

**REPORT OF THE AUDITOR OF  
THE STATE SOUTH DAKOTA  
FOR THE FISCAL YEAR  
ENDING JUNE 30, 1902**

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Report of the Auditor of the State South Dakota for the Fiscal Year Ending June 30, 1902 by J. D. Reeves

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**J. D. REEVES**

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THE STATE SOUTH DAKOTA  
FOR THE FISCAL YEAR  
ENDING JUNE 30, 1902**



Duplicate.

REPORT

— OF THE —

AUDITOR

— OF THE —

State of South Dakota

— FOR THE —

FISCAL YEAR ENDING JUNE 30, 1902

COMPLIMENTS OF

J. D. REEVES,

STATE AUDITOR.

J. D. REEVES, Auditor.

E. F. SWARTZ, Deputy.

F. C. HEDGER, Bookkeeper.

SOPHIE G. DELAND, Stenographer.

## Letter of Transmittal

Office of State Auditor, Pierre, South Dakota, October 1, 1902.

To the Governor, Hon. Charles N. Herreid:

Sir: As required by law, I have the honor to transmit herewith the annual report of the auditing department of the state for the fiscal year ended June 30, 1902.

The report shows that during the period named warrants to the amount of \$722,141.61 were issued payable from the general fund and chargeable to appropriations made by the legislature, representing the cost of maintaining the state government for the year specified, as compared to \$559,368.60 for the preceding year. The total expenditures, as represented by warrants issued by this office, out of the general fund, for the biennial period amounted to \$1,281,510.21, or an increase of \$175,727.51 over the preceding two years. This increase is largely due to the appropriations made for the erection of new buildings at the various state institutions. For this purpose about \$200,000 was set aside by the legislative session of 1901, the appropriations not becoming available until July 1, 1901.

It will be seen, however, that the cost of maintaining the several state institutions is gradually increasing from year to year, while the revenue to meet this increasing cost shows little change, except as deficiency levies may be made.

For the remainder of the present fiscal year, it is estimated the expenditures will be not less than \$500,000, and may reach \$600,000. This does not include the payment of \$250,000 of revenue warrants which become due and must be paid before April 1, 1903. To meet this outlay it is estimated that the receipts will amount to \$550,000 to \$600,000, including the proceeds of the deficiency tax levy made by the state board, as required by chapter 45, Laws of 1901. It appears, therefore, that at the close of the present fiscal year the deficit in the general fund will amount to \$150,000 to \$200,000, depending, of course, in greater or less measure, upon the appropriations to be made by the coming session of the legislature.

As the revenues for the succeeding two years will not be

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more than enough to meet the ordinary expenses of the state, it must be apparent that recourse must be had to another deficiency levy of 1.5 mills to 2 mills, in order to meet this deficit in the revenues.

These facts furnish sufficient reason for the legislature to make use of the wisest economy in making appropriations for the support of the state and also demonstrate the need of devising ways and means to increase the revenues of the state sufficient to meet its expenses.

In addition to the expenditures referred to above, there was paid out of the local and endowment funds of the various institutions of the state, in accordance with the provisions of chapter 191, Laws of 1901, about \$60,000. This sum represents the proceeds received from the lease of endowment lands and receipts from all local sources. Heretofore these moneys were disbursed by each local institution, but under the provisions of the act named, are now collected and paid in the same manner as are other state funds.

There are on file in this office the following claims remaining unpaid because the appropriations made for the purpose were not sufficient: Expenses of the board of health, \$99.80; burial of soldiers, \$25.00; conveyance of convicts to the penitentiary, \$377.92. Action should be taken by the legislature to make provision for the payment of these claims.

The amount appropriated yearly for the conveyance of convicts should be increased to at least \$4,000. If the expenses for this purpose fall below the amount appropriated, the balance is turned back into the general fund at the close of the fiscal year, so that nothing is gained by cutting this appropriation so low as to create deficiency claims at the end of each year.

Chapter 117, Laws of 1899, provides for the payment of clothing and transportation, in certain cases, of persons sent to the Northern Hospital for the Insane at Redfield, S. D., but is not clear and specific as to the manner in which these expenses are to be met by the counties from which such persons are sent, nor how the same shall be treated by the state auditor and treasurer. I would recommend that the act be amended so as to express clearly the ends desired.

From a reference to the account showing the receipts and disbursements of the bond interest and sinking fund it will be seen that the policy began in 1896 of reducing the state's bonded indebtedness has been steadily pursued, and a large decrease made during the year just closed.

The bonds now outstanding amount to but \$427,500, a reduction in five years of \$710,700. Providing for the cancellation of these bonds, there has been saved to the state more than \$260,000 in interest charges, that amount representing the sum that the state would have expended for interest had the bonds

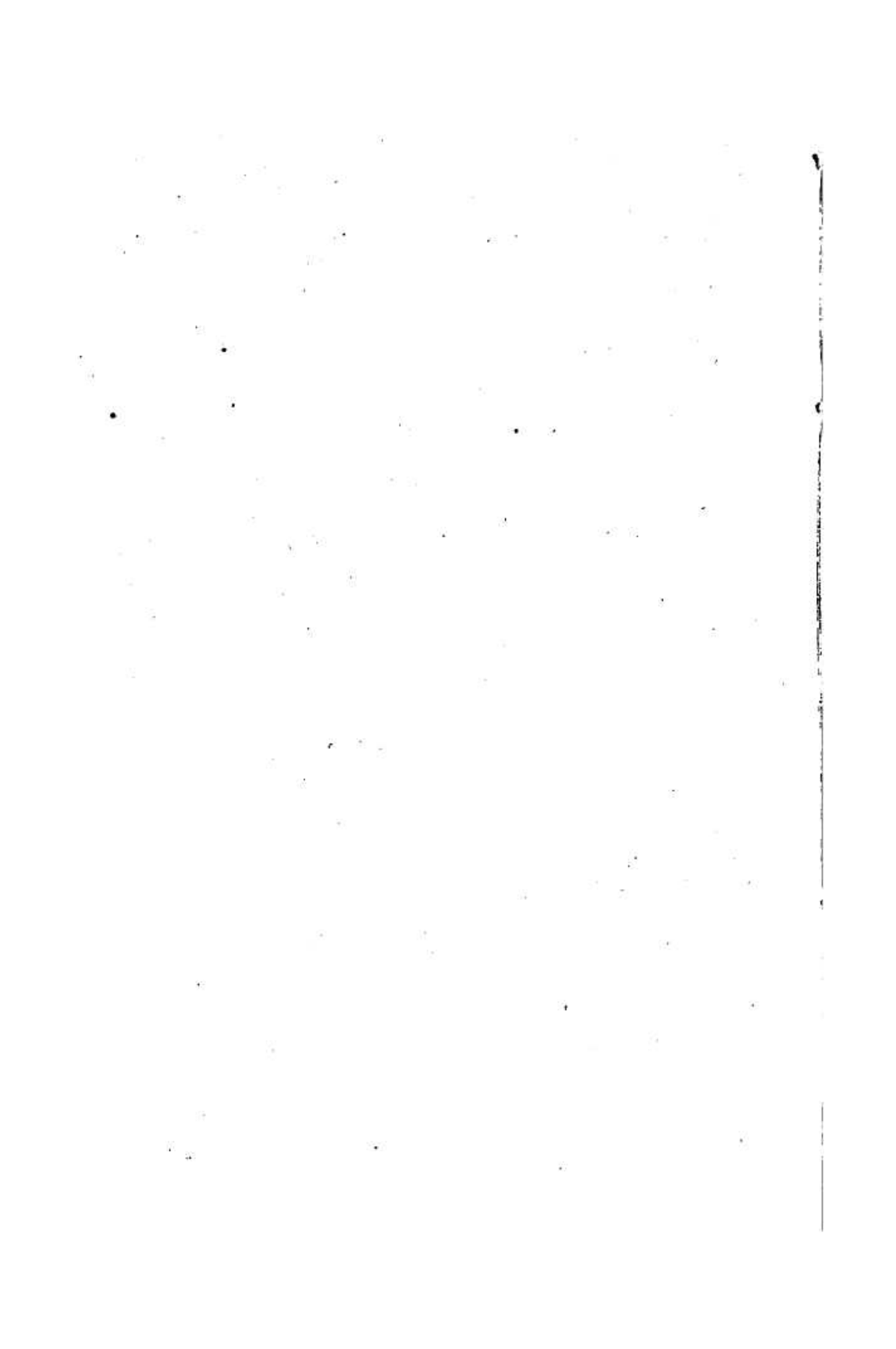


been allowed to run to maturity. By levying a comparatively small tax from year to year, this result has been brought about without making the tax at all burdensome to the taxpayers, and has resulted in reducing the annual interest charge from \$59,000 to less than \$10,000. Provision has been made for further reduction, and if the same policy that has prevailed for the past few years be continued, but a short time will elapse until the state will be without a bonded debt.

Inquiries continue to reach this office relative to the resources of the state agriculturally and industrially, but no information other than that to be found in the assessors' returns is available. I would reiterate the recommendation made in a former report that effect be given to the provisions of chapter 15, Laws of 1889. The small appropriation necessary to make said act operative would be, in my judgment, many times repaid by the results to be obtained, both as a matter of material growth and of historical importance.

Respectfully submitted,

J. D. REEVES,  
State Auditor.



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**PART I**

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**Warrants Issued**

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