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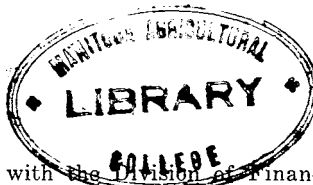
Bulletin 361

April, 1930

THE COST OF LOCAL GOVERNMENT

IN LARIMER COUNTY, COLORADO

BY G. S. KLEMMEDSON



In Cooperation with the ~~Division of Finance~~, Bureau of
Agricultural Economics, U. S. D. A.
Washington, D. C.

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Preface

The Colorado Agricultural College has recognized the need for a study of local government in Colorado for the purpose of aiding the agricultural interests of the state that carry the largest burden of taxation.

It is believed that, in the solution of everyday problems of the local government that practical illustrations of savings thru research into county affairs would stimulate the adoption of improved methods designed to increase the efficiency of local government.¹

A preliminary study of Larimer County government was started in June, 1926, by Burton D. Seeley, a graduate student in the Department of Economics, under the direction of Professor L. A. Moorhouse. The study resulted in a master's thesis entitled "Taxes as They Affect the Rural Taxpayer." County officers cooperated freely with Mr. Seeley in making the study.

The Economics Department of the college, on its own behalf and on behalf of the college, desires to thank the Division of Finance, Bureau of Agricultural Economics, for its constructive aid in preparing this report. It also wishes to thank Rolland A. Vandegrift, director of research, California Taxpayers Association, for his assistance in outlining methods of research used in similar studies in California. It takes this opportunity to express appreciation to the Board of County Commissioners for reading and criticizing the entire manuscript and all the officials and employees of the county whose cooperation made possible this study. The author has also attempted to express in the bulletin, as occasion arose, obligation to many others from whom many suggestions were derived.

¹Since the study was completed many of the suggestions for improving the efficiency of the county government have been adopted by the new board of commissioners. Attention has been called to these changes in the footnotes wherever possible. The commissioners are powerless to make certain other changes recommended until the present 50-year-old state constitution is amended or revised, but they should be given credit for an attempt to improve conditions.

Summary

Efforts to improve the status of farmers in our tax structure should include a determined effort to secure greater economy in local expenditures.

This study indicates opportunities for improvements and savings thru greater efficiency: (1) In handling records and accounts; (2) by pointing out the necessity for suitable systems of budgeting to make public scrutiny of expenditures more effective and give the public a better understanding of the uses of their funds; (3) by showing the need for a centralized purchasing department; (4) by recommending the reorganization and consolidation of related departments; (5) by pointing out need for a careful study of school indebtedness; (6) by indicating bad features in the present methods of financing education; (7) by showing that many public improvements and services—roads, schools, etc.—are perhaps less local in character than generally thought, and that the movement to finance them by taxes levied on larger territorial units should be accelerated; (8) by showing the need for some method of controlling the increase in public debt; and (9) by pointing out many other methods and devices aimed at economy.

There can be no adequate reform of taxation which does not rest upon an intelligent and scientific examination of public expenditures, governmental organization and administrative efficiency.

The reader will find a brief summary at the end of each section discussed.

THE COST OF LOCAL GOVERNMENT

IN LARIMER COUNTY, COLORADO

By G. S. KLEMMEDSON

Why a Study of Local Government?

The cost of local government has been rising so rapidly in the past few years, the present burden is so great and the prospects for reduction are so remote, as to thrust the problems of local government into the forefront in Colorado.

These are the days when local governments as well as individuals feel the economic pressure and financial stress. It is a time when everybody preaches but few practice economy. At such a time it is natural that the question should be raised, as to: (1) Whether too much money is being spent by our counties on public schools, roads and general county government; (2) whether such funds are economically administered; (3) whether the cost of services demanded is distributed fairly according to the benefits received and the ability of the taxpayer to pay for them; and (4) how the taxpayer's money is being spent.

The relation of taxation to agriculture cannot be explained fully in terms of direct taxes on farm property. It is also necessary to take into account the farmer's position in our tax structure as a whole and his relation to public improvements and services. The farmer, while unable to shift his taxes to others, is obliged under our present system to pay a part of the taxes of others. Efforts to improve the status of farmers in our tax structure should include a determined effort to secure greater economy in state and local expenditures.

In the final analysis the amount of taxes raised is not so important as knowledge of whether the funds so derived are efficiently spent, what quantity and quality of services and benefits the residents of a community receive in return for taxes paid.

Most of us realize that taxes confer many benefits. Higher taxes in one community than another may mean better roads, superior educational facilities, better-equipped libraries and better police and fire protection. Who can say that these are not worth the price?

Why We Have the Problem of Increasing Cost of Local Government

The increasing costs of local government are due to several reasons:

First, there are certain prominent defects in the organization and management of the local government which result in high costs. These will be pointed out and discussed.

Secondly, the inertia with which the public nearly everywhere views county governments has not been broken down. This inertia is in large part due to lack of information about county government and a failure to realize its importance. Partisan considerations interfere with efforts of public-spirited citizens and officials. All attempts at improvement whether they are for reorganization of county government, establishment of financial control, or other means of improvement meet with political opposition or indifference .

In Larimer County, as well as many other counties in Colorado, the method of conducting the business has grown up thru practice over a long period of time and now needs modernization.

Little information as to methods and costs to determine improved methods and economical procedure has been or is at present available. With the rising need for services of all sorts some practices in administration and in accounting have grown up without proper coordination.

Seldom have the administrators of the different departments of the government known what it has been costing them to perform services, as in the case of the per-mile cost of maintaining or constructing roads of different kinds, the cost of operating highway equipment, the cost of handling tax records, the per capita cost of teaching various subjects in schools, or the cost per patient in the county hospital.

Without adequate information as to costs, quality of service, and comparable data from other counties or schools to guide them in controlling costs, the administrators could not intelligently exercise control and make desirable changes. The taxpayers, having much less information than the officials, could not give assistance or lend such moral support as the importance of the problem warrants.

Plan and Purpose of This Study

This study is made for the purpose of showing where all funds spent by the county came from, how they were expended, and what was secured for the expenditure, so that the taxpayer can see where his money went and what was secured for it.

It will be a long time before all of the information needed to do this is available in a desirable form. But in the present bulletin a beginning has been made in this direction, and accordingly emphasis has been placed upon such subjects as: (1) The sources of tax and other revenue; (2) the purpose for which expenditures are made; (3) the cost of bond issues; (4) the reasons for the increase in floating indebtedness; and (5) a study

of governmental organization and administration to see where it can be improved.

If public attention were increasingly directed to such matters, it would better appreciate the need of making the government an efficient one.

The author wishes it clearly understood that he is dealing with principles of government rather than with personalities in making this study for the years 1920 to 1928. This research is directed toward the betterment of present methods and not for spying upon the work of public officials. Public officials should receive constructive recommendations about how they can improve or reduce the cost of service.

The Solution of the Problem

Obviously the solution of this important problem of local taxation is in making the local government and all its departments efficient.

How Can the Taxpayer Control Local Expenditures?

It is natural that the taxpayers will show a greater interest in government and will complain less about high taxes if they can trace public expenditures with ease by means of the budget. There is no reason why the taxpayers of Larimer County or any other county should not help prepare the budget estimates.

After the commissioners have drafted a tentative budget, it could be published and then a day might be set for hearings. With copies of the previous year's budget in their hands, the citizens could be asked to come in and obtain an explanation of every increase or decrease. They could voice their disapproval of any item that seemed to them unnecessary. The budget at least offers the people a chance to participate in shaping governmental policy in a very effective way.

There should be complete publicity of all county affairs. The annual reports and financial statements required by law are not very enlightening to the average citizen. A county accountant or other official who can take these reports and explain them in an elementary way can render a very valuable service to the county. Most official transactions are reported by the newspapers, but oftentimes these items would be better understood if there could be an official word of explanation. Besides, there is apt to be a certain amount of secrecy about public affairs and essential facts are often concealed.

The individual can do little by himself, but a small group of people, armed with accurate information and animated by right ideals, can exert a tremendous influence.

The Material and Method Used

The study covers selected years from 1920 to 1928. Receipts and expenditures in the study covering 1928 are taken from the auditor's report which gives a consolidated statement of all departments of the county showing all sources of revenue. The expenditures for 1928 are shown both as cash expenditures and those based on the amount of warrants issued during the year. Warrant ledgers together with other records and accounts, were examined and used whenever necessary.

Personal visits were made to study systems of accounts, budgets, photostatic recording, machining of tax records, the use of mechanical methods in handling financial records, and other improved methods used in El Paso and Weld counties, and in Denver.

The results of research in county government in North Carolina were obtained thru correspondence with Dr. E. C. Brooks, chairman of the County Government Advisory Commission, Raleigh, North Carolina. An analysis of the expenditures of county government in California was obtained thru the California Taxpayers' Association. The author is especially indebted to these and other leading authorities such as Paul W. Wager, University of North Carolina, for valuable aid in the preparation of this manuscript. They have long been calling attention to county government and its antiquated and wasteful practices.

THE ECONOMIC WEALTH OF LARIMER COUNTY

The ability of a community to satisfy its desire for better schools, roads and other services, rests ultimately upon its income. In the long run it cannot sustain expenditures of greater amount than its income, and if progress is made, expenditures must be less than income so that a surplus is provided for capital accumulation. Unfortunately the available information respecting both wealth and income are so fragmentary and inaccurate that attempts at measurements can be no better than good estimates.

Several sources of information are available concerning the amount of certain types of wealth in Larimer County as follows: The federal census, the biennial census of manufactures, the 1925 agricultural census, the assessment figures, the Colorado year-book, and miscellaneous sources.

Owing to the fact that property in general is assessed at only a fraction of its actual value, the assessment figures cannot be taken as a fair measure of the wealth of Larimer County. From information derived from various sources, the estimates of the ratio of assessed to actual value vary from 5 percent on intangibles to 60 percent on real estate.

Applying these ratios to the figures obtained from the assessor, the actual value of taxable wealth would appear to be approximately 159 million dollars for 1928. It should be clearly understood that nothing is claimed for these figures beyond that of being rough estimates.



1,260,000 lambs were fed in Northern Colorado in 1928



16,600 acres of sugar beets valued at \$1,507,300 were produced in Larimer County in 1928

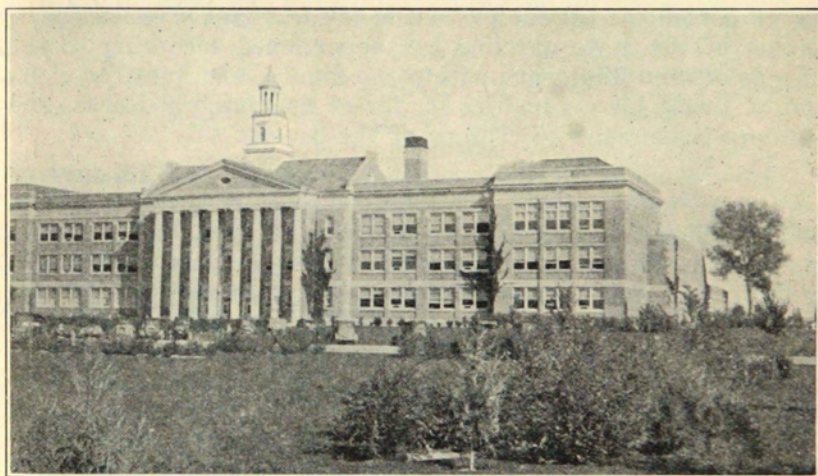
TABLE 1.—STATISTICS CONCERNING LARIMER COUNTY, 1928

Estimated Wealth of County:	Total	Per Capita ¹
Realty:		
Urban (cities)		
Land.....	\$10,000,000	\$ 336
Improvements.....	18,000,000	604
Rural		
Land.....	30,000,000	1,008
Improvements.....	5,000,000	168
Public utilities and factories.....	12,000,000	403
Mineral resources, oil, limestone.....	12,000,000	403
Personalty:		
Tangible		
Livestock.....	12,000,000	403
Automobiles.....	4,000,000	134
Farm machinery.....	2,000,000	67
Manufacturers' stocks.....	10,000,000	336
Mercantile stock.....	10,000,000	336
Public utility.....	1,000,000	37
Household.....	3,000,000	100
Intangible		
Money.....	10,000,000	336
Stocks.....	5,000,000	168
Bonds.....	10,000,000	336
Mortgages and notes.....	5,000,000	168
Full value of taxable property.....	\$159,000,000	\$5,343
Estimated annual gross income:		
Income from crops, livestock and livestock products, 1928.....	\$7,000,000	\$ 235
Wages to agricultural workers.....	1,200,000	40
Wages to manufacturers' workers.....	1,500,000	51
Value added by manufacture.....	6,000,000	202
Mercantile.....	5,000,000	168
Stocks, bonds, rents, interest, etc.....	2,000,000	67
Total income.....	\$22,700,000	\$ 763

¹Based on population of 29,760 in 1928.

TABLE 2.—SUMMARY OF THE VARIOUS PRIMARY FACTS RELATIVE TO LARIMER COUNTY'S TAXABLE ABILITY

Total area, acres.....	1,682,560
Total population 1928 (estimated).....	29,760
Total population (1925 census).....	29,340
Children of census age (6-21).....	9,628
Estimated gross wealth of Larimer County's population (1928).....	\$159,000,000
Estimated total annual income of Larimer County.....	\$22,700,000
Total taxes raised in Larimer County, 1928.....	\$1,322,377
Total assessed value Larimer County, 1928.....	\$55,590,465
Average property tax rate (total taxes divided by total assessed property).....	2.38%
Average property tax rate (total taxes divided by total wealth).....	.83%
Percentage of estimated total income taken for local and state property tax.....	5.9%
Estimated gross wealth of population per capita.....	\$5,343
Estimated annual income of population per capita.....	\$763
Estimated annual income of population per family of 4.....	\$3,052
Per capita taxes, excluding cities and towns.....	\$44.43
Per family taxes.....	\$177.72



High school recently built for the city of Fort Collins

Summary

Information respecting the wealth of Larimer County is so fragmentary that attempts at measurement can be no better than rough estimates.

The value of taxable wealth is approximately 159 million dollars for 1928.

The estimated gross wealth per capita is \$5,343.

The estimated annual gross income per capita is \$763 and per family of four \$3,052.

The taxes paid per family amount to an average of \$178 per year.

HOW LARIMER COUNTY TAX REVENUES AND OTHER RECEIPTS ARE DISTRIBUTED

Purpose for Which Revenue Is Expended

The following discussion will give a brief description of the various purposes for which state, county, and school revenues are expended.

The ordinary county revenue consists of tax collections; fees from the county treasurer, county clerk, sheriff, county court, district court and justice of the peace court; interest from delinquent taxes and county money on deposit; licenses; and miscellaneous receipts. This fund is used for general county expenses.

Road receipts consist of tax collections, state and federal aid, 50 percent of the motor vehicle tax less cost of collection, a portion of the state gasoline tax apportioned according to the mileage of state highways within the county, and fines for violation of traffic laws, royalties on forest and mineral leases, and accommodation sales to citizens of the county.

The revenues for the operation of the schools are derived from three main sources. The largest revenue is derived from district school tax levies. The directors in each district make annual budgets of funds required and their budgets are certified by the county superintendents to the county commissioners, who make levies thru the regular tax-collecting channels. In addition, the state is a large owner of school lands, from the sale and operation of which funds are derived. These revenues are maintained in a permanent school fund and the interest therefrom becomes available for the support of the state educational institutions. The third source of revenue is from tax levies made by counties under a minimum teachers' salary law which is limited to not to exceed 5 mills a year.¹ Small amounts are also received from certain fines.

The hospital, poor farm and county home secure revenue from ordinary tax collections and from receipts from the county hospital and poor farm. These sources provide funds for the care of unfortunates within the county and support the county hospital and poor farm.

The state reimburses the county for one-half of its expenditures for the blind from a special fund secured for that purpose. This fund provides a maximum of \$300 per person per year for all those within the county who qualify under the state law.²

¹Compiled Laws of Colorado, 1921, Sec. 8451, S.L.1927, p. 640.

²Compiled Laws of Colorado, 1921, Sec. 725 and 730.

The mothers' compensation fund provides for the assistance and protection of women who are unable to properly care for their children, or who are unable to properly care for themselves and infant child or children during certain periods before and after childbirth.¹

Special advertising revenue is raised by taxation to advertise the county and the disposition is at the discretion of the county commissioners. It is used chiefly to afford advertising thru the local chamber of commerce and the county fair.

Tax Levies in Larimer County Increase

The tax levy in Larimer County rose from \$9.58 in 1924 to \$12.37 per \$1000 assessed valuation of property in 1928. The distribution of the tax levy for each year was as follows:

TABLE 3.—DISTRIBUTION OF LARIMER COUNTY TAX LEVY

Object of Levy	Dollars tax per \$1000 assessed valuation of property		Percentage increase
	1928	1924	
For ordinary purposes.....	\$2.00	\$2.25	-11*
Support of poor, county hospital and home.....	1.00	.45	122
Road purposes.....	3.40	2.75	24
Special advertising.....	.07	.04	75
Liquidation of warrants.....	1.60	.25	540
General school purposes.....	4.00	3.33	20
Interest on county bonds.....	.14		
Mothers' compensation.....	.12	.20	-40*
Blind.....	.04	.06	-33*
Poor-farm heating plant.....		.25	
Totals.....	\$12.37	\$9.58	29

Note the large increase in the levy for the payment of unpaid warrants, support of the poor, special advertising, road purposes and general schools. Levies for ordinary purposes, mothers' compensation and the blind decreased.

From the distribution in 1928 it will be seen that the largest single levy is for school purposes, \$4; for road purposes, \$3.40; and for ordinary general government, \$2. These three levies make up three-fourths of the total county levy.

The valuations have remained practically the same during this period. The valuation for 1928 was \$55,590,465.

State tax levies which should be added to the county tax were distributed to the various funds based on a total valuation of \$1,577,560,380 for 1928 and \$1,540,500,479 for 1924 as follows:

¹Compiled Laws of Colorado, 1921, Sec. 608 and 609.

*Represent decreases.

TABLE 3a.—DISTRIBUTION OF STATE TAX LEVY

Purpose of Levy	Dollars tax per \$1000 assessed valuation of property	
	1928	1924
State purposes (General Revenue).....	\$.43	\$.42
State University.....	.52	.43
Agricultural College.....	.26	.21
Agricultural College, Experiment Station.....	.07	.07
Fort Lewis School.....	.05	.04
School of Mines.....	.16	.13
School of Mines, Experiment Station.....	.02	.....
State Teachers College.....	.26	.21
Western State College (Gunnison Normal School).....	.10	.08
Mute and Blind School (Colorado Springs).....	.14	.14
Colorado State Hospital.....	.27	.27
Stock Inspection.....	.03	.03
Capitol Building.....	.10	.10
Educational Institutions Buildings.....	.....	.30
State Roads.....	.50	.50
State Fair Tax.....	.03	.01
Improvement Tax on State Property.....	.....	.02
Interest on Funding Bonds, 1910.....	.03	.03
Interest on Insurrection Bonds, 1909, 1914.....	.02	.03
Interest on State Highway Bonds, Act 1921.....	.16	.17
Sinking Fund on State Highway Bonds, Act 1921.....	.....	.....
Capitol Office Building.....	.16	.12
State Military.....	.07	.07
Blind Benefits.....	.....	.09
Sinking Fund, Funding Bonds, 1910.....	.03	.03
University Medical School and Nurses Training School.....	.10	.05
Sinking Fund Insurrection Bonds, 1909.....	.....	.13
School Fund Reimbursement.....	.....	.01
Adams State Normal.....	.05	.01
Totals.....	\$3.56	\$3.70

State taxes paid by residents of Larimer County per \$1000 valuation of assessed property decreased from \$3.70 in 1924 to \$3.56 in 1928. Of the \$3.56 which the state receives from Larimer County, 43 cents are used for general state purposes, 52 cents for the State University, 26 cents for the Agricultural College and 7 cents for the experiment station, or \$1.73 is allotted for all state educational institutions.

Trend of Revenue Collections Rising

Information and attention have been directed in the previous section to the purpose of tax collections, the functions for which

collected, and the classes of property which bear these burdens. It shall be the purpose of this section to analyze in detail all receipts collected by the county and show the purpose for which taxes are levied and collected.

Before we discuss the revenue receipts for 1928 it might be well to consider what has taken place during the past few years so that the reader may have a picture of the trend of receipts and tax collections.

During the year 1928 the receipts from current tax collections, excluding tax from cities, amounted to \$1,322 thousands, as against \$812 thousands in 1920. See Table 4. The current tax collections increased \$510 thousands, or 62.8 percent as compared with 1920.

Tax collections for state purposes amounted to 15.8 percent of the total tax collections in 1928 compared with 20.9 percent in 1920. Their proportion of the total showed a decrease of 5.1 percent from 1920 to 1928.

Educational taxes in 1928 comprised 53.5 percent of the total tax collections. Their proportion of the total showed an increase since 1920 when they had amounted to 45.3 percent of the total.

Road taxes amounted to 12.4 percent of the total in 1928 and 15.6 percent in 1920. This indicates a decrease in taxes collected for roads. Expenditures on roads during this period, however, tell a different story.

General government receipts comprised 14.9 percent of the total in 1928, which is only .1 percent higher than in 1920.

Tax collections for charities, the hospital and county farm amounted to 3.4 percent of the total in 1928, an increase over 1920, when they amounted to 2.8 percent.

Increase Due to Education, Roads, Poor and Debt

An analysis of the figures in Table 4 shows that the large increase in taxation is due primarily to increased expenditures for educational purposes, highways, poor and for the liquidation of floating debt.

A study of the receipts from all sources of revenue for Larimer County from 1924 to 1928 is shown in Table 5. It shows that educational revenue has increased \$133 thousands from 1924 to 1928, charities revenue from \$55 to \$86 thousands, general government revenue from \$156 to \$259 thousands, and city and town revenue from \$291 to \$342 thousands. Revenues

TABLE 4.—DISTRIBUTION OF CURRENT COUNTY TAXES IN LARIMER COUNTY, COLORADO, 1920 AND 1928

Purpose of Tax Collection	Thousands of Dollars		Percentage distribution	
	1920 ¹	1928	1920	1928
State purposes.....	170	209	20.9	15.8
Education:				
Special school fund.....	281	435	34.6	32.9
General school fund.....	49	169	6.0	12.8
Interest on school bonds.....	21	56	2.6	4.2
Redemption of school bonds.....	17	47	2.1	3.6
Total.....	368	707	45.3	53.5
Roads and highways.....	127	164	15.6	12.4
General government:				
Ordinary county.....	98	98	12.1	7.4
Liquidation of unpaid warrants.....	20	87	2.5	6.6
Special advertising.....	1	4	.1	.3
Interest on county bonds.....	1	8	.1	.6
Total.....	120	197	14.8	14.9
Charities and hospitals:				
Poor fund, hospital, county farm.....	18	38	2.2	2.9
Mothers' compensation.....	4	7	.5	.5
Blind benefit.....	1		.1	
Total.....	23	45	2.8	3.4
Unforeseen contingency.....	2		.3	
Special local assessment.....	2		.3	
Total from tax collections.....	812	1322	100.0	100.0

collected for the state decreased from \$247 thousands to \$211 thousands, indicating that the state is obtaining an increasing portion of its revenue from other sources than from taxation on general property. The amount of revenue collected for the payment of outstanding warrants increased from \$13 thousands to \$88 thousands. Revenues collected for road expenditures increased during 1925, 1926 and 1927, but showed a decrease during 1928.

A study of the outstanding floating indebtedness will show that expenditures have exceeded income every year since 1923. The road expenditures greatly exceeded the road receipts in every year from 1925 to 1928.

¹1920. B. D. Secley. "Taxes as They Affect the Rural Taxpayer." Thesis Colo. Agr. Col. 1928.
Note: Receipts from delinquent tax and miscellaneous sources omitted.

HOW LARIMER COUNTY CURRENT TAX COLLECTIONS ARE DISTRIBUTED

Total Collections \$ 1,322,377 in 1928

CHART 1

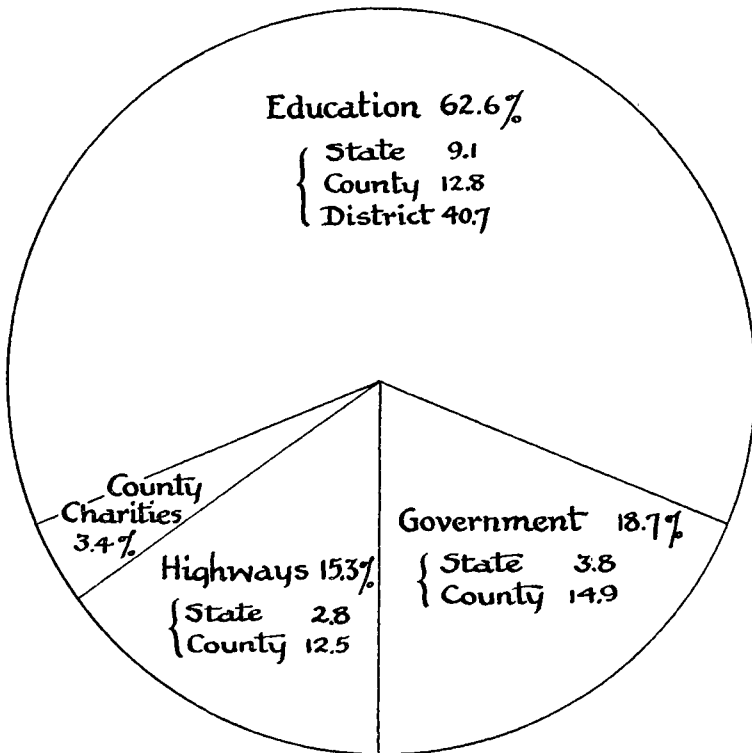


TABLE 5.—DISTRIBUTION OF RECEIPTS FROM ALL SOURCES: LARIMER COUNTY, 1924 TO 1928¹

Purpose of Collection	Amounts in Thousands of Dollars					Percentage Distribution				
	1924	1925	1926	1927	1928	1924	1925	1926	1927	1928
State purposes:.....	247	194	207	202	211	13.5	10.4	10.8	10.1	10.7
County purposes:										
General government										
Ordinary county expenses.....	118	145	138	141	138					
Liquidation of unpaid warrants.....	13	68	84	88	88					
Redemption of bonds.....										
Interest on bonds.....		4	9	8	8					
Special advertising.....	2	4	2	4	4					
Advertising tax sales.....	1	1	1	1						
Interest on delinquent tax.....	15	11	14	14	13					
County treasurer's cash fees.....	2	2	2	3	3					
Bank interest.....	5	11	6	6	5					
Total.....	156	246	256	265	259	8.5	13.1	13.4	13.2	13.1
Charities										
Poor farm, county home and hospital.....	38	35	40	75	80					
Blind benefit.....	7	8	7	5						
Mothers' compensation.....	10	6	7	6	6					
Total.....	55	49	54	86	86	3.0	2.6	2.9	4.3	4.4

¹Auditor's report.

TABLE 5.—DISTRIBUTION OF RECEIPTS FROM ALL SOURCES: LARIMER COUNTY, 1924 TO 1928:—(Continued)

Purpose of Collection	Amounts in Thousands of Dollars					Percentage Distribution				
	1924	1925	1926	1927	1928	1924	1925	1926	1927	1928
County purposes:										
Roads										
General property taxation for roads.....	144	174	179	149	165					
Gasoline tax.....	24	26	27	45	27					
Motor vehicle license.....	22	27	26	29	31					
State highway.....	53	43	36	40	15					
Fines.....	1	1	2	1	1					
Forest service.....	4	7		4	6					
Miscellaneous.....	3	10	3	5	3					
Total.....	251	288	273	273	248	13.7	15.4	14.3	13.7	12.6
Education										
General.....	197	204	215	209	198					
Special.....	372	413	420	430	457					
Interest on bonds.....	48	55	69	53	57					
Redemption of bonds.....	9	27	34	56	47					
Total.....	626	699	738	748	759	34.1	37.4	38.7	37.4	38.5
Sundry miscellaneous										
Tax redemptions.....	28	37	39	42	40					
Motor vehicle.....				35	28					
Hospital bond sale.....	179									
Total.....	207	37	39	77	68	11.3	2.0	2.0	3.8	3.4
City and Town										
General tax.....	193	243	265	250	254					
Special assessments.....	98	115	76	100	88					
Total.....	291	358	341	350	342	15.9	19.1	17.9	17.5	17.3
GRAND TOTAL.....	1,833	1,871	1,908	2,001	1,973	100.0	100.0	100.0	100.0	100.0

¹Auditor's report.

Education takes more than half of the county tax dollar. Out of every dollar raised for educational purposes by taxation 13 cents was raised by county taxation, 41 cents was raised by district taxation, and 9 cents by state tax, a total of 63 cents. Education was therefore supported to a greater degree by district taxation than by general county or state taxes. Chart 1.

Roads and highways constitute the next largest purpose except for general government, for which funds were raised by taxation. The major portion for this purpose was raised by county taxation. The total raised by county taxation for road and highway purposes was 12 cents and for state 3 cents, making a total of 15 cents out of every dollar derived from taxation. In addition to the actual amount of money raised by taxation for roads, large sums of money were received from the gasoline taxes and motor vehicle licenses. A large floating debt was incurred for building and maintaining roads because revenues were insufficient.

Current tax collections, delinquent tax and miscellaneous receipts from other sources are given for 1928 separately in Table 6. Funds collected by the county for cities and towns in Larimer County are also shown.

Table 6 shows that current-year tax collections amounted to 84.2 percent of the total revenue, delinquent tax .6 percent, and miscellaneous receipts 15.2 percent. Information is also given on the amount of funds received from different sources; as for example, in the road receipts the amount derived from property taxes, gasoline tax, motor vehicle, license fees, state highway department, fines and Forest Service are given separately.

Summary

Tax levies in Larimer County have increased from \$9.58 per \$1000 of assessed valuation in 1924 to \$12.37 in 1928 while the valuation has remained practically the same.

The purpose of the state tax levy is given in detail for 1924 and 1928 and shows that it has decreased from \$3.70 per \$1000 assessed valuation in 1924 to \$3.46 in 1928.

Receipts from current tax collections have increased from \$812,000 in 1920 to \$1,322,000 in 1928.

Educational taxes, exclusive of state taxes, comprised 53.5 percent of the total tax collections in 1928. Their proportion of the total showed an increase since 1920 when they amounted to only 43.3 percent of the total.

TABLE 6.—HOW LARIMER COUNTY TAX AND NON-TAX REVENUES WERE DISTRIBUTED IN 1928¹

Purpose for Which Revenue was Collected	Source of Revenue			
	Current Year Tax Collections	Delinquent Tax Collections	Misc. Receipts from Other Sources	Total County Receipts
State:	(1)	(2)	(3)	(4)
General state fund.....	\$ 209,407.01	\$ 1,534.43	\$	\$ 210,941.44
County purposes:				
General				
Ordinary government.....	98,159.56	756.14	44,509.60	143,425.30
Liquidation warrants.....	87,252.90	642.80	.....	87,895.70
Redemption county bonds.....	.....	1.70	.....	1.70
Interest on county bonds.....	7,634.63	57.43	.....	7,692.06
Special advertising.....	3,817.32	27.08	.....	3,844.40
Advertising sales.....	.....	.....	727.15	727.15
Interest on delinquent tax.....	.....	.....	12,680.01	12,680.01
County treasurer's cash fees ...	.....	.....	2,702.98	2,702.98
Total.....	\$ 196,864.41	\$ 1,485.15	\$ 60,619.74	\$ 258,969.30
Charities				
Poor, hospital, etc.....	\$ 38,173.16	\$ 281.98	\$ 40,796.45	\$ 79,251.59
Blind benefit.....	.....	11.78	.....	11.78
Mothers' compensation.....	6,543.97	50.68	.....	6,594.65
Total.....	\$ 44,717.13	\$ 344.44	\$ 40,796.45	\$ 85,858.02
Roads and highways				
Property tax.....	\$ 163,599.20	\$ 1,162.82	\$	\$ 164,762.02
Gas tax.....	.....	.....	27,000.74	27,000.74
Auto vehicle license.....	.....	.....	31,310.18	31,310.18
State highway.....	.....	.....	14,882.65	14,882.65
Fines.....	.....	.....	1,170.08	1,170.08
Forest service.....	.....	.....	6,179.79	6,179.79
Miscellaneous.....	.....	.....	2,641.72	2,641.72
Total.....	\$ 163,599.20	\$ 1,162.82	\$ 83,185.16	\$ 247,947.18
Total for county purposes.....	\$ 405,180.74	\$ 2,992.41	\$ 184,601.35	\$ 592,774.50
Educational purposes				
General school fund.....	\$ 169,052.53	\$ 1,415.48	\$ 27,576.05	\$ 198,044.06
Special school fund.....	435,431.10	2,991.63	18,912.71	457,335.44
Interest on school bonds.....	56,448.28	427.87	.....	56,876.15
Redemption of bonds.....	46,856.94	324.70	.....	47,181.64
Total.....	\$ 707,788.85	\$ 5,159.68	\$ 46,488.76	\$ 759,437.29
Cities and towns				
General tax.....	\$ 251,274.86	\$ 2,343.19	\$	\$ 253,618.05
Special tax.....	88,281.66	.....	.....	88,281.66
Total.....	\$ 339,556.52	\$ 2,343.19	.....	\$ 341,899.71

¹Auditor's report, 1928.

TABLE 6.—HOW LARIMER COUNTY TAX AND NON-TAX REVENUES WERE DISTRIBUTED IN 1928¹ (Continued)—

Purpose for Which Revenue was Collected	Source of Revenue			
	Current Year Tax Collections	Delinquent Tax Collections	Misc. Receipts from Other Sources	Total County Receipts
	(1)	(2)	(3)	(4)
Sundry miscellaneous				
Tax sale redemptions.....	\$.....	\$.....	\$ 39,353.85	\$ 39,353.85
Motor vehicle (county clerk).....	.....	.....	28,321.71	28,321.71
Total.....	.....	.....	\$ 67,675.56	\$ 67,675.56
GRAND TOTAL.....	\$1,661,933.12	\$ 12,029.71	\$ 298,765.67	\$1,972,728.50
Cash balance Jan. 1, 1928.....				243,830.71
				\$2,216,559.23
Percentage distribution.....	84.2	.6	15.2	100

EXPENDITURES FOR GENERAL GOVERNMENT PURPOSES

Trend of Expenditures

During the year 1928 the cash expenditures of Larimer County amounted to \$2,014 thousands, as against \$1,635 thousands in 1924. The cash expenditures of Larimer County increased \$379 thousands or 23.2 percent during this 5-year period. Expenditures for education are the biggest single item in the local budget. Cash expenditures for education increased \$163 thousands or 27.6 percent from 1924 to 1928. Cash road expenditures amounted to \$265 thousands in 1928, a decrease of \$11 thousands or 4 percent during this period. Cash expenditures for social welfare, that is, for the poor, blind and mothers' compensation, increased from \$49 thousands in 1924 to \$120 thousands in 1928, an increase of 145 percent over 1924. An analysis of the cash expenditures is shown in Tables 7 and 10.

True State of Expenditures

The analysis of the cash expenditures alone as discussed in the preceding paragraphs, fails to show the actual amount spent by the county during this period. In addition to the cash expenditures, many registered warrants were issued to be paid for in the future. Table 8 gives the amount of registered warrants issued each year for different county general government expenditures, showing the true state of affairs. A careful study of Table 8 and Chart 2 shows the reader how and where the large floating indebtedness of Larimer County originated.

¹Auditor's report, 1928.

PURPOSE OF LARIMER COUNTY EXPENDITURES

Thousand
Dollars

CHART 2

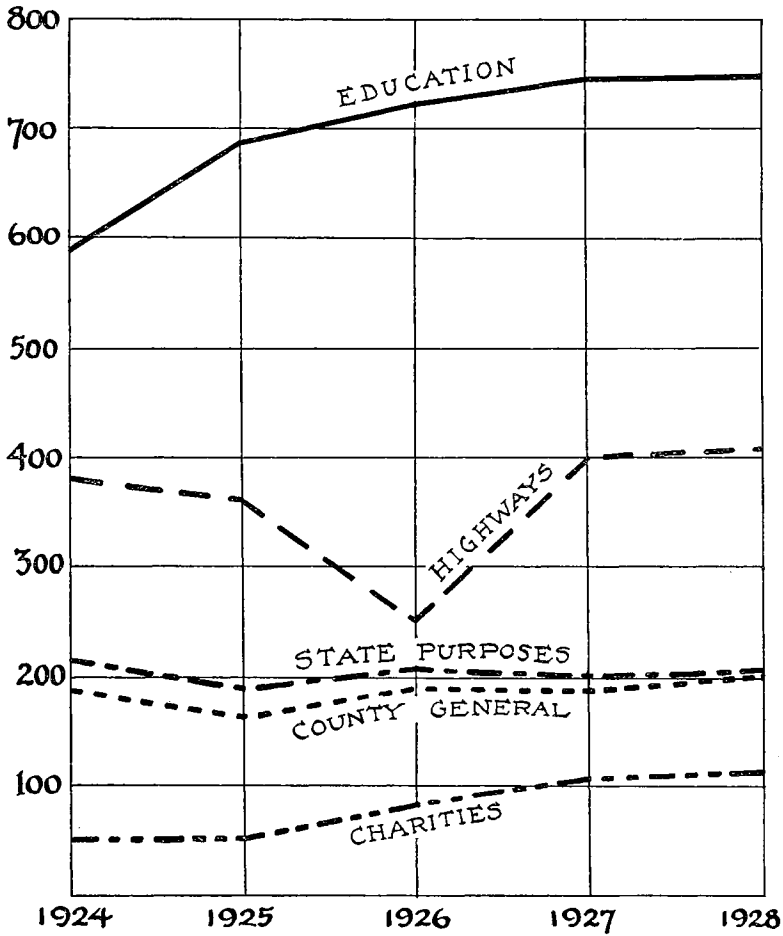


TABLE 7.—FUNCTIONAL DISTRIBUTION OF LARIMER COUNTY CASH EXPENDITURES, 1924 TO 1928

Purpose of Disbursements	Amounts in Thousands of Dollars					Percentage Distribution				
	1924	1925	1926	1927	1928	1924	1925	1926	1927	1928
State purposes										
Remittance to State Treasurer.....	215	191	206	202	213	13.2	9.6	10.9	10.1	10.6
County purposes:										
General government										
Ordinary.....	184	170	162	193	197					
Liquidation of unpaid warrants.....		32								
Advertising.....	2	4	2	4	4					
Interest on registered warrants.....	1	3	7	10	9					
Interest on county hospital bonds.....		8	8	8	8					
Total.....	187	217	179	215	218	11.4	10.8	9.4	10.8	10.8
Charities and social welfare										
Poor farm, county home, and hospital.....	28	32	56	81	106					
Blind benefit.....	8	6	5	4	4					
Mothers' compensation.....	13	7	7	9	10					
Total.....	49	45	68	94	120	3.0	2.2	3.6	4.7	6.0
Roads and highways.....	276	315	321	361	265	16.9	15.7	16.9	18.0	13.2
Educational purposes										
General school.....	196	203	222	225	215					
Special school.....	338	403	416	424	450					
Interest on bonds.....	48	56	59	59	55					
Bond redemption.....	9	25	27	40	34					
Total.....	591	687	724	748	754	36.1	34.3	38.0	37.4	37.4

TABLE 7.—FUNCTIONAL DISTRIBUTION OF LARIMER COUNTY CASH EXPENDITURES, 1924 TO 1928—(Continued)

Purpose of Disbursements	Amounts in Thousands of Dollars					Percentage Distribution				
	1924	1925	1926	1927	1928	1924	1925	1926	1927	1928
Sundry										
Tax redemptions.....	29	35	39	44	39					
Tax rebates.....	1	1	1	.....	1					
Canceled special tax receipts.....	.....	.....	.....	.....	1					
Motor vehicle license remitted to Secretary of State.....	.....	.....	.....	5	58					
Capital outlay for hospital.....	2	169	12	.....	.....			
Total.....	32	205	52	49	99	2.0	10.2	2.7	2.5	4.9
City and Town Remittances										
Fort Collins general tax.....	116	164	177	164	166					
Fort Collins special tax.....	69	71	61	63	73					
Loveland general tax.....	57	54	58	53	57					
Loveland special tax.....	21	35	25	20	21					
Wellington general tax.....	5	5	6	6	7					
Wellington special tax.....	.....	.....	2	2	2					
Berthoud general tax.....	9	8	10	9	9					
Berthoud special tax.....	.....	.....	5	.....	.....			
Estes Park general tax.....	7	6	8	11	9					
Timnath general tax.....	1	1	1	1	1					
Total.....	285	344	353	329	345	17.4	17.2	18.5	16.5	17.1
GRAND TOTAL.....	1,635	2,004	1,903	1,998	2,014	100.0	100.0	100.0	100.0	100.0

TABLE 8.—HOW LARIMER COUNTY INCREASED EXPENDITURES FOR GENERAL GOVERNMENT, 1924 TO 1928¹ (ON BASIS OF WARRANTS ISSUED)

Purpose of Issue	1924	1925	1926	1927	1928
Ordinary general county expense.....	\$186,680.54	\$181,333.14	\$192,656.83	\$190,859.00	\$202,310.44
Roads and bridges.....	379,558.73	361,298.71	254,829.54	399,662.31	407,620.62
Poor and hospital.....	29,577.77	35,294.76	73,759.09	92,118.70	103,239.58
Mothers' compensation.....	13,372.00	11,985.00	8,370.00	7,560.00	6,340.00
Blind benefit.....	7,744.00	6,684.83	4,235.50	4,022.50	5,180.60
Advertising.....	1,950.00	4,366.32	1,760.00	4,160.00	6,260.00
County hospital and home buildings.....	2,390.71	169,115.45	.....	.....	.....
Total warrants issued.....	\$621,273.75	\$770,078.21	\$535,610.96	\$698,382.51	\$730,951.24

For example, in 1928 the treasurer's report shows that \$265,013.15 were spent on roads; however, warrants to the sum of \$407,620.62 were issued for road expenditures. The floating debt on roads was increased in 1928 from \$119,174.77 to \$261,781.12, or an increase of \$142,606.35, Table 28. A further discussion of this situation is given under the section of county indebtedness.

The laws of Colorado state that county expenditures are limited to the annual appropriation except for certain unforeseen contingencies and that county commissioners are held personally liable for exceeding the annual appropriation. It seems, however, that commissioners in Larimer County have been immune in the past from the penalties of the law and taxpayers have made no effort to place a check upon the expenditure of county funds.

The appropriations, income and amount of registered warrants issued in 1925 illustrate this point clearly. See Table 9, showing warrants issued in excess of income. The same thing is true of other years.

TABLE 9.—APPROPRIATIONS, INCOME AND WARRANTS ISSUED FOR THE YEAR 1925, LARIMER COUNTY²

Fund	Appropriation	Income	Warrants Issued	Warrants Issued in Excess of Income
Ordinary county.....	\$151,388	\$175,002.06	\$181,333.14	\$ 6,331.08
Poor, hospital and home.....	34,618	34,857.12	35,294.76	437.64
Road.....	270,400	287,605.33	361,298.71	73,693.38
Special advertising.....	4,268	4,917.50	4,366.32	.....
Blind benefit.....	7,707	7,533.69	6,684.83	.....
Mothers' compensation.....	6,600	6,400.20	11,985.00	5,584.80

¹Auditor's reports.

²Auditor's report 1925. p 23.

AMOUNT AND PERCENTAGE OF CASH EXPENDITURES FOR EACH PURPOSE - LARIMER COUNTY 1928

Total Cash Expenditures \$ 1,357,418

CHART 3

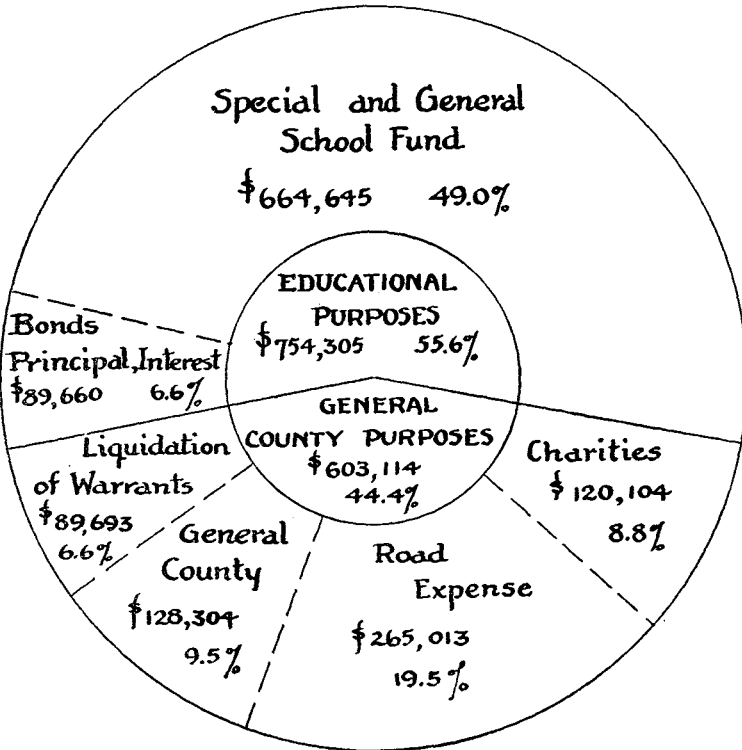


TABLE 10.—HOW TAX MONEY AND NON-TAX REVENUES OF LARIMER COUNTY WERE EXPENDED IN 1928¹

(Based on cash expenditures)

Purpose of disbursements:	
State:	
Remittance to State Treasurer.....	\$ 212,859.20
County:	
General government	
Ordinary government expense.....	107,385.75
Liquidation of unpaid warrants.....	89,693.00
Advertising.....	3,830.00
Interest on registered warrants.....	9,206.23
Interest on county hospital bonds.....	7,881.80
	<hr/>
	\$ 217,996.78
Charities	
Poor, hospital, county farm.....	\$ 106,003.25 ²
Blind benefit.....	4,540.60
Mothers' compensation.....	9,560.00
	<hr/>
	\$ 120,103.85
Roads and highways.....	\$ 265,013.15
	<hr/>
Total general government.....	\$ 603,113.78
Educational purposes	
General.....	\$ 214,875.58
Special.....	449,768.99
Interest on bonds.....	55,599.74
Bond redemption.....	34,060.37
	<hr/>
Total education.....	\$ 754,304.68
Total county.....	\$1,357,418.46
City and Town Remittances:	
Fort Collins general tax.....	\$ 166,200.40
Fort Collins special tax.....	73,285.24
Loveland general tax.....	56,487.62
Loveland special tax.....	20,465.85
Wellington general tax.....	7,041.55
Wellington special tax.....	2,321.41
Berthoud general tax.....	9,039.45
Estes Park general tax.....	9,299.97
Timnath general tax.....	1,001.40
	<hr/>
Total city and town.....	\$ 345,142.89
Sundry:	
Redemptions.....	\$ 39,328.13
Tax rebates.....	616.07
Cancelled special tax receipts.....	1,381.17
Motor vehicle license remitted to Secretary of State.....	57,614.12
	<hr/>
Total sundry.....	\$ 98,939.49
GRAND TOTAL ALL DISBURSEMENTS.....	\$2,014,360.04
Cash balance, Dec. 31, 1928.....	202,199.17
	<hr/>
	\$2,216,559.21

¹Auditor's report, 1928.

²Hospital pay patients were responsible for \$35,303 of this amount.

Cash Expenditures for 1928

The accompanying chart (Chart 3) shows the purposes for which Larimer County funds were expended during the fiscal year ending December 31, 1928. Remittances to the state treasurer, secretary of state, cities and towns, tax redemption and rebates are omitted. The chart is divided into two major segments: (1) Expenditures for educational purposes, including all current cash expenditures, the payment of bond redemption, and interest on school bonds; and (2) expenditures for general county purposes, including all county and district purposes which are not educational.

Expenditures for Education 56.6 Percent of Total

By comparing these two segments of the chart, it will be noted that of the total expenditure of \$1,357,418.46, the expenditures for educational purposes were \$754,304.68 or 56.6 percent, and expenditures for general county purposes amounted to \$603,113.78 or 44.4 percent of the total. This indicates that of every dollar expended, 56 cents went for education and 44 cents for other general county purposes.

The expenditure for roads and highways was 20 cents and for liquidation of unpaid warrants, 7 cents out of every dollar. The poor fund, blind fund and mothers' compensation amounted to 9 cents out of every dollar. Comparisons of functional costs can readily be made from the chart, for not only is the amount given for each expenditure, but also the percentage that each is of all the expenditures.

Table 10 shows the cash disbursements for the year 1928. These figures are misleading unless they are studied in connection with Table 8 which shows the amount of warrants issued for various purposes.

Issue of Warrants in Excess of Revenues a Bad Practice

The treasury warrant is the instrument by means of which all county payments are made. It becomes a means of creating short-term debt when warrants are issued in excess of the funds available for redemption. Over-drafts of this nature mean that the holders of the warrants must wait until the next tax collection period, or if this is inconvenient, they must accept such discounts as the local bankers may establish, if any. Warrants draw 6 percent interest from the time they are issued until they are redeemed. The practice followed in Larimer County amounts to borrowing to pay current expenses. The freedom with which such loans are made is a great temptation for the county officials to expand their expenditures to a level which current revenues

will not permanently support, and long-term funding of the temporary debt becomes the only alternative.

The item of salaries in the various offices of the county, when compared with such expenses as school and road expenses, is insignificant. Nevertheless, it is possible to save considerable in the matter of clerical help.

County Clerk Receipts and Expenditures

The receipts and disbursements for the year 1928 and 8 days of 1929 as reported by the county clerk and recorded were as follows:

TABLE 11.—ANALYSIS OF COUNTY CLERK'S RECEIPTS AND EXPENDITURES

Receipts:	
Recording fees.....	\$ 10,431.08
Clerk to board of county commissioners.....	3,060.00
Miscellaneous fees.....	3,784.75
Game and fish license fees.....	979.75
Certificate of title fees.....	5,341.50
Motor vehicle licenses.....	108,869.23
Certificate of title (state).....	1,780.50
Game and fish licenses (state).....	8,533.25
	<hr/>
Cash balance January 1, 1928.....	3,008.21
	<hr/>
	\$145,788.27
Disbursements:	
Paid county treasurer.....	\$ 26,079.18
Paid to secretary of state.....	73,759.43
Paid game and fish commissioner.....	8,533.25
Paid to county clerk Ramer, cash on hand.....	37,163.30
Miscellaneous.....	253.11
	<hr/>
Total disbursements.....	\$145,788.27

Salaries paid by county warrant for the period January 1, 1928, to January 8, 1929, were as follows:

County clerk.....	\$ 3,083.33
Deputy.....	2,033.00
Clerical assistants.....	16,323.65
	<hr/>
Total.....	\$ 21,439.98

Total fees earned and collected amounted to \$23,597.08. Deducting the salaries paid from the earnings of the office leaves surplus fees for the period of \$2,157.10. The use of modern methods and elimination of unnecessary clerical help discussed later should increase this surplus.

County Treasurer's Office

Commissions charged to the various funds for the collection of taxes and miscellaneous collections as provided for by law amounted to \$29,487.68, all of which was transferred to the ordinary county fund with the exception of \$27.67 charged off on account of cancelled tax receipts and rebates.

Salaries paid for the year 1928 were as follows:

Treasurer.....	\$ 3,000.00
Deputies, 4.....	7,080.00
Clerical assistants, 4.....	426.00
Total.....	\$10,506.00

Consolidation with the assessor's office would result in considerable savings.

Suggestions for Improvement

Machine Methods Reduce Expenses.—County government in all its phases is today face to face with a new set of conditions born of modern needs. Up-to-date methods must prevail if expenses are to be reduced. By reducing the costs, controlling expenses, and eliminating unnecessary clerical labor, modern business machines contribute to the development of better county management. Larimer County can profit thru the use of modern business machines in the transaction of county business. With modern machines one can get a daily report from practically every department of the county, a report posted up to the previous night's closing that tells exactly where the county stands today.

Old Versus New Methods.—An illustration may be given showing the comparative clerical operations under the present methods¹ and the new mechanical system, in the following tabulation:

TABLE 12.—COMPARISON OF PEN-KEPT BOOKKEEPING VERSUS MECHANICAL METHODS

Operations Performed	Under the Pen-kept Cashbook Systems	Under the Mechanical Bookkeeping Methods
1. Preparation of voucher.....	1	1
2. Posting by automatic posting machine direct to accounts.....	1	1
3. Entering voucher on register.....	1	
4. Posting from voucher to record.....	1	
5. Adding and balancing voucher record.....	1	
6. Journalizing voucher record totals.....	1	
7. Posting monthly totals voucher record.....	1	
8. Entering warrant on cashbook or treasurer's record.....	1	
9. Balancing cash book.....	1	
10. Posting cash book.....	1	
11. Entering or journalizing for funds.....	1	
12. Posting to fund accounts.....	1	
13. Entering or posting to budget accounts.....	1	
14. Adding and balancing budget accounts.....	1	
15. Adding and balancing general ledger.....	1	
16. Drawing off trial balance.....	1	
Total operations.....	15	2

¹George Scott, "Coding, vouchering, and centralized purchasing as related to a mechanical accounting system." The American City, Aug. 1929, p. 162.

The above tabulation may not include all of the operations for keeping the old cashbook systems but it represents the principal operations necessary to keep complete accounts.

Under the mechanical system there are only two major book-keeping operations: (a) Preparation of voucher; and (b) posting the voucher.

Under the old cashbook system the tabulation shows 15 different clerical operations. The tabulation illustrates the economy, simplicity and promptness of information, as the work of posting the voucher automatically closes the books, and the machine eliminates the mental work of adding, subtracting and balancing.

An attempt to improve the present obsolete method of keeping records involves a change in the present state laws which give in detail the manner in which accounts shall be handled. This illustrates why present state laws are hindrances to county commissioners who wish to operate the local government efficiently.

Need for a Modern Accounting System.—To avoid waste in county business, it is necessary to know where and when the leaks occur. To find the leaks there must be some effective means for detecting them, and of knowing their importance when they are found.

The method of accounting used by Larimer County is ill adapted to modern needs. It is practically impossible to obtain detailed information on any expenditure without examining hundreds of individual vouchers. Recently an investigation was made by the county into excessive expenditures for soap, disinfectants and insecticides by the janitor. In order to check up on this particular leak it was necessary to search thru 35,000 vouchers. It was only by accident that the leak was discovered even in this case.

With a good system of accounts, leaks like this would rarely happen. There are many other leaks but the present system of records would never enable one to detect them.

El Paso County records, as an illustration of good accounting, show detailed expenses in the Outside Poor expense for example as follows: Subsistence, clothing, fuel, rent, county physician, county nurse, physicians and surgeons, supplies and drugs, hospital care, burials, taxi and ambulance, nursing and welfare

worker's salary. Other expenditures are shown with the same detail.

Information such as this is very important to taxpayers. The savings in expenditures thru better accounts would more than offset any extra cost of a better system.

No detailed cost or property record of county real estate, buildings, furniture and fixtures, machinery, tools and equipment, livestock, automobiles or office supplies is kept by the county.

An attempt at an inventory was made by the auditor in his report for 1925 which is as follows:

TABLE 13.—VALUE OF BUILDINGS, LAND, ETC., LARIMER COUNTY, JUNE 30, 1925¹

Courthouse building, grounds and furniture.....	\$ 80,000.00
Dwelling, lot 9, blk. 102, Fort Collins.....	3,500.00
Lots 5 to 8, blk. 102, Fort Collins.....	7,500.00
Poor house property in SW sec. 18-7-68.....	103,000.00
Property in hands of road overseers (estimated).....	5,000.00
Lumber and material in yards (estimated).....	28,000.00
Machinery and supplies (estimated).....	85,000.00
70 acres NE sec. 16-9-69.....	2,000.00
Garage.....	15,000.00
Total.....	\$329,000.00

Note that in three of the most important items, the totals were estimated, giving an inventory which is worthless for practical purposes.

No attempt is made by the county highway department to study the cost of operating highway equipment such as motor trucks, tractors, etc. It is impossible to do this since no records of this sort are kept.² County commissioners are unable to tell from the records kept just what it costs to operate equipment of any kind. Some of the road equipment is obsolete. A modern system of accounting would indicate when and where savings could be made under such conditions with little if any additional expense.

While modern accountancy is no cure-all for all evils, it is a stop-cock for many wastes. Its orderly application of system and method of management, the assurance of its detailed audit, the guide of its budget, its light on costs, and, above all, the security of its control, will lessen every day the greater wastes due to lack of accounts.

¹Auditor's Report.

²A system of records which will enable the county to learn the cost of operating highway equipment has recently been installed. (Jan. 30, 1930.)

Machining of Tax Records and Bills.—No man should do what a machine can do better and quicker. Every year the county treasurer collects city and county school taxes from all property owners in Larimer County. Every year he goes thru the same process for the collection of taxes. This means a lot of record keeping.

Each parcel of land must be entered annually upon the tax roll, with a description as to location, dimensions, assessed valuation and the owner. One or more tax bills also must be prepared every year. In 90 percent of these parcels there is no change from year to year in any of the information recorded. The clerical detail is thus largely a routine re-copying from year to year.

Machines Eliminate Unnecessary Clerical Help.—Machines can be installed to do the vast clerical work involved in the assessing of property and billing of taxes every year. A complete set of addressing, tax-extending and tax-billing machines and equipment necessary for all the county offices involved can be set up in a central office. It is estimated that at least one-third of the clerical help can be eliminated with considerable saving to the county.

Weld County installed the machine method of handling tax records in 1926. The assessor states that under the old long-hand system it required 8 clerks employed for 4 weeks to merely write the names and descriptions of property. Under the machine system it takes 2 persons 4 days.

Under the old long-hand system it took 8 persons 6 weeks, often working nights, to extend and balance the tax rolls. Numerous difficulties were had in balancing the books under the old system, resulting in many errors. The old system required 2 people for 2 weeks to proofread the records after they had been copied in long-hand. Under the new system it requires 3 people 26 days to complete the valuations and a similar period to extend the taxes.

Errors Practically Eliminated.—When this work is complete the records are automatically checked and balanced. In fact, under the new system only 3 mistakes have been discovered in a period of 3 years.

The assessor states that this year they have 26,218 tax schedules. He stated that about 20,000 of these have land descriptions, 90 percent of which do not change from year to year.

The treasurer's office formerly required 4 typists and 8 extra workers to prepare the tax statements. Under the new method one machine and operator handles all of it.

Machines Have Paid for Themselves.—The machines in Weld County have already paid for themselves. They have saved money and time, speeded up operations, simplified record writing and insured accuracy.

Weld County has about 135 school districts, while Larimer County has 46. The assessments are all kept separate for each school district so on this basis one-third of the equipment used in Weld County should handle the work in Larimer County.

Photographic Recording Would Save Money for Taxpayers.—The report of the county clerk and recorder shows that \$16,323.65 was spent for clerical help in issuing auto licenses, certificates of titles, and for recording legal instruments. See Table 11.

The salary statements show that five persons were employed to record, proofread and index legal instruments.

Photographic recording would save the county between \$4,000 and \$5,000 a year. In addition to a financial saving there would be a saving in time and space and the elimination of annoyance due to inaccuracies of hand copying. The services of three or four clerks could be dispensed with. A modern machine with a life of at least 30 years can be installed for approximately \$4,000 which will pay for itself the first year.

Advantages of Photostat Process.—The photostat process for recording written documents is both cheaper and better than methods now in general use and should be thoroly investigated by all county officials. Five distinct advantages are claimed:

1. Photostat copies of any document can be made and are ready for use in a few minutes.
2. Photostat recording is economical, costing less per folio than any other known process.
3. Photostat prints are accurate, the print being a facsimile of the original document.
4. Photostat prints are permanent; they will not fade and will last as long as the paper base.
5. Interlineations and deletions cannot be made in photostat prints without being detected.

Summing up in brief form, we might say they have speed, economy, accuracy and permanency. Furthermore, they are legal and fraud proof.

Many local governments thruout the country are adopting the photostatic method of recording land instruments, wills, and similar documents filed for permanent record in state, county and city offices. Some of the counties in Colorado which have adopted this method are: Weld, Adams, Arapahoe, Denver and Las Animas.

Opposition to change is a human trait, however. There always seem to be ready reasons why new methods, new processes, new plans will not be practical. But how many business men would return to the office methods of our grandfathers such as we find in our counties? Yet in our counties today long-hand methods are used in heading tax statements, writing letters, filling in tax-collection forms, listing tax roll forms, writing checks and doing countless other daily tasks. Machines are doing this work for thousands of business concerns and a few progressive counties 10 to 50 times faster, with less expense and, what is often most important of all, without possibility of error.

Expenditures for Printing and Newspaper Advertising Excessive

Expenditures for newspaper advertising seem excessive when compared with similar expenditures in other counties.¹ Table 14 gives the approximate amount spent in 1928 for printing of election material and legal notices.

TABLE 14.—PRINTING AND ADVERTISING EXPENDITURES, 1928

Item	Amount
Delinquent tax notice.....	\$5,211.60
Treasurer's notices.....	288.37
Election notices.....	801.14
Election ballots.....	2,194.30
Notice of commissioners' proceedings.....	1,389.06
School notices.....	25.18
County clerk's notices.....	82.32
	\$9,991.97

Greater publicity of county affairs advocated in other portions of this report does not necessarily mean added expense as some would have us believe.

At present newspapers carry statements of the county piecemeal. Instead of giving the entire exhibit in one issue, a dozen issues or so carry the story of county finances. To get the whole report it is necessary to clip from week to week, file the fragments carefully away, and finally assemble all the parts for study

¹Steps have been taken by the county commissioners to reduce the cost of printing.

—a tax upon the attention to which the average citizen is not equal. As a result the most alert taxpayer throws up his hands in despair. It is a good way of confusing the public mind, but it is the common way of showing county finances.

But the money of the taxpayers will be wasted in this fashion for many years to come unless intelligent citizenship demands a businesslike statement of county finances.

In Larimer County there is no proper assembling of assets, indebtedness, receipts and expenditures for the various purposes of county business. The present exhibits lack a classification of accounts, and therefore nobody can tell exactly how much is spent for this or that purpose—say on paupers, the total number or the per capita cost; or on highways, the miles built, the average cost per mile of the different types of road, the per-capita cost of labor or road equipment.

As a result the average citizen knows little or nothing about county finances, about the tax list and the amazing inequalities it discloses everywhere; about what the county revenues are spent for, and whether they are spent wisely or unwisely, effectively or wastefully.

What the county needs is a really worthwhile kind of financial exhibit by the board of county commissioners—an orderly affair, as it ought to be for the average reader. It should be so simple and compact that the average taxpayer can read it and get some sense out of it.

He should be able to see the receipts in detail and in lump sums. Under proper headings he should be able to find just how much was spent for the various purposes, to whom the county money was paid and for what—the total expense of: Paupers, the hospital, care and feeding of prisoners, bridges, road building and repairs by districts, equipment and materials purchased, interest paid, county office commissions and fees, the cost of salaries, and so on. He should see at a glance what the bonded and floating indebtedness of the county is.

County bookkeeping and reporting ought to be simple and uniform, and then there would be some basis for comparing one county with another in the details of county business.

Wherever the business end of county affairs has come under strict review and pitiless publicity, amazing inefficiencies have been disclosed.

Jail Expenses Can Be Reduced

At present the county pays the sheriff 40 cents per meal for 2 meals a day for each prisoner. The county could probably save

by furnishing food and having the sheriff serve it. The cost per meal for a superior quality of food at the hospital is about 20 cents per meal which should be approximately the cost for feeding prisoners per meal at the jail. This would also remove an incentive to keep the jail full of prisoners. The number of prisoners' in Larimer county jail was as follows:

1925	264	1927	273
1926	251	1928	237

Interest on Public Deposits

Interest on daily bank balances for the year 1928 amounted to \$5,573.40. Larimer County should invite competitive bids for public bank deposits in order to secure fair and adequate interest rates. The experience of those communities has been excellent where competition has been the method employed to secure a more favorable return on the public's money. At present the county obtains only 2 percent, the minimum required by law. It is recommended that an earnest attempt be made to secure a larger return. The above recommendation applies equally as well to school funds. All funds should be deposited promptly to secure interest on all money.

Summary

Expenditures in Larimer County have risen rapidly the last 4 years with expenditures exceeding revenues every year until a large floating indebtedness has been created.

Every department of the county has shown an increase, with the expenditures for roads, schools and general government showing the largest increases.

The county expended more than \$1,700,000 in 1928. The expenditures in 1924 for the same purposes were \$1,460,000.

General governmental expenditures could be reduced by consolidating several departments under one head and by the introduction of modern business methods in the different offices. Some of these changes would require that the state constitution be amended before they could be adopted.

Many leaks go undiscovered because of the inadequate and out-of-date system of accounting used at present.

The assessor could reduce his clerical labor one-third by the introduction of modern machine methods in the handling of tax records.

The county clerk and recorder could reduce clerical labor by installing labor-saving devices and a modern photostat machine for recording legal instruments.

¹Colorado Yearbook, 1928-1929.

Expenditures for newspaper advertising seem excessive when compared with those in other counties.

The cost per day of feeding prisoners looks excessive.

Greater publicity of county financial affairs is advocated.

ROADS AND HIGHWAYS

Increasing Importance of Highways.—Demands for highway service have been increasing rapidly in Larimer County during the past 10 years. Its registered motor vehicles have increased from 4,600 in 1919 to 11,693 in 1929. In the latter year there was one motor vehicle for each 2.5 persons.

The number of motor vehicles (passenger cars and trucks) in use per unit of population has been consistently greater in Larimer County and in Colorado in recent years than in the United States as a whole. The number per 100 people has increased steadily in Larimer County from 19.6 in 1920 to 39.3 in 1929; in Colorado from 11.9 in 1920 to 28.6 in 1929; and in the United States from 7.6 in 1920 to 22.2 in 1929. The figures for these and intervening years are given in Table 15.

TABLE 15.—RELATION OF THE NUMBER OF MOTOR VEHICLES IN USE TO THE POPULATION, LARIMER COUNTY, COLORADO, AND THE UNITED STATES

Year	Number in Use per 100 People			Number of People per Vehicle		
	Larimer County	Colorado	United States	Larimer County	Colorado	United States
1920	19.6	11.9	7.6	5.1	8.4	13.2
1921	24.4	13.5	8.7	4.1	7.4	11.5
1922	23.2	14.6	9.6	4.3	6.8	10.4
1923	25.8	16.4	11.4	3.9	6.1	8.7
1924	31.2	18.4	13.4	3.2	5.4	7.5
1925	33.7	19.7	14.6	3.0	5.1	6.8
1926	34.3	21.0	16.2	2.9	4.8	6.2
1927	37.5	21.9	17.3	2.7	4.6	5.8
1928	37.6	26.2	20.6	2.6	3.8	4.9
1929	39.3	28.6	22.2	2.5	3.5	4.8

The map of page 43 shows the location and type of roads in each road district.

The mileage of different kinds of roads is given in Table 16. It shows that 3.8 percent of the total mileage was federal aid, 11.9 percent state highway, and 84.3 percent county road.

Increased Expenditures for Highways.—Highways account for a major portion of the increase in county taxes and floating debt, but nothing in the signs of the times indicates any recession in highway activity. As motor vehicles increase in number the people will demand more, better and wider highways.

TABLE 16.—MILEAGE AND CHARACTER OF ROADS IN LARIMER COUNTY

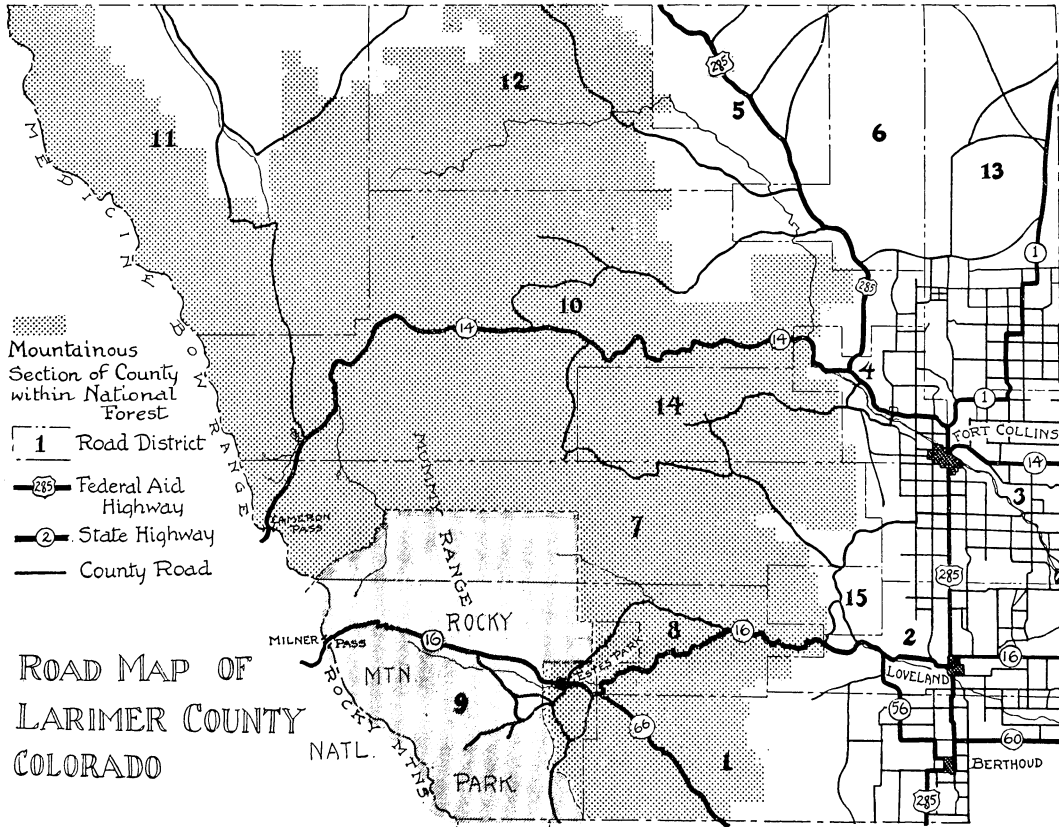
Highway No.	Location	Character	Mileage	Expenditure per Mile in 1928 ¹ by Larimer Co.
Federal Aid				
285	Denver-Laramie.....	22.6 mi. paved 38.4 mi. gravel	61	
State Highway				
14	Poudre Canon.....	gravel	69	\$611
16	Big Thompson Canon.....	gravel	45	884
66	Estes Park-Lyons.....	gravel	12	435
1	Fort Collins-Cheyenne.....	gravel	41	362
60	East Campion.....	gravel	3	10
56	Berthoud Cutoff.....	gravel	10	16
7	South St. Vrain.....	gravel	10	.....
	Total State Highway.....		190	
	County roads.....		1,350	\$165
	Grand total.....		1,601	

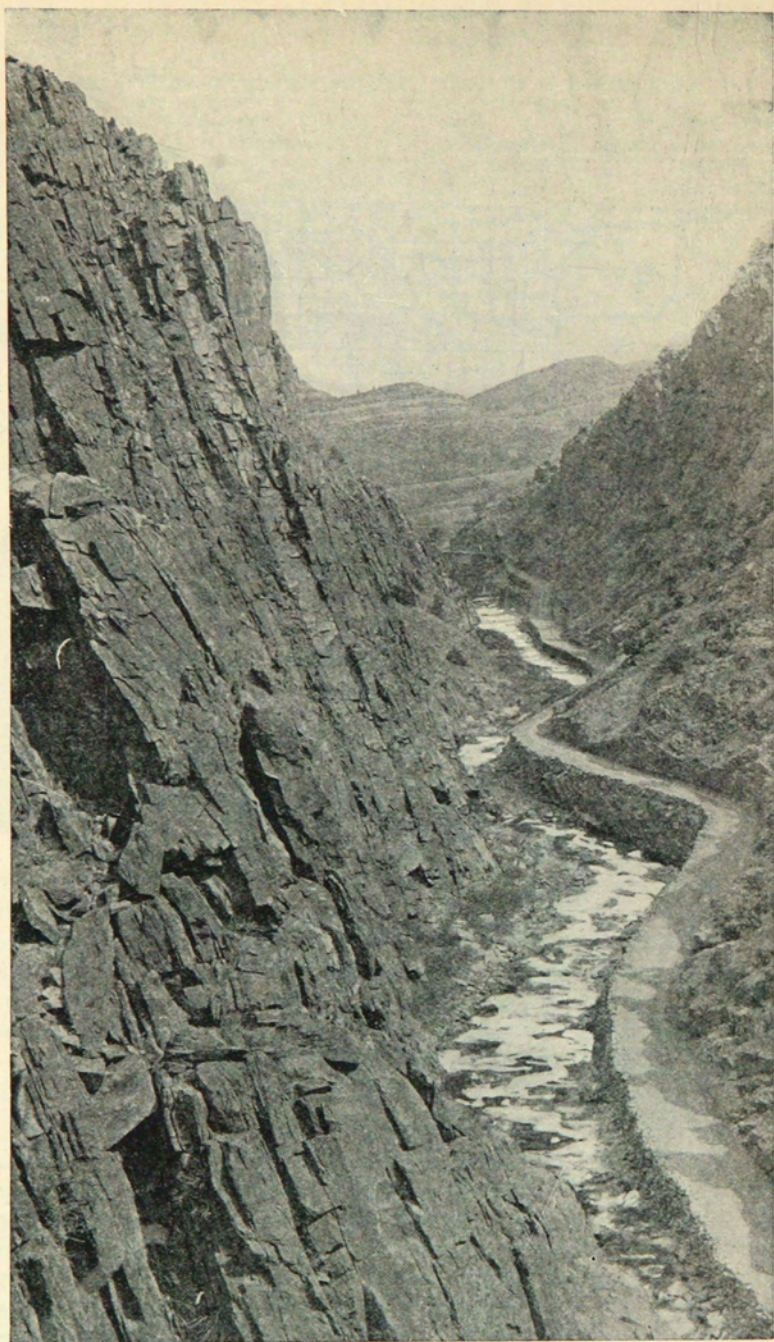
An analysis of the road and bridge receipts and expenditures for 1928 shows that a total of \$247,947.18 was collected from different sources. Two-thirds of the receipts came from local property taxation. The rest came from gasoline tax, motor vehicle licenses, state highway, fines, Forest Service remittances and miscellaneous sources. Table 17.

A total of \$1,802,970 was spent on roads in Larimer County in the past 5 years. This is an average of \$360,594 per year. The warrants issued for road and bridge expenditures in 1928 amounted to \$407,620.62. This amount was distributed as follows: County roads, \$167,487.06; state highways, \$78,178.79; special road projects, \$10,447.88; and general road expense including garage, trucks, machinery and supplies, \$151,506.89. These large expenditures left a deficit at the end of the year amounting to \$159,673.44. Table 17.

The amount of money that was spent on each road district, state highway and project is shown in Table 18. In this table the general road fund is distributed according to the method used by the highway department. This shows that \$65,706 in the road fund was undistributed to the different types of road. With a good system of accounts this overhead would be distributed to the various roads either on a mileage basis or on a volume-of-expenditures basis.

¹Excluding undistributed general road expenditures of \$60,306.43. The expenditures include capital outlay in addition to operating expense.





Farmers are taxed to build and maintain the Big Thompson road leading to the Rocky Mountain National Park which is used largely by tourists and city dwellers in Colorado

TABLE 17.—SUMMARY OF ROAD RECEIPTS AND EXPENDITURES, LARIMER COUNTY, 1928¹

Road and Bridge Revenue:	Amount
Taxes, current property.....	\$163,599.20
Taxes, delinquent.....	1,162.82
Gasoline tax.....	27,000.74
Motor vehicle licenses.....	31,310.18
State highway maintenance.....	14,882.65
Fines.....	1,170.08
Forest reserve.....	6,179.79
Miscellaneous.....	2,641.72
Total receipts.....	\$247,947.18
Expenditures:	
County road districts.....	\$167,487.06
State highways.....	78,178.79
Special road projects.....	10,447.88
General road (truck labor, garage) expense, road machinery, and supplies.....	151,506.89
Total expenditures.....	\$407,620.62
Deficit, 1928.....	\$159,673.44

Table 18 shows that of the total expenditures, 54.5 percent was expended on county roads; 26.1 percent on state highways; 16.1 percent on undistributed general road expenditures for supervision, machinery and supplies; and 3.3 percent on special projects.

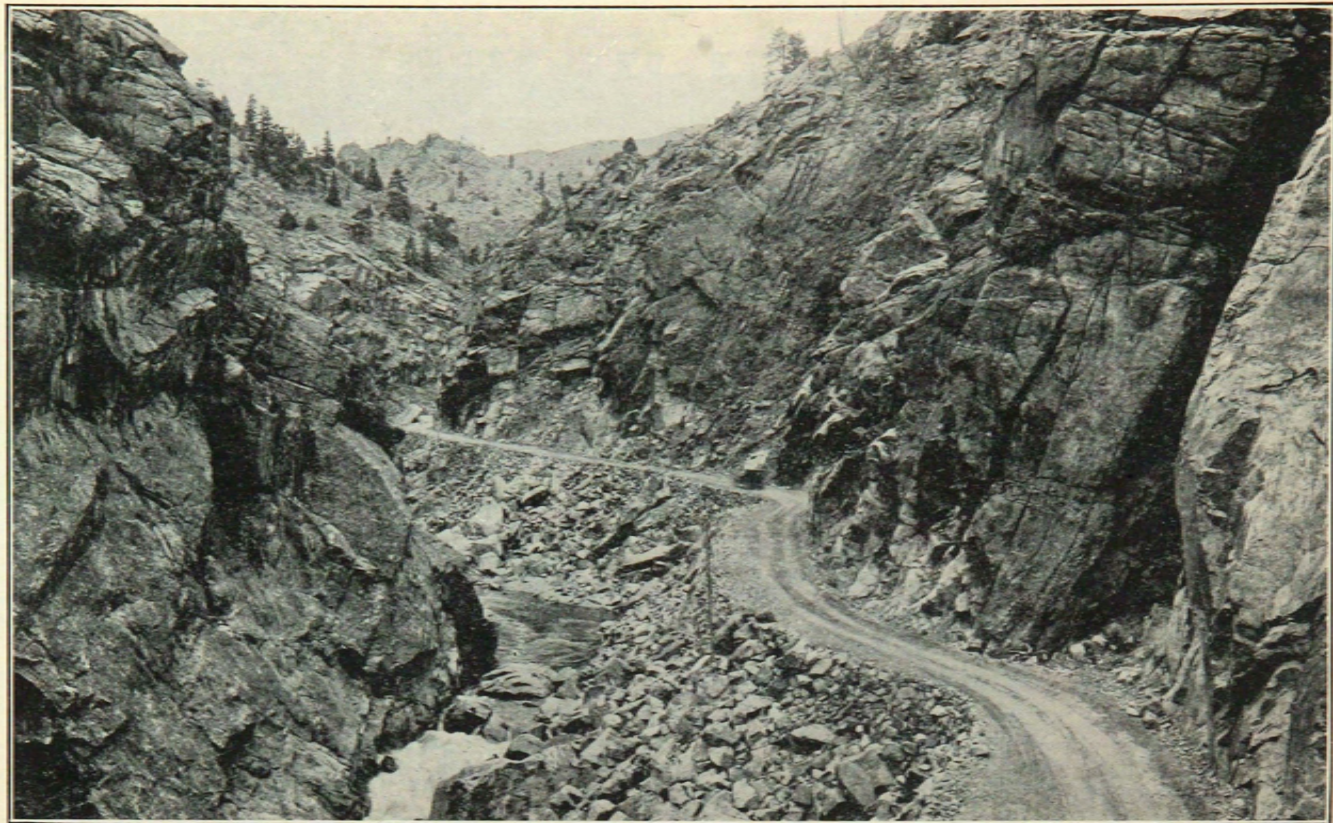
Expenditures show that 26.1 percent of the funds were spent on state highways which only comprise 11.9 percent of the total road mileage in the county. County roads comprise 84.3 percent of the mileage and only receive 54.5 percent of the funds.

Cost Per Mile High on Mountain Roads.—The number of miles in each district was estimated by the county engineer since no record is kept by the county. Using an estimate of 1,350 miles of county highway gives an average expense of \$165 per mile for 1928. The expenditures on the Fort Collins-Cheyenne road amounted to \$362 per mile, the Poudre Canon road \$611 per mile, the Loveland-Greeley-Estes Park road \$884 per mile, the Berthoud cut-off \$16 per mile, the East Campion road \$10 per mile, and the Lyons-Estes Park road \$435 per mile.

Expenditures on the mountain roads are extremely heavy in spite of the fact that they do not include \$65,706 of undistributed general road fund.

Distribution of Expenditures According to Type of Work Performed.—The amount spent for maintenance, surfacing, bridges, earthwork, rockwork, drains and culverts, supervision, and stock (supplies, truck use, lumber, pipe, etc., distributed from the general road expense) is shown in Table 19.

¹Auditor's Report and records of county commissioners' office.



Larimer County spent \$611 per mile on this Cache la Poudre canon road in 1928, which is used largely by tourists and city residents

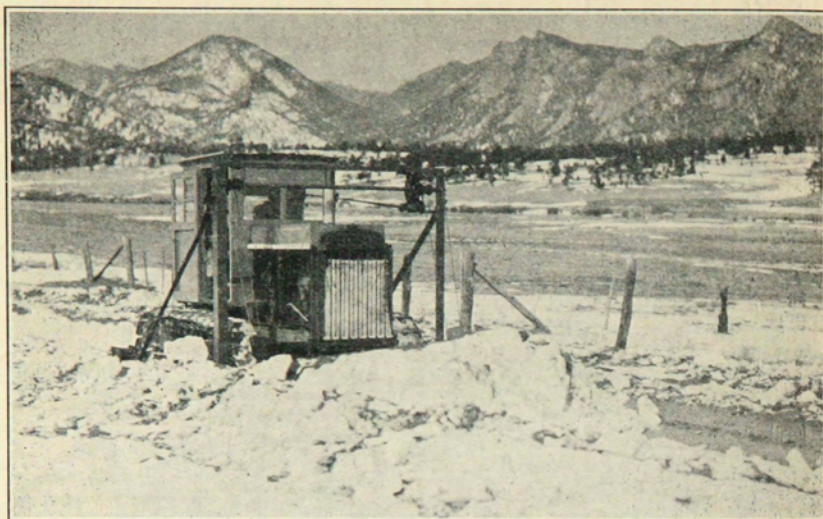
TABLE 18.—ROAD AND BRIDGE EXPENDITURES DISTRIBUTED TO DISTRICTS, STATE HIGHWAYS AND SPECIAL PROJECTS, LARIMER COUNTY, 1928¹

Purpose of Expenditure	Warrants Issued Directly	Stock Charged from General Roads	Total Road Expense	Percentage Distribution
County road district:				
1.....	\$ 18,451.72	\$ 8,685.15	\$ 27,136.87	
2.....	23,027.49	13,559.78	36,587.27	
3.....	43,134.01	14,818.84	57,952.85	
4.....	16,870.12	1,631.34	18,501.46	
5.....	629.65	20.20	649.85	
7.....	7,128.81	995.90	8,124.71	
8.....	2,139.73	257.48	2,397.21	
9.....	15,521.13	1,502.72	17,023.85	
10.....	6,574.46	2,212.51	8,786.97	
11.....	3,881.76	66.40	3,948.16	
12.....	2,894.22	168.05	3,062.27	
13.....	24,548.29	10,893.85	35,442.14	
14.....	2,685.67	26.95	2,712.62	
Total county roads.....	\$167,487.06	\$ 54,839.17	\$222,326.23	54.5
State highway number:				
1.....	\$ 9,159.46	\$ 5,683.13	\$ 14,842.59	
14.....	29,798.94	12,344.69	42,143.63	
16.....	30,541.66	9,216.76	39,758.42	
56.....	165.81	.....	165.81	
60.....	32.00	.....	32.00	
66.....	4,474.79	750.75	5,225.54	
123.....	4,006.13	53.45	4,059.58	
Total state highway.....	\$ 78,178.79	\$ 28,048.78	\$106,227.57	26.1
Special road projects.....	\$ 10,447.88	\$ 2,912.51	\$ 13,360.39	3.3
General road expenditures				
undistributed.....	.....	\$ 65,706.43	\$ 65,706.43	16.1
Grand total.....	\$256,113.73	\$151,506.89	\$407,620.62	100.0

TABLE 19.—PERCENTAGE DISTRIBUTION OF EXPENDITURES ON ROADS AND BRIDGES, LARIMER COUNTY, 1928¹

	Percentage
Maintenance and dragging.....	23.3
Surfacing.....	30.8
Bridges.....	7.6
Earthwork.....	1.4
Rockwork.....	5.6
Drains and culverts.....	1.1
Supervision.....	4.2
Snow removal.....	1.1
Stock (machinery and supplies).....	24.9
	100.0

¹Records from office of county commissioners. See map for location of districts and highways.



Snow removal on Estes Park highway—a new service demanded by the taxpayers

The items of expense included in the general road expenditures are shown in Table 20.

TABLE 20.—DISTRIBUTION OF GENERAL ROAD EXPENSE, LARIMER COUNTY, 1928¹

Trucks.....	\$ 19,037.39
Drivers and mechanics.....	11,214.47
Engineering department.....	5,556.32
Garage expense.....	2,498.25
Machinery and supplies.....	75,122.57
Lumber.....	10,600.14
Pipe.....	2,823.21
Gas and oil.....	14,214.96
Steam shovel.....	238.57
Right-of-way.....	2,621.79
Miscellaneous.....	7,579.22
Total.....	\$151,506.89

A detailed statement of some of the more prominent items of road equipment purchased by the county commissioners is given in Table A in the appendix to give an idea of how money was spent. No records of any kind are kept concerning the cost of operating any of this equipment, and no inventory or stock record is kept to show the final destination of the equipment.²

¹Records from office of county commissioners.

²Records were installed in 1929 which now give part of this information.

County Commissioners Divide Responsibility for Roads

Larimer County is divided into 15 road districts under the general supervision and control of three county commissioners. Each of the three commissioners personally oversees the road work in one-third of the county. One commissioner has supervision over road districts 4, 5, 6, 10, 11, 12 and 14; another looks after districts 1, 2, 8, 9 and 15; and the third commissioner has charge of districts 3, 7 and 13.

While this practice has something to commend it and has proved successful in some instances, it produces divided authority, makes patchwork of the roads and is not ordinarily desirable. Would not one full-time administrator be worth more than a dozen part-time commissioners?

The county road supervisor should be a trained road man and a good executive, who is absolutely free from political obligations. He should be selected solely on the basis of merit and, having been appointed, should be given considerable latitude in his actions. He should be permitted to select his own assistants without regard to their political affiliations. So far as possible the supervisor should work in harmony with the county commissioners, departing from their counsel only when his greater technical knowledge convinces him that they are wrong. The commissioners should determine matters of policy and he should execute their orders in the most efficient manner possible.

The county supervisor should provide himself with a complete set of county maps showing the location of all roads by class and type. Other maps should indicate present roads and plans for future construction. The mileage of the different types of roads in the county should be available. Other maps should indicate traffic conditions, traffic counts and other needed information. At present no such maps are available.

The supervisor should also check the delivery of all road supplies and keep a perpetual inventory of road machinery and materials. It should be his duty to verify all payrolls and all other road expenditures.

A county with as much construction to do as this county should employ an experienced road engineer with necessary assistants.

The proper maintenance of roads already built is highly important. Because of poor management counties have often failed to keep up their new roads. This is a mistaken form of economy. It would be better to build fewer miles of new road than to neglect those already built.

The public business of providing highway service for these fast-multiplying automobiles and trucks, thru the development of highway systems, has become an important industry. Successful management of this public industry is fundamentally similar to the management of private business, requiring: (1) Sound analysis of the demand for the product; (2) efficient production methods; and (3) proper financing. At present Larimer County is not meeting all of these requirements.

The development and improvement of a highway system to meet traffic demands within the normal limitations of funds require careful planning over a period of years. Plans must be made at the present time to meet future traffic demands, and improvements must be made so as to provide adequate service thru-out the life of the highway or bridge.

The demand for highway service can be measured only by an accurate and comprehensive study of the present traffic, its volume and type, upon which prediction of future traffic must be based.

To meet this purpose the following specific information is needed in Larimer County:

1. The relative importance of the highway systems within the county as a basis for determination of the need for their improvement and the distribution of funds among the systems.

2. Classification of highway routes and sections of routes on the basis of the volume and characteristics of present and expected future traffic, involving: (a) Average, maximum and future total traffic and truck traffic; (b) present and future number of small, medium and large-capacity trucks; (c) present and future maximum loading and frequency of heavy gross loads and wheel loads; (d) present and expected future special traffic movements; and (e) present and future number of foreign (out-of-county) registered cars.

3. Establishment of a plan of highway improvement for a period of several years.

County Should Spend Its Road Money Logically

As a suggestion for the allotment of available money to various classes of roads, the principle may be laid down that each vehicle is entitled to have spent upon the road it travels the pro-rata share of the highway funds that it supplies by gasoline or other taxes. This principle will call for expenditures to be allotted on the highways according to the traffic. For practical application, the county road system should be divided into groups according to the traffic density, and all road building and maintenance co-ordinated into one plan.



One and one-half million dollars worth of sugar beets were hauled over Larimer County farm-to-market roads in 1928

This grouping naturally calls for a traffic survey of the county, but it is believed that in order to build a highway system adequately and economically, a traffic survey is essential, so that the flow of traffic may be known and properly provided for. A comprehensive traffic survey would naturally classify the roads on a basis of their potential traffic rather than on the actual traffic count prior to improvement. Highway planning of today must be made with traffic requirements of the future in mind. The proportion of the total traffic on each group will give a basis for allotting the highway funds. Such a survey might save years of haphazard planning as well as several thousand dollars to the county's taxpayers.

The Cost of Roads in Larimer County Too High for Local Taxpayers to Bear

A traffic survey of the roads of Larimer County will show that a good share of them are no longer local roads. In nearly every instance our improved roads are a part of some system of highway that extends from one border of the state to the border line on the opposite side of the state, or it is a link in a nationwide highway.

These roads should be built and maintained as a state-wide proposition and this should be purely a state operation. In addition the state should aid the county in building up a secondary or lateral system of highways.

The support that comes from the state and federal sources should be proportioned to the present use of the highways and should anticipate greater future use especially of our mountain

roads by those outside of the local community. Roads which should receive more aid from state and federal sources are the Big Thompson road, the Lyons-Estes Park road and the Poudre Canon road.¹

Justice in taxation requires that a part of the burden now borne by farm property in Larimer County to build and maintain these roads should be transferred to other sources of income and that a larger part of the total revenue for this purpose be obtained from taxes levied on larger territorial units.

Present System of Highway Accounts Inadequate

An accurate measure of expenditures for highway purposes in Larimer County is practically impossible because of lack of mileage records of highways in each district and lack of segregation of expenditures on each type of road.

Larimer County has charged all capital outlay expenditures to the operating costs of the year in which the expenditures were made. Under this system of accounting, the county makes expenditures for capital outlay year after year and makes no ledger account of property so accumulated. It is therefore impossible to make comparisons of operating costs from year to year because capital expenditures vary greatly. Much of the work classed as maintenance should in reality be charged to new construction.

Property account records should be kept for each district in order to show true operating costs. It is suggested that the county commissioners of Larimer County study the system of accounting used by El Paso County. The auditor's report for El Paso County for 1928 gives a great deal of information concerning the roads, practically none of which is available in an intelligible form in Larimer County. For example, (1) separate accounts are kept for each truck and tractor, (2) garage expense is segregated and (3) detailed records are kept of all equipment.

Summary of Section on Highways

Road development has reacted to the benefit of the county, and as good roads were extended, transportation and commerce have shown increases. Farm conditions have improved and property values have been enhanced.

The motor registration increased until there was one motor vehicle for each 2.5 persons in 1929 compared with 5.1 in 1920.

¹On December 3, 1929, in a talk before the Kiwanis Club of Fort Collins, the writer pointed out that it was unfair to ask Larimer County to build and maintain a highway to the Government parks used extensively by tourists and out-of-county residents.

On December 5, 1929, representatives of the Chambers of Commerce of cities of northern Colorado in a joint meeting in Fort Collins took immediate steps to find a way of making the Big Thompson Canon road a 100 percent federal road to the Rocky Mountain National Park.

Larimer County has 1,601 miles in the road system classified as follows: Federal aid, 61 miles; state highway, 190 miles; and county roads, 1,350 miles.

The total highway receipts were \$247,947.18 and total expenditures \$407,620.62, leaving a deficit of \$159,673.44 for 1928.

The expenditure per mile for some of the more important roads in 1928 was as follows: Poudre Canon, \$611; Big Thompson, \$884; Estes Park-Lyons, \$435; Fort Collins-Cheyenne, \$362.

The county needs to make a traffic study in order to spend its road money logically, and in order to save years of haphazard planning for the future.

It is suggested that the county commissioners place the entire highway system under the supervision of a capable road supervisor, selected solely on merit, who will be permitted to select his own assistants such as the engineer, district road supervisors and other assistants.¹

CHARITIES, HOSPITAL AND COUNTY-FARM EXPENDITURES

Outside Poor Relief

Outside poor relief is given to persons who remain in their home rather than in an institution and is authorized primarily where the person requires temporary relief, is sick or disabled thru injury or age, so that he cannot be conveniently cared for at the county home or hospital.

There are many occasions when it is more humane as well as more economical to grant outside aid than to attempt to keep the persons at the county home. This is especially true in the case of old people who have friends or children willing to give them care but who are financially unable to support them, and in the case of dependent widows with minor children.

The average number of cases receiving aid during the year is about 150, increasing to 300 during the winter and early spring.

Expenditures for the poor have risen rapidly and the problem of caring for the poor is becoming increasingly serious. Outside poor expenditures increased from \$13,896 in 1924 to \$33,138 in 1928, or an increase of 138 percent. Expenditures for 1924 to 1928 are shown in Table 21.

¹Attention is called to an excellent report on "Road Cost Accounting Plan for Solano County, California," California Taxpayers' Association, Los Angeles, California.

TABLE 21.—OUTSIDE POOR EXPENDITURES IN LARIMER COUNTY, 1924 TO 1928¹ (ON THE BASIS OF WARRANTS ISSUED.)

Year	Amount	Percentage Increase Over 1924
1924	\$13,896	....
1925	18,910	36
1926	21,856	57
1927	26,365	90
1928	33,138	138

There are several causes for the increase. The increase in the sugar-beet acreage has brought in a larger number of Mexicans, many of whom become a charge upon the county, especially during the winter season.

In some cases the husband or son who is depended upon to support the family is sent to jail or the state penitentiary and as a result the family becomes dependent upon the county for help. Work of some sort needs to be supplied such prisoners so that they can help support their families. This problem has been recognized by the commissioners, but the solution is extremely difficult.

The tendency is for a case to become a permanent charge upon the county after once receiving help. It seems that a certain type of people does not hesitate to ask the county for aid and it is extremely difficult to eliminate these cases. Primarily it is a problem of good administration and requires that the officer in charge of the poor fund have a complete history of every case seeking aid from the county.

Relief has often been granted to those who have near relatives well able to care for them. The solution to this problem is to find some method of forcing relatives to provide help.

Another abuse that should be corrected is the practice of granting cash payments which are often wasted for unnecessary things instead of the proper food or clothing. The willingness of great numbers to accept cash contributions suggests that their requests for aid are not always deserving. At present the quality of the goods furnished is left to the discretion of the merchant selling them. A ticket or order system calling for a certain definite amount and quality of supplies should replace this system in many instances.

Many non-residents who come to Colorado in order to recover their health have small financial resources and soon require aid from the county.

¹Auditor's Report.

It is evident that the dispensing of outside poor relief is likely to be accompanied by a great deal of wastefulness unless there is very careful supervision. Each case needs to be thoroly investigated before aid is granted. A case worker who could cooperate with all the welfare organizations in the county and exchange records of all persons receiving aid would help to keep the expense down. The large expenditures justify a full-time trained worker.¹

A well-planned and ably directed budget would be of considerable assistance in keeping down the expenditures in this department.

A serious attempt should be made to provide employment for the unemployed. A great deal of effort should be made to discover and remove, if possible, the sources of poverty. Tax-payers should cooperate with county officers in solving these problems thru different organizations. A welfare worker should search out and render assistance to those who are likely to become public charges later. Rehabilitation work should be encouraged and an opportunity given to learn a trade where it is needed so that one may become a self-supporting member of society instead of depending upon the county for support.

Larimer County Hospital

Larimer County has an excellent hospital built in 1925 at a cost of approximately \$175,000, with a present value of \$225,000. It is the only hospital in the county² and therefore provides for cases other than charity cases. From 70 to 75 percent of the cases are pay patients, so called to distinguish them from the charity cases. The hospital was built and is supported by the tax-payers. The county home is operated in connection with the hospital so it is therefore difficult to segregate expenses. The practice is to charge all expenses against the hospital and to make certain flat charges against the home in order to show its share of the expense.

The annual expenditures for the hospital and home from 1924 to 1928 are given in Table 22.

TABLE 22.—LARIMER COUNTY HOSPITAL AND HOME EXPENDITURES,
1924-1928³

Year	Amount
1924.....	\$15,682
1925.....	16,376
1926.....	51,903
1927.....	65,754
1928.....	70,091

¹During 1929 the county provided an official who devotes practically all of his time to the administration of outside relief during the winter months and part time to it during the summer.

²Two small private hospitals were recently established in Loveland in 1929 with a bed capacity of 6 beds each.

³Auditor's Report.

Altho the foregoing figures indicate a large increase in expense it must be remembered that the net expense to the county did not show such a large increase because the earnings received from pay patients after 1925 offset part of the expense.

The pay patients more than pay their way so far as the operating expense of the institution is concerned. The expense of pay patients as shown in the hospital reports and the auditor's report, however, does not include a charge for interest on investment or make an allowance for depreciation on the building. When these charges are included as part of the total expense the result shows a loss of \$3,955.

Rates Charged for Hospital Service.—The problem of providing hospital care to the citizens of Larimer County is largely a question of cost. To the patient, of course, the price charged for hospital care is a matter of extreme importance. The hospital is also concerned in this matter, for no institution can ignore the relation of income to expenditures.

Hospital charges are of two sorts: First, the daily or basic rate for room or for bed, including food, nursing and such services as the hospital provides under general care; second, extra or special-service charges.

The basic daily rates charged for beds in various types of accommodations are shown in Table 22a.

TABLE 22A.—THE RATES CHARGED FOR HOSPITAL SERVICES FOR PAY PATIENTS, LARIMER COUNTY HOSPITAL, JULY 1, 1929

Private rooms.....	\$ 5.00 per day
Two-bed rooms, each bed.....	4.00 " "
Wards.....	2.50 " "
Operating room.....	15.00 major
Operating room.....	7.50 minor
X-Rays as per schedule, State Compensation Insurance Fund.	
Casts—body.....	7.50 each
Casts—limb.....	5.00 " "
Ambulance.....	.25 per mile
	No charge less than \$5.00
Maternity cases:	
Ward beds.....	\$ 4.00 per day
Two-bed rooms.....	5.25 " "
Private rooms.....	6.25 " "
This includes delivery room charges, care of baby and use of baby clothes.	
Operating room charges include ether, dressings, sutures, nurses, etc.	
X-ray pictures include up to three pictures.	

The earnings from pay patients and expenses for the year 1928 were as follows:

Earnings.....		\$41,594.38
Operating expenses.....	\$35,302.80	
Accounts charged off.....	2,161.09	37,463.89
		<hr/>
Surplus earnings over operating expense.....		\$ 4,130.49

The earnings of pay patients in 1927 was \$36,135 and the operating expense \$33,370.

The cost to the county for hospital care of county charity patients for 1928, taken from the auditor's report, is as follows:

Operating expense county patients.....		\$16,078.63
Less		
Collections.....	\$ 685.90	
Surplus earnings pay patients.....	4,130.49	4,816.39
		<u>4,816.39</u>
		\$11,262.24

The average number of pay patients per day was 26 and county patients 11, a total of 37.

In 1928, 70 percent of the cases were pay patients. Seventy percent of the total cost, including interest on investment and depreciation, amounted to \$45,549. The total earnings from pay patients amounted to \$41,594, leaving a deficit of \$3,955 to be paid by taxpayers. An increase of approximately 10 percent¹ in rates would cover the actual cost, including interest and depreciation, of caring for pay patients and take care of many accounts which are charged off annually because of non-payment by pay patients.

The other alternative is to reduce costs thru better management or by increasing the bed capacity of the hospital so as to take advantage of a reduction in cost due to a lower overhead cost per patient. The present heating plant and kitchen will take care of another wing addition. The hospital was built in the first place to serve the people and to give as many people as possible good

¹An increase of \$1.00 a day in rates charged at the Larimer County Hospital was approved, effective Oct. 15, 1929, since this section was written. The new rates are as follows:

		Percentage Increase
Private rooms.....	\$ 6.00 per day	20
Two-bed rooms.....	5.00 " "	25
Ward beds.....	3.50 " "	40
Operating room.....	15.00 major	none
Operating room.....	7.50 minor	none
Maternity cases:		
Private room.....	7.25 per day	16
Two-bed room.....	6.25 " "	19
Ward beds.....	5.00 " "	25
Babies under 1 year.....	3.50 " "	....
Contagious hospital:		
Ward beds.....	6.00 per day	
Special nurse.....	8.00 " "	
Fees for routine laboratory tests:		
Obstetrical case.....	1.00	
Tonsil case.....	1.00	
Medical case.....	3.50	
Surgical case.....	5.00	

The 1929 auditor's report shows surplus earnings of only \$1,463.49 or \$2,667 less than in 1928, when the low rates were in effect.

hospital service at a low cost. It would probably be a good investment to enlarge the present hospital and also the home if some practical method can be found to finance the cost of building the addition.

The county as a whole ranks rather low in hospital facilities when ranked on the basis of hospital beds. The average for the United States in 1928 was one hospital bed for every 134 people.¹ The average for Larimer County in 1928 was one bed for 744 people. This indicates that the county can stand a considerable increase in hospital facilities.

According to the superintendent of the hospital the present institution is overcrowded. The present capacity of the hospital is 40 beds. The hospital does not have sufficient bed capacity so that any particular section may be set aside for any special class of cases. Hence many patients who are able to pay their hospital expense must of necessity be placed in the ward at the minimum rate, at which rate the county is losing at least \$1.00 per day.

The following statement gives the hospital operating cost per patient per day for the last 4 years.

TABLE 23.—HOSPITAL OPERATING COST PER PATIENT PER DAY, 1926 TO 1929²

	1926	1927	1928	1929
Average number of patients per day.....	25	34	37	40
Average operating cost per patient.....	\$3.58	\$3.55	\$3.80	\$3.84

The cost of meals ranges from 18 to 24 cents per meal.

Hospital service is expensive, and developments in medical science and hospital management may add new elements of cost. It is possible, by increased efficiency of administration, to reduce costs somewhat. It is also possible to equalize the burden of hospital costs or to lessen their impact upon individual patients by readjusting the services, making changes in structure and administration in order to provide facilities better adapted to the needs of patients of moderate means.

Table 24 gives the hospital earnings and expense in detail for 1928 and per institutional day.

Table 24 shows that the total expense, including interest on investment and depreciation supplied by the writer, amounted to \$65,070.43. The total earnings from pay and county patients cred-

¹The committee on the cost of medical care, "Medical Facilities in the United States," Washington, D. C., 1929.

²Auditor's Report.

TABLE 24.—COUNTY HOSPITAL EARNINGS AND EXPENSE, 1928¹

		Cost and Earnings per Institutional Day
Earnings:		
Hospital service.....	\$42,639.50	\$3.15
Operating room.....	7,239.50	.53
X-Ray.....	1,089.50	.32
Board special nurses.....	842.30	
Ambulance.....	706.00	
Drugs, dressings, etc.....	413.77	
Contagious ward.....	1,077.50	
Zoalite.....	177.00	
Splints and casts.....	99.00	
	\$54,284.07	\$4.00
Operating expense:		
Salaries—		
Nurses.....	\$16,358.41	\$1.21
Operating room.....	1,684.26	.13
Administration.....	1,200.00	.09
Labor.....	2,049.48	.15
Office.....	599.12	.04
	\$21,891.27	\$1.62
Expenses—		
Operating room.....	\$ 797.66	.06
X-Ray.....	168.53	.01
Repairs.....	1,076.50	.08
Drugs, medical supplies.....	2,327.51	.17
Telegraph and telephone.....	323.06	.02
Light, heat and power.....	3,736.49	.27
Linens.....	612.66	.05
Food.....	13,119.95	.97
Laundry.....	4,644.68	.34
Water.....	82.57	.01
Office.....	436.42	.03
Household supplies.....	468.27	.04
Ambulance.....	69.88	.01
Printing and stationery.....	262.60	.02
Contagious ward.....	893.05	.06
Nurses' cottage.....	721.32	.05
Residence.....	203.04	.01
Grounds.....	93.20	.01
Collection expense.....	99.18	.01
	\$30,136.57	\$2.22
Total operating expense.....	\$52,027.84	\$3.84
Accounts charged off.....	\$ 2,161.09	.16
Interest on bonds.....	7,881.50	.58
Depreciation on buildings.....	3,000.00	.22
Total expense.....	\$65,070.43	\$4.80
Deficit.....	\$10,846.36	

¹Cost per institutional day, interest and depreciation calculated by the writer; other figures from auditor's report.

ited to the hospital were \$54,284.07, leaving a deficit of \$10,846.36. If interest and depreciation are excluded from the above figures the result shows that earnings practically offset expenses.

The last column in the table shows the institutional cost per day or the cost of 1 patient for 1 day. There is 4 cents difference between the writer's operating cost figure and that reported by the auditor, due to the method of calculating the cost. The total cost amounted to \$4.80 per patient, including all charges. The cost of nursing amounted to \$1.21 per patient; medical supplies amounted to 17 cents; and the cost of food 97 cents per day.

It is recommended that a careful study be made of the needs of the hospital with the view of ascertaining the advisability of having a county central purchasing department handle all the purchasing requirements of the hospital, in order to bring about the greatest efficiency and savings to the taxpayer.

It seems reasonable to believe that costs could be reduced if the superintendent of the hospital could be selected from men trained for hospital work rather than for some business or profession, even if the county had to pay a higher salary. The hospital superintendent should be selected on a merit basis only, regardless of his political affiliations.

County Home.—The operating expense of the home for the period was \$12,147.37. Deducting the cash receipts, \$282.70, leaves a net expense of \$11,864.31.

The average number of inmates was 23.5 and the average cost per inmate per day was \$1.38.

COUNTY HOME EXPENSE

Operating expense:	
Salaries.....	\$ 2,501.92
Clothing.....	113.62
Tobacco.....	167.84
Repairs.....	101.45
Medical supplies.....	38.24
Telephone.....	55.00
Light and heat.....	1,490.68
Food.....	6,456.53
Laundry.....	438.82
Water.....	81.12
Barber.....	131.00
Household supplies.....	227.57
Residence.....	193.34
Grounds.....	90.35
Miscellaneous.....	59.89
	<hr/>
	\$12,147.37
Collections.....	\$ 282.70

Poor Farm.—The receipts from sales together with the farm products used in the hospital amounted to \$3,887.25. The operating expense was \$3,233.86, leaving a surplus for the year of \$653.39.

COUNTY POOR FARM: EARNINGS AND OPERATING EXPENSE, 1928

Sales:	
Calves.....	\$ 132.10
Milk.....	1,613.40
Hogs.....	436.26
Chickens.....	305.49
Eggs.....	491.05
Apples.....	469.60
Produce.....	12.10
Crop rents.....	427.25
Total.....	<u>\$3,887.25</u>
Operating expense:	
Salaries.....	\$1,284.05
Cow feed.....	705.70
Chickens and chicken feed.....	383.43
1928 chicks.....	300.86
Hogs and hog feed.....	134.65
Fruits and produce.....	168.67
Repairs.....	37.01
Water.....	24.71
Tools.....	42.83
Truck.....	41.40
Calves.....	3.35
Miscellaneous.....	106.20
Total.....	<u>\$3,232.86</u>
Surplus before interest or depreciation charges.....	\$ 653.39

Summary

Expenditures for the outside poor have risen 138 percent since 1924 and the problem has become serious.

It would probably be a good investment to enlarge the present hospital and hire a superintendent trained in hospital work in order to reduce the costs and relieve the present overcrowded condition.

The county ranks rather low in hospital facilities when ranked on the basis of persons per hospital bed.

The operating cost per patient per day amounted to \$3.84 while the total cost, including interest and depreciation, was \$4.80 in 1928.

Approximately 70 to 75 percent of the patients are pay patients.

The pay patients more than pay the operating costs, but show a small loss when depreciation and interest on investment are included.

The county commissioners recently raised the rates from 20 to 40 percent on pay patients, with the idea of increasing the returns from pay patients.

Returns from pay patients show a decrease in surplus earnings for 1929 due to the present high rates, indicating that present rates are too high.

LARIMER COUNTY INDEBTEDNESS

Bonded Indebtedness

Property owners of Larimer County faced a bonded indebtedness on January 1, 1929, of \$4,292,810 in county, school district and municipal bonds, or an average of \$144 for every man, woman and child in the county.

The bonded indebtedness in Colorado on January 1 was \$107,783,076, or an average of approximately \$100 per capita. Figures for other counties compared with Larimer County are as follows:

TABLE 25.—COMPARISON OF BONDED INDEBTEDNESS IN FOUR COUNTIES IN COLORADO, JANUARY 1, 1929¹

Kind of Indebtedness	Larimer	Pueblo	El Paso	Weld
County general.....	\$ 175,000	\$ 75,000	\$ none	\$ none
School district.....	1,154,300	1,636,300	1,668,500	2,774,400
General municipal.....	2,207,000	635,000	4,092,000	1,150,000
Special municipal.....	756,510	3,631,000	364,100	245,550
Total.....	\$4,292,810	\$5,977,300	\$6,124,600	\$4,169,950

Table 26 gives the bonded indebtedness of Larimer County in detail, showing the amounts to be repaid for each dollar borrowed thru the levying of taxes.

Ultimate Cost of Bonds Should Be Considered.—A study of the bonded indebtedness of the county and school districts of Larimer County shows that there is a need for a broader understanding of the methods of financing school and county indebtedness. If the taxpayers of Larimer County realized, for example, that on the total of all county bonds there must be repaid \$2.12 for each dollar borrowed and on the total of all school district bonds there must be paid \$2.15 for each dollar borrowed, more attention would be given to this important subject and fewer bonds would be voted by the taxpayers who are directly responsible for the bonded indebtedness. The amounts to be repaid for each dollar borrowed thru the issuing of bonds should receive the attention of all taxpayers, as these figures show where a considerable portion of the county and district funds are being expended. Table 26 shows that the amount which must be repaid for each dollar borrowed varies from \$1.28 as a minimum to \$2.92 as a maximum on the 36 different bond issues.

¹State Board of Immigration, report 1928-1929.

How Interest Payments Can Be Reduced.—Taxpayers wonder how these heavy payments can be avoided. In many cases interest payments could have been reduced or avoided: (1) By taking care of the expenditures thru a slightly higher tax rate; (2) the cost could have been reduced by issuing serial bonds at reasonable rates with the redemption period starting within 2 years; (3) in other cases the bonds could have been provided with callable dates and redeemed during periods of prosperity; (4) bonds should be issued only in cases of unusual expenditures where this method of financing is shown to be desirable; (5) the school districts and county should, as far as is consistent, adopt the pay-as-you-go plan; (6) each proposed bond issue should be carefully considered and studied as one means of financing, and it should be compared with all other practical methods.

First of all, school districts and counties must know what qualities or features they need when issuing bonds. It is surprising how few districts give much thought to what kind of bonds they should issue. To issue bonds that really fit the individual needs of the county and school districts there must first be a searching analysis to determine what these needs are. For instance, the several terms, interest rates, the cost of the bond issue and the final cost to the taxpayers. Often it will pay school districts to defer action for uncertain changes in the bond market. Prices may or may not go lower or higher as the case may be. It might pay to issue short-term bonds with the idea of refunding the issue when conditions are more favorable.

Small Bond Issues Should Be Avoided.—Small bond issues which are for less than \$5,000 should be avoided, if possible, for the cost of legal opinion, election, printing, advertising, etc., is an added cost out of all proportion to the size of the loan. In Larimer County there were 7 small bond issues outstanding April 1, 1929. The interest rates are higher than the average on these issues and the amounts to be repaid for each dollar borrowed are much higher. Timnath, district 21, for example, issued bonds for \$2,500 at 6 percent running for 40 years which will cost the taxpayers of that district \$2.92 for each dollar borrowed or \$4,800 in interest alone. The improvements for which this bond issue was made, passed out of existence 20 years before the time came for redemption. Such small issues as these are certainly questionable methods of finance.

That the term of the bond should be confined to the life of the improvement is elementary. The life of the average bond should not exceed 20 years. Of course the principle has been much abused in practice as in the case cited.

TABLE 26.—THE BONDED INDEBTEDNESS OF LARIMER COUNTY AND SCHOOL DISTRICTS. THE AMOUNT TO BE REPAID FOR EACH DOLLAR BORROWED THRU THE LEVYING OF TAXES

Location	School District No.	Date of Issue	Amount of Bonds Issued	Amount of Bonds Retired	Amount Outstanding April 1, 1929	Date Last Bond is Due	Rate of Interest	Number Years Simple Interest	Amount Simple Interest	Number Years Serial Interest	Amount Serial Interest	Total Simple and Serial Interest	Amount Repaid On Each Dollar Borrowed	Optional Date
Loveland.....	2	1925	\$ 90,000	\$27,000	\$ 63,000	1935	4	.....	.....	10	\$ 79,200	\$ 79,200	\$1.88	serial
Mt. View.....	3	1919	14,000	.....	14,000	1939	5	20	\$ 14,000	.....	.....	14,000	2.00	1929
Fort Collins.....	5	1917	55,000	19,000	36,000	1937	5	20	55,000	.....	.....	55,000	2.00	1927
" ".....	5	1918	20,000	.....	20,000	1938	5	20	20,000	.....	.....	20,000	2.00	1928
" ".....	5	1921	18,000	.....	18,000	1951	5.5	30	29,700	.....	.....	29,700	2.65	1933
" ".....	5	1921	110,000	.....	110,000	1951	5.75	30	189,750	.....	.....	189,750	2.72	1932
" ".....	5	1923	68,000	.....	68,000	1953	4.75	30	96,900	.....	.....	96,900	2.42	1934
" ".....	5	1924	130,000	.....	130,000	1954	4.5	30	175,500	.....	.....	175,500	2.35	1939
" ".....	5	1924	200,000	.....	200,000	1953	4.5	10	90,000	19	85,500	175,500	1.88	serial
Berthoud.....	13	1920	85,000	8,000	77,000	1950	5	4	17,000	26	64,800	81,800	1.96	serial
Boxelder.....	15	1919	20,000	.....	20,000	1939	5	20	20,000	.....	.....	20,000	2.00	1929
Timnath.....	21	1909	2,500	500	2,000	1949	6	40	4,800	.....	.....	4,800	2.92	1929
Old Berthoud.....	22	1914	2,000	.....	2,000	1934	6	20	2,400	.....	.....	2,400	2.20	none
Red Rock.....	23	1916	4,000	.....	4,000	1936	5	20	4,000	.....	.....	4,000	2.00	1926
Estes Park.....	30	1915	20,000	.....	20,000	1945	6	30	36,000	.....	.....	36,000	2.80	1930
" ".....	30	1925	71,000	.....	71,000	1945	4.75	20	67,450	.....	.....	67,450	1.95	1935
Wellington.....	34	1916	28,000	.....	28,000	1946	5	30	42,000	.....	.....	42,000	2.50	1931
" ".....	34	1920	7,000	.....	7,000	1940	6	20	8,400	.....	.....	8,400	2.20	1930
" ".....	34	1924	4,500	.....	4,500	1934	5.5	10	2,475	.....	.....	2,475	1.55	none
" ".....	34	1925	61,000	.....	61,000	1955	4.75	16	46,360	14	20,613	66,973	2.10	serial
" ".....	35	1921	15,000	.....	15,000	1941	6	20	18,000	.....	.....	18,000	2.20	1931

TABLE 26.—THE BONDED INDEBTEDNESS OF LARIMER COUNTY AND SCHOOL DISTRICTS. THE AMOUNT TO BE REPAYED FOR EACH DOLLAR BORROWED THRU THE LEVYING OF TAXES—(Continued)

Location	School District No.	Date of Issue	Amount of Bonds Issued	Amount of Bonds Retired	Amount Outstanding April 1, 1929	Date Last Bond is Due	Rate of Interest	Number Years Simple Interest	Amount Simple Interest	Number Years Serial Interest	Amount Serial Interest	Total Simple and Serial Interest	Amount Repaid On Each Dollar Borrowed	Optional Date
Pinedale.....	37	1910	\$ 2,800	.....	\$ 2,800	1940	6	30	\$ 5,040	.....	.....	\$ 5,040	\$ 2.80	1925
Rocky Ridge.....	41	1922	12,000	.....	12,000	1952	5	30	18,000	.....	.....	18,000	2.50	1937
Waverly.....	49	1920	3,500	.....	3,500	1940	6	20	4,200	.....	.....	4,200	2.20	1930
"	49	1920	4,000	.....	4,000	1940	6	20	4,800	.....	.....	4,800	2.20	1930
"	49	1927	9,000	\$ 2,500	6,500	1940	4.5	7	2,048	6	\$ 1,327	3,375	1.38	serial
"	49	1928	15,000	.....	15,000	1952	4.5	13	8,775	11	4,455	13,230	1.88	serial
Summit.....	54	1919	9,500	.....	9,500	1939	5	20	9,500	.....	.....	9,500	2.00	1929
Maesner.....	59	1926	10,000	1,000	9,000	1936	5	.....	.....	10	2,750	2,750	1.28	serial
La Porte.....	60	1923	10,000	.....	10,000	1943	5.25	20	10,500	.....	.....	10,500	2.05	1933
"	60	1924	15,000	.....	15,000	1944	5	20	15,000	.....	.....	15,000	2.00	1934
Timnath.....	62	1918	37,000	3,000	34,000	1938	5.5	20	40,700	.....	.....	40,700	2.10	1928
"	62	1919	20,000	.....	20,000	1939	5.5	20	22,000	.....	.....	22,000	2.10	1929
"	62	1921	19,500	.....	19,500	1941	6	20	23,400	.....	.....	23,400	2.20	1931
Big Thompson...	63	1921	18,500	.....	18,500	1951	6	30	33,300	.....	.....	33,300	2.80	1936-41
All school bonds		1920	\$1,210,800	\$61,000	\$1,149,800	1943	5	23	\$1,136,998	.....	\$258,645	\$1,395,643	2.15	1931
County hospital..		1924	175,000	.....	175,000	1944	4.5	20	157,500	.....	.....	157,500	1.90	1934
Total county and schools.....			\$1,385,800	\$61,000	\$1,324,800	.....	.....	.....	\$1,294,498	.....	\$258,645	\$1,553,143	\$2.12	.....

Payment of Principal Should Not Be Deferred Too Long.—A period of from 5 to 15 years should not be permitted to elapse between the date of issue of bonds and the date of the first redemption. For example, Wellington, district No. 34, has a bond issue of \$61,000 where the period for bond redemption is deferred 16 years before the date of the first redemption begins. Because of the deferred payment of principal, bonds have been issued which are very costly. In 27 out of the 36 district bonds, the interest charges have equaled or exceeded the capital borrowed.

Callable or Redemption Features Should Be Provided.—Provision for callable dates should be provided for in future bond issues. The last column in Table 26 gives the dates when bonds are callable and shows that no provision whatever was made to call bonds in many cases.

Forms of Bonds in General Use.—In considering the issuance of bonds, the two forms in general use are term and serial. Term bonds mature after definite periods and require a sinking fund to be set aside out of taxes or other sources of revenue to meet the principal when due. Serial bonds are retired annually or at other definite periods in regular installments, a fixed portion of the issue being retired each year or at each maturity date. The serial bond is the cheapest and is the most popular for financing schools, highways, etc., and is rapidly replacing sinking fund bonds in county financing. This type is particularly adapted for financing operations which by their very nature involve a depreciation of property. If the retirement of the bonds is faster than the depreciation of the property, then the difference between outstanding bonds in any one year and the value of the property may be termed the margin of safety.

Term or Sinking Fund Bonds.—The principle of the sinking fund is used on most of the county and school bond issues in Larimer County. It is the general opinion, however, that sinking funds are wasteful because they are liable to misappropriation, abuse, market depreciation, or actual loss from poor or declining credit. The successful sinking fund requires considerable financial ability in its management; it is likely to be bad in the case of small school districts and counties where little ability is found among public officials.

Now that investors have come to prefer serial bonds to sinking-fund bonds there is no rational excuse for the latter.

Serial Bonds.—On account of the defects of sinking funds, it is now becoming the custom to employ serial bonds instead. This departure is to be looked upon as a decided improvement

upon the sinking-fund method of retiring obligations. Public obligations, if retired at all, must be retired thru funds accumulated over a period of years out of taxation, since it is impractical to levy taxes sufficient in any one year to cancel large loans. If the bonds are arranged so that a certain percentage of them mature each year, taxes may then be levied sufficient to meet the interest on all obligations remaining outstanding and also to meet maturing issues. This reduces both interest and principal annually and at the maturity of the last bond the entire debt is canceled.

A few serial bonds have been issued by the school districts in Larimer County. These bonds represent advanced methods of financing and more districts should adopt this method of financing bond issues.

The author suggests that serial bonds should be compulsory, and refunding should be prohibited except in the event of extreme emergency.

Registered Warrants.—Warrants are orders on the treasurer issued by the county commissioners or others payable to specified parties or their order. They are of indefinite maturity but normally are paid out of future taxes.

The county's indebtedness in the form of outstanding warrants has increased 483 percent from Dec. 31, 1921, to Dec. 31, 1928. Table 27 shows the outstanding warrants which the county had at the end of each year beginning with 1921. The heavy floating indebtedness indicates that the condition of the county's finances is trending from bad to worse. The county should be able to borrow money at 4 to 5 percent instead of 6 percent if the expense is absolutely necessary. The deficits which have occurred from year to year emphasize the fact that the finances of the county have been poorly managed. These figures reveal one of the sources of waste and loss in the present method of operating the county's finances.

A well-planned and ably directed budget would be of immediate benefit. It prevents waste since it regulates the spending of money for a definite purpose and in accordance with appropriations established by the county commissioners. A county budget system would act as a safety signal for the management of county affairs, since it indicates the variance between its estimates and the actual results obtained from period to period or from month to month. The county finances can be budgeted and to real advantage—the seasons, weather, crops or other conditions notwithstanding.

TABLE 27.—OUTSTANDING WARRANTS IN LARIMER COUNTY, 1921 TO 1928¹

Date	Total Outstanding Warrants	Distribution of Outstanding Warrants					
		Roads	Ordinary County	Poor	Mothers' Compensation	Blind Benefit	Advertising
Dec. 31—							
1921	\$ 72,071.27	.....	.....	.....	.....	.....	.....
1922	20,587.94	.....	.....	.....	.....	.....	.....
1923	32,215.27	\$ 29,442.32	\$ 2,199.90	\$ 573.05	.....	.....	.....
1924	140,349.47	132,686.75	5,546.12	2,091.60	\$ 25.00	.....	.....
1925	175,520.32	146,743.52	16,921.74	5,245.06	5,710.00	\$ 900.00	.....
1926	157,356.72	80,368.97	47,253.79	22,538.96	7,045.00	150.00	.....
1927	203,528.61	119,174.77	45,124.02	34,049.82	5,030.00	150.00	.....
1928	348,260.13	261,781.12	50,341.80	31,257.21	1,810.00	1,070.00	\$ 2,000.00

¹Auditor's reports.

Warrant Account for 1928.—For the year 1928, warrants issued against the various funds, warrants paid, and warrants outstanding were as follows:

TABLE 28.—WARRANT ACCOUNT LARIMER COUNTY, 1928¹

Fund	Warrants Outstand- ing	Warrants Issued	Warrants Paid	Warrants Outsdg. 12-31-28
Ordinary county.....	\$ 45,124.02	\$202,310.44	\$197,092.66	\$ 50,341.80
Road.....	119,174.77	407,620.62	265,014.27	261,781.12
Poor.....	34,049.82	103,239.58	106,032.19	31,257.21
Mothers' compensation.....	5,030.00	6,340.00	9,560.00	1,810.00
Blind benefit.....	150.00	5,180.60	4,260.60	1,070.00
Advertising.....		6,260.00	4,260.00	2,000.00
Totals.....	\$203,528.61	\$730,951.24	\$586,219.72	\$348,260.13

The outstanding unpaid warrants were increased \$144,-731.52 during the year 1928.² Interest on registered warrants paid from the liquidation fund amounted to \$9,206.23.

Floating Debt.—Floating debt is an indebtedness which calls for payment within a short period of time. It represents the unfunded indebtedness of the county in the form of unpaid warrants as distinguished from bonds or other long-term indebtedness. Debts of this sort should be made to cover anticipated revenues or merely for the purpose of meeting current expenses. Larimer County and many of the school districts have abused this privilege and have floating debts outstanding continuously.

Floating debts are frequently necessary on account of some irregularity in collection of revenues or on account of the fact that expenses often have to be met before revenues are due. Borrowing under these circumstances is unavoidable. The guiding principle which should be followed here is that all current obligations should be canceled at least once a year. This would prevent floating debts from assuming the character of permanency as they have in Larimer County.

County Indebtedness.—At the close of business December 31, 1928, the outstanding bonds and warrants were as follows:

County hospital bonds.....	\$175,000.00
Outstanding warrants (floating debt).....	348,260.13
	<hr/>
	\$523,260.13
Less cash balances in county funds.....	18,370.00
	<hr/>
Net county indebtedness.....	\$504,890.13

¹Auditor's report, 1928.

²The annual audit for 1929 shows that warrant indebtedness was decreased \$122,551.59 during the year, \$88,944.74 as a result of a 1.60 mill levy for the purpose of paying off outstanding indebtedness and \$33,606.85 as a result of savings due to the economy program recently initiated by the board of county commissioners, Feb. 1, 1930.

Wise public financing requires that no loan should be contracted to meet current expenses as has been the case in Larimer County. If expenditures for buildings and improvements come only occasionally, as they do in this county, it is perfectly proper to finance them out of borrowed funds because the benefits accrue to the future as well as to the present. But money to meet purely current expenditures should be provided from current taxes. Even in the case of permanent improvements, if these are distributed so that a normal amount has to be provided annually, they become current expenses and the taxpayers should not be burdened with debts on their account. The pay-as-you-go policy is sound and in such instances cannot be improved upon.

Liability for Creating County Floating Indebtedness

Section 8693 of the Compiled Laws of Colorado state that county expenditures are limited to the annual appropriation. The law reads as follows: "Neither the board of county commissioners, nor any officer of the county shall add to the county expenditures in any one year, anything over and above the amount provided for in the annual appropriation resolution of that year, except as is herein otherwise specially provided. And no expenditure for improvements to be paid for out of any fund of the county shall exceed in any one year the amount provided for such improvements or purpose in the annual appropriation resolution; Provided, however, That nothing herein contained shall prevent the board of county commissioners from ordering any improvement, the necessity of which is caused by any casualty or unforeseen contingency happening after such annual appropriation is made, if there shall be money in the county treasury belonging to the proper fund out of which payment for such improvement can be made."

Section 8694 states that, "No contract shall hereafter be made by the board of county commissioners of any county, and no liability against the county shall be created by any officer of the county, whether the object of the expenditure shall have been ordered by the board of county commissioners or not, unless an appropriation shall have been previously made concerning such expense. And each, and every member of the board of county commissioners, and other officers of the county who shall undertake to create any liability against the county, except such as he is by statute required to do, shall be personally liable, and shall together with the sureties upon his official bond be held for such indebtedness."

Section 8853, however, offers a loophole thru which county commissioners in Colorado are able to escape because present laws are not clear in their meaning. These laws need to be revised so that taxpayers may have some means of protecting themselves against reckless expenditures by county commissioners.

That deficits occur in the county government is not wholly the fault of the county officials. They are in the grip of a system of government which is unworkable under present conditions. The organization and procedure of county government were laid out many years ago and are unsuited for present-day needs.

The county is controlled entirely by state law. There is a great mass of statutes relating to county government scattered thruout the Colorado code. These statutes detail the organization and procedure, at times down to the number and salaries of minor employees. Some are obsolete. Some are conflicting. Many are hindrances to efficient operation.

These facts are not new. They have been repeated many times in recent years. Yet nothing definite is ever done about it. The inertia with which the public nearly everywhere views county government has not yet been broken down. The inertia is in large part due to a lack of information about county government and a failure to realize its importance. Partisan considerations interfere with efforts of public-spirited citizens and officials. All attempts at improvement, whether they are for reorganization of county government, establishment of financial control, installation of mechanical bookkeeping or photostat recording, meet with political opposition or indifference.

Summary

Property owners of Larimer County faced a bonded indebtedness on January 1, 1929, of \$4,292,810 in county, school and municipal bonds, or an average of \$144 for every man, woman and child in the county.

Taxpayers must repay \$2.12 for each dollar borrowed on all bonded indebtedness.

Suggestions are given for reducing interest charges on bonded indebtedness.

The county's floating indebtedness in the form of unpaid warrants has increased 483 percent from 1921 to 1928.

The floating indebtedness amounted to \$348,260 on January 1, 1929, an increase of \$144,732 during 1928. This floating indebtedness was the largest floating debt of any county in the state in 1928.

The net county indebtedness on January 1, 1929, amounted to \$504,890 including both bonds and warrants.

Taxpayers of Larimer County should give credit to the present board of commissioners who have reduced the floating indebtedness \$122,552 during 1929.

REORGANIZATION OF COUNTY GOVERNMENT

A study of the county government of Larimer County indicates that the greatest reform is needed in fiscal management.

It is clear that the amount of service that may be rendered by the county is dependent primarily upon the resources of the county and the business methods and practices employed, and the more efficient the business practices, the greater the service that the resources will support. Larimer County possesses large resources but the system of government could be greatly improved. As a consequence the county receives comparatively small returns from the expenditure of public funds because the resources are wasted thru this inefficient system.

Defects in Present Organization

A study of Larimer County government indicates that there are certain defects in organization and management. The defects are similar to those which appear in other counties. The most important defects brought out in this study are:

1. Lack of unified control over entire county business.
2. Lack of centralized purchasing agent to prevent waste and duplication of purchases.
3. Lack of proper inventories, stock records and other methods used to care for and protect the physical property of the county.
4. Lack of proper accounting system safeguarding the revenue.
5. Lack of budget control safeguarding expenditures.
6. Need for better financial control and methods of financing county and school indebtedness.

Moreover, when these defects are removed, the government should improve and present a much higher standard of efficiency, and the service that the people derive from the government should increase.

"The business of providing public services is surely no less important than these other businesses for the security and welfare of the American people, but it differs from them in one significant respect; it is everybody's business, and as such tends easily to become nobody's business.¹ It may fairly be said that

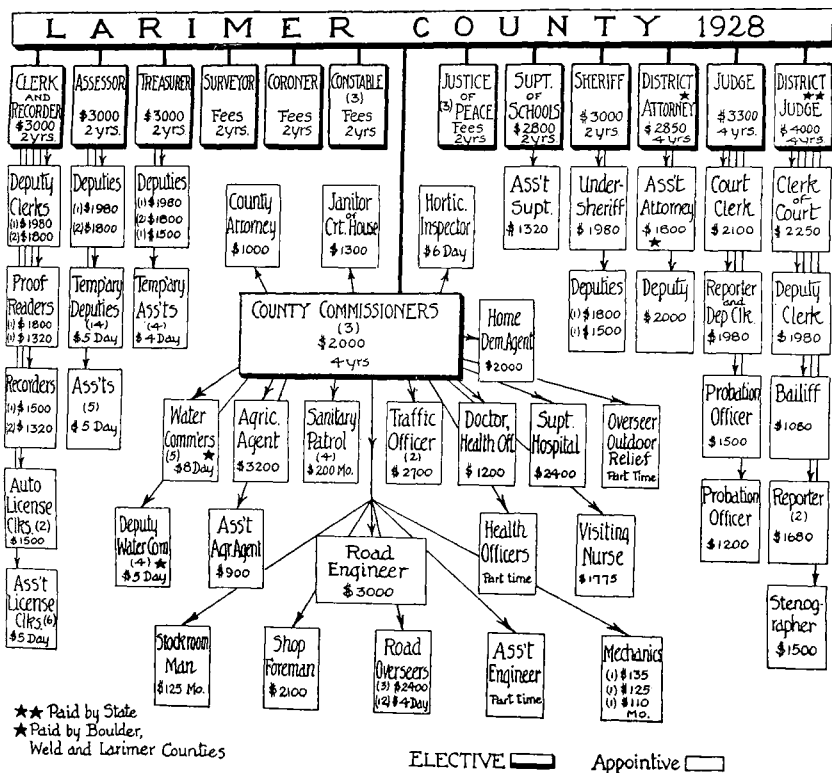
¹National Industrial Conference Board. Cost of Government in the United States, 1925-26. New York.

the community gives far less thought and energy to regulating and controlling the business of the government than it does to the supervision of other business of far less magnitude. Yet it is the community that pays the government bill, and the responsibility falls upon it to devote at least as much thought to making the business of government efficient, to lowering the cost and improving the quality of the services the taxpayer buys, as has been applied in industry and trade to give the consumer a better product at a lower price."

This section of the bulletin deals primarily with defects in fiscal management and offers suggestions for its improvement.

Unified Control Over County Business Necessary

It seems that the county needs a plan for coordinating all forces and directing them toward the attainment of sound fiscal control. Sound fiscal control demands unified control.



Organization of County Government

Most of the officers of Larimer County are independent of the county commissioners. See Chart 4. Each has been spending county funds on his own initiative, often rendering no statement until the debt is incurred. The superintendent of the county hospital and farm, the sheriff, the various courts, the assessor, the treasurer, and even the janitor for the courthouse buy supplies for their respective offices and submit bills to the county board of commissioners. Even were every officer a wise and honest buyer, a loss would be entailed because of retail buying in small lots.

“Almost everywhere the county is devoid of a definite executive head. No other unit of government, no other corporation, public or private, has attempted to function without leadership. This lack of centralized authority in the county is perhaps more responsible for the deficiencies in county administration than any other single factor. Divided responsibility tempts the weak man to be dishonest; it encourages the plunger to be extravagant; it conceals the mistakes of the stupid; it shifts the blame to the shoulders of the innocent; it nullifies the efforts of the prudent; and it paralyzes the ambition of the genius.

“There has been ample experience to show that the attempt to secure a good chief executive by popular election is a failure. It always gives us a transient amateur who never really learns his job, because he is not allowed to stay on the job long enough. A county is a corporation. No business could avoid bankruptcy if organized as our counties.”¹

In county administration there is an increasing need for men with technical training. The construction of highways, the assessing of property, the administration of the schools, the care of delinquents, the protection of public health, are all matters which should be in the hands of experts. Popular election will not provide trained administrators. The appointment, rather than election, of such officers makes it easier to secure persons who have the proper qualifications. Appointments, however, must be limited to those who are qualified by training and experience.

The county has continued almost unnoticed and unaffected by movements for increased efficiency. In organization it remains basically as it was three-quarters of a century ago, and in administrative methods it follows in large measure the time-worn ruts of past decades.

The truth is that the county violates every principle of business and of governmental organization which experience has evolved. It is indeed the product of centuries of slow but largely

¹Paul W. Wager. *County Government and Administration in North Carolina.* p. 396, 402. 1928.

hit-or-miss development. In some of its features it dates with comparatively little change from medieval England. The coroner's office, which has been the butt of jokes for a generation, has its origin in the thirteenth century, and has remained more because of inertia than because of any real necessity. The sheriff's office is likewise an inheritance.

No other branch of government is so decentralized in administrative authority as the county. See Chart 4. As a business organization it lacks a responsible head, having no official corresponding to president, governor or mayor in national, state and municipal government. Executive responsibility is scattered, some devolving upon the county board of commissioners, and the remainder resting with various independent officers who are selected with little apparent logic by the electorate, the board, the court and various officers. Moreover, most terms of office are very short, encouraging frequent changes in posts such as treasurer, assessor, clerk and recorder, and the like, where experience and even permanence are valuable.

Chart 4 shows that there are 13 elective offices and a host of appointive positions. Each elective office is practically independent of all the others. This division of authority is found in essentially the same form in all Colorado counties except Denver County. It breeds wasted effort and lack of coordination. It also obscures responsibility. Such a system embodies all the ingredients that normally lead to wasteful methods and therefore to unduly high taxes.

In order to accomplish needed changes in organization, the whole structure of county government in Colorado needs to be reorganized. Certain sections of the state constitution should be amended to permit the modernization of an obsolete system.

County officials are powerless to make many needed changes because we are using the system of a half century ago with little or no modification.

County Manager Form of Government Suggested

Rapid progress toward a highly efficient and economically administered county government could be made by the appointment of a county manager.

If the constitution of Colorado were amended and modernized the county commissioners could appoint a county manager who would be the administrative head of the county government and who would be responsible for the administration of all departments of the county government except those of a judicial

character and those pertaining to elections. He should be appointed with regard to merit only, and he need not be a resident of the county at the time of his appointment.

The results obtained under the manager form of government have been extremely satisfactory where it has been tried out. These managers have lifted much of the responsibility of the detail of county affairs from their respective boards and have safeguarded the interests of the counties which would otherwise have gone neglected. They have been able to furnish invaluable information and render intelligent advice to their boards in carrying on the business of the counties more wisely and economically.

The main obstacles which prevent the accomplishment of desirable reforms, such as consolidating offices,¹ combining like or similar functions of local government, reorganizing county government into one unit where possible, are the reluctance of the people to change their form of government and the failure of the political leaders to support such proposals. They use the railroad, the motor vehicle, the airplane, the telephone, the radio and all other modern inventions, but when it is a matter of government, they believe that the form employed in the ox-cart days is equally suitable today.

That politicians do not favor any governmental reorganization or consolidation which will reduce the number of officers and employees is not surprising. Political organizations live and exist on political patronage. The perplexities and troubles of the political leaders will, of course, increase if they have fewer jobs to pass among the faithful. Notwithstanding this, if we are to have economy and efficiency in government, and thereby the lowest taxes consistent with good government, it is imperative that we recognize the need for modernizing our governmental organizations.

Need for Central Purchasing Department

There is need for a centralized purchasing department in the county. At present, supplies of the same sort are purchased from a variety of sources. A very considerable and substantial saving could be made each year by a thoroly trained and competent county purchasing agent. The prices paid are directly reflected in the high operating costs, while the prices paid for equipment² and other outlays are directly reflected in the capital outlay expenditures of each department and the county as a whole.

¹This would require a constitutional amendment in Colorado.

²See appendix for prices of equipment purchased.

Costs may be kept down by quantity purchases under a competent purchasing agent who is qualified to secure and judge prices, bids and materials. Recently a Weld County official mentioned that his office could make a considerable saving if Larimer and Boulder counties would standardize certain legal forms and make cooperative purchases with him. Another example is in the purchase of groceries, coal, etc., from the poor fund. In this case supplies are purchased from almost as many sources as there are dealers and grocery stores.

One of the most amusing illustrations of careless purchasing is that of Larimer County permitting the janitor to purchase supplies for the court house. According to the commissioners, the janitor purchased \$1,614 worth of soaps and disinfectants for use in the court house in 1925, \$1,093 in 1926, \$1,286 in 1927, and in 1928, bills for \$5,254 were presented for payment. Quoting from the local paper, "Has there been an attempt to 'soft soap' the county?" Centralized purchasing would prevent such waste and losses.

There are 138 school directors in Larimer County which means 138 purchasing agents, many of whom are competent and qualified to purchase supplies. However, many school directors are not fitted for this particular job and as a consequence costs are high or the kind and quality of supplies are unsatisfactory.

It is recommended that a careful study be made of the needs of the county school department; that a special survey be made of this particular problem with the view of ascertaining the advisability of having a purchasing agent handle all the purchasing requirements of the various school districts.¹ Other states find it practicable and recently the state of California passed a law placing the buying of all supplies in the hands of the superintendent of schools, at his or her option. North Carolina passed an act making it the duty of the county commissioners to provide for centralized purchasing in order to prevent waste and duplication in purchasing.

The central purchasing department of the county upon which requisitions could be made by the local school districts or county departments, is able to use greater discrimination in selecting machinery, equipment and supplies, than the members of various departments when acting alone. In the matter of intelligence, the single purchasing department can devote considerable time to a study of the relative costs of different materials and supplies, paper, ink, office equipment, electric lamps, lumber, road graders, etc., as the case may be, and purchase standardized

¹Mr. N. Woodard, a graduate student in the Department of Economics is now making a study of central purchasing of school supplies.

equipment for all divisions. Economies, too, are often possible in the purchase of standard equipment, even where no discriminating judgment is required.

If the county does this work intelligently and does its buying wisely, it not only gets what it bargains for, and saves money, but it raises the standards of business, and benefits the general public. On the contrary, if it buys with inadequate specifications, and accepts goods without tests, it lays its representatives open to charges of favoritism, encourages misrepresentation, and defrauds the taxpayer who ultimately pays the bill.

Care and Protection of County Property Essential

Larimer County has failed to take proper care of its physical property, and should delegate this responsibility to a county manager or some other officer. The lack of any regular and systematic inventory or property record has made it impossible for the county commissioners to know at what rate machinery and other property depreciates. The county should keep a property record which will show all purchases of new equipment and charges to the proper department or individual. Proper accounting for capital outlay and depreciation should be provided. This is particularly desirable for machinery and equipment such as trucks, tractors and road machinery. At the present time the annual costs for the use of machinery and other equipment cannot be determined. This simple improvement in county administration need cost very little, but the potential savings are tremendous.

Larimer County Needs a Modern Accounting System

There should be a county auditor to preserve and maintain a proper coordination of all accounting activities. At present there is no method for coordinating accounts in the commissioners', county clerk's, treasurer's and other offices. My suggestion would be to create a department for complete control over all accounts and finances. This department should have control over all accounts, statistics, budget and centralized purchasing operations. Large savings could also be made if the assessor's and treasurer's offices were combined. The accounting department should be under the direct supervision of the county manager or county commissioners.

As pen-and-ink and slow, inefficient mechanical methods are passing out of existence in business administration, so are they passing in county administration. There may be no urge to save money on salaries and wages, but still there is that instinctive

desire to do the job better, more timely, more accurately, and to derive more information therefrom. This can be accomplished by the installation of labor-saving devices.

Accounting machines are now being used by hundreds of state, county and city offices thruout the country. These systems of accounts are so comprehensive and complete as to provide instantly all of the information which could be reasonably asked, and so flexible as to meet the demands of the most swiftly growing county.

The average county official is quite unconscious of his limitations as an accountant. He sees no need for anything more than a cashbook record of receipts and disbursements. Balance sheets, control accounts, cost-accounting, are terms which mean nothing to him. The customary method seems to him quite adequate, and he attempts to follow in the footsteps of his predecessor. Financial records are scattered, and most of them incomplete and in a state of disorder. These conditions are often the result of incompetence and the system of keeping accounts. Relief for the taxpayer from this system is imperative.

A Budgetary System of Accounting Is Needed for Larimer County

The accounting problems of Larimer County are many and varied. Mechanical equipment is now available to handle this important and varied type of accounting. The machines give all the results necessary to control the budget and appropriations, revenue and expenses, and disbursements and available cash. They give this information accurately and complete each day, with the highly important balances in each account to control the appropriations and expenditures, enabling the instantaneous compilation of daily, monthly and annual reports.

With the present system one is unable to obtain even an annual report on some phases of county expenditures several months after the books are supposed to be closed.

Need to Provide for County Fiscal Control Thru a Budget

A complete budget system should be installed in Larimer County without delay.¹ This county needs a budget at this time in order to place it in a sound financial condition. Its purpose is to place a competent accountant in charge to guarantee a bal-

¹About Nov. 1, 1929 the Larimer County commissioners asked various departments of the county to submit estimates of expenditures for 1930 in order that the county might be placed on a budget plan.

anced budget and incidentally discourage wastefulness and fraud and render to the taxpayers an accounting which they can understand.

A budget is the mapped plan for the future progress of a county business. It is as necessary to the county as the navigator's chart is to the mariner. It deserves and should have the careful consideration of every county which desires a better control over the future of the county business.

By no other means may the county so quickly come to a realization that there are deficiencies in its form of organization or personnel than thru an earnest attempt to establish and operate a budget, because successful budgeting depends so much upon good organization.

Tax Office Efficiency

Every one who is familiar with the tax office is aware of the cumbersome procedure and the vast amount of duplication of work and of the seemingly unnecessary amount of work required to bring to completion the annual job of compiling tax rolls. In Larimer County this is all done by long-hand methods. The assessor is familiar with the difficulty in securing efficient extra help to complete the rolls within the allotted time.

If, for example, the tax assessment notice or tax bill and tax roll can be written in one operation, with absolute proof of accuracy, there is no reason why the assessor should continue to do the work under the old, inaccurate, time-consuming method.

Each year the complete list of 12,000 schedules and a much larger number of pieces of property has to be individually written three times on the assessor's bill, the tax roll and the tax bill. Many of these schedules have from 20 to 25 pieces of property, each of which has to be described. Then, the next year it has to be written three times more, and about 90 percent of the descriptions remain the same each year.

Each time the complete list is transcribed it has to be checked for accuracy. In other words, approximately 50,000 names, addresses and descriptions have to be checked and proved correct each year. This requires a large number of clerks for a considerable period.

By means of electrical automatic machinery it is possible for one clerk to compile the tax rolls and tax bills, where it would require a number of clerks to do this same work by long-hand. To run off the descriptions and addresses on the machine is but a matter of a few moments. No checking whatever is necessary, as the plate once made correct will transcribe an exact description.

Indebtedness Should Be Reduced and Borrowing Policies Changed

Indebtedness of Larimer County has been built up without a definite financial program until it represents a total of \$504,890.13 on December 31, 1928. This rapid increase in indebtedness is explained largely by the widespread demand for improved roads and other services.

The idea of building good roads is highly commendable if the work is well done and if the improvements are financed in the best way. It is questionable whether the creation of a large floating indebtedness is the best way in which to accomplish the work. If the \$350,000 floating indebtedness is funded it will cost the taxpayers about \$750,000 to liquidate this debt with absolutely nothing to show for their sacrifice.

Taxpayers should examine the annual indebtedness incurred by the county commissioners and bring pressure on them to reduce and control it. In fact, it looks like the time has arrived when the county should consider seriously a pay-as-you-go policy and begin to reduce the heavy interest charges and indebtedness.¹

APPENDIX—TABLE A

Portion of the Road Equipment Purchased, Larimer County, 1926 to 1928²

Jan. 1, 1926 to Dec. 31, 1926

1 Russell road finisher.....	\$ 710.00
24 No. 2 Zenith shovels.....	43.70
3 Gas pumps.....	91.43
1 Gas pump.....	30.25
1 Dodge car.....	1,010.00
1 No. 920 Cedar Rapids rock crusher with bin.....	5,161.36
1 Adams wheel grader and extra blades.....	429.50
1 Drive belt.....	230.30
12 No. 2 Drag scrapers.....	175.26
4 No. 2½ Western wheelers.....	408.24
1 Adams wheel grader and road plow.....	466.12
1 No. 6 Western plow.....	43.11
24 No. 2 Long handle shovels.....	43.20
1 45 3-8 x 96 vertical type boiler.....	824.70
1 Adams road patrol.....	158.45
1 No. 5 Western railroad plow.....	47.27
12 No. 2 Western double bottom slips.....	168.84
2 Rawls highway mowers.....	737.41
1 Alemite compressor.....	75.00
1 Adams leaning wheel grader.....	416.60
3 Model 10 B snow plows.....	1,100.00
	\$12,370.74

¹County commissioners on January 28, 1930, stated that they planned to reduce the indebtedness without resorting to funding operations, reducing the indebtedness thru the increased mill levy and thru a program of economy.

²Auditor's report.

Jan. 1, 1927 to Dec. 31, 1927

1 Anthony gear controlled dump body.....	\$ 162.00
2508 ft. all metal snow fence.....	1,906.08
1 Adams leaning wheel grader.....	1,817.55
2 No. 2 Western sheeled scrapers.....	180.22
1 F 2 Hoist complete.....	377.29
1 Ford ton truck.....	848.55
1 Standard highway maintainer.....	385.00
1 Air compressor.....	373.55
1 Fleming H. D. regrooving machine.....	105.50
1 No. 21 Western groundhog plow.....	89.15
1 Little western road grader.....	225.00
36 No. 2 Long handle dirt shovels.....	69.11
4 No. 5 Western railroad plows.....	186.10
1 No. 3 Western fresno.....	32.00
1 No. 1 Western fresno.....	36.00
1 No. 21 Western groundhog plow.....	97.28
1 Russel road finisher.....	710.00
1 Servis road shaper.....	385.00
1 Elevating grader.....	300.00
Log chains.....	95.55
1 Russel road finisher.....	655.00
1 No. 5 Western road plow.....	47.25
6 No. 3 Dirt shovels.....	12.90
1 Double drum Fordson hoist.....	500.00
1 Fordson power scraper.....	380.00
1 No. 2 Aeroil torch and tank, etc.....	85.45
1 B. G. U. conveyor.....	150.00
1 Single burner tar kettle heater.....	82.50
1 Wagon tank.....	50.00
1 Buda 40 H. P. engine.....	358.00
2 Air hammers.....	195.00
1 Adams leaning wheel grader.....	424.00
2 Adams road patrols.....	315.00
48 No. 2 Round point dirt shovels.....	92.16
1 50-ft. 2-ton electric crane and steel structure.....	2,950.00
1 Ford roadster.....	150.00
2 No. 5 Western road plows.....	94.60
36 No. 2 Long handle dirt shovels.....	68.44
24 No. 2 Western double bottom slips.....	322.08
1 Western midget grader.....	175.00
1 Small range.....	10.00
1 No. 3 Blasting machine.....	30.30
1 Ford roadster.....	125.00
1 Paint spray gun.....	44.40
Payment on caterpillar No. 60.....	2,642.50
1 Mower.....	40.00
1 Steel crusher, conveyor belt and steel bin.....	6,500.00
3 Fresno scrapers.....	35.00
1 Engineer's transit, case and tripod.....	125.00
1 Compressed air power reamer.....	163.23
1 Servis road fixer.....	385.00
1 Tractor engine, hoist, etc.....	1,615.15
Payment on Liberty truck.....	2,000.00
1 Adams leaning wheel grader.....	410.00
36 R. P. dirt shovels.....	69.07
2 Ford trucks.....	1,726.60
1 Ford truck.....	250.00
3 Ford trucks.....	2,580.90
1 Ford truck.....	933.50
1 Klauer service scarifier.....	1,904.00

 \$37,086.96

Jan. 1, 1928 to Dec. 31, 1928

1	Capitol Chevrolet coupe.....	\$ 801.00
	Balance due on Liberty truck.....	4,000.00
1	Adams leaning wheel grader.....	1,918.00
1	Sauerman Fordson Crescent outfit complete.....	414.50
1	Revolving screen and elevator.....	1,022.50
2	No. 4 Champion crushers and elevators.....	5,350.00
2	No. 1 Atlas portable conveyors, etc.....	1,077.30
1	No. 2 Servis road shaper.....	702.00
24	No. 2 Western double bottom slips.....	343.95
1	Adams road patrol.....	165.50
1	Adams leaning wheel grader.....	441.96
1	Hanson 3-8 yard full revolving excavator.....	5,750.00
1	Ford truck.....	310.00
1	Caterpillar 60 tractor No. 2266 P. A.....	5,417.00
	Balance due on caterpillar 60 No. 1658 P. A.....	2,734.98
1	Western No. 3 road plow.....	74.22
84	No. 2 Zenith long handle dirt shovels.....	161.21
1	Bed monarch standard pattern lathe, etc.....	2,360.10
1	Model S. B.-44 International H. Co. truck.....	2,000.00
1	Wall tent.....	69.00
12	Western double bottom slips.....	174.09
3	Road drags.....	675.00
1	Little western road grader.....	287.31
	Part payment Buick truck.....	900.00
1	I. H. Co. motor truck.....	1,869.00
1	Western No. 6 road plow.....	43.76
1	No. 3 Adams road patrol.....	165.50
1	Gasoline tank.....	60.00
6	Road rakes.....	12.90
48	No. 2 Zenith long handle dirt shovels.....	92.13
1	Bass adjustable road drag.....	203.68
	Balance due on snow plow.....	1,493.50
	Balance due on caterpillar 60 }.....	
	Balance due on caterpillar 30 }.....	7,598.80
1	Wall tent.....	30.00
1	Adams leaning wheel grader.....	1,630.00
1	Monarch model No. 50 tractor.....	3,805.00
48	No. 2 Zenith long handle dirt shovels.....	80.05
4	Western slips.....	56.80
1	Western No. 20 rooter plow.....	63.88
	Balance due on Buick.....	900.00
1	Adams road patrol.....	170.50
1	3-8 yard bucket.....	429.12
1	Adams road patrol No. 3.....	165.50
1	Fairbanks Morse centrifugal pump.....	77.40
1	No. 5 Western road plow.....	53.75
2	No. 3 Western fresnos.....	72.00
1	McCormick Deering industrial tractor.....	1,625.00
1	Baker maintainer.....	872.00
1	No. 5 Western road plow.....	55.60
12	Sidney great western slip scrapers.....	194.72

 \$58,970.21

Summary

There are certain defects in the organization and management of the county government, the most important of which are as follows:

Lack of unified control over different departments.

Lack of proper accounting.

Lack of a central purchasing department.

Lack of an effective budget system which will control governmental extravagance.

Need for better methods of handling indebtedness.

The county-manager form of government is suggested as a remedy for the lack of unified control, but this will require a revision of the state constitution. The whole system of county government needs to be reorganized and simplified. Simplification of the county government will permit the voters to bring steady and persistent pressure upon the executives in control.

At present the county commissioners are powerless to inaugurate many of the reforms which are greatly needed because they lack the power to appoint and remove all executive officials.