

-1117-

To the Honorable City Council of the City of Lebanon, Oregon,
Lebanon, Oregon.

Dear Sirs:-

We the undersigned, a committee appointed for the purpose, have audited the books and accounts of the city and beg to submit the following report.

We began the work by checking the bills authorized by the Council for payment, with the warrants drawn for same and found them to agree, with the following exceptions, Viz:

Apr. 6th. 1915 bill of J. W. Mc. Arthur passed by the Council for \$104.40, while warrant No. 339 was drawn for \$140.40 making a difference of \$36.00. This was very likely a mistake of the recorder in noting the amount on the minute book, as we looked up the original bill which was properly O.K'd. and called for \$140.40, the amount of the warrant.

June 1st. 1915 Bill of L. Taylor for \$1.00 passed, but warrant 393 was drawn for \$1.50. We could not find a bill on file for either amount in this case.

July 7th. 1915 Warrant No. 413 drawn in favor of W. I. Bishop for \$57.00. We failed to find where this was authorized.

July 7th. 1915 Warrant No. 428 drawn in favor of J. R. Green for \$1.00. We failed to find any bill or authority for this payment.

Aug. 4th. 1915 Warrant No. 436 drawn in favor of J. Ramsey for \$2.00. We failed to find any bill or authority covering this item.

Dec. 22nd. 1915 Warrant No. 606 drawn in favor of the Lebanon Hdw. Co., No authority for issue, but we found a bill on file properly O. Kd. for the same amount.

We have checked all payments of installments for local improvements appearing on lien docket, against the cash of account of the treasurer, and find them to agree.

We have checked all footings on treasurers books as well as all entries of transfers of money from one fund to another, and find them to be correct.

We checked a statement which we got from the county treasurer of the money turned over to the city treasurer during 1915 and found same to agree with the books of the treasurer of the city of Lebanon.

We checked license register with the treasurer's cash account and find the following difference.

Amount of Licenses charged against various individuals and firms on the license register is \$396.00, while the treasurer's books show that he has received only \$357.90. The difference is \$38.10 but no itemized list of the collections having been kept, we are unable to determine from whom this shortage is due.

About the same may be said of the Fines Register except that the difference is \$50.

It has been the custom for the recorder to collect certain monies such as fines, licenses and the like. These amounts he enters on his cash book and when he turns them over to the treasurer he takes a receipt for them. We attempted to check his cash account with that of the treasurer and as we were unable to reconcile them, we have made up statements of both accounts which you will find herewith. The statements show that the recorder turned over more money than he collected by \$73.60. We then checked the treasurer's account with the receipts he had given the recorder from time to time, and found it to be correct. We would suggest that the recorder charge himself with \$73.60 so that his account will be in equal balance with the treasurer's.

Statement of amounts of cash turned over to the city
Treasurer by the recorder during the year 1915 as
entered on the books of the treasurer.

1915		\$35.00
Jan 15	License,	5.55
18	Do	5.00
	" Sewer Connection,	5.00
	" Street Cleaning,	5.00
25	Sewer Connection,	5.00
Feb. 1	Fine	4.50
	" Street Cleaning,	3.00
8	Do Do	8.35
	" License,	27.20
Mar. 3	Do	7.80
	" Sewer Pipe,	18.50
18	License,	10.00
Apl. 7	Street Cleaning,	9.00
23	Fine,	10.00
30	License,	14.50
May 29	Street Cleaning,	25.00
	" Fine,	4.00
	" License,	23.30
Jun. 3	Do	6.70
	" Garbage,	6.00
9	License,	6.00
15	Do (Dog)	10.00
18	Fine (Murphy)	10.00
21	Do (Canoy)	10.00
30	License,	50.00
Jul. 3	Do	10.00
12	Do	25.00
16	Do	27.50
27	Do	12.00
Aug. 3	Mc. Arthur (Refund)	100.00
	" License,	10.00
24	Fine,	10.00
	" Badges,	6.50
Sep. 17	License,	10.00
	" Badges,	2.00
Oct. 7	License,	5.00
14	Do	45.00
	" Sewer Connection,	11.00
	" Do Pipe,	10.50
19	Do Connection,	1.00
20	License,	10.00
28	Badges,	2.00
Nov. 4	License,	2.00
8	Engine Hire,	24.00
9	Refund to Fire Dept.	2.00
13	Mc. Arthur (Refund)	33.96
Dec. 9	Peel (Fine)	10.00
10	License, (Lynch)	2.50
23	Do (Shores)	5.00
24	Peel (Fine)	40.00

\$731.36

45.00

\$ 776.36

*This \$45 (ash etc) was charged against Recorder but not
credited to him in this statement. Added
here with sanction of Auditing Com.*

Statement showing cash receipts by

W. A. Elkins, Recorder,

As shown by his cash account for 1915

FROM VARIOUS
SOURCES AS
FOLLOWS.

Jan.	19	J. R. Green	\$5.00
"	"	Wm. Bishop,	10.55
"	25	J.R. Green,	5.00
Feb	1	Wm. Bishop (Fine Collection)	5.00
"	"	Do (Cleaning Alley)	4.50
"	4	Do (Cleaning Street)	3.00
"	"	Harry Mc. Coy(License)	8.35
"	18	F. M. Shores,	5.00
"	21	J. D. Smith,	7.20
Mar.	1	R. Kuhn,	15.00
"	9	S. H. Elliott,	18.50
"	22	John Hope,	12.00
Total for 1st quarter of 1915			-----
			99.10
Apl.	6	Wm. Bishop, (Cleaning Street)	10.00
"	24	Show License,	10.00
May	4	Sewer connection	10.00
"	"	Garbage	4.00
"	"	Scraping Street	.50
"	26	License Strawberry Fair	8.00
"	"	Fine (Reed)	25.00
June	1	License (Kuhn)	15.00
"	"	Bishop (Hauling Garbage	4.50
"	"	Davis (License)	6.70
Total for second quarter of 1915			-----
			93.70
July	1	Dave Hare (License)	10.00
"	"	A. Minx (License)	10.00
"	8	M. D. Davis (License)	5.00
"	"	Whitman & Son	20.00
"	"	Dog License,	14.50
"	"	S. H. Elliott, (License)	15.00
"	"	W. J. Foren, (License)	10.00
"	"	Minstrel Show	2.00
"	"	Eli Aumspaugh (License)	10.00
"	8	J. W. Mc. Arthur	100.00
"	"	Fine (Speeding)	10.00
"	"	Dr. Wright (Badges)	8.50
Sept.	1	Carl Unke (Ash St)	30.00
"	7	R. Kuhn (License)	15.00
"	10	W. E. Sears (Ash St.0)	15.00
Oct.	11	W. J. Bishp (Dig License)	3.75
"	"	Do (Sewer Pipe)	6.75
"	"	Do (Sewer Connection)	11.00
"	"	Whitman & Son(License)	20.00
Total for third quarter of 1915			-----
			\$316.50

Wallas Dibble 7-7-15

Whitman Son 1-1 to July 1, 1916

#2. Statement of cash receipts by recorder (Continued)

Oct.	15	Elliott & Son. (License)	\$15.00
	19	M. D. Davis Do	10.00
	"	Sewer Connection (G. Lovelee)	1.00
	25	Dr. Wright, (Badges)	2.00
	"	Sewr. Connection (J. L. Underwood)	1.00
Nov.	5	Show License)	2.00
	8	W. O. Taylor (Engine Hire)	24.00
	"	Fire Department (Money Returned)	2.00
	13	J. W. Mc. Arthur (Refunded Money)	33.96
Dec	9	Wm. Peel (Fine)	10.00
	23	F. M. Shores (License)	5.00
	10	Thos. Lynck (License)	2.50
	24	Wm. Peel (Fine)	40.00
Total of fourth quarter of 1916			<u>-----*</u> \$148.46

Summary.

First Quarter		\$99.10
Second	Do	93.70
Third	Do	316.50
Fourth	Do	148.46
Total for year 1915		<u>-----</u> \$657.76

Auditing committee's report to the city Council, Continued.

We find warrants outstanding as reported by the treasurer on the first of January 1916, agree with teh warrant record.

We checked up the treasurer's cash and find that he has just what his books call for, and is either on hand or in banks as below stated.

Dposited with Lebanon National Bank,	\$2.306.22
Do Do First National Bank,	3.429.71
In Safe,	116.04

Total,	\$5.851.97

We listed all of the paid warrants together with the interst on same, on the adding machine and compared the result with the treasurers cash account and the difference was so small that we did not think it worth while to try to locate it as to check particularly every warrant separately would involve a lot of work.

While we are on the subject we would respectfully suggest that a warrant account be kept by the recorder and that a separate account be kept of the interest. In the humble opinion of this committee, the warrant account should be kept as follows.

Warrant account should be credited with all warrants at the time they are issued, and at the same time, sundry expense accounts should be debited with their various portions of the whole. After the warrants have been paid by the treasurer and returned to the recorder, Warrant account should be debited and the treasurer credited with the amounts of same. We recommend that the warrants be handled on the account, by numbers and amounts only as this method will facilitat the work.

After all of the warrants are in, the treasurer's account should show a credit of an amount equal to the total amount of warrants issued, and warrant account should be in correct balance.

In connection with the above, the recorder should keep accounts withn fines and licenses or any other revenue producing accounts as well as an expense account and as these small accounts should be disposed of at the end of each year, we suggest that he keep an account under the heading (for the lack of a better name) "Surplus and Deficit Account" through which to clear these other accounts at the end of the year. He should in our opinion be provided with a special ruled cash book containing separate columns for each petty account from which he could post the footing once a month.

Keeping books by the single entry system is only guesswork and we therefore recommend double entry throught the departments. To make the cahnge would not put the city to much expense in the way of equipment , for the reason that the same books that are now in use for single entry accounting could be converted into double entry books. The change would put the books in such shape as to enable any accountant to check them up in a few hours and the system would prove a boon to those who keep the books as they could always be certain that their accounts were correct.

We would respectfully suggest that the method of cancelling paid bonds and coupons is not a safe one. We found five paid bonds which had been cancelled with an ordinary rubber stamp , and we found that most of the coupons have not been cancelled at all. They should be mutilated.

We find that the warrants outstanding as reported by the treasurer on Jan. 1st. 1916 agree with the warrant register.

In looking through the recorders file we found the following promisory notes all of which are past due.

Lem Arnette,	\$10.00
Do.	50.00
Oscar L. Chambers }	
Mary E. Chambers, }	100.00
Robert Chambers, }	

Total,	\$160.00

In order to check up the interest paid on the outstanding bonds, we compared the amounts charged up on the treasurer's books, with the coupons cancelled or returned to the treasurer.

The amount of interest paid according to the treasurer's books is \$7.905.56

Cancelled coupons amount to, \$6.327.56

Amount on deposit with the National Park Bank, New York to take care of coupons which will fall due, as per satement of said bank dated Jan. 19. 16,

1.560.00

7.887.56

Difference,

\$18.00

This difference may be ~~chaz~~gable to the possibility of two or more coupons being mislaid.

In conclusion we would suggest that since there is a duplicate kept of every warrant issued, under the new system, it will no longer be necessary to keep a warrant register, and, if a warrant account such as we hereinbefore outlined, be kept by the recorder, it will not be necessary for him to keep a record of warrants in detail under the heads of various expense accounts. By having a cash book provided with a column for each expense account, he can post the amounts chargable to these accounts in a lump sum monthly. The details need to appear only on the cash book. This system will save a lot of work and at the same time prove ~~st~~tisfactory in results.

Respectfully submitted this 15th. day of February.

D. Cormier

E. L. Landstrom

J. D. O'Brien

Auditing Committee.