liquor Profits, fees from officers and interdepartmental transfers, etc.	\$ 4,215,855.95	\$ 6,145,425.44	\$10,361,281.39	\$ 7,168,194.36	\$ 3,193,087.03	\$ 1,022,694.58	\$ 2,170,392.45
(b) IN COUNTY TREASURIES							
This is property tax collected by County Treasurers and held for the General Revenue Fund. Property tax for State General Revenue Fund discontinued in 1942. Delinquent tax only collections now.....	8,299,776.78	1,224.09	8,301,000.87	.....	8,301,000.87	.....	8,301,000.87
Total General Revenue Fund..	\$12,515,632.73	\$ 6,146,649.53	\$18,662,282.26	\$ 7,168,194.36	\$11,494,087.90	\$ 1,022,694.58	\$10,471,393.32
2. TRUST FUNDS							
(a) IN STATE TREASURY							
The balance consists of 5/9 of the Gasoline Tax. Motor Registrations.							

in the sum of \$2,967,064.62 for farm
to Market Roads \$4,292,231.86 and
for all other trust departments
\$2,456,197.20

(b) IN COUNTY TREASURIES

This is Motor Vehicle Registrations
collected by County Treasurers and
held exclusively for Primary Roads.

Total Trust Funds.....

11,696,693.94	13,863,114.69	25,559,808.63	15,005,109.19	10,554,699.44	849,205.76	9,705,493.68
8,775,075.40	150,211.28	8,925,286.68	.....	8,925,286.68	.....	8,925,286.68
\$20,471,769.34	\$14,013,325.97	\$34,485,095.31	\$15,005,109.19	\$19,479,986.12	\$ 849,205.76	\$18,630,780.36

3. SPECIAL FUNDS

(a) GASOLINE TAX (3c per gallon
State)

This is used for Administration and
Refunds, 5/9 of balance goes to
Primary Roads, 4/9 to Counties for
Secondary Roads

(b) GASOLINE TAX—REFUNDS

This is taken from collections of
Gasoline Tax at 3(a) by the Treas-
urer of State to make refunds.....

(c) GASOLINE TAX—TREAS. ADMR.

This is taken from collections of
Gasoline Tax at 3(a) by the Treas-
urer of State to pay salaries, travel-
ing and other expenses of his em-
ployees that supervise the collection
and refunds of Gasoline Tax.....

(d) GASOLINE TAX—COMPT. ADMR.

Fiftieth General Assembly appropri-
ated \$4,000.00 each year of the bien-
nium to Comptroller to pay salaries
and other expenses in writing re-
fund warrants and keeping neces-
sary records. Comes from collec-
tions at 3(a).....

.....	3,749,720.67	3,749,720.67	3,749,720.67	.....	.....	.....
556,106.00	1,108,785.74	1,664,891.74	1,062,969.54	601,922.20	190,730.61	411,191.59
14,073.66	25,885.00	39,958.66	30,337.52	9,621.14	2,848.43	6,772.71
3,787.10	.....	3,787.10	842.10	2,945.00	232.10	2,712.90

CASH FINANCIAL STATEMENT—STATE OF IOWA—Continued

	Gross Balance Sept. 30, 1944	Receipts and Transfers Oct., Nov. and Dec., 1944	Total to Be Accounted for	Transferred and Paid Out, Oct., Nov. and Dec., 1944	Gross Balance Dec. 31, 1944	Warrants Outstanding Dec. 31, 1944	Net Expendable Balance Dec. 31, 1944
4. SOLDIERS BONUS FUNDS							
(a) DISABILITY FUND This fund comes from interest on investments of the \$22,000,000.00 original bond issue and is used to aid veterans who are not able to follow a gainful occupation.....	50,734.84	13,750.00	64,484.84	31,810.13	32,674.71	1,646.11	31,028.60
(b) BOND FUND This is collections from the property tax levy to pay off the original bonds. All bonds have been called but not presented for payment. There was an overage in the collection of this tax and the 50th General Assembly extended the time to December 31, 1944 for those who had bona fide claims and had not previously filed. The bonus is 50 cents per day served in World War I but the total bonus to a veteran could not exceed \$350.00.....	120,650.78	100,000.00	220,650.78	138,853.87	81,796.86	2,069.50	79,727.36
(c) BOND TAX IN STATE TREASURY This is the property tax money for payment of bond and after all bonds are paid the balance may be used in the disability fund and is transferred as needed on request of the Soldiers Bonus Board.....	166,397.78	.....	166,397.78	110,450.00	55,947.78	.....	55,947.78
(d) IN COUNTY TREASURIES This is the property tax collected							

pay on the \$22,000,000.00 bond issued in 1922. The property tax levy has been discontinued. Only delinquent taxes being collected now. All of the balances in the various Soldiers Bonus Funds will accrue to the disability fund except the Treasurer of State will hold enough in the bond fund to pay the bonds that have not been presented for payment

4,658.55 1,599.93 6,258.48 6,258.48 6,258.48

5. OLD AGE ASSISTANCE FUND

This is made up from an allocation from the appropriation made from Income, Corporation and Sales Taxes (3-pt. tax) of \$2,125,000.00 each quarter and Federal Funds. One-half from State and one-half from Federal to pay the Old Age Assistance. Funeral claims are not matched by Federal Funds.....

4,358,187.92 4,579,974.02 8,938,161.94 4,773,778.51 4,164,383.43 39,552.20 4,124,831.23

6. SOCIAL WELFARE—BLIND ASSISTANCE

This is made up from an appropriation from the General Revenue Fund, from County and Federal Funds. Federal one-half, County one-fourth and State one-fourth

78,491.71 135,036.90 213,528.61 124,998.70 88,529.91 2,504.40 86,025.51

7. SINKING FUND FOR PUBLIC DEPOSITS

This fund was created to make good loss of public funds by banks closing. Interest was collected from banks having public money on deposit and receipts from Beer Barrel Tax. All claims against this fund have been paid hence no interest is charged on public money in banks at present and the Beer Barrel Tax is now credited to the General Revenue Fund. The receipts to the fund now are dividends from closed banks.....

529,613.18 62,343.83 591,957.01 591,957.01 591,957.01

CASH FINANCIAL STATEMENT—STATE OF IOWA—Continued

	Gross Balance Sept. 30, 1944	Receipts and Transfers Oct., Nov. and Dec., 1944	Total to Be Accounted for	Transferred and Paid Out, Oct., Nov. and Dec., 1944	Gross Balance Dec. 31, 1944	Warrants Outstanding Dec. 31, 1944	Net Expendable Balance Dec. 31, 1944
8. STATE TAX COMM. (Special 3-pt. Tax) This comes from the receipts of Income, Corporation and Sales Taxes (3-pt. tax) and is used for Old Age Assistance \$8,500,000.00, for State Tax Commission for salaries, traveling and other expenses in administering the fund \$440,000.00, for making Homestead Credits \$14,200,000.00 annually and for making refunds for overpayment. The minimum balance necessary in this fund is \$10,000,000.00 because in the January, February and March quarter and July, August and September quarter \$2,500,000.00 is needed for Old Age Assistance and \$7,500,000.00 for Homestead Credits	14,867,813.17	6,580,487.60	21,448,250.77	2,177,408.96	19,270,841.81	.....	19,270,841.81
9. STATE TAX COMM. (Use Tax) This fund comes from a 2% tax on Automobiles, heavy machinery and certain other personal property sales and can be used for the General Revenue Fund or Homestead Credits deficit. No amounts have been taken from this fund since 1941. The fund is idle at present.....	6,858,774.14	282,045.56	7,140,819.70	.....	7,140,819.70	.....	7,140,819.70
10. EMPLOYMENT SECURITY COMM. BENEFIT FUND This fund is for paying to the unemployed weekly benefits. The money is collected from the payroll tax and is sent to the Federal Government and allocated upon request of the Employment Security Comm.	22,236.86	30,171.51	52,408.37	37,262.05	15,146.32	7,438.16	7,708.16

REVOLVING FUND

This is a new revolving fund taken from the General Revenue Fund appropriation for Employment Security Commission to pay unemployment benefits to returned veterans of World War II. After payment is made by the State the Federal Government makes reimbursement in full

14,925.00 42,274.00 57,199.00 40,948.00 16,251.00 8,569.00 7,682.00

12. PRIMARY ROAD CONTINGENT FUND

This fund is taken from Primary Road Fund and used by the State Highway Comm. to pay for day labor, express, freight or other claims that must be paid for at once. Copy of itemized claims so paid are sent to the State Comptroller who writes a warrant on Primary Road Fund in total amount of claims submitted thus restoring the fund.....

176,908.16 914,593.66 1,091,501.82 939,258.83 152,242.99 152,242.99

13. AID TO DEPENDENT CHILDREN

This fund is created by an appropriation from the General Revenue Fund, from County and Federal Funds, one-fourth State, one-fourth County, one-half Federal

167,371.51 297,427.12 464,798.63 241,220.00 223,578.63 5,060.20 218,518.43

14. TREASURER'S OLD CHECK FUND

This is for checks issued by the Treasurer of State on banks to individuals and firms on various banks that never were presented for payment.....

1,035.62 1,035.62 1,035.62 1,035.62

GRAND TOTAL OF STATE FUNDS EXCLUSIVE OF INVESTMENTS

\$60,979,168.00 \$38,084,021.04 \$99,063,189.04 \$35,633,162.43 \$63,430,026.61 \$ 2,132,551.05 \$61,297,475.56

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FEDERAL FUNDS IN STATE TREASURY

The Federal Funds are not State and are deposited with State Treasurer and designated for special purposes to be used on approval of the Federal Authority

	Gross Balance Sept. 30, 1944	Receipts and Transfers Oct., Nov. and Dec., 1944	Total to Be Accounted for	Transferred and Paid Out, Oct., Nov. and Dec., 1944	Gross Balance Dec. 31, 1944
Morrell Endowment Fund.....	\$ 98,969.15	.....	\$ 98,969.15	.....	\$ 98,969.15
Old Age Assistance.....	808,006.90	\$ 1,565,055.36	2,373,062.26	\$ 2,235,175.49	137,886.77
Social Welfare—Blind Assistance Fund....	29,458.76	47,512.30	76,971.06	66,294.63	10,676.43
Social Welfare—Child Welfare Fund.....	16,303.29	4,471.71	20,775.00	5,205.00	15,570.00
State University—Crippled Children Fund.	21,180.20	15,005.22	36,185.42	26,181.94	10,003.48
Vocational Education — Defense Workers V. E. N. D.....	72,705.48	48,084.43	120,789.91	46,070.60	74,719.31
Vocational Education—George-Deen Fund..	169,778.44	.....	169,778.44	2,922.59	166,855.85
“ “ —Rehabilitation Fund	16,680.30	20,288.92	36,969.22	14,854.59	22,114.63
“ “ —Smith-Hughes Fund	4,706.79	30,211.48	34,918.27	2,066.45	32,851.82
“ “ —Defense O. S. Y. A.	58,057.30	245.64	58,302.94	12,994.27	45,308.67
“ “ —Defense Equipment.	8,379.60	75.00	8,454.60	8,402.13	52.47
Social Welfare—Dependent Children.....	71,720.38	106,639.04	178,359.42	136,962.55	41,396.87
Total Federal Funds.....	\$ 1,375,946.59	\$ 1,837,589.10	\$ 3,213,535.69	\$ 2,557,130.24	\$ 656,405.45

16. UNEMPLOYMENT FUND IN THE UNITED STATES TREASURY

This fund is credited to State of Iowa from which allocations are made to Employment Security Commission to pay unemployment benefits. The Fund is created from what is generally known as payroll tax and is sent to the Federal Government as required by law.....

\$52,888,526.88

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