

EXPERT'S REPORT

The following is the report of Joseph H. Wilson, expert accountant, who has just completed auditing the records of our County Officers.

Toledo, Oregon, January 6th, 1911.

To the Hon. County Court of Lincoln County, Oregon.
Gentlemen:-

As requested by you at the November term, 1910, I have made an examination of the books, accounts and vouchers of the several officers of Lincoln County, as mentioned below, from the 15th day of November, 1907, date of last report by Mr. Moore, to January 1, 1911, and report as follows:

School Superintendent.

From November 15th, 1907, to expiration of term, G. W. Bethers, Superintendent, collected from certificates and permits the sum of \$ 71 50
R. P. Goin, Superintendent, to January 1, 1911, from same source collected 335 00
Total..... 406 50

These amounts have been regularly deposited in the treasury as collected.

The redeemed school orders have been filed by the Treasurer with the county clerk. The law, however, provides that such redeemed school orders shall be returned by the treasurer, as often as once a year, to the school superintendent, and I have recommended the officers to observe this law. Under the law the treasurer takes a receipt from the superintendent for the redeemed school orders, and files this receipt with the clerk as his basis of credit for the money paid for such redemptions.

County Clerk.

The county clerk, Ira Wade, from November 15, 1907, to January 1, 1911, has made collections, and earned, moneys belonging to Lincoln County as follows:

From sale of property \$ 823 10
Billiard licenses..... 25 00
Liquor licenses..... 800 00
Redemptions 235 21
Fines 1901 84
Other collections and earnings of office..... 8415 15
Total.....\$12200 30

He has deposited in the county treasury, regularly each month as collected, all the money coming into his hands, the aggregate deposits being, prior to Jan. 1, 1911,\$12223 86
Leaving due him from Lincoln county. excess deposits, the sum of 23 56
Total.....\$12200 30

The clerk has entered all collections on what he calls a Reception or Receiving Book. Upon this book is listed the items making up all collections, for recording papers, court fees, deposits of any kind of county money, such as fines and redemptions coming into the clerk's hands. I have verified each of these items with the entry of the record calling for the deposit, and this is a laborious and large undertaking, I found that the clerk had made errors in his additions both in his favor and against himself. The net error in additions being \$34.07 in favor of the county. I found also that he had failed to place on the receiving books trial fee 82. Deficit in a redemption entry 1 ct. 4 marginal releases, I demurer, and one petition to register a title. The record called for the deposit, although at least two of the items had not been paid to the clerk, I charged the entire amount to him, thus reducing his net excess of deposits over collections to \$23.56, the amount above mentioned.

It will be noticed that the clerk has placed all his collections of all kinds on the receiving book. In depositing with the treasurer monthly the treasurer has noted the deposits as clerk's deposits, and one would naturally assume that these deposits represented earnings of the office. They have, in fact, represented the entire receipts of county money coming into the clerk's hands, and in any exhibit of county finances, based upon the treasurer's statement, such items as fine collections, or licenses, or such money simply passing through the clerk's hands on its way to the treasury, do not appear in their real identity, but seem to be clerk's earnings. The clerk has been unmindful of the erroneous impression this would naturally convey to persons interested in watching the progress of county financial transactions, and I have thought it proper to here make the suggestion that all deposits in the treasury should be made in their real name. While it is proper to enter such collections on the Receiving book, and thus preserve this important record, the deposits made in the treasury ought to segregate the nature of the deposit, giving the amount of fees, the amount of fines, of redemptions, licenses, or other items so that the treasurer's exhibit will convey full and accurate information.

In addition to the foregoing, the county clerk has collected \$17.00 from Declarations of Intention and \$108.00 from petitions and final orders in Naturalizations, which, under the regulations of the Department of Commerce and Labor, page 10, L. 1908-1909-1910, go one-half to the U. S. Government and one-half to the clerk. (This regulation is upheld in the case of Eldredge vs. Salt Lake County, Supreme Court of Utah January 17, 1910).

The county clerk has also taken homestead filings and proofs for which he accounts to the United States Landoffices. No record is retained in the clerks office of this work, the only evidence being the entries on the receiving book where the clerk has deposited the fees for jurats where he has affixed the county seal. Many clerks do not even deposit the jurats. The custom, as I understand it, is that homestead filing and proof fees go

individually to the officer before whom such proceedings are had. It is not a duty imposed by statute, he cannot be required to perform it, many clerks decline to handle homestead business referring it to U. S. Commissioners.

I have examined the issue of county script comparing the warrants, or the stubs thereof, with the entries made in the county court proceedings to verify the correctness of these warrants. They seem to be correctly issued. I have noted a few small items of difference between the recorded journal entry and the stub, which the court docket has usually furnished evidence of the correctness of the issue. But there is one important duty the law requires which has never been performed in Lincoln County. I have called attention to this before in this county. And I urge upon the court and the officers who issue county script, the necessity for making upon every journal entry allowing a claim, and upon which a warrant is issued, a record of the number of the order, or warrant issued thereon. And this numbering should also include numbering the claim with the same serial number. The law requires this to be done. I adopted this system in Benton County in the eighties, and shortly thereafter it became a law, because a serious over-issue of county script was discovered in an eastern Oregon county and the Legislature made it the duty of officers to number the Bill, or claim, the Journal entry, and the warrant with the same serial number.

Mr. Wade has turned over to his successor in office the following amounts, on deposit in court:
McFadden vs. Long.....\$60 30
C. Johnson estate 44 35
J. R. Puckering estate..... 97 15
J. Armantrout estate..... 5 00

These are private and not county funds, simply being on deposit in the hands of the clerk pursuant to the law making the clerk the custodian of such funds.

I have examined the issue of Bounty warrants, and the record of Hunting and anglers licenses, and find that the clerk has transacted this state business correctly. For the licenses he has remitted the correct amounts to the State treasurer, and I have examined these receipts, and compared them with the license record.

From the Scalp Bounty warrant issue there is now due Lincoln County, on account of the one half the State bears, from the State of Oregon, the sum of \$106.00 as duly reported to the Secretary of State by County Clerk Wade.

Mr. Wade is retiring from office at this time, and I believe it due to him to say that his record in the clerks office, for the past three years, will bear very favorable comparison with that of any clerk whose office I have ever examined, and that is not a few. While I do not like the failure to place the numbers on his Journal entries and bills, to correspond with the numbers on the warrants he has issued, otherwise, I cannot find any place for criticism, and I have tried my best to find him in fault for the reason that certain character assassins have repeatedly during the time I have been making this examination insisted that he has been in default. I attribute this to the activity of political enemies of the ex-clerk, and to the opportunity such persons have had for obtaining temporarily the attention of worthy citizens, owing to the fact that the treasury deposits have all appeared to be clerks fees, instead of being segregated on the deposit entries, to show the true nature of the money deposited, as mentioned above.

Treasurer

On November 15th, 1907, the report of Mr. Moore shows a balance in the hands of the treasurer, G. B. McCluskey, of...\$20562 00
I have, however, from the books, ascertained that this, in fact, \$22.32 too much..... 22 32

I therefore charge the treasurer with balance on hand November 15th, 1907 \$20539 68

He has collected since that date the following amounts: From
Superintendent Bethers.....\$ 71 50
Superintendent Goin..... 335 00
Clerk Ira Wade..... 12223 86
Sheriff J. H. Ross.....211877 98
Institute funds from clerk..... 185 00
Sec'y of State scalp bounty and timber rentals.. 2970 57
Miscellaneous fines (other than clerk)..... 80 00
School clerks, to pay coupon interest, (these are no longer carried in the treasury record).... 121 08
State school fund..... \$200 87
Saloon licenses (other than clerk's deposits).... 200 00
Billiard licenses (other than clerk's deposits).... 50 00
State library funds 10 45
Deficiency school funds (these were furnished by the county from sale of a warrant, issued to help out the school fund distribution)..... 508 78

Total amount charged to treasurer, \$257374 77
He has paid out, redeemed orders, state taxes, special road, school, dyke, city orders.....241998 21

Balance in the treasury, Jan. 1st, 1911..... \$ 15376 56

This balances with the treasurer's ledger, funds, within 70 cents. It is an independent balance made up from the original documents which the treasurer paid off, and from independent investigations, as above shown, of sources of deposit. On the following page I show the treasurer's fund balances, which aggregate \$15,375.85, of date January 1, 1911

Treasurers fund balances, January 1, 1911, according to the treasurer's ledger.

County Fund.....	\$7891 33
Deficiency Fund.....	1343 41
County School.....	161 74
County High School.....	203 95
Library.....	14 98
State School.....	442 86
City Newport.....	104 86
City Toledo.....	116 91
Institute.....	135 50
County Road.....	663 15
Road District No. 6.....	80 45
Indemnity.....	9 15
Road District No. 8 (overdrawn \$146.08)	
Road District No. 4.....	494 16
1.....	69 29
2.....	424 73
12.....	228 79
9.....	17 86
10.....	225 68
14.....	3 05
15.....	203 50
18.....	558 05
11.....	11 25
5 (overdrawn \$65.83)	
13 (overdrawn \$54.99)	
16.....	120 73
8.....	260 01
19 (overdrawn \$375.57)	
Newport District.....	67 06
Ollala Dike District.....	2 79
School District 1.....	4 91
2.....	179 36
3.....	427 43
4.....	29 94
5.....	
6.....	8 53
7.....	88
8.....	3 71
9.....	4 74
10.....	2 43
11.....	20 54
12.....	109 85
13.....	31 81
15.....	1 08
16.....	2 01
14.....	110 87
17.....	150 29
18.....	142 93
20.....	32
21.....	12 33
22.....	2 03
23.....	9 03
24.....	7 17
25.....	19 61
26.....	25 73
27.....	1 42
28.....	32 84
29.....	15 74
30.....	31 11
31.....	14 98
32.....	32 03
34.....	8 61
35.....	35 19
36.....	1 24
37.....	15 91
38.....	6 44
39.....	1 59
40.....	26 86
41.....	2 58
43.....	115 81
44.....	8 33
45.....	11 08
48.....	17 96
49.....	19 59
50.....	54 06
51.....	32 09
52.....	15 20
53.....	25 57
54.....	15 14
55.....	16 64
56.....	72
57.....	149 32
58.....	5 610
59.....	14 95
60.....	13 05
61.....	1 89
62.....	4 08
63.....	57
64.....	73
School District 19 (overdrawn \$1.61)	
State Treasurer (Fines).....	75 00
Total Funds.....	16019 94
Total Overdrafts.....	644 08
Balance in Treasury.....	15375 86

(Concluded on next page)