

NOTES FROM THE AUDITING COMMITTEE  
OF THE STATE ASSOCIATION

The meeting was held Saturday July 21, 1948 in the office of Earl Bussell. Those at the meeting were Chairman Clifford Kail, Earl Bussell, John Russell, Gail Sterling, Mr. DeSheppard and J. R. Downie.

Mr. Kail told of sending seventy-seven letters to various Districts through out the State. These letters were asking for suggestions or problems relative to Irrigation District Accounting. The response to these letters was poor as only three or four Districts answered.

Mr. Bussell was called on for suggestions relative to improving accounting procedure. His first suggestion or comment was relative to District owned land. He pointed out that each District should maintain a complete and accurate record of all land and property owned by the District.

Heets and Bounds descriptions of the Districts land should be placed on the assessment roll and marked District owned non-assessable. This lead to a discussion of the State and County land lying within the bounds of an Irrigation District. The first point brought out of interest was that the State or County are not allowed to impose real or property taxes on Irrigation District property. However State and County land is fully assessable by Irrigation Districts. Another point discussed was problems relative to collecting assessments or tolls from the State of Washington. Here it was pointed out that to facilitate paying State assessments the Land Commissioner of the State should draw every lease containing a provision that the tenant is liable and should pay Irrigation Assessments. Mr. Russell explained action that a District might take to force collection. The procedure was that any District can foreclose the Lessors equity on State leased land. Mr. Bussell pointed out that under existing laws it would be permissible for any District to collect water assessments from the Lessors of State owned land and hold the same in a suspension fund until the State pays, at that time the Lessors money could be refunded.

Mr. Bussell pointed out that most of the large Districts were operating under satisfactory and adequate accounting methods but there was much room for improvement in some of the smaller Districts which cannot afford a paid secretary. It was agreed that the most important work for this committee at this time is to draw up a bill asking reclassification of Districts so that it might be acted upon at the 1949 session of the State Legislature. As a start Mr. Bussell explained our present classification of school districts as follows:-

1. This District assumes the responsibility in full for all accounting and business procedure. They issue registered warrants for all obligations. These Districts prepare warrant registers in triplicate. One copy to be prepared and set up in a binder and delivered to the office of the County Auditor. The second copy to the County Treasurer and a third maintained as the Districts own warrant register. A District in this classification is held accountable to the State Auditing Department and the Board of Directors are held responsible for all business transactions.

2. A District in the second classification turns all of their work over to the County Auditor and the County assumes all responsibility.

3. A District in the third classification clears every transaction through the County Auditor's office. And are subject to State Audit every two years.

It was suggested that the committee go over and study samples of School District classifications so that a proper bill asking for reclassification and stating all the pertinent power and rules or concessions to be granted the District in accordance with classifications. Some felt that the only just way of classifying a District would be to base the same on the number of irrigation acres. It was also suggested that classifications be based on the amount of a District's annual budget for operation and maintenance. The third was classified in accordance with the amount of a District's annual assessment roll. It was quite apparent that this discussion would have to wait until some District rolls have been checked, acres studied and etc. It was pointed out by Mr. DeSheppard of the Franklin Irrigation District that re-classification might work a hardship on some small Districts. His chief concern seemed to be that Districts classified as one would have to maintain a paid secretary and he was afraid some Districts would be unable to bear this expense. However it was pointed out that if the Districts are classified in a proper manner there can be no hardship to any as each group would automatically be placed in its proper classification.

Mr. Buzzell stressed the importance of all Districts maintaining complete and accurate records of all cash received or disbursed. He agreed to draw up a set of minimum accounting requirements for all Irrigation Districts.