AUDIT REPORTS

of

DEPARTMENTS AND AGENCIES

Issued by the

LEGISLATIVE AUDITOR

BULLETIN No. 54

(Volume B)

NEVADA LEGISLATIVE COUNSEL BUREAU

February 1963

Carson City, Nevada

AUDIT REPORTS

of

DEPARTMENTS AND AGENCIES

issued by the

LEGISLATIVE AUDITOR

BULLETIN NO. 54
(Volume B)

NEVADA LEGISLATIVE COUNSEL BUREAU

February 1963

Carson City, Nevada

NEVADA LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE COMMISSION

FLOYD R. LAMB	Senate Member
B. MAHLON BROWN	Senate Member
WALTER WHITACRE	Senate Member
CHARLES D. GALLAGHER	Senate Member
ARCHIE POZZI, JR.	Assembly Member
JAMES C. BAILEY	Assembly Member
F. C. BUCKINGHAM	Assembly Member
GLENN JONES, CHAIRMAN	Assembly Member

A. N. JACOBSON	Legislative Auditor
J. E. SPRINGMEYER	Legislative Counsel

FOREWORD

The Nevada Legislative Counsel Bureau is a fact-finding organization designed to assist legislators, state officers and citizens in obtaining the facts concerning the government of the state, proposed legislation, and matters vital to the welfare of the people. This office will always be non-partisan and non-political; it will not deal in propaganda, take part in any political campaign, nor endorse or oppose any candidates for public office.

The primary purpose of the Bureau is to assist citizens and officials in obtaining effective state government at a reasonable cost. The plan is to search out facts about government and to render unbiased interpretations of them. Its aim is to cooperate with public officials and to be helpful rather than critical. Your suggestions, comments and criticisms will aid greatly in accomplishing the object for which we are all working - the promotion of the welfare of the State of Nevada.

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

HONORABLE GRANT SAWYER, Governor
THE LEGISLATIVE COMMISSION
THE NEVADA LEGISLATURE

Gentlemen:

In accordance with the provisions of NRS 218.830, I am pleased to submit herewith Legislative Counsel Bureau Bulletin No. 54 (Volume B), entitled "Audit Reports of Departments and Agencies", which contains audits performed by this office during the period November 1, 1962 to February 15, 1963. Volume A of this report appeared in November, 1962.

Respectfully submitted,

A. N. JACOBSON
Legislative Auditor

jkh
sg

TABLE OF CONTENTS

Report No.	Agency	Page No.
28	Fish and Game Commission	477
29	Nevada State Hospital	609
30	Governor's Office	615
31	Gaming Board and Commission	640
32	Board of Architecture	672
33	Athletic Commission	686
34	State Board of Osteopathy	691
35	State Board of Cosmetology	699
36	Tax Commission	707
37	University of Nevada	764
38	State Museum	883
39	Real Estate Commission	905

ALPHABETICAL TABLE OF CONTENTS

Agency	Page No.
Architecture, Board of	672
Athletic Commission	686
Cosmetology, State Board of	699
Fish and Game Commission	477
Gaming Board and Commission	640
Governor's Office	615
Hospital, Nevada State	609
Museum, Nevada State	883
Osteopathy, State Board of	691
Real Estate Commission	905
Tax Commission	707
University of Nevada	764

STATE OF NEVADA

FISH AND GAME COMMISSION

AUDIT REPORT

For the Period July 1, 1960 to June 30, 1961

REPORT NO. 28

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

August 30, 1962

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

August 30, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, we have examined the accounts and records of the Nevada Fish and Game Commission for the fiscal year ended June 30, 1961, and have prepared therefrom the following exhibits and related schedules:

Consolidated Statement of Financial Condition as of June 30, 1961	Exhibit A
Statement of Financial Condition, General Operating Fund, as of June 30, 1961	Exhibit A-1
Consolidated Statement of Budgeted Revenues and Expenditures Compared with Actual (by project) for the Year Ended June 30, 1961	Exhibit B
Statement of Operating Surplus - for the Year Ended June 30, 1961	Exhibit C
Statement of Restricted Surplus - for the Year Ended June 30, 1961	Exhibit D
Combined Statement of Surplus - for the Fiscal Year Ended June 30, 1961 - Automotive Operating Fund - Commission Plane Fund - House Maintenance Fund	Exhibit E
Statement of Revenues and Expenditures - for the Year Ended June 30, 1961 - Equipment Operating Fund	Exhibit F
Statement of Revenues and Expenditures - for the Year Ended June 30, 1961 - Commission Plane Fund	Exhibit G
Statement of Revenues and Expenditures - for the Year Ended June 30, 1961 - House Maintenance Fund	Exhibit H
Statement of Revenue	Exhibit I

Detailed Statements of Budgeted Revenues and Expenditures Compared with Actual (by individual project) - for the Year Ended June 30, 1961

GAME DIVISION

Chief of Game	Schedule 1
Coordination	Schedule 2

WILDLIFE SURVEY PROJECTS

Sierra District	Schedule 3
Black Rock District	Schedule 4
Owyhee District	Schedule 5
Charleston District	Schedule 6
Wheeler District	Schedule 7

RESEARCH

Exotic Birds - India	Schedule 8
Statewide Research	Schedule 9

WILDLIFE MANAGEMENT AREAS (DEVELOPMENT)

Stillwater	Schedule 10
Overton	Schedule 11
Mason Valley	Schedule 12
Scripps	Schedule 13
Sunnyside	Schedule 14
Sunnyside Dam	Schedule 15
Railroad Valley	Schedule 16
Payments in Lieu of Taxes	Schedule 17
Beaver Control	Schedule 18

ACCESS ROADS

Weeks Access Road	Schedule 19
Humboldt Access Road	Schedule 20

LEASES

Humboldt Sink	Schedule 21
Pahranagat Lakes	Schedule 22
Predator Control	Schedule 23
Pheasants Planting	Schedule 24

FISHERIES DIVISION

Chief of Fisheries	Schedule 25

HATCHERIES

Verdi	Schedule 26
Spring Creek	Schedule 27
Elko County	Schedule 28
Washoe Ponds	Schedule 29
Smith Valley	Schedule 30
Fish Hauls	Schedule 31

DISTRICT FISHERIES MANAGEMENT

Sierra	Schedule 32
Owyhee	Schedule 33
Wheeler	Schedule 34
Black Rock	Schedule 35
Charleston	Schedule 36
Tahoe Project	Schedule 37

OTHER FISHERIES PROJECTS

Beaver Dam	Schedule 38
Washoe Lake Poison	Schedule 39
Cave Rock Boat Landing	Schedule 40
Fish Purchases	Schedule 41

LAW ENFORCEMENT

Chief of Law	Schedule 42
Black Rock District	Schedule 43
Charleston District	Schedule 44
Owyhee District	Schedule 45
Sierra District	Schedule 46
Wheeler District	Schedule 47

SERVICE DEPARTMENTS - DISTRICT ADMINISTRATION

Black Rock District	Schedule 48
Charleston District	Schedule 49
Owyhee District	Schedule 50
Sierra District	Schedule 51
Wheeler District	Schedule 52

OTHER

Office Headquarters	Schedule 53
Information and Education	Schedule 54
Engineering	Schedule 55
Pilot	Schedule 56

MISCELLANEOUS - OTHER

Miscellaneous Accounts	Schedule 57
Commissioners	Schedule 58
County Game Boards	Schedule 59

FUNCTIONS OF THE AGENCY

The objectives and overall function of the Nevada Fish and Game Commission is to insure the propagation and preservation of fish and game as a natural resource belonging to the people of the State of Nevada.

Within this broad definition there is encompassed a myriad of projects and services with which this report deals in detail.

Statutory authorization for the agency's existence is set forth in Nevada Revised Statutes, Sections 501.010 through 505.100, inclusive.

SCOPE OF EXAMINATION

General

Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test checks and analyses of the accounting record and other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Detailed analysis of each project or fund was completed with verification of expenditure distribution into object classifications. Minor differences were of no significance as concerns the financial condition of the agency. Minor differences were noted in year-end encumbrances which were adjusted on the agency's records. We are satisfied that all revenue from the sale of licenses has been properly accounted for and deposited intact in the State Treasury to the credit of the Fish and Game Fund. We physically inspected and counted the stub section of all licenses sold and verified that the revenue recorded was supported by the proper number of licenses sold.

The audit of licenses included verification of the beginning inventory of licenses printed and obtained from the State Printing Office. The actual count of all licenses sold, voided or unused conformed to the inventory of licenses printed in our physical possession at the time of the count.

Alleged Shortage in Accounts

During the course of our examination, the auditors were informed of the alleged shortage in the accounts of the Assistant Director, Dan Evans. The auditors have examined the records and accounts to determine therefrom the extent of any such shortage.

The Fish and Game Commission has not maintained financial control of its property inventories, as this has not been required by any state accounting procedures. The property inventory records have been maintained on a memorandum basis. They have been made an integral part of the accounting records. This does not provide a record on which the auditors can rely. There is no record system including source documents to reflect the disposal of property and whether by sale, transfer, or destruction. All property was under the supervision of the Assistant Director and no documentary evidence of disposal exists.

The Commission kept no record of tire acquisitions and disposals during the period of audit; however, such records have been established in the 1962-1963 fiscal year. Only the expenditure for the original purchase or for recapping is a matter of record. Consequently, no record exists from which the auditors could determine the total amount of tire sales.

The inventories of production of hay from the Commission's properties are maintained by memo and are not a part of the accounting records or system.

The failure to maintain adequate inventories and to control them through the financial records leaves no basis on which the auditors can determine a shortage by usual audit methods. The entire amount alleged to be short has been disclosed by investigative procedures through the offices of the Attorney General and District Attorney.

The items alleged to be short have been checked against accounting records to determine whether the proceeds of any sale thereof have been recorded. The records reveal no receipts of cash from these sources.

The auditors wish to point out that the placing of responsibility for all such property with one person without adequate financial control in the accounting department violates accounting and good business principles.

Internal Control Evaluation

The following comments pertaining to weaknesses in internal control have been evident to the agency under audit for some time. Steps have been taken to implement what we consider to be an excellent system for controlling fish and game licenses and the revenues derived therefrom.

Criticism which we point out here will no longer be valid starting with the fiscal year July 1, 1962, as the above-mentioned system is put into practice. Our criticism of past procedures relates to:

1. Inappropriate segregation of functional responsibilities in the licensing division.

2. Lack of perpetual type inventory control over licenses.

3. Inadequate control over salvageable parts and materials and small stores.

Internal control at present is weak. The Commission accountant has drawn up an internal control evaluation and procedural changes in license control which was presented for approval to the Legislative Auditor's office. We have evaluated the contemplated procedural change and consider the proposed system excellent. (See Appendix A.)

The proposed change when put into effect on July 1, 1962, will provide appropriate segregation of functional responsibility which is lacking for the period under audit. At present the License Officer has sole responsibility for the ordering, procurement and custody of licenses. The checking and verification of licenses received from the State Printing Office is also a responsibility of the

License Officer. Under the proposed changes, the Administrative Assistant will check in the licenses from the State Printing Office and verify as to:

1. Correct form of license or tag.

2. Exact number of licenses or tags.

3. Correct numbering sequence.

After verification of the total licenses has been completed by the Administrative Assistant, the custody and accountability for the licenses will be turned over to the License Officer.

Agents authorized to sell licenses remit periodically to the Fish and Game Commission the sums of money collected from the sale of licenses. The agents are allowed ten cents per license as a commission which is deducted and retained from the amount due to the Fish and Game Commission. Reports of licenses sold are mandatory by the 15th of each month for the preceding month. Included with the report of licenses sold is a check in payment for monies collected, less the commission retained. Procedure during the period under audit did not provide for a listing of checks by the mail opener, as an independent check on the cashier, that all monies received in the mail are properly accounted for. Adherence to the proposed procedure (Appendix A) will provide that all reports be routed to a central room, where the reports will be opened in the presence of two persons. These two persons will be the Administrative Assistant and one other person not employed in either the license or accounting offices. The checks will be listed immediately upon opening of the reports on bank deposit slips, providing assurance that all checks are accounted for.

For the period under audit, there was inappropriate segregation of responsibility in the cashiering of office sales in the Reno office. The License Officer issued licenses, collected and rang up the receipts, prepared the deposit slips, and made the deposits. Under the proposed procedure to be put into practice on July 1, 1962, the following routine will be initiated. All sales made by the License Officer will be recorded in the cash register. At the end of the day, or an agreed cut-off time, the License Officer will count the cash, record it on a daily cash count sheet and turn it over to the Administrative Assistant or to a designated employee. The designated employee will not be from the accounting or license offices. The Administrative Assistant will verify the cash, and, if in agreement, will make the deposit.

We feel the proposed changes as outlined in Appendix A will greatly strengthen internal control and nullify criticism we have noted in this audit. The Legislative Auditor's office will be particularly concerned that there is no procedural breakdown of the routine outlined in the internal control evaluation as described in Appendix A.

It is recommended that the accounting office set up controls to insure that the Commission receives full and complete value on salvageable parts and materials and miscellaneous sales. Recent alleged irregularities in the disposition of salvageable parts and materials and the sale of miscellaneous produce, points out emphatically the need for a complete study of this problem.

Property Control

Property control seemed to be adequate, except, as pointed out previously for control on the disposal of salvageable parts and materials.

Consideration should be given towards eventual tie-in of the property records with the general accounting records. At present, property cards are maintained only in memo form.

A card file is set up for each piece of equipment with a value of $10.00 or more, although state requirements have been set at a minimum of $25.00. The equipment is classified and the purchase price recorded. The card is cross-indexed by equipment category classification and by the individual to whom the equipment is assigned. Once a year the equipment is inventoried and either accounted for or a record made of the disposition. A spot check of property cards revealed certain pieces of equipment missing, the responsibility for disposition having been signed for by the Assistant Director. From that point, the whereabouts or the disposition of the equipment is not readily available.

As pointed out earlier, improper procedures for disposing of salvageable parts and materials led to certain alleged irregularities which culminated in the resignation of the Assistant Director.

NRS 333.220(4) names the State Director of Purchasing as the official responsible for prescribing the procedure by which supplies, materials and equipment may be condemned and disposed of, by sale or otherwise, when of no further use to the state. This statute provides that no such property shall be sold other than to the highest bidder after every effort has been made to secure at least three competitive bids.

NRS 501.220 gives the State Board of Fish and Game Commissioners full power and authority to condemn and dispose of all property, owned by the State of Nevada and used for the protection or propagation of fish and game, which shall have been found to be of no further use or value to the State.

We interpret the above paragraph to mean that the State Board of Fish and Game Commissioners has the authority to condemn and dispose of property but only in accordance with the procedures outlined in NRS 333.220.

Books and Records

The basic document setting up the appropriation ledger is known as the working budget. Budget allocations are distributed to the various departments and projects against which expenditures are recorded. The ledger sheets are set up so that an unexpended balance is indicated after posting of each transaction. There is a ledger sheet for each object of expenditure in each one of the departments or projects.

A general ledger is maintained on a double entry system summarizing through monthly postings the financial activity of the Commission.

Personnel records are maintained on an attendance record indicating the work status of each employee on every working day--whether the employee worked, took sick leave, annual leave or compensatory time. Accumulative totals in hours are recorded for sick leave and annual leave accrued, less deductions for annual and sick leave taken.

In reviewing leave records pertaining to the employees of the Commission, it was found that several employees had accumulated annual leave in excess of the maximum allowed by NRS 284.350 and NRS 284.355.

NRS 284.350(1) states that:

> All employees in the public service, whether in the classified service, shall be entitled to annual leave with pay of 1¼ working days for each month of service, which may be cumulative from year to year not to exceed 30 working days.

Our interpretation of this provision is that at any time during the year an employee's leave accrual exceeds the maximum limitation, the excess leave credit shall be forfeited. However, the Department of Personnel has ruled that:

> Vacation credit may be accumulated not to exceed thirty working days at the beginning of any calendar year. Amounts in excess of thirty working days at the beginning of any calendar year shall be forfeited.

There appears to be a conflict between the Department of Personnel ruling and the governing statute which should be resolved in favor of the statute.

Casualty Insurance and Fidelity Bonding

For the period under audit, the License Officer and his secretary were bonded--each in the amount of $5,000--although this is good business practice, bonding of employees is not authorized by statute. In addition, all license agents are bonded for $1,000 each. The premium for these bonds is paid by the Commission in accordance with NRS 502.040(3).

Negotiations are presently under way to bond all Commission employees under a blanket bond for $5,000 each, and the License Officer and his secretary for $10,000 each.

Fire insurance premiums covering Commission property are paid from a General Fund appropriation insuring all state properties. That insurance has been included in the fleet policy of the state; however, the Commission has paid its prorata of the premium.

Leases

Following is a list of leases which the Fish and Game Commission has entered into with various lessors:

Union Pacific Railroad - Approximately 18.7 acres at Big Springs near Caliente for access to a campsite for recreation site. The lease is for a term of five years ending November 15, 1964, at an annual rent of $25.

Board of Commissioners, White Pine County - Approximately 40,000 square feet located at the Ely Airport used for an office, yard and warehouse site. The lease is for a term of 99 years ending in the year 2053 at an annual rental of $1.00.

Pershing County - Approximately 160 acres of county-owned land within the Humboldt Sink Wildlife Area and used for a waterfowl hunting area. The lease is for a term of one year with an option to renew at an annual rental of $12.50.

Southern Pacific Railroad Company - Approximately 17,997 acres leased in conjunction with the above lease at an annual rental of $1,162.50 for 25 years ending January 21, 1979. There are five-year revisions available which could alter terms of the lease.

Federal Government Through the Bureau of Reclamation - Land interspersed in and adjacent to the Humboldt Sink leased for a term of 25 years. The lease expires on the 27th of May, 1982, with an option to renew. There is no rental charged for the lease.

Truckee Irrigation District - This is a three-way lease and agreement between the Truckee Irrigation District, the Fish and Game Commission and the United States Fish and Wildlife Service. The lease is for a term of 50 years expiring on October 11, 1998. There are no lease payments involved, but there are certain obligations for improvement and development. The total area covered is about 143,866 acres. It is known as the Stillwater Wildlife Management Area and is maintained as a waterfowl refuge and hunting ground.

University of Nevada - Approximately 2.76 acres of land leased from the University of Nevada as a headquarters office site. The lease is for a term of five years expiring November 1, 1995, with an option to renew for 35 years. Lease payments amount to $1.00 per year.

Peavine Ranches - Peavine Canyon North of Tonopah - The property is leased for use as a holding pond for fish preparatory to planting in waters of the state. The lease is for a term of five years ending on July 15, 1963, with an option to renew. The rental is $150 per year.

Washoe County - Approximately 24 acres located at 3885 Neil Road in Reno, and used as fish rearing ponds. The lease is for a term of 20 years expiring in November 1980, at a rate of $1.00 for the full term.

Truckee-Carson Irrigation District, Fernley - Approximately 7,680 acres leased for 25 years at no charge.

United States Fish and Wildlife Service - Approximately 100,000 acres in Eastern Nye County between Tonopah and Ely, leased for a term of 40 years expiring in October of the year 2000. A small area of the total acreage is used for waterfowl propagation. There is no rental charged for this lease. Situated on the property are the only oil-producing wells in the state. The federal government retains the mineral rights.

City of Elko - The lease consists of approximately one acre of land located at the Elko Airport, and is used for a district headquarters site. The term of

the lease is for a period of 99 years, expiring in February of the year 2052. Rental for the property amounts to $1.00 per year.

Federal Government, Overton Wildlife Management Area - This lease is for a term of 25 years expiring January 14, 1978, with an option to renew. The land is located at the upper end of Lake Mead in Southern Nevada, and is used for wildlife management. There is no rental charge.

Southern Pacific Railroad Company - This lease is for an indefinite period of time at the rate of $1.00 per year. It consists of a fish pond near Hazen, and is used for warm water fish propagation.

Pahranagat Lakes, Alamo - The hunting rights are leased from the Buckhorn Investment Company at the rental of $1,200 per year with the lease expiring October 1, 1964.

Smith Valley Station Lease, Ida Allen - This is a lease of a private pond adjacent to Smith Valley, and is used for surplus fish storage and for the quarantine of fish. The term of the lease is for an indefinite period at the rental rate of $100 per year.

County of Churchill - An area of approximately 230,400 acres adjacent to Stillwater is leased for 99 years, the lease expiring October 1 in the year 2046. The rental rate is $1.00 per year. The area is used for public shooting grounds.

County of Fallon - A parcel of land is leased for a district headquarters site at the rate of $1.00 per year.

Efficiency of Subordinate Employees

During the course of our examination, we observed no evidence of improper work habits on the part of the officials or employees of the Commission. Employees that we observed seemed to be highly dedicated to their jobs and performed the required duties in an efficient, orderly manner.

The resignation of the Assistant Director in connection with alleged irregularities in the accounting for state property is an unfortunate exception to an otherwise good record, and should not reflect to the detriment of the Director of the Fish and Game Commission or any of his staff. The administrative organization wherein the Assistant Director was responsible only to the State Board of Fish and Game Commissioners and not to the Director of the Fish and Game Commission was, in our opinion, an important factor in the breakdown of internal control permitting the alleged irregularities in the accounting for state property to occur.

Duplication of Work with Other Departments

During the course of our examination we observed no duplication of work with other departments which might be eliminated.

STATUS OF FUNDS

In reviewing the analysis of the various projects included in the section labeled Status of Funds and the Detailed Statements of Budgeted Revenues and Expenditures Compared with Actual, numerous variances between budgeted and actual expenditures in object classification become evident.

We wish to point out that these variances are a direct result of object budgeting, reflecting the inherent lack of flexibility in this type of budgeting and not necessarily pointing to weaknesses in budget control.

General Administration

This project group consists of the accounts of the Chief of Game and federal aid coordination.

Chief of Game (Schedule 1)

Budget allocation to this project was $13,739. Expenditures amounted to $13,071.27 as follows:

Salaries	$ 9,706.04
Travel	1,006.49
Operating	2,319.74
Equipment	39.00
Total	$13,071.27

The cash balance at June 30, 1961, was $667.73. Accrued employee benefits payable, $35.12, and bills payable, $23.71, at the end of the fiscal year reduced the cash balance to an available balance of $608.90.

Coordination (Schedule 2)

This project provides for the selection, planning, direction and supervision of the state's federal aid programs. The coordination project represents overhead costs for the federal aid programs.

Budget allocations from Fish and Game funds authorized for expenditure were $34,575. Expenditures amounted to $32,006.81 as follows:

Salaries	$24,906.39
Travel	778.75
Operating	6,215.99
Equipment	105.68
Total	$32,006.81

The cash balance remaining amounted to $2,568.19; supplies ordered or services contracted for were $169.44, leaving an available balance of $2,398.75 at June 30, 1961.

Wildlife Survey Projects

This project group consists of five districts organized throughout the state to collect adequate and accurate information on big game herds and ranges so as to make sound recommendations for the most beneficial harvest of game.

Budget allocations from Fish and Game funds authorized for expenditure were earmarked to each project in this group as follows:

Sierra District (Schedule 3)

Budget allocations amounted to $31,652; a transfer of $1,200 was made from unallocated budget reserve. Total available funds in this project were $32,852. Expenditures amounted to $34,226.55 as follows:

Salaries	$23,145.02
Travel	1,378.46
Operating	9,162.64
Equipment	540.43
Total	$34,226.55

The budgeted funds were overexpended by $1,374.55. Accrued employee benefits payable were $10.13, leaving the available balance a deficit figure of $1,384.68.

Black Rock District (Schedule 4)

Budget allocations to this project were $21,585. There was transferred from the project $474 to Sunnyside Wildlife Management Area, leaving available for expenditure $21,111. Expenditures were $21,854.49 as follows:

Salaries	$13,942.20
Travel	1,120.89
Operating	6,633.06
Equipment	158.34
Total	$21,854.49

Expenditures exceeded budget allocations by $743.49. Supplies ordered or services contracted for at the end of the fiscal year of $40.59 increased the commitment of funds in excess of budget to $784.08.

Owyhee District (Schedule 5)

There was budgeted for this project $37,832. Expenditures totaled $34,181.23 as follows:

Salaries	$21,370.50
Travel	1,934.46
Operating	10,748.92
Equipment	127.35
Total	$34,181.23

The cash balance was $3,650.77.

Charleston District (Schedule 6)

There was budgeted for this project $12,923.00. Expenditures totaled $12,512.32 as follows:

Salaries	$ 7,063.00
Travel	916.02
Operating	4,533.30
Total	$12,512.32

Expenditures were less than the budget, leaving a cash balance of $410.68. Accrued employee benefits payable at the end of the fiscal year amounted to $51.33 reducing the cash balance to an available figure of $359.35.

Wheeler District (Schedule 7)

There was budgeted for the project $28,949; a transfer of $948 to Sunnyside Wildlife Management Area reduced the available balance to $28,001. Expenditures totaled $24,671.30 as follows:

Salaries	$15,082.50
Travel	1,662.70
Operating	7,458.86
Equipment	467.24
Total	$24,671.30

Expenditures were less than the budget resulting in a cash balance at June 30, 1961 of $3,329.70. Supplies ordered and services contracted for amounting to $168.17 reduced the cash balance to an available balance of $3,161.53 at the end of the fiscal year.

Group Summary

A summary of this project group shows total budgeted funds were $132,941. Transfers were:

From unallocated budget reserve	$1,200
To Sunnyside Wildlife Management Area	1,422

The total funds available for expenditure were $132,719; expenditures were $127,445.89 as follows:

Salaries	$ 80,922.30
Travel	7,012.53
Operating	38,217.70
Equipment	1,293.36
Total	$127,445.89

Total expenditures in all projects were less than the total budgeted for this project group even though two projects were overexpended. The cash balance at June 30, 1961 was $5,273.11. Supplies ordered or services contracted for amounted to $473.84, leaving an available balance at the end of the fiscal year of $4,799.27.

Research

This project group included Statewide Research and Exotic Bird Introduction.

Exotic Bird Introduction (Schedule 8)

Involved here is the trapping of several species of gamebirds in India by Commission personnel for release in Nevada.

Total budget allocations for this project were $48,801. There was transferred from June 30, 1960, unexpended balance $1,071.09; other adjustments increased the available balance by $3,213.27 to a total of $53,085.36. Expenditures amounted to $50,407.10 as follows:

Salaries	$ 7,306.50
Travel	166.00
Operating	3,485.06
Bird Purchases	31,937.80
Payment to Wildlife Management	7,511.74
Total	$50,407.10

The budget was underexpended, leaving a cash balance at June 30, 1961, of $2,678.26. Accrued employee benefits payable were $30.70 for an available balance at the end of the fiscal year of $2,647.56. Overall expenditures were well within the total budgeted for the project. However, there were a few important variations from budget allotments in object classifications. Namely, payment to Wildlife Management Institute of $7,511.74, which was not set up as a separate budget item. Payment was made through the Institute with a later detail breakdown of expenses. Such procedure was necessary under the Federal aid requirements and the nature of the project. Bird purchases fell short of budget allotment by $2,566.56. Travel allotment was underexpended by $4,034.

Statewide Research (Schedule 9)

The overall objectives are to establish sound standard techniques for collecting, recording and reporting biological data on big game, upland game, waterfowl, and furbearers through the district wildlife survey projects; to

conduct technical research on special problems of a statewide nature, and to analyze, survey and research data on a statewide basis as a check on its validity and conformity to established standards, and to make the most efficient use of this information in special reports and in program planning.

Total budget allocation for this project was $12,730. Expenditures were $11,681.23 as follows:

Salaries	$ 7,531.96
Travel	1,666.29
Operating	2,482.98
Total	$11,681.23

The cash balance remaining was $1,048.77. Accrued employee benefits payable amounted to $67.44, leaving an available balance at June 30, 1961, of $981.33. Overall expenditures were well within the total budgeted for the project.

Development Areas

This project group consisting of seven wildlife management areas is engaged in development projects necessary to provide and improve habitat for fish and wildlife.

Stillwater (Schedule 10)

Budget allocation for this project was $32,347, of which $6,207 was earmarked for capital improvements.

Expenditures for maintenance, development, management and capital improvements totaled $22,915, leaving a cash balance at June 30, 1961 of $9,432. Supplies ordered and services contracted for at the end of the fiscal year were $7,369.50, making an available balance of $2,062.50.

Overton (Schedule 11)

Budget allocation to this project was $32,640. Expenditures were $32,298.93 as follows:

Salaries	$17,886.42
Travel	448.46
Operating	13,922.30
Equipment	32.75
Total	$32,289.93

The cash balance remaining on June 30, 1961, was $350.07. Accrued employee benefits payable were $78.62, and supplies ordered were $33.77. At the end of the fiscal period this left an available balance of $237.68.

Mason Valley (Schedule 12)

Budget allocations to this project were $52,329, of which $21,507 was for capital improvements. Expenditures amounted to $51,918.58 as follows:

Salaries	$18,291.71
Travel	117.50
Operating	12,262.82
Equipment	2,122.50
Capital improvements	19,124.05
Total	$51,918.58

The cash balance remaining on June 30, 1961, was $409.42. Accrued employees benefits payable amounted to $78.71, and supplies ordered at the end of the fiscal year were $78.98, leaving an available balance of $251.73.

Scripps (Schedule 13)

Budget allocations for this project were $1,706, of which $1,025.76 was expended for operating expense. The cash balance on June 30, 1961, was $680.24.

Sunnyside (Schedule 14)

There was budgeted for this project $4,770; transfer from unallocated budget reserve and other projects increased the total available for expenditure to $12,294. Expenditures amounted to $12,201.52 as follows:

Salaries	$ 3,796.50
Travel	225.83
Operating	8,094.92
Equipment	54.27
Total	$12,201.52

The cash balance at June 30, 1961, remained $92.48, which was reduced to an available balance of $.34 by employee benefits payable of $29.29 and supplies ordered in the amount of $62.85.

Sunnyside Dam (Schedule 15)

Funds made available for expenditure in this project came from:

Transfer of June 30, 1960, balance	$30,000.04
Transfer from engineering budget	1,120.00
Total	$31,120.04

Expenditures amounted to $33,415.29 as follows:

Travel	$ 449.90
Payments on contract for dam	31,113.84
Operating	1,851.65
Total	$33,415.39

Expenditures exceeded available funds in the amount of $2,295.35.

Railroad Valley (Schedule 16)

Funds budgeted for the project amounted to $1,056 of which $742 was expended for the maintenance and repairs of dikes, roads, fences and ponds, leaving a cash balance of $323 at June 30, 1961.

Payments in Lieu of Taxes (Schedule 17)

Funds budgeted amounted to $5,000; expenditures were $5,259.50, leaving a deficit balance of $259.50 at June 30, 1961.

Group Summary

In summarizing the activity in this group of projects, we find there were numerous material variations between budgeted and actual expenditures in object classifications. However, the project group as a whole showed a cash balance at June 30, 1961, of $8,732.36.

Only two projects showed an overexpenditure of budget:

Sunnyside Dam	$2,295.35
Payments in Lieu of Taxes	259.50

Beaver Control (Schedule 18)

This program consists of investigating and controlling damage caused by beavers. One full time trapper is employed in Elko County, where the majority of control work is needed.

Funds budgeted for beaver control amounted to $11,338. Expenditures were $9,869.96 as follows:

Salaries	$6,432.00
Travel	730.40
Operating	2,707.56
Total	$9,869.96

The cash balance at June 30, 1961, was $1,468.04. Accrued employee benefits payable at the end of the fiscal year of $30.71 reduced the balance to an available figure of $1,437.33.

Access Roads

In areas where adequate big game harvests are not possible through reason of poor roads or no roads at all, consideration is given to the feasibility of providing access. Areas which are given major consideration are those from which unusual benefits may be derived at a relatively low cost.

Weeks Access Road - Elko (Schedule 19)

Budget allocation to this project amounted to $1,324.67. A transfer of $1,000 from unallocated budget reserve increased the available funds to $2,324.67.

Expenditures were $2,525.74, leaving a deficit balance of $201.07 at June 20, 1961.

Humboldt Access Road (Schedule 20)

Budget allocation amounted to $23,911.20. Expenditures were $22,842.67, leaving a cash balance at June 30, 1961 of $1,068.53.

Leases

Leases are entered into by the Fish and Game Commission to provide additional water fowl hunting areas which would be unavailable to sportsmen without such lease arrangements.

Humboldt Sink (Schedule 21)

Budget allocation for this lease amounted to $1,250 which was fully expended.

Pahranagat Lakes (Schedule 22)

Budget allocation for this lease amounted to $1,200, which was fully expended.

Predator Control (Schedule 23)

The Fish and Game Commission appropriated $20,000 for predator control, which was transferred to the U. S. Bureau of Sport Fisheries and Wildlife for disbursement through their Branch of Predator and Rodent Control.

Bird Planting (Schedule 24)

This project involves the purchase and release of pheasants.

Budget allocation amounted to $14,620. Expenditures were $1,531.28 as follows:

Salaries	$1,196.72
Operating	334.56
Total	$1,531.28

The cash balance remaining at June 30, 1961, was $13,088.72. Funds encumbered for pheasant purchases and miscellaneous operating supplies totaled $11,609.20, leaving an available balance of $1,479.52 at the end of the fiscal year.

Fisheries Division

Included in this division are the various projects engaged in raising fish, transporting and planting of fish, research and experimental studies, and fisheries management projects, all designed to meet the problems of providing adequate recreational fishing.

Chief of Fisheries (Schedule 25)

Funds provided by budget allocation amounted to $23,684. Expenditures were $24,598.07 as follows:

Salaries	$19,890.00
Travel	571.60
Operating	4,136.47
Total	$24,598.07

This resulted in a cash overexpenditure of the budget amounting to $914.07. Accrued employee benefits payable at the end of the fiscal year were $110.66, increasing the total committed funds to $1,024.73 in excess of budget allocation.

Hatcheries

This project group comprises five hatcheries and fish production centers engaged in the rearing of game fish.

Verdi Hatchery (Schedule 26)

Funds provided by budget allocation amounted to $31,551. Additional funds of $8,000 were allocated for capital improvements. There was transferred from unallocated budget reserve the sum of $12,630, making a total of $52,181 available for expenditure. Expenditures totaled $43,864.78 as follows:

Salaries	$17,393.92
Travel	57.50
Operating	12,158.51
Equipment	84.00
Capital improvements	14,170.85
Total	$43,864.78

This resulted in a cash balance of $8,316.22 at June 30, 1961. Supplies ordered and services contracted for were $7,619.95, reducing the cash balance at the end of the fiscal year to an available balance of $696.27.

Spring Creek Hatchery (Schedule 27)

Funds provided by budget allocation amounted to $25,567. A transfer of $146 to Sunnyside Wildlife Management Area reduced the balance available for expenditure to $25,421.

Expenditures amounted to $20,903.80 as follows:

Salaries	$12,527.82
Travel	132.50
Operating	8,105.34
Equipment	138.14
Total	$20,903.80

This resulted in a cash balance of $4,517.20 at June 30, 1961. Accrued employee benefits payable and supplies ordered were $155.21, reducing the cash balance to an available balance of $4,361.99.

Hatcheries, Elko County (Schedule 28)

Funds provided by budget allocation amounted to $60,969. Additional funds of $3,800 were allotted for capital improvements. A transfer of $31,644 to the Elko County Game Board reduced the balance available for expenditure to $33,225. Expenditures were $22,546.62 as follows:

Operating	$19,089.54
Equipment	3,457.08
Total	$22,546.62

This resulted in a cash balance of $10,678.38 at June 30, 1961. Supplies ordered were $1,910, reducing the cash balance to an available balance of $8,768.38.

Hatcheries - Washoe Ponds (Schedule 29)

Funds provided by budget allocation amounted to $42,044 for general operating, $2,500 for capital improvements and $8,000 for equipment. A transfer from unallocated budget reserve provided an additional $816, which was reduced by a transfer of $330 to Sunnyside Wildlife Management Area, making a total available for expenditure of $53,030.

Expenditures were $56,595.50 as follows:

Salaries	$25,430.09
Operating	20,469.64
Equipment	2,574.87
Capital improvements	8,120.90
Total	$56,595.50

This resulted in a cash overexpenditure of budget amounting to $3,565.50. Accrued employee benefits payable and supplies ordered at the end of the fiscal year were $193.08, increasing the total committed funds to $3,758.58 in excess of budget allocation.

Hatcheries - Smith Valley (Schedule 30)

Funds provided by budget allocation amounted to $11,023. Expenditures were $9,382.69 as follows:

Salaries	$6,109.84
Travel	30.00
Operating	2,976.91
Equipment	265.94
Total	$9,382.69

This resulted in a cash balance of $1,640.31 at June 30, 1961. Accrued employee benefits payable and supplies ordered at the end of the fiscal year amounting to $107.60 reduced the cash balance to an available balance of $1,532.71.

Group Summary

Summarizing the activity of the five projects in this group shows total funds available for expenditure amounting to $174,880.

Expenditures totaled $153,293.39 as follows:

Salaries	$ 61,461.67
Travel	220.00
Operating	67,799.94
Equipment	6,520.03
Capital improvements	22,291.75
Total	$153,293.39

This resulted in a total cash balance at June 30, 1961 of $21,586.61. Total encumbrances at the end of the fiscal year of $9,985.84 reduced the cash balance to an available balance of $11,600.77.

Fish Hauls (Schedule 31)

This function accounts for the transportation and distribution of hatchery-reared fish to various streams and waters of Nevada.

Funds provided by budget allocation amounted to $46,881. Expenditures were $37,940.19 as follows:

Salaries	$ 8,921.21
Travel	3,646.56
Operating	24,880.07
Equipment	492.35
Total	$37,940.19

This resulted in a cash balance of $8,940.81 at June 30, 1961. Accrued employee benefits payable and supplies and equipment ordered at the end of the fiscal year amounted to $547.80, reducing the cash balance to an available balance of $8,393.01.

District Fisheries Management

The general objectives of this group of projects are to meet the problems of providing adequate recreational fishing to Nevada's expanding population with the existing fisheries resources. A program of inventory and investigation of the waters within the boundaries of the respective projects is being conducted with the view of gathering information for more efficient management of these fisheries resources in the future. Specifically, follow-up work on experimental fish plantings and creel census is carried out. In addition, other means of bettering the fishing opportunities within the districts and the several projects, such as access and development investigations, fish population inventories, fish survival studies and economic surveys are being conducted.

Sierra District (Schedule 32)

Funds provided by budget allocation amounted to $21,756. Expenditures were $15,813.08 as follows:

Salaries	$10,165.32
Travel	556.57
Operating	4,626.27
Equipment	464.92
Total	$15,813.08

This resulted in a cash balance of $5,951.92 at June 30, 1961. Accrued employee benefits payable and supplies ordered amounted to $35.47, reducing the cash balance to an available balance of $5,916.45.

Owyhee District (Schedule 33)

Funds provided by budget allocation amounted to $15,833. A transfer of $500 from unallocated budget reserve increased the funds available for expenditures to $16,333.

Expenditures were $16,656.67 as follows:

Salaries	$10,777.37
Travel	1,231.43
Operating	4,575.71
Equipment	72.16
Total	$16,656.67

This resulted in a cash overexpenditure of budget amounting to $323.67. Accrued employee benefits payable and supplies ordered at the end of the fiscal year amounting to $100.79 increased the committed funds to $424.46 in excess of budget allocations.

Wheeler District (Schedule 34)

Funds provided by budget allocation amounted to $11,664. Expenditures were $11,204.23 as follows:

Salaries	$ 6,052.77
Travel	531.92
Operating	4,248.27
Equipment	371.27
Total	$11,204.23

This resulted in a cash balance of $459.77 at June 30, 1961. Accrued employee benefits payable and supplies ordered amounted to $239.88, increasing the committed funds to $1,141.61 in excess of budget allocation.

Charleston District (Schedule 36)

Funds provided by budget allocation amounted to $12,780. Expenditures were $12,425.61 as follows:

Salaries	$ 8,870.11
Travel	807.19
Operating	1,837.62
Equipment	910.69
Total	$12,425.61

This resulted in a cash balance of $354.39 at June 30, 1961. Employee benefits payable and supplies ordered totaled $68.87, reducing the cash balance to an available balance of $285.52.

Tahoe Project (Schedule 37)

Funds provided by budget allocation amounted to $14,642. Expenditures were $11,433.78 as follows:

Salaries	$ 7,708.76
Travel	474.20
Operating	3,003.22
Equipment	247.60
Total	$11,433.78

This resulted in a cash balance of $3,208.22 at June 30, 1961. Employee benefits payable and supplies ordered totaled $55.88, reducing the cash balance to an available balance of $3,152.34.

Group Summary

A summary of this group of projects shows total funds available for expenditure amounted to $91,941. Expenditures were $83,192.10 as follows:

Salaries	$54,638.20
Travel	3,918.47
Operating	22,274.30
Equipment	2,361.13
Total	$83,192.10

This resulted in a cash balance of $8,748.90 at June 30, 1961. Accrued employee benefits payable and supplies ordered of $530.66 at the end of the fiscal year reduced the cash balance to an available balance of $8,218.24.

Although this project group as a whole completed the fiscal year with a substantial underexpenditure of overall budget, we wish to point out that the Owyhee District was overexpended by $424.46 and the Black Rock District was overexpended by $1,141.61.

Other Fisheries Projects

Beaver Dam (Schedule 38)

This is a fish development and operations project designed to promote efficient management of fish resources. The dam is an earth-filled structure located in Lincoln County, Nevada.

Funds provided by budget allocation amounted to $6,903. Transfers were as follows from:

1959-1960 balance	$50,000
Unallocated budget reserve	2,000
Engineering salaries	2,000
	$54,000

This provided a total available for expenditure amounting to $60,903. Expenditures amounted to $60,950.63 as follows:

Payment to Eckley Construction	$51,400.49
Payment to Caliente Plumbing	2,715.00
Travel	357.85
Consulting fees and inspection	4,807.79
Miscellaneous operating	1,669.50
Total	$60,950.63

The result was an overexpenditure of budgeted funds amounting to $47.63.

Washoe Lake Poison (Schedule 39)

The entire fish population of Big and Little Washoe Lakes was eradicated preparatory to restocking with black bullheads, white catfish and largemouth black bass.

Funds were provided from unallocated budget transfers in the amount of $18,000. Expenditures were $18,581.26 as follows:

Fish Poison	$15,969.45
Travel	569.50
Automobile charge	654.67
Miscellaneous services & supplies	1,387.64
Total	$18,581.26

The result was an overexpenditure of funds provided in the amount of $581.26. Supplies ordered at the end of the fiscal year were $5.86 increasing the overexpenditure to $587.12.

Cave Rock Boat Landing (Schedule 40)

The boat landing at Cave Rock, Lake Tahoe, was cleaned of sand that had drifted in since it was constructed.

Funds provided by budget allocation amounted to $1,600. Contract payment for excavation was $1,300, leaving a cash balance of $300 at June 30, 1961.

Fish Purchases (Schedule 41)

Funds provided by budget allocation amounted to $4,500. Fish purchases totaled $1,984, leaving a cash balance of $2,516. Orders placed for fish at the end of the fiscal year were $949.45, leaving an available balance of $1,566.55.

Law Enforcement

At the present time the Law Enforcement Division consists of 11 full time conservation officers and 8 wildlife managers, who devote 6 months of their time to law enforcement.

Chief of Law Enforcement (Schedule 42)

The duties of the Chief of Law Enforcement are normally assumed by the Assistant Director.

Funds provided by budget allocation amounted to $4,967. Expenditures were $3,098.25 as follows:

Salaries	$2,247.00
Travel	180.00
Operating	671.25
Total	$3,098.25

The result was a cash balance of $1,868.75 at June 30, 1961. Accrued employee benefits payable at the end of the fiscal year amounted to $35.36, reducing the cash balance to an available balance of $1,833.39.

Law Enforcement - Black Rock District (Schedule 43)

Funds provided by budget allocation amounted to $33,591. Expenditures were $34,312.35 as follows:

Salaries	$22,022.18
Travel	1,876.65
Operating	10,402.57
Equipment	10.95
Total	$34,312.35

The result was a budget overexpenditure at June 30, 1961, of $721.35. Accrued employee benefits payable of $64.58 increased the overexpenditure to $785.93.

Law Enforcement - Charleston District (Schedule 44)

Funds provided by budget allocation amounted to $25,756. Expenditures were $26,861.29 as follows:

Salaries	$17,257.96
Travel	1,087.55
Operating	7,948.71
Equipment	567.07
Total	$26,861.29

This resulted in a budget overexpenditure of $1,105.29. Accrued employee benefits payable of $55.90 and supplies or services on order of $6 increased the overexpenditure of budget to $1,167.19 at the end of the fiscal year.

Law Enforcement - Owyhee District (Schedule 45)

Funds provided by budget allocation amounted to $21,475. Expenditures were $20,118.04 as follows:

Salaries	$13,169.50
Travel	1,026.20
Operating	5,845.79
Equipment	76.55
Total	$20,118.04

The result was a cash balance of $1,356.96 at June 30, 1961. Accrued employee benefits payable of $29.29 and supplies ordered in the amount of $25.45 reduced the cash balance to an available balance of $1,302.22 at the end of the fiscal year.

Law Enforcement - Sierra District (Schedule 46)

Funds provided by budget allocation amounted to $31,120. Expenditures were $28,819.44 as follows:

Salaries	$19,282.00
Travel	1,466.00
Operating	8,071.44
Total	$28,819.44

The result was a cash balance of $2,300.56 at June 30, 1961. Accrued employee benefits payable of $37.19 and supplies ordered in the amount of $6 reduced the cash balance at the end of the fiscal year to $2,257.37.

Law Enforcement - Wheeler District (Schedule 47)

Funds provided by budget allocation amounted to $21,084. Expenditures were $20,033.68 as follows:

Salaries	$12,630.00
Travel	997.87
Operating	6,310.13
Equipment	95.68
Total	$20,033.68

The result was a cash balance of $1,050.32 at the end of the fiscal year. Accrued employee benefits payable amounted to $58.58, reducing the balance to an available figure of $991.74.

Service Departments

Included in this division are departments which serve in an administrative capacity for the various districts. Also included are departments which provide indirect services, such as engineering advice and planning, airplane services, information and education, and the general administrative offices in Reno.

Districts Administration

Black Rock District (Schedule 48)

Funds provided by budget allocation amounted to $9,528. Expenditures were $9,943.46 as follows:

Salaries	$6,796.94
Travel	722.03
Operating	2,205.24
Equipment	219.25
Total	$9,943.46

The result was an overexpenditure of budget allocation in the amount of $415.46. Accrued employee benefits payable in the amount of $35 and supplies ordered in the amount of $2.42 increased the overexpenditure of budget to $452.88.

Charleston District (Schedule 49)

Funds provided by budget allocation amounted to $12,581. Expenditures were $11,269.47 as follows:

Salaries	$ 7,927.04
Travel	300.75
Operating	2,875.61
Equipment	166.07
Total	$11,269.47

The result was a cash balance of $1,311.53 at the end of the fiscal year. Accrued employee benefits payable in the amount of $34.67 and supplies ordered in the amount of $35.25 reduced the cash balance to an available amount of $1,241.61.

Owyhee District (Schedule 50)

Funds provided by budget allocation amounted to $11,093. Expenditures were $10,844.42 as follows:

Salaries	$ 7,610.49
Travel	320.15
Operating	2,656.88
Equipment	256.90
Total	$10,844.42

The result was a cash balance of $248.58 at June 30, 1961. Accrued employee benefits payable, $34.67, and supplies ordered, $183.45, reduced the cash balance to an available balance of $30.46.

Sierra District (Schedule 51)

Funds provided by budget allocation were $11,898. Expenditures were $12,723.53 as follows:

Salaries	$ 9,274.79
Travel	494.87
Operating	2,943.07
Equipment	10.80
Total	$12,723.53

The result was an overexpenditure of budget allocation in the amount of $825.53 at June 30, 1961. Accrued employee benefits payable, $43.79, and supplies ordered, $32.25, increased the overexpenditure to $901.57 at the end of the fiscal year.

Wheeler District (Schedule 52)

Funds provided by budget allocation were $13,269. A transfer from unallocated budget reserve $1,200 and a transfer of $262 from office salaries provided a total available for expenditure amounting to $14,731. Expenditures were $13,726.43 as follows:

Salaries	$ 8,701.85
Travel	387.20
Operating	4,197.53
Equipment	439.85
Total	$13,726.43

The result was a cash balance of $1,004.57 at June 30, 1961. Accrued employee benefits payable, $43.93, and supplies ordered $144.28, reduced the cash balance to an available balance of $816.36, at the end of the fiscal year.

Group Summary

Summarizing the activity in this group of projects, we arrive at a total available for expenditure of $59,831. Expenditures were $58,507.31 as follows:

Salaries	$40,311.11
Travel	2,225.00
Operating	14,878.33
Equipment	1,092.87
Total	$58,507.31

The result was a cash balance in this project group amounting to $1,323.69. Total accrued employee benefits payable, $192.06, and supplies ordered, $397.65, at the end of the fiscal year reduced the cash balance to an available balance of $733.98.

Two projects in this group were overexpended--Black Rock District, $415.46; and Sierra District $825.53. However, the project group as a whole ended the fiscal year with an available balance of $733.98. Variations between budgeted and actual expenditures in object classification were numerous. However, the over or underexpenditures were of no great material significance when analyzed item by item. Furthermore, one must take into consideration the unpredictable nature of the work performed in evaluating the degree of adherence to budget allocations.

Other Projects or Departments

Office (Schedule 53)

Funds provided by budget allocation for administration of the headquarters office in Reno amounted to $109,682. A transfer of $262 to Wheeler District administration reduced the total available for expenditure to $109,420. Expenditures were $106,080.18 as follows:

Salaries	$ 70,704.86
Travel	3,409.66
Operating	30,289.91
Equipment	1,675.75
Total	$106,080.18

The result was a cash balance of $3,339.82 at June 30, 1961. Accrued employee benefits payable, $200.53, and supplies ordered or contracts entered into were $1,124.40, reducing the cash balance to an available balance of $2,014.89.

Information and Education (Schedule 54)

The Information and Education Division operates as a general service division in its service to the various divisions of the department, in addition to its regularly scheduled functions. Information is provided to the public and news outlets which include newspapers, magazines and outdoor writers, and through hundreds of requests by mail and telephone. Television and radio programs are scheduled to familiarize the viewing audience with overall functions of the Fish and Game Commission.

Funds provided by budget allocation were $31,057. A transfer of $100 from unallocated budget reserve provided a total available for expenditure amounting to $31,157. Expenditures were $28,254.28 as follows:

Salaries	$15,054.00
Travel	1,315.00
Operating	11,116.49
Equipment	768.79
Total	$28,254.28

The result was a cash balance of $2,902.72 at the end of the fiscal year. Accrued employee benefits payable, $68.60, and supplies ordered, $654.19, reduced the cash balance to an available balance of $2,179.93.

Engineering (Schedule 55)

The Engineering Division is capable of providing surveying, drafting, design, contract preparation and construction supervision assistance to the other divisions of the department. The construction of roads, dams, irrigation devices, buildings, and wells is the major type of work performed, but state line surveys and map preparation, as well as many smaller tasks, such as budgetary assistance, periodical inspection of projects and preliminary

investigations are a normal part of the division's activities.

Funds provided by budget allocation amounted to $35,699. Transfers to other projects--Schroeder Dam, $790; and Beaver Dam, $458.02--reduced the funds available for expenditure to $34,460.98. Expenditures were $28,461.28 as follows:

Salaries	$21,712.32
Travel	1,527.45
Operating	4,668.73
Equipment	552.78
Total	$28,461.28

The result was a cash balance of $5,999.70 at June 30, 1961. Accrued employee benefits payable, $74.51, reduced the cash balance to an available balance of $5,925.19 at the end of the fiscal year.

Commission Pilot (Schedule 56)

A full time airplane pilot was hired on August 1, 1960, due to the heavy demand for aircraft use in game surveys, law enforcement, personnel transportation, etc. The Commission plane had been piloted by the Chief of Fisheries previously.

Funds provided by budget allocation were $8,100. Expenditures amounted to $6,829.97 as follows:

Salaries	$5,621.00
Travel	694.00
Operating	514.97
Total	$6,829.97

The result was a cash balance of $1,270.03 at June 30, 1961. Accrued employee benefits, $29.29, reduced the cash balance to an available balance of $1,240.74 at the end of the fiscal year.

Note: This does not include any of the direct operating costs of the airplane. See Schedule H for operational costs for the airplane.

Miscellaneous Accounts (Schedule 57)

Funds provided by budget allocation were $85,089.13. Expenditures as detailed on Schedule 57 amounted to $12,956.43. A transfer of $70,000 to the State Planning Board reduced the balance to $2,132.70 at June 30, 1961. Encumbered funds of $507 at the end of the fiscal period reduced the cash balance to an available figure of $1,625.70.

Commissioners (Schedule 58)

Funds provided by budget allocation were $85,089.13. Expenditures as detailed on Schedule 57 amounted to $12,956.43. A transfer of $70,000 to the

State Planning Board reduced the balance to $2,132.70 at June 30, 1961. Encumbered funds of $507 at the end of the fiscal period reduced the cash balance to an available figure of $1,625.70.

Commissioners (Schedule 58)

Funds provided by budget allocation were $6,814. Expenditures as detailed on Schedule 58 were $7,336.29 resulting in an overexpenditure of budget in the amount of $522.29. An outstanding bill of $60 at the end of the fiscal period increased the overexpenditure to $582.29.

County Game Boards (Schedule 59)

Funds provided by budget allocation were $25,023. Transfers to the 17 counties totaled $33,046.78, leaving a cash balance of $1,976.22. It is the practice of the Fish and Game Commission to withhold any unexpended balance remaining in county treasuries from budget allocation to the county game boards.

POSSIBLE NON-COMPLIANCE WITH STATUTE OR GOOD BUSINESS PROCEDURE

The audit program of the Legislative Counsel Bureau is designed to assist, in a helpful manner, state officers to obtain effective government by including in our reports situations which do not conform to statute or good business practice. Further, we are charged by statute with reporting on such situations.

1. State officers, departments to pay receipts into state treasury monthly

NRS 353.250, Sec. 1, states:

> 1. Every state officer, department or commission which receives or which may receive any moneys of the State of Nevada or for its use and benefit shall pay into the state treasury on the 1st Monday of each month all moneys received by such officer, department or commission during the previous calendar month, together with a complete itemized statement covering all financial transactions during the month.

Reference to Exhibit A reveals a non-compliance with the above statute. For a period of six months there was no deposit of moneys in the State Treasury as required by the above quoted statute.

This situation has been corrected since being called to the attention of the agency.

2. Authority for maintenance of bank account not defined

NRS 501.255, Sec. 1, states:

> There is hereby created a fund to be known as and called the fish and game fund, which fund shall be kept in the state treasury and shall consist of all moneys received from the sale of licenses and from all other sources for fish and game propagation as provided by law, including appropriations made by the legislature.

However, the Fish and Game Commission maintains a bank account in the South Virginia Branch of the First National Bank. This bank account has been in operation since 1951. It is used exclusively for the deposit of monies received from the sale of hunting, fishing and trapping licenses, as well as minor miscellaneous revenues.

Prior to the establishment of this account all funds received by the Commission were transferred directly to the State Treasurer; however, when the Commission took over the job of license distribution previously handled by the county clerks, the volume of transactions so greatly increased as to make impossible the orderly transfer of funds from the Commission office in Reno to the State Treasury in Carson City. The Commission therefore proposed to the State Board of Finance that the Commission be allowed to establish a bank account. As a control on the use of the account, checks for disbursements would be made payable only to the State Treasurer for transfer of funds to the

State Treasury. Checks would be signed by the Director and Secretary of the Commission.

At the time application was made for establishment of a bank account, it was learned from the bank that it was not possible to accept a deposit from the Commission unless approval was given by the Board of Finance.

Upon request, the Board of Finance authorized establishment of the bank account although the Board of Finance has no statutory authority to authorize bank accounts. Inquiry has proven that the letter of authorization from the Board of Finance is no longer on file either with the Commission or at the First National Bank.

When originally established the Commission would maintain the bank account for a period of a year and then transfer to the State Treasury those funds which represented the annual sales of hunting, fishing and trapping licenses.

The State Bank Examiner, who at that time was acting as State Auditor, recommended that the Commission require security from the First National Bank for funds on deposit in the same manner as other state deposits are secured. The Commission negotiated this security in the amount of $250,000 and since that time has transferred funds to the State Treasury at irregular intervals when the amount on deposit at the bank approached $250,000.

The current signature card bears the signatures of Frank W. Groves, Director of the Fish and Game Commission and William H. Gravelle, Secretary of the Commission.

It appears authority for maintenance of the Commission bank account comes from an administrative decision and does not conform to NRS 501.255(1) which reads that the "fund shall be kept in the State Treasury."

3. Inadequate security for state funds on deposit in bank account

Reference to Exhibit A reveals a balance in the Commission bank account amounting to $406,628.46 on September 30, 1960. At that time state funds in the amount of $156,628.46 were unprotected by any security.

As a matter of good business practice, it would seem that the regulations pertaining to the State Treasurer, whereby he must secure 110% collateral from banks for state money on deposit would also apply to the Commission if the bank account were approved by statute.

4. Budget presentation

The present procedure of presenting the Commission budget to the Legislature for approval does not meet the intent of the State Budget Act. A brief outline of budget preparation and presentation will substantiate this statement.

On or before September 1, 1960, the Commission presented to the Director of the Budget estimates of its expenditure requirements, together with all anticipated income from fees and other sources. The total estimate was

$1,411,044. The Governor in his Executive Budget presentation to the Legislature the following January approved the Commission's request as presented. The Legislature through enactment of the General Authorization Act gave statutory approval of the Commission's request of $1,411,044.

After adjournment of the Legislature, in May of 1960, the State Board of Fish and Game Commissioners met and decreased the recommendations of the Governor and the statutory approval of the Legislature, reducing the authorized expenditures to $1,285,129 (refer to Exhibit B). The revised work program as approved by the Director of the Budget was set at a figure of $1,373,968. Analysis of the budget allocation to the various departments and field projects of the Commission shows a total budgeted figure of $1,506,279.40.

5. Possible conflict of interest

It is possible that the negotiation of a lease with the Buckhorn Investment Company signed by a state senator as president of the company places the Commission in the position of being a party to a violation of the conflict of interest provisions of NRS 218.580.

6. Receipts pertinent to one period, recorded in another

On June 30, 1961, there remains in the hands of license agents books of licenses which have been partially sold. The Commission accountant cannot determine until the 15th of July in the following fiscal period, at which time the license agent sends in his report, the amount of licenses sold during June. It has been the practice to record the income in the current period rather than in the period in which it was earned. This practice distorts the income picture and complicates the audit of receipts. An income account set up on current fiscal year records to record receipts accrued from a prior fiscal year would provide adequate control to enable adjustment of prior year's receipts until such time as encumbrance accounting is approved as the state's basis of record keeping.

7. Annual leave accumulated in excess of maximum allowed

Several employees had accumulated annual leave in excess of the maximum allowed by statute. It appears that whenever annual leave reaches the 30-day maximum, that the 1¼ day accrual per month is no longer applicable and is forfeited even though the Department of Personnel ruling holds that the 30-day maximum applies only to end of the year carry-over of leave. We reiterate that the apparent conflict between the Department of Personnel ruling and the governing statute be resolved.

8. Separation of authority

It is our belief that the separation of responsibility by the Commission between the Director and Assistant Director for certain phases of the administration was a direct factor in the breakdown of internal control permitting the alleged irregularities in disposal of state property. The chain of responsibility from the Commission should be through the Director to all subordinate employees.

Suggested Changes and Recommendations

We suggest that the following recommendations or changes be effected in order to clarify and remedy situations which appeared, in our opinion, to be inadequate, uncertain or contrary to statutory requirements.

1. It is suggested that the Commission deposit receipts directly into the State Treasurer's bank account in Carson City by way of inter-bank transfer deposits in the First National Bank of Nevada, Reno Branch. Implementation of this method of depositing receipts will correct in one stroke, sections 1, 2 and 3 of this report entitled "Possible Non-Compliance with Statute or Good Business Procedures."

2. It is recommended that budget preparation procedures be revised so as to present to the Governor and Legislature a budget document which is the final result of careful consideration by both the State Board of Fish and Game Commissioners and the Commission staff.

Under past procedures the State Board of Fish and Game Commissioners made formal analysis of the budget document only after the Legislature and the Governor have approved the request--often changing the expressed intent of both.

This recommendation has been initiated in preparation of the 1963-1964 and 1964-1965 budgets.

3. The practice of recording receipts in the period received, regardless of the period it was earned, should be corrected to permit more meaningful comparison of yearly income.

4. We recommend that the conflict between the Department of Personnel's ruling, Section 8.02 of the State Administrative Manual, which states:

> Vacation credit may be accumulated not to exceed thirty working days at the beginning of any calendar year. . .

and NRS 284.350(1) be resolved on the maximum limit allowed for annual leave accrual. The conflict should be resolved either by repeal of Section 8.02 or by amendment of NRS 284.350(1).

5. We suggest that the Viewpoints and Recommendations of the Consultant Committee on Fish and Game, pages 26-32, Chapter XIII, and the Summary of Major Recommendations, all from Nevada Legislative Counsel Bureau's Bulletin No. 36, "Survey of Fish and Game Problems in Nevada," be evaluated for possible improvements in fiscal policies and management. We wish to point out that certain recommendations made in this report have been adopted. Other recommendations require legislative action; therefore, we suggest that the Fish and Game Commission and the 1963 Legislature take another look at the recommendations of Bulletin No. 36 for possible amendments to the fish and game law.

We are including pages 26-32 and Chapter XIII of Bulletin No. 36 intact. Some of the recommendations therein cannot be construed as falling strictly within the scope of a fiscal audit; however, there is such a close tie between management and fiscal policies that we feel justified in including these recommendations intact (Refer to Appendix C).

6. We recommend that the Commission seek statutory authority for its Petty Cash Fund at the 1963 Session of the Legislature.

7. We suggest the Commission to terminate the lease with the Buckhorn Investment Company in connection with "shooting rights" at Pahranagat Lake. Such termination will eliminate the possible conflict of interest thereunder.

STATEMENT OF FINANCIAL CONDITION

Cash in First National Bank - $173,477.22

Cash represents moneys collected from various license sales and miscellaneous revenues and held temporarily in a bank account prior to deposit in the State Treasury. Cash in the bank was verified by obtaining an independently requested bank certificate and reconciling the balance according to the bank with the ledger account balance.

Cash in the State Treasury - $924,468.17

This represents the cash balances accumulated in the State Treasury from the sale of various licenses and miscellaneous revenues. Funds authorized for expenditure in Commission budget allocations are drawn from this balance. The balance agrees with the several accounts of the Fish and Game Commission in the office of the State Controller.

Petty Cash - $75

There is no statutory provision for a petty cash account. However, a definite need exists for such an account--mainly for payments to city, state, county or federal agencies that require payment before any service is rendered. The auditor did not physically count the petty cash.

Accounts Receivable - $217,369.38

The above figure represents moneys due the Commission at the end of the fiscal period from various sources; i.e., Federal Aid Reimbursement, Arizona Fish and Game, License Agents, returned checks, various counties, employers and others. Confirmation requests were not mailed by the auditors as this type of confirmation often is not answered by governmental agencies and our audit was conducted at such a late date.

Inventory - $787.23

This represents equipment for stockpiling which is purchased in quantity lots resulting in substantial savings. As various projects need the equipment it is distributed to them.

Investments in Land and Other Equipment - $1

In the absence of accurate appraisals of value on land and equipment, we have placed a nominal $1 value on these assets. It is expected accurate appraisals will be completed in the near future.

Automotive Equipment - $219,865.84

This figure represents the total purchase price of the automotive fleet, commission airplane and various accessories and equipment thereto.

Accounts Payable - $119,890.27

Moneys payable to various accounts at the end of the fiscal period include payables to various commerical ventures--Federal Aid, Arizona Fish and Game and License Agent. Confirmation requests were not mailed out by the auditors as this type of information is not usually available from governmental agencies.

Surplus - $1,416,153.57

The above represents the excess of assets over liabilities at June 30, 1961 (For further details pertaining to surplus, examine Exhibits C, D and E).

OPINION

We have examined the state of financial condition of the Nevada State Board of Fish and Game Commissioners as of June 30, 1961, and the related statements of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records, and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial condition and statements of revenues and expenditures present fairly the financial position of the Nevada State Board of Fish and Game Commissioners as of June 30, 1961, and the results of its operations for the year then ended, with the exception of accounts receivable and accounts payable which we did not confirm in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Very truly yours,

A. N. JACOBSON, Legislative Auditor

Remo Albertini, Auditor in Charge

RA/tl

NEVADA FISH & GAME COMMISSION
Consolidated Statement of Financial Condition
As of June 30, 1961

Exhibit A

	Consolidated	General Operating Fund	Automotive Operating Fund	Commission Plane Fund	House Maintenance Fund
Assets					
Cash:					
First National Bank	$ 173,477.22	$ 173,477.22			
State Treasurer	924,468.17	849,257.42	$ 63,630.24	$ 3,098.43	$8,482.08
Petty Cash	75.00	75.00			
Total Cash	$1,098,020.39	$1,022,809.64	$ 63,630.24	$ 3,098.43	$8,482.08
Accounts Receivable:					
Federal Aid	144,154.35	144,154.35			
Arizona Fish & Game	30,000.00	30,000.00			
License Agents	28,308.10	28,308.10			
Returned checks	1,439.50	1,439.50			
Counties	1,565.10	1,565.10			
Other	11,774.34	11,774.34			
Employees	127.99	127.99			
Total Accounts Receivable	$ 217,369.38	$ 217,369.38			
Inventory	787.23	787.23			
Investments in land and other equipment	1.00	1.00			
Automotive equipment:					
Automotive	196,056.82		$196,056.82		
Canopies	8,597.04		8,597.04		
Plane	14,512.80			$14,512.80	
Equipment	699.18				$ 699.18
Total Equipment	$ 219,865.84		$204,653.86	$14,512.80	$ 699.18
Total Assets	$1,536,043.84	$1,240,967.25	$268,284.10	$17,611.23	$9,181.26
Liabilities					
Accounts Payable - Trade	$ 37,658.36	$ 35,928.73	$ 1,714.63	$ 15.00	
Accounts Payable - Federal Aid	13,694.12	13,694.12			
Accounts Payable - Ariz. Fish & Game	67,776.80	67,776.80			
Accounts Payable - Agents	760.99	760.99			
Total Accounts Payable	$ 119,890.27	$ 118,160.64	$ 1,714.63	$ 15.00	
Surplus					
Operating surplus	$1,184,793.86	$1,111,312.74 (Exhibit C)	$ 61,915.61 (Exhibit E)	$ 3,083.43 (Exhibit E)	$8,482.08 (Exhibit E)
Restricted surplus (Exhibit D)	9,492.87	9,492.87			
Surplus inventory	2,000.00	2,000.00			
Surplus in fixed assets	219,866.84	1.00	204,653.86	14,512.80	699.18
Total Surplus	$1,416,153.57	$1,122,806.61	$266,569.47	$17,596.23	$9,181.26
Total Liabilities and Surplus	$1,536,043.84	$1,240,967.25	$268,284.10	$17,611.23	$9,181.26
		(Exhibit B)			

NEVADA FISH AND GAME COMMISSION
Statement of Financial Condition (General Operating Fund)
As of June 30, 1961

Exhibit A-1

	Together	Game Administration	Wildlife Surveys	Research	Area Development	Beaver Control	Access Roads	Leases	Predator Control	Bird Planting	Fisheries Administration	Hatcheries	Fish Transportation	District Fisheries Management	Other Fisheries Projects	Law Enforcement	Service Department & Other	Non-allocable & Non-appropriated
Assets																		
Cash in State Treasury Operating Fund	$ 849,257.42	$3,235.92	$5,273.11	$3,727.03	$8,732.36	$1,468.04	$867.46	--	--	$13,088.72	$(914.07)	$21,586.61	$8,940.81	$8,748.90	$2,187.11	$4,749.95	$18,422.59	$ 749,142.88
Cash, First National Bank	173,477.22																	173,477.22
Petty Cash	75.00																	75.00
Total Cash	1,022,809.64	3,235.92	5,273.11	3,727.03	8,732.36	1,468.04	867.46			13,088.72	(914.07)	21,586.61	8,940.81	8,748.90	2,187.11	4,749.95	18,422.59	922,695.10
Accounts Receivable:																		
Arizona Fish and Game	30,000.00																	30,000.00
License Agents	28,308.10																	28,308.10
Returned Checks	1,439.50																	1,439.50
Counties	1,565.10																	1,565.10
Other	11,774.34																	11,774.34
Employees	127.99																	127.99
Federal Aid	144,154.35																	144,154.35
Total Accounts Receivable	217,369.38																	217,369.38
Inventory	787.23																	787.23
Investments in land and other equipment	1.00*																	1.00
Total Assets	$1,240,967.25	$3,235.92	$5,273.11	$3,727.03	$8,732.36	$1,468.04	$867.46	--	--	$13,088.72	$(914.07)	$21,586.61	$8,940.81	$8,748.90	$2,187.11	$4,749.95	$18,422.59	$1,140,852.71
Liabilities																		
Accounts Payable - trade	$ 35,928.73	$ 228.27	$ 473.84	$ 98.14	$7,731.72	$ 30.71				$11,609.20	$ 110.66	$ 9,985.84	$ 547.80	$ 530.66	$ 955.31	$ 318.35	$ 3,308.23	
Accounts Payable - federal aid	13,694.12																	$ 13,694.12
Accounts Payable - Arizona Fish and Game	67,776.80																	67,776.80
Accounts Payable - Agents	760.99																	760.99
Total Accounts Payable	118,160.64	228.27	473.84	98.14	7,731.72	30.71				11,609.20	110.66	9,985.84	547.80	530.66	955.31	318.35	3,308.23	82,231.91
Surplus																		
Operating Surplus	1,111,312.74	3,077.65	4,799.27	3,628.89	1,000.64	1,437.33	$867.46			1,479.52	(1,024.73)	11,600.77	8,393.01	8,218.24	1,231.80	4,431.60	3,021.49	1,058,619.80
Restricted Surplus	9,492.87																9,492.87	
Surplus invested in inventory	2,000.00																2,000.00	
Surplus invested in equipment and land	1.00																	1.00
Total Surplus	1,122,806.61	3,077.65	4,799.27	3,628.89	1,000.64	1,437.33	867.46			1,479.52	(1,024.73)	11,600.77	8,393.01	8,218.24	1,231.80	4,431.60	15,114.36	1,058,620.80
Total Liabilities and Surplus	$1,240,967.25	$3,235.92	$5,273.11	$3,727.03	$8,732.36	$1,468.04	$867.46	--	--	$13,088.72	$(914.07)	$21,586.61	$8,940.81	$8,748.90	$2,187.11	$4,749.95	$18,422.59	$1,140,852.71

*The Fish and Game Commission is in the process of completing an appraisal of equipment and land values. We have assigned a nominal $1.00 value until this appraisal is completed.

NEVADA FISH & GAME COMMISSION
Consolidated Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Exhibit B

	Budgeted		Budget		(Over) or
	State	Federal	Transfers	Actual	Under Budget
Revenues					
Total authorized budget approved by Full Commission, May 1960	$946,225.00	$338,904.00		$1,285,129.00	
Transfers of unexpended balances from '59-'60:					
Exotic Birds			$ 4,284.36	4,284.36	$ (4,284.36)
Verdi Hatchery			1,033.00	1,033.00	(1,033.00)
Engineering			4,708.24	4,708.24	(4,708.24)
Elko Access Road			1,324.67	1,324.67	(1,324.67)
Sunnyside Dam			25,291.80	25,291.80	(25,291.80)
Humboldt Sink			23,911.10	23,911.10	(23,911.10)
Beaver Dam			49,541.98	49,541.98	(49,541.98)
Transfer unappropriated surplus balance as of July 1, 1960			83,395.12	83,395.12	(83,395.12)
Fleischmann Funds for Book			1,057.13	1,057.13	(1,057.13)
Carson River Fish Purchase			2,000.00	2,000.00	(2,000.00)
Transfer of 75% matching Federal Funds made available thru transfers from State Contingency			24,603.00	24,603.00	(24,603.00)
	$946,225.00	$338,904.00	$221,150.40		
Total Available for Expenditure				$1,506,279.40	$(221,150.40)
Expenditures					
Chief of Fisheries	$ 23,684.00			$ 24,708.73	$ (1,024.73)
Hatcheries & fish hauls	240,435.00		$ 1,033.00	231,435.00	9,000.00
District Fish Management	22,720.25	$ 68,160.75		83,722.76	7,158.24
Chief of Game	13,739.00			13,130.10	608.90
Beaver Control	11,338.00			9,900.67	1,437.33
District Game Management	33,235.25	99,705.75		127,872.86	5,068.14
Statewide Research	3,182.50	9,547.50		11,748.67	981.33
Exotic Birds - India	12,200.25	36,600.75	4,284.36	50,437.80	(1,636.80)
Pheasants	14,620.00			13,140.48	1,479.52
Mason Valley Development Area	13,082.00	39,246.00		52,076.27	251.73
Overton Development Area	8,160.00	24,480.00		32,402.32	237.68
Stillwater Development Area	8,086.75	24,260.25		30,284.50	2,062.50
Scripps Development Area	426.50	1,279.50		1,025.76	680.24
Sunnyside Development Area	1,192.50	3,577.50		12,293.66	(7,523.66)
Railroad Valley	1,065.00			742.00	323.00
Law Enforcement	137,994.00			133,619.21	4,374.79
Office	109,682.00			107,405.11	2,276.89
Information & Engineering	31,057.00			28,977.07	2,079.93

NEVADA FISH & GAME COMMISSION
Consolidated Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961
(continued)

Exhibit B

	Budgeted		Budget		(Over) or
	State	Federal	Transfers	Actual	Under Budget
Expenditures (continued)					
Engineering	$ 35,699.00		$ 4,708.24	$ 28,535.79	$ 7,163.21
Coordination	8,643.75	$ 25,931.25		32,176.25	2,398.75
Districts Administration	58,369.00			59,097.02	(728.02)
Commissioners	6,814.00			7,396.29	(582.29)
Predator Control	20,000.00			20,000.00	--
Humboldt Lease	312.50	937.50		1,250.00	--
Uniforms	3,500.00			4,000.41	(500.41)
County NIC	702.00			--	702.00
House Trailers	4,000.00			3,551.11	448.89
Legal Fees	3,700.00			3,600.00	100.00
Taxes	5,000.00			5,259.50	(259.50)
Leases	1,200.00			1,200.00	--
State Prison	180.00			180.00	--
Counties	3,379.00			4,428.78	(1,049.78)
Pilot	8,100.00			6,859.26	1,240.74
Fish Purchase	2,500.00			2,933.45	(433.45)
Beaver Dam	1,725.75	5,177.25	49,541.98	60,950.63	(54,047.63)
Kingston Canyon	1,500.00				1,500.00
Office Building	70,000.00			70,000.00	--
State Contingency	25,000.00		83,395.12		25,000.00
Elko Access Road			1,324.67	2,525.74	(2,525.74)
Sunnyside Dam			25,291.80	33,415.39	(33,415.39)
Humboldt Access			23,911.10	22,842.67	(22,842.67)
75% Federal Matching			24,603.00		
Fleischmann Foundation Book				1,057.13	(1,057.13)
Lincoln County Lease				25.00	(25.00)
Washoe Lake Poison				18,587.12	(18,587.12)
Cave Rock Boat Landing				1,300.00	(1,300.00)
Total Expenditures	$946,225.00	$338,904.00	$218,093.27	$1,356,094.51	$ (70,965.51)
Balance June 30, 1961				$ 150,184.89	$ 150,184.89

NEVADA FISH & GAME COMMISSION
Statement of Operating Surplus (General Operating Fund)
As of June 30, 1961

Exhibit C

Operating Surplus:				
Balance July 1, 1960				$ (100.00)
From Fish & Game Fund:				
1959-1960 Unexpended balance	$103,350.70			
Authorized for expenditure '60-'61	946,225.00			
Surplus at June 30, 1960	83,395.12	$1,132,970.82		
From Federal Aid Funds:				
Estimated reimbursement due June 30, 1960	$ 6,744.45			
Pittman-Robertson funds	257,786.62			
Dingell-Johnson	81,117.38			
Additional matching funds made available thru utilization of State Contingency funds	24,603.00	370,251.45		
From Miscellaneous other:				
Fleischmann funds for book	$ 1,057.13			
Carson River Fish Purchase	2,000.00	3,057.13		
		$1,506,279.40		
Less: Expenditures and year-end encumbrances		1,356,083.57		
		150,195.83		
Less: Unexpended balance in available Federal Aid Funds		9,476.68		
Balance to Surplus			$ 140,719.15	
Add:				
Fish & Game Revenues for 1960-61			965,611.83	
Transfer from Restricted Surplus			4,800.00	
Transfer from Equipment Operating Fund			5,400.00	
Unexpended balance County Game Board			1,565.10	
Under estimated amount due from agents 6/30/60			562.46	
Under estimated amount due from Arizona Fish & Game			2,448.91	
Miscellaneous adjustments			121.62	
			$1,121,229.07	
Less:				
Prior year hay sold - failed to record liability		$ 4,697.91		
Under estimated liability to Arizona Fish & Game		407.45		
To charge State with birds sent to game farm		378.00		
Federal Aid Projects		220.21		
Fleischmann funds transferred to restricted surplus		3,600.00		
Miscellaneous adjustment		512.76	$ 9,816.33	$1,111,412.74
Balance June 30, 1961				$1,111,312.74
				(Exhibit A)

NEVADA FISH & GAME COMMISSION
Statement of Restricted Surplus
As of June 30, 1961

Exhibit D

Restricted Surplus		
Balance 7/1/60		$13,814.00
Add:		
Funds from Fleischmann for book		3,600.00
Balance		$17,414.00
Less:		
Transfer of funds to 1960-1961 fiscal year appropriation for fish purchase - Carson River	$2,000.00	
Transfer of funds to 1960-1961 fiscal year appropriation for Fleischmann book	1,057.13	
Transfer to unappropriated surplus:		
Washoe county game funds for use in 1960-1961 fiscal year	4,800.00	
Cave Rock boat landing funds - failed to transfer in 1959-1960	64.00	
		7,921.13
Balance 6/30/61		$ 9,492.87 *

(Exhibit A)

* The balance of funds are Fleischmann donated funds for use in completion of book by Dr. La Rivers.

NEVADA FISH & GAME COMMISSION
Combined Statement of Surplus
As of June 30, 1961

Exhibit E

	Automotive Operating Fund	Commission Plane Fund	House Maintenance Fund
Balance June 30, 1960	$53,973.78	$1,247.29	$4,067.20
Add:			
Excess of income over expenditures	13,189.50	1,836.14	4,414.88
Accounts payable over-estimated June 30, 1961	152.33		
Less:			
Transfer to Operation Fund	5,400.00		
	$61,915.61	$3,083.43	$8,482.08
	(Exhibit A)	(Exhibit A)	(Exhibit A)

NEVADA FISH & GAME COMMISSION
Equipment Operating Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 1961

Exhibit F

Revenues		
Rental charge	$123,706.10	
Sale of automotive equipment	9,365.35	
Gas tax rebate	35.60	
Total Revenues		$133,107.05
Expenditures		
Gas and oil	$39,969.69	
Repairs and maintenance 1	21,073.52	
Tires and batteries	11,226.62	
Insurance	7,214.88	
Decals and license	9.00	
Miscellaneous operating	1,349.02	
Repairs and Maintenance, gas pumps	18.30	
Telephone and telegraph	67.10	
Equipment and automotive	37,722.71	
Canopies	1,172.59	
Tools	94.12	
Total Expenditures		$119,917.55
Balance June 30, 1961		$ 13,189.50

NEVADA FISH & GAME COMMISSION
Commission Plane Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 1961

Exhibit G

Revenues		
Rental fees		$6,022.00
Expenditures		
Gas and oil	$1,776.55	
Repairs and maintenance	2,159.81	
Storage	156.00	
Miscellaneous	93.50	
Total Expenditures		4,185.86
Balance June 30, 1961		$1,836.14

NEVADA FISH & GAME COMMISSION
House Maintenance Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 1961

Exhibit H

Revenues		
Rental fees		$5,922.99
Expenditures		
Steel tank - for Verdi	$ 83.78	
Two refrigerators	386.20	
Installation of furnace - Elko Hatchery	638.00	
Sink fittings for Smith Valley House - sink	132.17	
Steel tank - for Elko Hatchery	97.36	
Paint, lumber, nails, etc.	170.60	
Total Expenditures		1,508.11
Balance June 30, 1961		$4,414.88

Nevada Fish and Game Commission
Statement of Revenue
July 1, 1960 to June 30, 1961

Exhibit I

	Revenue		
	1959 - 1960	1960 - 1961	Increase or (Decrease)
Resident Hunting	$146,557.50	$160,905.00	$14,347.50
Non-resident Hunting	186,350.00	192,475.00	6,125.00
Combination Hunting & Fishing	7,760.00	22,330.00	14,570.00
Resident Deer	70,732.50	76,230.00	5,497.50
Antlerless Deer Tags	28,812.50	38,586.00	9,773.50
Resident Tags - Trap	254.00	290.00	36.00
Non-resident Tags - Trap	105.00	90.00	(15.00)
Bird Bands	48.30	7.50	(40.80)
Resident Archery	2,567.50	2,427.50	(140.00)
Non-resident Archery	2,580.00	6,200.00	3,620.00
Elko Archery	665.00		(665.00)
Non-resident Archery Tags	2,580.00	150.00	(2,430.00)
Antelope Archery	82.50		(82.50)
Bighorn Sheep	800.00	800.00	- 0 -
Non-resident Deer	181,100.00	189,075.00	7,975.00
Non-resident Landowner	425.00		(425.00)
Non-resident Duplicate Tags	200.00		(200.00)
Duplicate Antelope Tags	37.50		(37.50)
Antelope Tags	1,350.00	1,710.00	360.00
Beaver Tags	446.50	544.75	98.25
Beaver - Live & Pelts	2,555.00	2,438.41	(116.59)
Resident Fishing	87,592.50	119,355.00	31,762.50
Non-resident Fishing	41,736.50	36,092.50	(5,644.00)
Five-Day Permits	67,302.50	72,807.00	5,504.50
Nevada Stamps	28,064.00	30,470.00	2,406.00
Miscellaneous Permits	1,392.00		(1,392.00)
Grazing Permits:			
Sunnyside	8,507.60	9,731.80	1,224.20
Hunboldt Sink	1,079.23		(1,079.23)
Railroad Valley	707.91	343.09	(364.82)
Washoe Lake	950.25		(950.25)
Mason Valley	6,870.50	5,813.50	(1,057.00)
Sale of Hay and Barley			
Mason Valley (State Portion)	2,040.61	2,436.72	396.11
Overton	85.80		(85.80)
Oil Lease - Sunnyside	700.00	700.00	- 0 -
Insurance Recovery - VIH	5,000.00		(5,000.00)
Refunds	189.93	75.53	(114.40)
Miscellaneous	589.70	2,462.32	1,872.62
Commission Clearing	410.25	(275.59)	(685.84)
Total Revenue	$889,228.08	$974,271.03	$85,042.95
Less Commission to Agents	12,429.90	12,259.20	(170.70)
Net Revenue from Commission Activity	$876,798.18	$962,011.83	$85,213.65
Add Donation		3,600.00	3,600.00
Net Revenue	$876,798.18	$965,611.83	$88,813.65

NEVADA FISH & GAME COMMISSION
Game Division - Chief of Game
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 1

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$13,739.00	$13,739.00	--
Total available for expenditure	$13,739.00	$13,739.00	--
Expenditures			
Salaries	$10,168.00	$ 9,706.04	$461.96
Employee benefits	606.00	495.63	110.37
Travel	680.00	1,006.49	(326.49)
Automotive operation	1,575.00	901.40	673.60
Office supplies	150.00	171.11	(21.11)
Operating supplies	100.00	108.01	(8.01)
Telephone and telegraph	200.00	352.30	(152.30)
Freight	--	17.09	(17.09)
Printing	75.00	68.95	6.05
Plane rental	--	190.00	(190.00)
Horse rental	50.00	--	50.00
Equipment rental	50.00	--	50.00
Publications	75.00	11.25	63.75
Subscriptions	10.00	4.00	6.00
Equipment	--	39.00	(39.00)
Total Expenditures	$13,739.00	$13,071.27	$667.73
Cash Balance June 30, 1960		$ 667.73	$667.73

NEVADA FISH & GAME COMMISSION
Fish & Game Divisions - Coordination 100%
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 2

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$34,575.00	$34,575.00	--
Expenditures			
Salaries	$25,384.00	$24,906.39	$ 477.61
Employee benefits	1,595.00	1,301.93	293.07
Travel	750.00	778.75	(28.75)
Automotive	1,825.00	1,470.63	354.37
Equipment repair	335.00	73.00	262.00
Office supplies	720.00	892.73	(172.73)
Operating supplies	--	122.08	(122.08)
Telephone and telegraph	150.00	73.35	76.65
Postage	500.00	290.95	209.05
Printing	460.00	247.82	212.18
Rents: plane	200.00	233.50	(33.50)
Rents: office	1,500.00	1,500.00	--
Land application	100.00	10.00	90.00
Water application	100.00	--	100.00
Equipment	185.00	105.68	79.32
Compilation of questionnaire	430.00	--	430.00
Contingency	341.00	--	341.00
Total Expenditures	$34,575.00	32,006.81	2,568.19
Cash Balance June 30, 1961		$ 2,568.19	$2,568.19

NEVADA FISH & GAME COMMISSION
Wildlife Survey Projects - Sierra District W-23
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 3

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$31,652.00	$31,652.00	--
Transfer from unallocated budget reserve	--	1,200.00	$(1,200.00)
Available for Expenditure	$31,652.00	$32,852.00	$(1,200.00)
Expenditures			
Salaries	$21,180.00	$23,145.02	$(1,965.02)
Employee benefits	1,343.00	1,242.01	100.99
Travel	916.00	1,378.46	(462.46)
Automotive operation	4,620.00*	5,636.54	(1,016.54)
Boat operation	--	35.00	(35.00)
Repairs and maintenance:			
Trailers	20.00	183.57	(163.57)
Field equipment	170.00	2.20	167.80
Office equipment	--	10.67	(10.67)
Office supplies	105.00	5.00	100.00
Operating supplies	248.00	363.25	(115.25)
Telephone and telegraph	100.00	110.10	(10.10)
Freight and postage	40.00	3.50	36.50
Utilities	--	16.50	(16.50)
Plane rental	1,300.00	1,314.50	(14.50)
Horse rental	200.00	29.80	170.20
Storage rental	40.00	20.00	20.00
Office rental	180.00	180.00	--
Subscriptions	--	10.00	(10.00)
Equipment	865.00	540.43	324.57
Contingency	325.00	--	325.00
Total Expenditures	$31,652.00	34,226.55	(2,574.55)
Cash Balance June 30, 1961		$(1,374.55)	$(1,374.55)

* Does not include $1,200.00 transfer from unallocated budget reserve.

NEVADA FISH & GAME COMMISSION
Wildlife Survey Projects - Black Rock District W-24
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 4

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$21,585.00	$21,585.00	--
Transfer to Sunnyside Wildlife Management Area		(474.00)	$ 474.00
Available for expenditure	$21,585.00	$21,111.00	$ 474.00
Expenditures			
Salaries	$12,566.00*	$13,942.20	$(1,376.20)
Employee benefit	827.00	848.99	(21.99)
Travel	926.00	1,120.89	(194.89)
Automotive operation	4,600.00	4,533.83	66.17
Repairs and maintenance:			
Trailers	40.00	5.75	34.25
Office equipment	15.00	--	15.00
Field equipment	40.00	7.84	32.16
Office supplies	40.00	--	40.00
Operating supplies	237.00	291.15	(54.15)
Telephone and telegraph	85.00	32.50	52.50
Freight and postage	35.00	35.00	--
Rents: plane	1,600.00	758.00	842.00
Rents: horse	110.00	--	110.00
Rents: storage	120.00	110.00	10.00
Subscriptions	--	10.00	(10.00)
Equipment	144.00	158.34	(14.34)
Contingency	200.00	--	200.00
Total Expenditures	$21,585.00	21,854.49	(269.49)
Cash Balance June 30, 1961		$ (743.49)	$ (743.49)

*Does not reflect $474.00 transfer to Sunnyside Wildlife Management Area.

NEVADA FISH & GAME COMMISSION
Wildlife Survey Projects - Owyhee District W-25
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 5

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$37,832.00	$37,832.00	--
Expenditures			
Salaries	$22,640.00	$21,370.50	$1,269.50
Employee benefits	1,527.00	1,219.26	307.74
Travel	2,380.00	1,934.46	445.54
Automotive operation	6,657.00	6,185.71	471.29
Repairs and maintenance:			
Trailers	50.00	--	50.00
Office equipment	30.00	37.50	(7.50)
Field equipment	500.00	35.70	464.30
Office supplies	125.00	13.24	111.76
Operating supplies	820.00	1,141.23	(321.23)
Telephone and telegraph	185.00	88.05	96.95
Freight and postage	--	23.00	(23.00)
Printing	37.00	27.70	9.30
Rents: plane	1,675.00	1,311.75	363.25
Rents: horse	326.00	55.78	270.22
Rents: office	600.00	600.00	--
Subscriptions	--	10.00	10.00
Tools	5.00	--	5.00
Equipment	25.00	127.35	(102.35)
Contingency	250.00*	--	250.00
Total Expenditures	$37,832.00	34,181.23	3,670.77
Cash Balance June 30, 1961		$ 3,650.77	$3,670.77

* Transfer of $25.00 from contingency to equipment reflected in equipment expenditures but not in budget column.

NEVADA FISH & GAME COMMISSION
Wildlife Survey Projects - Charleston District W-28
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 6

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$12,923.00	$12,923.00	--
Expenditures			
Salaries	$ 7,063.00	$ 7,382.08	$(319.08)
Employee benefits	464.00	405.05	58.95
Travel	450.00	916.02	(466.02)
Automotive operation	2,992.00	2,847.57	144.43
Maintenance and repairs:			
Trailers	50.00	33.70	16.30
Field equipment	20.00	--	20.00
Office supplies	70.00	47.55	22.45
Operating supplies	170.00	311.87	(141.87)
Telephone and telegraph	80.00	56.55	23.45
Freight and postage	30.00	16.00	14.00
Plane rental	630.00	308.75	321.25
Horse rental	250.00	28.05	221.95
Office rental	240.00	149.13	90.87
Subscriptions	--	10.00	(10.00)
Tools	40.00	--	40.00
Equipment	250.00	--	250.00
Contingency	124.00	--	124.00
Total Expenditures	$12,923.00	12,512.32	410.68
Cash Balance June 30, 1961		$ 410.68	$ 410.68

NEVADA FISH & GAME COMMISSION
Wildlife Survey Projects - Wheeler District W-26
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 7

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$28,949.00	$28,949.00	--
Transfer to Sunnyside Wildlife Management Area		(948.00)	$ 948.00
Available for Expenditure	$28,949.00	$28,001.00	$ 948.00
Expenditures			
Salaries	$15,198.00*	$15,082.50	$ 115.50
Employee benefits	1,027.00	865.89	161.11
Travel	1,712.00	1,662.70	49.30
Automotive operation	6,145.00	4,575.26	1,569.74
Maintenance and repairs:			
Trailers	135.00	45.60	89.40
Field equipment	700.00	--	700.00
Office supplies	175.00	4.80	170.20
Operating supplies	450.00	444.21	5.79
Telephone and telegraph	160.00	140.90	19.10
Freight and postage	100.00	24.25	75.75
Printing	25.00	--	25.00
Rents: plane	1,400.00	805.70	594.30
Rents: horse	350.00	32.25	317.75
Rents: office	510.00	510.00	--
Subscriptions	--	10.00	(10.00)
Tools	60.00	--	60.00
Equipment	552.00	467.24	84.76
Contingency	250.00	--	250.00
Total Expenditures	$28,949.00	$24,671.30	$4,277.70
Cash Balance June 30, 1961		$ 3,329.70	$3,329.70

* Transfer of $948.00 to Sunnyside Wildlife Management Area reflected in the salary expenses of that project. Budget for salaries in this project has not been reduced to reflect the transfer.

NEVADA FISH & GAME COMMISSION
Research - Exotic Birds, India W-33
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 8

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$48,801.00	$48,801.00	--
Transfers	--	4,284.36	$4,284.36
Total available for expenditure	$48,801.00	$53,085.36	4,284.36
Expenditures			
Salaries	$ 7,898.00	$ 7,306.50	$ 591.50
Employee benefits	463.00	410.25	52.75
Travel	4,200.00	166.00	4,034.00
Automotive operation	1,400.00	72.61	1,327.39
Operating supplies	150.00	373.70	(223.70)
Telephone and telegraph	25.00	77.27	(52.27)
Freight and postage	1,575.00	1,793.47	(218.47)
Utilities	500.00	--	500.00
Fees and dues	450.00	--	450.00
Bird purchase	30,220.00	31,937.80	(1,717.80)
Plane rental	--	757.76	(757.76)
Other rental	1,680.00	--	1,680.00
Payments to Wildlife Management Instruction	--	7,511.74	(7,511.74)
Contingency	240.00	--	240.00
Total Expenditures	$48,801.00	$50,407.10	$1,606.10
Cash Balance June 30, 1961		$ 2,678.26	$2,678.26

NEVADA FISH & GAME COMMISSION
Statewide Research W-39
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 9

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$12,730.00	$12,730.00	--
Expenditures			
Salaries	$ 7,529.00	$ 7,531.96	$ (2.96)
Employee benefits	498.00	360.89	137.11
Travel	1,040.00	1,666.29	(626.29)
Automotive operation	2,400.00	1,339.65	1,060.35
Boat operation	125.00	10.42	114.58
Trailers	75.00	--	75.00
Office supplies	35.00	5.40	29.60
Operating supplies	285.00	207.27	77.73
Telephone and telegraph	130.00	74.85	55.15
Freight and postage	30.00	--	30.00
Fees and dues	8.00	--	8.00
Plane rental	--	304.50	(304.50)
Office rent	180.00	180.00	--
Other rent	60.00	--	60.00
Personal service - IBM	80.00	--	80.00
Equipment	130.00	--	130.00
Contingency	125.00	--	125.00
Total Expenditures	$12,730.00	$11,681.23	$1,048.77
Cash Balance June 30, 1961		$ 1,048.77	$1,048.77

NEVADA FISH & GAME COMMISSION
Stillwater Wildlife Management Area
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 10

	Budgeted	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure			
For operating	$26,140.00	$26,140.00	--
For capital improvement	6,207.00	6,207.00	--
Total available for Expenditure	$32,347.00	$32,347.00	--
Expenditures			
Maintenance:			
Dike and structures	$ 2,115.00		
Canals	3,247.00		
Structures	3,379.00		
Roads	4,994.00		
Fences	1,220.00		
Public use facilities	624.00		
Development:			
Farming	4,587.00		
Vegetation control	1,641.00		
Management:			
Signs	573.00		
Telephone and telegraph	75.00		
Employee benefits	3,269.00		
Contingency	416.00		
Capital improvements:			
Pelican Island development	4,069.00		
Public use facilities	1,309.00		
Retirement, sick and annual leave	829.00		
Total Expenditures	$32,347.00	$22,915.00*	$9,432.00
Cash Balance, June 30, 1961		$ 9,432.00	$9,432.00

*It proved impractical to align actual expenditures alongside budget categories in any meaningful breakdown.

NEVADA FISH & GAME COMMISSION
Overton Wildlife Management Area
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 11

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish and Game Funds authorized for expenditure	$32,640.00	$32,640.00	--
Total available for expenditure	$32,640.00	$32,640.00	--
Expenditures			
Salaries	$17,152.00	$17,886.42	$ (734.42)
Employee benefits	1,170.00	1,016.80	153.20
Travel	100.00	448.46	(348.46)
Automotive operation	1,573.00	1,763.82	(190.82)
Farm and construction equipment operation	4,028.00	4,319.44	(291.44)
Field equipment	35.00	--	35.00
Office supplies	50.00	3.13	46.87
Operating supplies	1,485.00	1,448.38	36.62
Telephone and telegraph	350.00	407.05	(57.05)
Freight and postage	40.00	16.00	24.00
Utilities	160.00	138.79	21.21
Equipment rental	500.00	950.00	(450.00)
Tools	75.00	36.59	38.41
Grounds maintenance - development area	1,225.00	24.00	1,201.00
Building maintenance	570.00	207.84	362.16
Janitorial supplies	30.00	7.89	22.11
Equipment	206.00	32.75	173.25
Development	3,465.00	3,582.57	(117.57)
Contingency	426.00	--	426.00
Total Expenditures	$32,640.00	$32,289.93	$ 350.07
Cash Balance June 30, 1961		$ 350.07	$ 350.07

NEVADA FISH & GAME COMMISSION
Mason Valley Wildlife Management Area
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 12

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditures:			
For operating	$30,821.00	$30,821.00	--
For capital improvement	21,507.00	21,507.00	--
Total available for Expenditure	$52,328.00	$52,328.00	--
Expenditures			
Salaries	$17,720.00	$18,291.71	$ (571.71)
Employee benefits	1,203.00	1,000.74	202.26
Travel	100.00	117.50	(17.50)
Automotive operation	1,623.00	1,500.79	122.21
House rental	50.00	11.28	38.72
Farm construction and equipment repairs	2,535.00	2,057.08	477.92
Office supplies	50.00	3.36	46.64
Operating supplies	2,425.00	1,905.79	519.21
Telephone and telegraph	360.00	263.20	96.80
Freight and postage	15.00	4.00	11.00
Utilities	400.00	749.06	(349.06)
Insurance	180.00	172.20	7.80
Equipment rental	455.00	491.76	(36.76)
Legal notices	--	29.98	(29.98)
Tools	110.00	87.93	22.07
Water application	--	50.00	(50.00)
Water assessment	1,600.00	1,922.02	(322.02)
Grounds - maintenance, development area	660.00	58.22	601.78
Building maintenance	300.00	2,548.83	(2,248.83)
Janitorial supplies	30.00	--	30.00
Equipment	1,250.00	2,122.50	(872.50)
Capital improvement[1]	21,507.00	19,124.05	2,382.95
Bale bucking	600.00	587.08	12.92
Contingency	535.00	--	535.00
Development	--	--	--
Rental recovery	(1,380.00)	(1,180.50)	(199.50)
Total Expenditures	$52,328.00	$51,918.58	$ 409.42
Cash Balance June 30, 1961		$ 409.42	$ 409.42

[1]

Storage tank	$ 365.00
Water recorder stations	2,500.00
Water controls in ponds	1,042.00
Greenery	500.00
Three bedroom residence	16,000.00
Main entrance road ditch	1,100.00
	$21,507.00

NEVADA FISH & GAME COMMISSION
Scripps Wildlife Management Area
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 13

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$1,706.00	$1,706.00	--
Expenditures			
Salaries	$ 320.00	--	$320.00
Employee benefits	5.00	--	5.00
Automotive operation	38.00	$ 13.96	24.04
Plane rental	--	20.00	(20.00)
Operating supplies	300.00	216.94	83.06
Telephone and telegraph	--	16.80	(16.80)
Equipment rental	600.00	--	600.00
Fence maintenance	300.00	758.06	(458.06)
Contingency	143.00	--	143.00
Total Expenditures	$1,706.00	$1,025.76	$680.24
Cash Balance June 30, 1961		$ 680.24	$680.24

NEVADA FISH & GAME COMMISSION
Sunnyside Wildlife Management Area
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 14

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$4,770.00	$ 4,770.00	--
Transfers	--	7,524.00	$(7,524.00)
Total available for expenditure	$4,770.00	$12,294.00	$(7,524.00)
Expenditures			
Salaries	$4,770.00	$ 3,796.50	$ 973.50
Employee benefits	--	208.10	(208.10)
Travel	--	255.83	(255.83)
Automotive operation	--	1,405.24	(1,405.24)
Farm and construction equipment operation	--	28.81	(28.81)
Office supplies	--	--	--
Operating supplies	--	131.80	(131.80)
Telephone and telegraph	--	126.60	(126.60)
Freight	--	5.00	(5.00)
Utilities	--	58.71	(58.71)
Plane rental	--	79.50	(79.50)
Equipment rental	--	142.00	(142.00)
Tools	--	49.52	(49.52)
Horse maintenance	--	--	--
Development	--	3,836.11	(3,836.11)
Maintenance of grounds	--	--	--
Building maintenance	--	2,101.81	(2,101.81)
Janitorial supplies	--	--	--
Equipment	--	54.27	(54.27)
Capital improvement	--	59.22	(59.22)
Rental recovery	--	(137.50)	137.50
Contingency	--	--	--
Total Expenditures	$4,770.00	$12,201.52	$(7,431.52)
Cash Balance June 30, 1961		$ 92.48	$ 92.48

NEVADA FISH & GAME COMMISSION
Sunnyside Dam Wildlife Management Area
Statement of Budgeted Revenues and Expenditures
For the Year Ended June 30, 1961

Schedule 15

Revenues		
From 1959 - 1960	$30,000.04	
From engineering	1,120.00	
		$31,120.04
Expenditures		
Travel	$ 449.90	
Payment on contract for dam	31,113.84	
Telephone	2.45	
Auto charge	914.20	
Plane rental	82.75	
Engineer's salary	826.50	
Miscellaneous supplies	25.75	
Total Expenditures		33,415.39
Cash balance June 30, 1961		$(2,295.35)

NEVADA FISH & GAME COMMISSION
Railroad Valley Wildlife Management Area
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 16

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$1,065.00	$1,065.00	--
Expenditures			
Maintenance and repairs of dikes, roads, fences and ponds	$1,065.00	$ 742.00	$323.00
Cash Balance June 30, 1961		$ 323.00	$323.00

NEVADA FISH & GAME COMMISSION
Payments in Lieu of Taxes (Federal Aid Project)
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 17

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$5,000.00	$5,000.00	--
Expenditures			
Lump sum	$5,000.00		
Scripps		$1,795.19	
Sunnyside		1,001.85	
Mason Valley		2,166.88	
Fernley		--	
Taxes (Verdi)		295.58	
Total Expenditures	$5,000.00	$5,259.50	$(259.50)
Cash balance June 30, 1960		$ (259.50)	$(259.50)

NEVADA FISH & GAME COMMISSION
Beaver Control
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 18

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$11,338.00	$11,338.00	
Expenditures			
Salaries	$ 7,380.00	$ 6,432.00	$ 948.00
Employee benefits	443.00	372.36	70.64
Travel	840.00	730.40	109.60
Automotive operation	2,500.00	2,148.25	351.75
Beaver traps	50.00	--	50.00
Operating supplies	75.00	171.40	(96.40)
Telephone and telegraph	25.00	15.55	9.45
Equipment	25.00	--	25.00
Total Expenditures	$11,338.00	$ 9,869.96	$1,468.04
Cash Balance June 30, 1961		$ 1,468.04	$1,468.04

NEVADA FISH & GAME COMMISSION
Weeks Access Road
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 19

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$1,324.67	$1,324.67	--
Transfer from unallocated budget reserve	--	1,000.00	$(1,000.00)
Available for expenditure	$1,324.67	$2,324.67	$ 1,000.00
Expenditure			
Lump sum	$1,324.67		
Repairs to mixer used on road		$ 6.00	
Install cattle guard and pipe		1,480.00	
Material for fence and gate		2.89	
Extra work on Weeks Access Road		698.75	
Toll charges		2.90	
Equipment rental TD 9 bulldozers		180.00	
Labor and material for gate		91.20	
Signs		64.00	
Total Expenditures	$1,324.67	$2,525.74	$(1,201.07)
Balance June 30, 1961		$ (201.07)	$ (201.07)

NEVADA FISH & GAME COMMISSION
Humboldt Access Road
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 20

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$23,911.10	$23,911.20	
Expenditures			
Lump sum	$23,911.10		
Travel		$ 117.00	
Plane rental		20.00	
Automotive charges		289.42	
Telephone and telegraph		6.95	
Newspaper bids for access road		22.10	
Payments on contract		16,521.39	
Bailey Bridge, open mesh steel decking		5,157.00	
Corrugated metal pipe and fittings		625.19	
Signs for access road		73.17	
Test on concrete		9.00	
Paint brush		1.45	
Total Expenditures	$23,911.10	$22,842.67	$1,068.53
Balance June 30, 1961		$ 1,068.53	$1,068.53

NEVADA FISH & GAME COMMISSION
Leases: Humboldt Sink
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 21

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$1,250.00	$1,250.00	
Expenditures			
Lease of Humboldt Sink per contract	$1,250.00	$1,250.00	

NEVADA FISH & GAME COMMISSION
Leases: Pahranagat Lakes
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 22

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$1,200.00	$1,200.00	
Expenditures			
Buckhorn Investment Co.	$1,200.00	$1,200.00	

NEVADA FISH & GAME COMMISSION
Predator Control
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 23

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$20,000.00	$20,000.00	
Expenditures			
Predator and rodent control	$20,000.00	$20,000.00	

NEVADA FISH & GAME COMMISSION
Bird Planting - Pheasants
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 24

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$14,620.00	$14,620.00	
Expenditures			
Salaries	$ 1,837.00	$ 1,196.72	$ 640.28
Employee benefits	122.00	66.23	55.67
Travel	60.00	--	60.00
Automotive operation	585.00	145.01	439.99
Operating supplies	116.00	117.92	(1.92)
Telephone and telegraph	--	5.30	(5.30)
Printing	150.00	--	150.00
Birds	11,600.00	--	11,600.00
Pens and crates, repair and maintenance	150.00	--	150.00
Total Expenditures	$14,620.00	$ 1,531.28	$13,088.72
Cash Balances June 30, 1961		$13,088.72	$13,088.72

NEVADA FISH & GAME COMMISSION
Chief of Fisheries
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 25

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditures	$23,684.00	$23,684.00	
Expenditures			
Salaries	$19,176.00	$19,890.00	$(714.00)
Employee benefits	1,158.00	980.67	177.33
Travel	600.00	571.60	28.40
Automotive operating	1,500.00	1,593.27	(93.27)
Office supplies	50.00	--	50.00
Operating supplies	200.00	68.40	131.60
Telephone and telegraph	450.00	409.28	40.72
Printing	--	97.35	(97.35)
Plane rental	500.00	977.50	(477.50)
Legal notices	--	5.00	(5.00)
Subscriptions	--	5.00	(5.00)
Equipment	50.00	--	50.00
Total Expenditures	$23,684.00	$24,598.07	$(914.07)
Cash Balance June 30, 1961		$ (914.07)	$(914.07)

NEVADA FISH & GAME COMMISSION
Hatcheries - Verdi
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 26

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$31,551.00	$31,551.00	
For capital improvement	8,000.00	8,000.00	
Transfer from unallocated budget reserve	--	12,630.00*	$(12,630.00)
Total available for expenditure	$39,551.00	$52,181.00	$(12,630.00)
Expenditures			
Salaries	$20,148.00	$17,393.92	$ 2,754.08
Employee benefits	1,370.00	977.36	392.64
Travel	150.00	57.50	92.50
Automotive operations	960.00	845.33	114.67
Repairs and maintenance:			
Equipment	200.00	202.28	(2.28)
Office supplies	10.00	1.16	8.84
Operating supplies	1,040.00	1,081.76	(41.76)
Telephone and telegraph	200.00	186.00	14.00
Freight	203.00	137.02	65.98
Postage	--	12.00	(12.00)
Utilities	800.00	624.24	175.76
Spawn	3,650.00	1,848.14	1,801.86
Fish food	2,400.00	4,635.80	(2,235.80)
Plane rental	--	78.75	(78.75)
Taxes	100.00	130.60	(30.60)
Maintenance:			
Grounds	150.00	118.36	31.64
Buildings	105.00	1,279.71	(1,174.71)
Equipment	65.00	84.00	(19.00)
Capital improvement - holding ponds	8,000.00	10,091.87	(2,091.87)
Capital improvement - dam	--	4,031.28	(4,031.28)
Plans for hatchery	--	47.70	(47.70)
Total Expenditures	$39,551.00	$43,864.78	$ (4,313.78)
Cash Balance June 30, 1961		$ 8,316.22	$ 8,316.22

* Transferred from State Contingency to:

Maintenance building	$ 1,341.00
Equipment	200.00
Capital improvement - holding ponds	2,024.00
Capital improvement - dam	2,367.00
Plans for hatchery	7,500.00
Transferred to:	
Sunnyside Wildlife Management Area	(802.00)
	$12,630.00

NEVADA FISH & GAME COMMISSION
Hatcheries - Spring Creek
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 27

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds approved for expenditure	$25,567.00	$25,567.00	--
Transfer Sunnyside Wildlife Management Area	--	(146.00)	$ 146.00
Total available for expenditure	$25,567.00	$25,421.00	$ 146.00
Expenditures			
Salaries	$12,728.00*	$12,527.82	$ 200.18
Employee benefits	858.00	678.15	179.85
Travel	180.00	132.50	47.50
Automotive operation	1,396.00	885.69	510.31
Repairs and maintenance:			
Office equipment	--	28.50	(28.50)
Office supplies	25.00	--	25.00
Operating supplies	610.00	258.84	351.16
Telephone and telegraph	100.00	105.00	(5.00)
Utilities	800.00	460.70	339.30
Freight and postage	70.00	27.05	42.95
Fish food	8,000.00	5,427.59	2,572.41
Spring Creek	50.00	28.30	21.70
Maintenance:			
Grounds	300.00	110.34	189.66
Buildings	350.00	69.45	280.55
Equipment	--	25.73	(25.73)
Equipment	100.00	26.50	73.50
Capital improvement - Chlorinator	--	111.64	(111.64)
Total Expenditures	$25,567.00	$20,903.80	$4,663.20
Cash Balance June 30, 1961		$ 4,517.20	$4,517.20

* $146.00 transferred from salaries to Sunnyside Wildlife Management Area. Salary budget amount has not been changed to reflect the transfer.

NEVADA FISH & GAME COMMISSION
Hatcheries - Elko County
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 28

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$60,969.00	$60,969.00	--
For Capital improvements	3,900.00	3,900.00	--
Transfer to Elko County Game Board	--	(31,644.00	$31,644.00
Total available for expenditure	$64,869.00	$33,225.00	$31,644.00
Expenditures			
Salaries	$26,268.00	--	$26,268.00
Employee benefits	1,496.00	--	1,496.00
Travel	840.00	--	840.00
Automotive operation	1,500.00	1,917.54	(417.54)
Office supplies	35.00	5.00	30.00
Operating supplies	1,765.00	45.79	1,719.21
Telephone and telegraph	200.00	--	200.00
Freight and postage	155.00	--	155.00
Utilities	1,500.00	1,794.16	(294.16)
Printing	100.00	--	100.00
Insurance	400.00	--	400.00
Spawn	3,800.00	2,250.00	1,550.00
Fish food	20,000.00	11,577.05	8,422.95
Tools	75.00	--	75.00
Grounds	150.00	--	150.00
Maintenance:			
Buildings	130.00	--	130.00
Equipment	650.00	--	650.00
Equipment	905.00	3,457.08	(2,552.08)
Capital improvements	3,900.00	--	3,900.00
Contingency	1,000.00	--	1,000.00
Rental recovery	--	1,500.00	(1,500.00)
Total Expenditures	$64,869.00	$22,546.62	$42,322.38
Cash Balance June 30, 1961		$10,678.38	$10,678.38

Transfers to Elko County Game Board from:

Rent recovery	$(1,500.00)	Insurance	$ 400.00
Salaries	26,268.00	Tools	75.00
Employee benefits	1,496.00	Contingency	980.00
Travel	840.00	Maintenance:	
Office supplies	35.00	grounds	150.00
Operating supplies	1,665.00	buildings	130.00
Telephone and telegraph	200.00	equipment	650.00
Freight and Postage	155.00		
Printing	100.00	Transfers from Capital Improvement to Equipment	2,200.00

NEVADA FISH & GAME COMMISSION
Hatcheries - Washoe Ponds
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 29

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds approved for expenditure:			
General operating	$42,044.00	$42,044.00	--
Capital improvement	2,500.00	2,500.00	--
Equipment	8,000.00	8,000.00	--
Transfer from unallocated budget reserve	--	816.00	$ (816.00)
Transfer to Sunnyside Wildlife Management Area	--	(330.00)	330.00
Total Revenues	$52,544.00	$53,030.00	$ (486.00)
Expenditures			
Salaries	$18,624.00	$25,430.09	$(6,806.09)
Employee benefits	1,185.00	1,470.63	(285.63)
Travel	50.00	--	50.00
Repairs and maintenance:			
Automotive operation	795.00	459.92	335.08
Office equipment repair	--	20.40	(20.40)
Office supplies	25.00	--	25.00
Operating supplies	1,115.00	1,280.30	(165.30)
Telephone and telegraph	200.00	127.80	72.20
Freight	--	27.50	(27.50)
Utilities	4,100.00	3,340.28	759.72
Fish food	12,000.00	10,987.59	1,012.41
Equipment rental	--	20.00	(20.00)
Tools	75.00	43.77	31.23
Water application	--	25.00	(25.00)
Maintenance:			
Grounds	180.00 (1)		
	1,810.00	1,376.38	613.62
Buildings	170.00	41.07	128.93
Equipment	600.00 (1)		
	770.00	1,246.05	123.95
Janitorial supplies	--	2.95	(2.95)
Equipment	2,725.00	2,574.87	150.13
Capital improvements	400.00 (1)		
	8,000.00	8,120.90	279.10
Contingency	900.00		
	(1,180.00) (1)	--	(280.00)
Total Expenditures	$52,544.00	$56,595.50	$(4,051.50)
Cash Balance June 30, 1961		$(3,565.50)	$(3,565.50)

(1) Transfers from Contingency to:

Maintenance, grounds	*	180.00
Maintenance, equipment	**	600.00
Capital improvement	***	400.00
		$1,180.00

NEVADA FISH & GAME COMMISSION
Hatcheries - Smith Valley
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 30

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$11,023.00	$11,023.00	
Expenditure			
Salaries	$ 6,160.00	$ 6,109.84	$ 50.16
Employee benefits	393.00	424.21	(31.21)
Travel	50.00	30.00	20.00
Automotive operation	255.00	133.85	121.15
Office supplies	10.00	--	10.00
Telephone and telegraph	100.00	89.55	10.45
Freight and postage	25.00	--	25.00
Utilities	1,100.00	1,023.11	76.89
Operating supplies	700.00	254.47	445.53
Fish food	1,800.00	680.92	1,119.08
Pond rental	130.00	130.00	--
Maintenance:			
Grounds	25.00	49.20	(24.20)
Buildings	25.00	191.60	(166.60)
Equipment	150.00	265.94	(115.94)
Contingency	100.00*	--	100.00
Total Expenditures	$11,023.00	$ 9,382.69	
Cash Balance June 30, 1961		$ 1,640.31	$1,640.31

*Transferred to Maintenance, equipment reflected in the expenditures of that account.

NEVADA FISH & GAME COMMISSION
Fish Hauls
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 31

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$46,881.00	$46,881.00	
Expenditures			
Salaries	$13,703.00	$ 8,921.21	$4,781.79
Employee benefits	1,373.00	473.82	899.18
Travel	4,530.00	3,646.56	883.44
Operating	2,000.00	1,343.38	656.62
Automotive operation	24,025.00	22,647.25	1,377.75
Telephone and freight	250.00	292.59	(42.59)
Repairs and maintenance:			
Equipment	1,000.00	492.35	507.65
Equipment	--	123.03	(123.03)
Total Expenditures	$46,881.00	$37,940.19	$8,940.81
Cash Balance June 30, 1961		$ 8,940.81	$8,940.81

NEVADA FISH & GAME COMMISSION
District Fisheries Management - Sierra District F-7
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 32

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$21,765.00	$21,765.00	
Expenditures			
Salaries	$14,396.00	$10,165.32	$4,230.68
Employee benefits	806.00	581.51	224.49
Travel	760.00	556.57	203.43
Automotive operation	3,000.00	2,699.51	300.49
Repairs and maintenance:			
Boat operation	225.00	158.45	66.55
Field office equipment	75.00	21.00	54.00
Office supplies	75.00	17.69	57.31
Operating supplies	540.00	250.48	289.52
Telephone and telegraph	200.00	196.85	3.15
Freight and postage	100.00	17.48	82.52
Utilities	--	9.80	(9.80)
Rental:			
Plane	30.00	73.50	(43.50)
Storage	300.00	270.00	30.00
Office	330.00	330.00	--
Equipment	500.00	464.92	35.08
Contingency	428.00	--	428.00
Total Expenditures	$21,765.00	$15,813.08	$5,951.92
Cash Balance June 30, 1961		$ 5,951.92	$5,951.92

NEVADA FISH & GAME COMMISSION
District Fisheries Management - Owyhee District F-11
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 33

	Budget	Actual	(Over) or Under Budget
Revenues			
From approved budget	$15,833.00	$15,833.00	
Transfer from unallocated budget reserve		500.00	$(500.00)
Total Revenues	$15,833.00	$16,333.00	$(500.00)
Expenditures			
Salaries	$10,259.00	$10,777.37	$(518.37)
Employee benefits	687.00	613.24	73.76
Travel	620.00	1,231.43	(611.43)
Automotive operation	2,238.00	2,468.24	(230.24)
Repairs and maintenance:			
Boat operations	80.00	97.14	(17.14)
Field equipment	55.00	22.68	32.32
Office supplies	50.00	3.90	46.10
Operating supplies	449.00	694.95	(245.95)
Telephone and telegraph	100.00	78.95	21.05
Freight and postage	80.00	64.00	16.00
Printing	45.00	16.00	29.00
Rental:			
Plane	300.00	76.41	223.59
Horse	300.00	80.20	219.80
Office	360.00	360.00	--
Equipment	110.00	72.16	37.84
Contingency	100.00	--	100.00
Total Expenditures	$15,833.00	$16,656.67	$(823.67)
Cash Balance June 30, 1961		$ (323.67)	$(323.67)

NEVADA FISH & GAME COMMISSION
District Fisheries Management - Wheeler District F-10
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 34

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$11,664.00	$11,664.00	
Expenditures			
Salaries	$ 6,754.00	$6,052.77	$701.23
Employee benefits	397.00	333.62	63.38
Travel	430.00	531.92	(101.92)
Automotive operation	2,650.00	3,152.79	(502.79)
Repairs and maintenance:			
Boat operation	35.00	48.55	(13.55)
Office equipment	20.00	5.78	14.22
Field equipment	40.00	64.43	(24.43)
Office supplies	80.00	8.10	71.90
Operating supplies	209.00	225.70	(16.70)
Telephone and telegraph	50.00	83.90	(33.90)
Freight and postage	15.00	10.40	4.60
Printing	15.00	--	15.00
Rentals:			
Rent	55.00	--	55.00
Horse	25.00	15.00	10.00
Office	300.00	300.00	--
Tools	10.00	--	10.00
Equipment	455.00	371.27	83.73
Contingency	124.00	--	124.00
Total Expenditures	$11,664.00	$11,204.23	$459.77
Cash Balance June 30, 1961		$ 459.77	$459.77

NEVADA FISH & GAME COMMISSION
District Fisheries Management - Black Rock District F-12
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 35

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$14,197.00	$14,197.00	
Transfer from unallocated budget reserve		560.00	$ (560.00)
Available for expenditure	$14,197.00	$14,757.00	$ (560.00)
Expenditures			
Salaries	$ 9,325.00	$11,063.87	$(1,738.87)
Employee benefits	571.00	622.57	(51.57)
Travel	600.00	317.16	282.84
Automotive operation	2,373.00	2,374.67	(1.67)
Repairs and maintenance:			
Boat operation	150.00	117.99	32.01
Office equipment	20.00	--	20.00
Field equipment	125.00	72.76	52.24
Office supplies	10.00	--	10.00
Operating supplies	331.00	674.78	(343.78)
Telephone and telegraph	60.00	48.85	11.15
Freight and postage	40.00	44.59	(4.59)
Rentals:			
Plane	15.00	27.00	(12.00)
Horse	10.00	--	10.00
Equipment	287.00	294.49	(7.49)
Contingency	280.00	--	280.00
Total Expenditures	$14,197.00	$15,658.73	$1,461.73
Cash Balance June 30, 1961		$ (901.73)	$ (901.73)

NEVADA FISH & GAME COMMISSION
District Fisheries Management - Charleston District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 36

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$12,780.00	$12,780.00	
Expenditures			
Salaries	$ 8,874.00	$ 8,870.11	$ 3.89
Employee benefits	407.00	338.45	68.55
Travel	684.00	807.19	(123.19)
Automotive operation	1,125.00	1,084.98	40.02
Maintenance and repairs:			
Boat	125.00	110.53	14.47
Field equipment	20.00	3.50	16.50
Office supplies	42.00	--	42.00
Operating supplies	158.00	137.84	20.16
Telephone and telegraph	60.00	46.90	13.10
Freight and postage	20.00	16.00	4.00
Office rental	120.00	99.42	20.58
Tools	25.00	--	25.00
Equipment	1,025.00	910.69	114.31
Contingency	95.00	--	95.00
Total Expenditures	$12,780.00	$12,425.61	$354.39
Cash Balance June 30, 1961		$ 354.39	$354.39

NEVADA FISH & GAME COMMISSION
District Fisheries Management - Tahoe Project
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 37

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$14,642.00	$14,642.00	
Expenditures			
Salaries	$ 7,896.00	$ 7,708.76	$ 187.24
Employee benefits	367.00	392.54	(25.54)
Travel	564.00	474.20	89.80
Automotive operation	1,425.00	1,568.91	(143.91)
Maintenance and repairs:			
Boat	250.00	264.91	(14.91)
Field equipment	50.00	--	50.00
Office supplies	25.00	5.89	19.11
Operating supplies	635.00	433.92	201.08
Telephone and telegraph	75.00	89.05	(14.05)
Postage	25.00	4.00	21.00
Plane rental	150.00	24.00	126.00
Storage rental	120.00	220.00	(100.00)
Boat mooring rental	250.00	--	250.00
Equipment	2,610.00	247.60	2,362.40
Contingency	200.00	--	200.00
Total Expenditures	$14,642.00	$11,433.78	$3,208.22
Cash Balance June 30, 1961		$ 3,208.22	$3,208.22

NEVADA FISH & GAME COMMISSION
Fisheries Division - Beaver Dam
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 38

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$6,903.00	$ 6,903.00	
Transfer of balance from 1959-1960		50,000.00	$(50,000.00)
Transfer from unallocated budget reserve		2,000.00	(2,000.00)
Transfer from Engineering salaries		2,000.00	(2,000.00)
Total available for expenditure	$6,903.00	$60,903.00	$(54,000.00)
Expenditures			
Payment to Eckley Construction		$51,400.49)	
Travel		357.85)	
Consulting fees and inspection		4,807.79)	
Plane rental		302.50)	----- (54,047.63)
Automotive charges		780.21)	
Placque		135.74)	
Caliente Plumbing		2,715.00)	
Miscellaneous		451.05)	
Total Expenditures	$6,903.00	$60,950.63	$(54,047.63)
Cash Balance June 30, 1961		$ (47.63)	$ (47.63)

NEVADA FISH & GAME COMMISSION
Fisheries Division - Washoe Lake Poison
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 39

	Budget	Actual	(Over) or Under Budget
Revenues			
From unallocated budget transfer	$18,000.00	$18,000.00	
Expenditures			
Lump sum	$18,000.00		
Fish poison		$15,969.45	
Travel		569.50	
Auto charges		654.67	
Telephone		43.85	
Miscellaneous supplies and services		1,343.79	
Total Expenditures	$18,000.00	$18,581.26	$(581.26)
Cash Balance June 30, 1961		$ (581.26)	$(581.26)

NEVADA FISH & GAME COMMISSION
Fisheries Division - Cave Rock Boat Landing
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 40

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$1,600.00	$1,600.00	
Expenditures			
Cave Rock Boat Landing	$1,600.00	$1,300.00	$300.00
Cash Balance June 30, 1961		$ 300.00	$300.00

NEVADA FISH & GAME COMMISSION
Fisheries Division - Fish Purchase
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 41

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$4,500.00	$4,500.00	
Expenditures			
Fish Purchases	$4,500.00	$1,984.00	$2,516.00
Cash Balance June 30, 1961		$2,516.00	$2,516.00

NEVADA FISH & GAME COMMISSION
Chief of Law Enforcement
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 42

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$4,967.00	$4,967.00	
Expenditures			
Salaries	$2,247.00	$2,247.00	
Employee benefits	120.00	75.49	$ 44.51
Travel	180.00	187.50	(7.50)
Automotive operations	1,120.00	--	1,120.00
Law Enforcement radios	200.00	--	200.00
Repairs and maintenance:			
Law enforcement equipment	300.00	47.20	252.80
Office supplies	--	47.77	(47.77)
Operating supplies	150.00	238.48	(88.48)
Telephone and telegraph	150.00	52.05	97.95
Printing	--	202.76	(202.76)
Undercover work	500.00	--	500.00
Total Expenditures	$4,967.00	$3,098.25	$1,868.75
Cash Balance June 30, 1961		$1,868.75	$1,868.75

NEVADA FISH & GAME COMMISSION
Law Enforcement - Black Rock District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 43

	Budget	Actual	(Over)or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$33,591.00	$33,591.00	
Expenditures			
Salaries	$21,681.00	$22,022.18	$(341.18)
Employee benefits	1,448.00	1,345.17	102.83
Travel	1,210.00	1,876.65	(666.65)
Automotive operation	8,514.00	8,653.66	(139.66)
Maintenance and repairs:			
Boats	40.00	1.68	38.32
Radios	175.00	34.54	140.46
Equipment	40.00	25.62	14.38
Operating supplies	53.00	29.02	23.98
Telephone and telegraph	100.00	112.85	(12.85)
Freight and postage	25.00	29.03	(4.03)
Rents:			
Plane	150.00	164.00	(14.00)
Horse	30.00	--	30.00
Storage	100.00	7.00	93.00
Equipment	25.00	10.95	14.05
Total Expenditures	$33,591.00	$34,312.35	$(721.35)
Cash Balance June 30, 1961		$ (721.35)	$(721.35)

NEVADA FISH & GAME COMMISSION
Law Enforcement - Charleston District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 44

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$25,756.00	$25,756.00	
Expenditures			
Salaries	$16,958.00	$17,257.96	$ (299.96)
Employee benefits	1,093.00	1,046.66	46.34
Travel	910.00	1,087.55	(177.55)
Automotive operation	5,290.00	5,753.73	(463.73)
Maintenance and operations:			
Boat	400.00	376.77	23.23
Radios	150.00	421.31	(271.31)
Equipment	75.00	46.64	28.36
Office supplies	25.00	29.00	(4.00)
Operating supplies	50.00	29.85	20.15
Telephone and telegraph	150.00	157.25	(7.25)
Freight and postage	30.00	--	30.00
Printing	30.00	--	30.00
Rental:			
Plane	--	67.50	(67.50)
Storage	95.00	20.00	75.00
Equipment	500.00	567.07	(67.07)
Total Expenditures	$25,756.00	$26,861.29	$(1,105.29)
Balance June 30, 1961		$(1,105.29)	$(1,105.29)

NEVADA FISH & GAME COMMISSION
Law Enforcement - Owyhee District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 45

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$21,475.00	$21,475.00	
Expenditures			
Salaries	$13,720.00	$13,169.50	$ 550.50
Employee benefits	996.00	803.35	192.65
Travel	1,055.00	1,026.20	28.80
Automotive operation	4,691.00	4,763.40	(72.40)
Boat maintenance	100.00	23.75	76.25
Radio maintenance	160.00	52.16	107.84
Equipment maintenance	55.00	--	55.00
Repairs and maintenance, other	30.00	15.15	14.85
Office supplies	15.00	6.74	8.26
Operating supplies	78.00	39.00	39.00
Telephone and telegraph	90.00	87.24	2.76
Freight and postage	35.00	--	35.00
Rents:			
Plane	225.00	--	225.00
Horse	160.00	55.00	105.00
Storage	20.00	--	20.00
Tools	5.00	--	5.00
Equipment	40.00	76.55	(36.55)
Total Expenditures	$21,475.00	$20,118.04	$1,356.96
Cash Balance June 30, 1961		$ 1,356.96	$1,356.96

NEVADA FISH & GAME COMMISSION
Law Enforcement - Sierra District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 46

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$31,120.00	$31,120.00	
Expenditures			
Salaries	$19,738.00	$19,282.00	$ 456.00
Employee benefits	1,268.00	1,144.25	123.75
Travel	1,265.00	1,466.00	(201.00)
Automotive operation	7,512.00	6,538.77	973.23
Maintenance and repairs:			
Boat	90.00	77.20	12.80
Radios	200.00	82.61	117.39
Equipment	80.00	40.80	39.20
Office supplies	45.00	1.00	44.00
Operating supplies	290.00	10.01	279.99
Telephone and telegraph	142.00	83.80	58.20
Freight and postage	80.00	--	80.00
Rentals:			
Plane	75.00	20.00	55.00
Horse	125.00	30.00	95.00
Storage	75.00	43.00	32.00
Other	45.00	--	45.00
Equipment	30.00	--	30.00
Contingency	60.00	--	60.00
Total Expenditures	$31,120.00	$28,819.44	$2,300.56
Cash Balance June 30, 1961		$ 2,300.56	$2,300.56

NEVADA FISH & GAME COMMISSION
Law Enforcement - Wheeler District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 47

	Budget	Actual	(Over) or Under Budget
Revenue			
From Fish & Game funds authorized for expenditure	$21,084.00	$21,084.00	
Expenditures			
Salaries	$12,927.00	$12,630.00	$ 297.00
Employee benefits	867.00	744.88	122.12
Travel	845.00	997.87	(152.87)
Automotive operation	5,662.00	5,349.19	312.81
Repairs and maintenance:			
Radios	150.00	69.03	80.97
Equipment	80.00	10.61	69.39
Office supplies	30.00	--	30.00
Operating supplies	70.00	4.45	65.55
Telephone and telegraph	135.00	75.10	59.90
Freight and postage	28.00	12.00	16.00
Printing	25.00	16.00	9.00
Rents:			
Horse	50.00	7.87	42.13
Storage	120.00	21.00	99.00
Tools	40.00	--	40.00
Equipment	55.00	95.68	(40.68)
Total Expenditures	$21,084.00	$20,033.68	$1,050.32
Cash Balance June 30, 1961		$ 1,050.32	$1,050.32

NEVADA FISH & GAME COMMISSION
District Administration - Black Rock District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 48

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game Funds authorized for expenditure	$9,528.00	$9,528.00	
Expenditure			
Salaries	$6,412.00	$6,796.94	$(384.94)
Employee benefits	397.00	344.30	52.70
Travel	460.00	722.03	(262.03)
Repairs and maintenance:			
Automotive	1,440.00	1,564.12	(124.12)
Field equipment	20.00	--	20.00
Office supplies	30.00	3.00	27.00
Operating supplies	26.00	39.04	(13.04)
Telephone and telegraph	190.00	230.28	(40.28)
Freight and postage	21.00	20.00	1.00
Rent: storage	120.00	--	120.00
Subscriptions	--	4.50	(4.50)
Equipment	212.00	219.25	(7.25)
Contingency	200.00	--	200.00
Total Expenditures	$9,528.00	$9,943.46	$(415.46)
Cash Balance June 30, 1961		$ (415.46)	$(415.46)

NEVADA FISH & GAME COMMISSION
District Administration - Charleston District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 49

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$12,581.00	$12,581.00	
Expenditures			
Salaries	$ 7,995.00	$ 7,927.04	$ 67.96
Employee benefits	521.00	462.29	58.71
Travel	465.00	300.75	164.25
Repairs and maintenance:			
Automotive	1,820.00	1,195.10	624.90
Equipment	120.00	42.51	77.49
Office supplies	80.00	51.03	28.97
Operating supplies	265.00	175.24	89.76
Telephone and telegraph	200.00	412.41	(212.41)
Freight and postage	45.00	30.31	14.69
Utilities	60.00	94.19	(34.19)
Printing	160.00	49.75	110.25
Rents: office	300.00	347.97	(47.97)
Subscriptions	--	4.50	(4.50)
Maintenance:			
Grounds	80.00	10.31	69.69
Buildings	40.00	--	40.00
Equipment	230.00	166.07	63.93
Contingency	200.00	--	200.00
Total Expenditures	$12,581.00	$11,269.47	$1,311.53
Cash Balance June 30, 1961		$ 1,311.53	$1,311.53

NEVADA FISH & GAME COMMISSION
District Administration - Owyhee District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 50

	Budget	Actual	(Over) or Under Budget
Revenue			
From approved budget	$11,093.00	$11,093.00	
Expenditures			
Salaries	$ 7,437.00	$ 7,610.49	$(173.49)
Employee benefits	481.00	427.23	53.77
Travel	420.00	320.15	99.85
Automotive operations	1,325.00	1,179.11	145.89
Repairs and maintenance:			
Office equipment (transferred from Contingency)	50.00	1.54	48.46
Office supplies	40.00	7.25	32.75
Operating supplies	72.00)	198.01	23.99
Transfer from project contingency to operating	150.00)		
Telephone and telegraph	250.00	232.21	17.79
Freight and postage	35.00	20.45	14.55
Utilities	350.00	418.99	(68.99)
Subscriptions	--	4.50	(4.50)
Tools	--	8.70	(8.70)
Maintenance:			
Grounds	50.00	49.76	.24
Buildings	30.00	60.53	(30.53)
Janitorial supplies	43.00	48.60	(5.60)
Equipment	360.00	256.90	103.10
Contingency	200.00	--	--
Transferred to office equipment & office supplies	(200.00)	--	--
Total Expenditures	$11,093.00	$10,844.42	$248.58
Cash Balances June 30, 1961		$ 248.58	$248.58

NEVADA FISH & GAME COMMISSION
District Administration - Sierra District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 51

	Budget	Actual	(Over) or Under Budget
Revenue			
From Fish & Game funds authorized for expenditure	$11,898.00	$11,898.00	
Expenditures			
Salaries	$ 8,196.00	$ 9,274.79	$(1,078.79)
Employee benefits	500.00	516.88	(16.88)
Travel	300.00	494.87	(194.87)
Automotive operation	1,750.00	1,529.75	220.85
Equipment maintenance	40.00	--	40.00
Office supplies	50.00	4.61	45.39
Operating supplies	20.00	67.94	(47.94)
Telephone and telegraph	200.00	258.65	(58.65)
Freight and postage	50.00	--	50.00
Utilities	300.00	366.01	(66.01)
Other - pond rental	150.00	156.00	(6.00)
Subscriptions	--	4.50	(4.50)
Maintenance of buildings	--	33.85	(33.85)
Janitorial supplies	50.00	5.48	44.52
Equipment	92.00	10.80	81.20
Contingency	200.00	--	200.00
Total Expenditures	$11,898.00	$12,723.53	$ (825.53)
Cash Balance June 30, 1961		$ (825.53)	$ (825.53)

NEVADA FISH & GAME COMMISSION
District Administration - Wheeler District
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 52

	Budget	Actual	(Over) or Under Budget
Revenue			
From approved budget	$13,269.00	$13,269.00	
Transfer from unallocated budget reserve		1,200.00	$(1,200.00)
Transfer from office salaries		262.00	(262.00)
Total available for expenditure	$13,269.00	$14,731.00	$(1,462.00)
Expenditures			
Salaries	$ 8,229.00	$ 8,701.85	$ (472.85)
Employee benefits	530.00	482.71	47.29
Travel	540.00	387.20	152.80
Automotive operating	1,960.00	1,577.45	382.55
Repairs and maintenance:			
Equipment	60.00	16.75	43.25
Office supplies	100.00	19.74	80.26
Operating supplies	140.00	93.50	46.50
Telephone and telegraph	300.00	372.41	(72.41)
Freight and postage	50.00	34.42	15.58
Utilities	350.00	386.96	(36.96)
Printing	20.00	--	20.00
Rent: storage	15.00	--	15.00
Subscriptions	--	4.50	(4.50)
Maintenance:			
Grounds	360.00	16.00	344.00
Buildings	50.00	161.41	(111.41)
Janitorial supplies	90.00	13.85	76.15
Equipment	275.00	439.85	35.15
Transfer from contingency	200.00		
Capital improvements	--	1,017.83	(1,017.83)
Contingency	200.00	--	--
Transferred to equipment	(200.00)	--	--
Total Expenditures	$13,269.00	$13,726.43	$ (457.43)
Cash Balance June 30, 1961		$ 1,004.57	$ 1,004.57

NEVADA FISH & GAME COMMISSION
Office Headquarters
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 53

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for Expenditure	$109,682.00	$109,682.00	
Transfer to Wheeler District Administration	--	(262.00)	$ 262.00
Available for Expenditure	$109,682.00	$109,420.00	$ (262.00)
Expenditures			
Salaries	$ 71,540.00*	$ 70,704.86	$ 835.14
Employee benefits	4,457.00	3,825.20	631.80
Travel	3,300.00	3,409.66	(109.66)
Automotive	3,100.00	3,013.64	86.36
Office equipment, maintenance	500.00	942.13	(442.13)
Office supplies	5,750.00	4,609.09	1,140.91
Telephone and telegraph	3,000.00	3,768.32	(768.32)
Freight	150.00	71.80	78.20
Postage	7,250.00	6,742.87	507.13
Utilities	625.00	574.31	50.69
Printing	6,600.00	5,820.19	779.81
Fees and dues	375.00	325.00	50.00
Insurance	325.00	10.20	314.80
Plane rental	150.00	390.33	(240.33)
Equipment rental	225.00	211.60	13.40
License Agents Bonds	1,000.00	575.00	425.00
Legal notices	300.00	282.90	17.10
Office rent	--	--	--
Subscriptions	75.00	159.92	(84.92)
Buildings - Repairs and maintenance	150.00	178.85	(28.85)
Janitorial supplies	250.00	252.56	(2.56)
Equipment	2,060.00	1,675.75	384.25
Leases	--	36.00	(36.00)
Office rent - rental recovery	(1,500.00)	(1,500.00)	--
Total Expenditures	$109,682.00	$106,080.18	$3,601.82
Cash Balance June 30, 1961		$ 3,339.82	$3,339.82

*Transfer from salary of $262.00 not reflected in salary budget figure.

NEVADA FISH & GAME COMMISSION
Information and Education
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 54

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$31,057.00	$31,057.00	
Transfer from unallocated budget reserve		100.00	$ (100.00)
Total available for Expenditure	$31,057.00	$31,157.00	$ (100.00)
Expenditures			
Salaries	$14,892.00	$15,054.00	$ (162.00)
Employee benefits	916.00	813.89	102.11
Travel	1,020.00	1,315.00	(295.00)
Automotive	1,400.00	1,046.23	353.77
Equipment repairs	50.00	10.56	39.44
Operating supplies	454.00	1,138.43	(684.43)
Taxidermy	--	--	--
Telephone and telegraph	125.00	185.20	(60.20)
Freight and postage	1,020.00	10.60	1,009.40
Printing	9,400.00	6,973.53	2,426.47
Plane rental	50.00	108.05	(58.05)
Horse rental	50.00	--	50.00
Equipment rental	50.00	25.00	25.00
T. V. Program	850.00	805.00	45.00
Equipment	780.00	768.79	11.21
Total Expenditures	$31,057.00	$28,254.28	$2,802.72
Cash Balance June 30, 1961		$ 2,902.72	$2,902.72

Transferred to operating supplies and reflected in the expenditures but not in the budgeted amounts.

From printing	$800.00
From State contingency	100.00
	$900.00

NEVADA FISH & GAME COMMISSION
Engineering
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 55

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$35,699.00	$35,699.00	
Transfer to:			
Schroeder Dam		(780.00)	$ 780.00
Beaver Dam		(458.02)	458.02
Total Revenues	$35,699.00	$34,460.98	$1,238.02
Expenditures			
Salaries	$24,713.00*	$21,712.32	$3,000.68
Employee benefits	1,584.00	1,279.40	304.60
Travel	2,040.00	1,527.45	512.55
Automotive operation	2,590.00	2,139.09	450.91
Equipment, Repairs and maintenance	50.00	269.31	(219.31)
Office supplies	98.00	59.43	38.57
Operating supplies	370.00	266.72	103.28
Telephone and telegraph	124.00	157.50	(33.50)
Plane rental	200.00	286.95	(86.95)
Equipment rental	60.00	--	60.00
Legal notices	100.00	35.15	64.85
Subscriptions	10.00	11.00	(1.00)
Tools	25.00	23.55	1.45
Water application	100.00	54.80	45.20
Material testing	150.00	85.83	64.17
Equipment	2,985.00	552.78	2,432.22
Engineering Consultant fees	500.00	--	500.00
Total Expenditures	$35,699.00	$28,461.28	$7,237.72
Cash Balance June 30, 1961		$ 5,999.70	$5,999.70

*Transfer from salaries to,

Schroeder Dam	$ 780.00
Beaver Dam	458.02
	$1,238.02

Budget figure for salaries was not adjusted to reflect the transfer.

NEVADA FISH & GAME COMMISSION
Commission Pilot
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 56

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$8,100.00	$8,100.00	
Expenditures			
Salaries	$6,132.00	$5,621.00	$ 511.00
Employee benefits	386.00	324.53	61.47
Travel	1,282.00	694.00	588.00
Automotive operation	200.00	190.44	9.56
Operating supplies	100.00	--	100.00
Total Expenditures	$8,100.00	$6,829.97	$1,270.03
Cash Balance June 30, 1961		$1,270.03	$1,270.03

NEVADA FISH & GAME COMMISSION
Miscellaneous Accounts
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 57

	Budgeted	Transfers	Actual	(Over) or Under Budget
Revenues				
From Fish & Game funds authorized for expenditure	$85,089.13		$85,089.13	
Expenditures				
County Game Boards NIC	$ 702.00		$ 930.78	$ (228.78)
House trailer	4,000.00		3,551.11	448.89
Uniforms	3,500.00		3,612.41	(112.41)
Legal fees	3,700.00		3,600.00	100.00
Nevada State Prison	180.00		180.00	
Onion Valley	200.00			200.00
Kingston Canyon Engineering	1,500.00			1,500.00
Office Building	70,000.00	$(70,000.00)*		
Willow Creek Reservation	250.00			250.00
Fleischmann Foundation Book	1,057.13		1,057.13	
Lease Lincoln County			25.00	(25.00)
Total Expenditures	$85,089.13	$(70,000.00)	$12,956.43	$2,132.70
Cash Balance June 30, 1961			$ 2,132.70	$2,132.70

NEVADA FISH & GAME COMMISSION
Commissioners
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 58

	Budget	Actual	(Over) or Under Budget
Revenues			
From Fish & Game funds authorized for expenditure	$6,814.00	$6,814.00	
Expenditures			
Nevada Industrial Commission	$ 234.00	$ 310.28	$(76.28)
Travel	5,400.00	5,859.62	(459.62)
Operating supplies	100.00	4.50	95.50
Telephone and telegraph	780.00	897.89	(117.89)
Plane rental	--	240.00	(240.00)
Postage	--	4.00	(4.00)
Rent: meeting room	300.00	20.00	280.00
Total Expenditures	$6,814.00	$7,336.29	$(522.29)
Cash Balance June 30, 1961		$ (522.29)	$(522.29)

NEVADA FISH & GAME COMMISSION
County Game Boards
Statement of Budgeted Revenues and Expenditures Compared With Actual
For the Year Ended June 30, 1961

Schedule 59

	Budget	Actual	(Over) or Under Budget
Revenue			
From Fish & Game funds authorized for expenditure	$35,023.00	$35,023.00	
Expenditures			
County Game Boards:			
Churchill	$ 50.00	$ 50.00	
Clark	265.00	265.00	
Douglas	25.00	25.00	
Elko	31,644.00	31,644.00	
Esmeralda	250.00	250.00	
Eureka	--	--	
Humboldt	325.00	325.00	
Lander	470.00	470.00	
Lincoln	211.00	211.00	
Lyon	355.00	355.00	
Mineral	290.00	290.00	
Nye	100.00	100.00	
Ormsby	25.00	25.00	
Pershing	825.00	825.00	
Storey	25.00	25.00	
Washoe	50.00	50.00	
White Pine	113.00	113.00	
Aggregate cash balances		(1,976.22)	
Total Expenditures	$35,023.00	$33,046.78	
Cash Balance June 30, 1961		$ 1,976.22	

Note: $33,046.78 was turned over to the counties. $1,976.22 was an aggregate of cash balances remaining at June 30, 1960 in the various county treasuries. It is the contention of the Fish and Game Commission that any unexpended balance remaining in county treasuries be reverted to the Fish and Game Fund.

Appendix A

Subject: Internal Control of Fish and Game Licenses and Collection of License Money.

Receiving and Storage of License

All licenses and tags received from the State Printer or an authorized outside printer will be checked in by the Administrative Assistant. Form A102 "Report of Goods Received" will be prepared showing the type of license, serial numbers of the licenses and the numbers received. Upon completion of form A102, the Administrative Assistant will route it, the original, to the Accounting Department.

Accounting will:

(1) Verify receiving report against the supplies invoice.
(2) Record the license received on the license control ledger - Warehouse.

    (a) By type of license.
    (b) By amount.

(3) Make the following journal entry - Dr. - License inventory - Warehouse - Cr. Unused license - Warehouse.

Issuing of Licenses to Agents

Once the licenses have been received and verified, the License Officer will become accountable for all licenses.

The License Officer shall initiate form L1, Report of License to be sent to License Agents.

(1) One copy of form L-1, upon completion of the order shall be routed to the Accounting Office.

(2) Two copies of form L-1 will be mailed to the agent who:

    (a) Check form L-1 with the license received and if the two agree sign the form and return one copy to the License Officer.
    (b) The License Officer will check his records that license agent received the license and route the form to Accounting.
    (c) Accounting will verify the signed form to the original and file in agents file.

If there is a difference between the license listed on form L-1 and the number received, the agent will notify the License Officer who will check out the difference with the Accounting office.

An inventory of the license in the warehouse would show if an error was made

in the shipping of licenses. If it is found that an error was made a "debit or credit memo" will be issued, and the control accounts adjusted. The memo will be filed in the agents file.

The Accounting Office:

Make a journal entry transferring the license from the warehouse to the agents. The General Ledger will show the amount of license in the warehouse and consigned to the agents.

A breakdown as to the type of license at either place may be obtained from the control cards that are posted by machine. The control cards will give the number of license and the dollar amount.

Once a month the Accounting office will count the license in the warehouse and verify the inventory to the Control Ledger cards.

Accounting office upon the receipt of form L-1, original, will:

(1) Transfer the license from the warehouse license control cards to the license agents control cards. In both places the license will be kept by number and dollar value by type of license.

Receiving of Funds from Agents

Cash or Checks

All reports shall be routed to a central room where:

(1) In the presence of two persons the reports will be opened.

- (a) Administrative Assistant, an employee not from Accounting or License.
- (b) Request all agents that no cash be turned in - only checks - if possible.

(2) Checks be listed on bank deposit slips which shall be in four parts.

- (a) Deposit slips will show bank number and agents account number.
- (b) Deposit slip will be distributed as follows:
  1) Original to bank.
  2) Duplicate to be attached to form L-2, monthly report of license sale and routed to Accounting.
  3) Triplicate to be attached to form L-2 and be routed to license department along with the return license books for audit.
  4) Fourth copy to remain in book.
- (c) Deposit to be made the following day.

Monthly Report of License Sales:

Form L-2, monthly report of license sales will be in five parts.

(1) Original to Accounting with daily deposit slip.

(2) Duplicate to license department with daily deposit slip for audit.

(3) Triplicate to Accounting for file in agents file.

(4) Fourth copy to license agent for audit and returned to agent showing corrections, if any.

(5) Fifth copy to be retained by agent.

The License Officer Will Audit Report:

If there are any errors he will issue a debit or credit memo and route to Accounting in duplicate.

(a) Accounting will record debit or credit memo and file.

1) One in the agents file attached to the form L-2.
2) The duplicate file with document of original entry.

Accounting:

Deposit slip attached to form L-2, original.

(1) Will verify total of reports to deposit slip.

(2) Summarize reports as to:

(a) Amount sold by license.
(b) Amount sold by units.
(c) Number of unused licenses returned.
(d) Number of void or spoiled.

These summaries will be posted to:

(1) Daily cash journal.

(2) Agents license control as to amount and unit.

(3) The individual reports to be posted to the agents license ledger as to the amount.

(4) File triplicate copy to agents file.

If there is a debit or credit memo the above will be adjusted and filed.

Journal Entry - Sale of License by Agent

Dr. - Unissued Licenses - Agents

Cr. - License Inventory - Agents

Accounting Shall:

Each month, verify the warehouse license inventory to control license ledger by type of license.

(1) This may be done by units then converted to amount.

Agents License Control:

The outstanding balance of the control sheets, by license, shall be verified to the total of the individual agents license sheets. This should be done once a month.

The outstanding balance of each agent should be verified to the outstanding licenses by agents. This should be done each month, if possible, but not less than every third month.

The cash received and deposited from agents shall be verified to the license agents control sheet - total sales.

The General Ledger Control verified once a month to the subsidiary record.

SALES IN RENO OFFICE

The License Officer shall be held accountable the same as all other license agents.

A request for license will be made on form L-1.

(1) Form L-1 will be made for all licenses and tags.

(2) Two copies, one signed by license officer, will be routed to the Accounting office.

(3) Accounting will make the necessary entry transferring the license and tags from the warehouse inventory to agents inventory - Office.

(4) A control card will be set up for each type of license "License Officers Control."

A file, same as agents, shall be set up for the license officer.
J.E. same as transfer from warehouse to agents.

Cash

All sales made by the license officer will be recorded on the cash register. At the end of the day, or an agreed cut-off time, the license officer will count

the cash on a Daily Cash Count Sheet, see attached, and turn it over to the Administrative Assistant or to a designated employee. The designated employee will not be from Accounting or License office.

The Administrative Assistant will verify the cash and if in agreement will make the deposit.

The Administrative Assistant will make three deposit slips.

(1) One will be attached to the Daily Cash Count Sheet.

(2) One will be given to the bank.

(3) Third copy will remain in the book.

It may be desirable to have the bank stamp one of the deposit slips.

The Accounting office will take the daily cash register reading and attach the cash register tape to the Daily Cash Count.

Upon receipt of the Daily Cash Count Sheet the Accounting office will:

(1) Record the sales in the sale journal - the entry will be as follows:

Dr. - Cash

Cr. - Office clearing account

(2) Record the sales to the license officer subsidiary account.

At the end of each month the Accounting office will inventory the license, the license officer has on hand and verify to the cash received throughout the month, and to the License Officers control cards.

The following entry shall be made:

Dr. - Office clearing account

Cr. - Various revenue accounts

All bank statements will be routed to the Accounting office. The Accounting office shall reconcile the cash per books with the bank statement each month.

All returned checks will be routed to accounting for proper entry. The Accounting office will route the checks to the Administrative Assistant for collection. The Administrative Assistant will notify the accounting office of collections and shall attach receipt to the deposit - showing that the check has been deposited, so the proper entry can be made.

NEVADA FISH & GAME COMMISSION
Analysis of Bank Deposits and Withdrawals
For the Fiscal Year Ended June 30, 1961

Appendix B

		Withdrawals		
	Deposits	Checks	Returned Items	Balance
Bank Balance 7/1/60	$199,377.90			
July 1960	$ 31,605.16		$ 212.90	$230,770.16
August	242,156.95	$230,972.10	894.40	241,060.61
September	301,186.35	125,007.50	10,611.00	406,628.46
October	102,445.00	400,000.00	611.00	108,462.46
November	116,473.05		1,092.80	223,842.71
December	36,255.56	220,000.00	2,183.90	37,914.37
January 1961	12,390.70			50,305.07
February	14,293.10			64,598.17
March	26,845.00		558.20	90,884.97
April	30,137.80		74.70	120,948.07
May	25,909.45			146,857.52
June 1961	27,058.10		438.40	173,477.22

VIEWPOINTS AND RECOMMENDATIONS OF THE CONSULTANT COMMITTEE ON THE CRONEMILLER REPORT

The Consultant Committee on Fish and Game of the Legislative Counsel Bureau met in the Senate Chamber of the Capitol Building at Carson City, Nevada, on Saturday, December 27, 1958, and on Wednesday, January 14, 1959. Present were Mr. Roger Teglia, Chairman, Mr. Paul P. Conlon, Mr. Al Conelly, Mr. Hugh M. White, and Mr. Jack H. Burns. Mr. William Milich was present on December 27, but was absent on January 14.

The following recommendations were adopted by the Consultant Committee for presentation to the Nevada Legislative Commission and the 1959 Session of the Nevada Legislature, the said recommendations pertaining to the recommendations contained in the report prepared by the survey team under the direction of Mr. Fred P. Cronemiller.

Recommendation No. 1

That the Legislative Commission study further the feasibility and desirability of creating an appointive Fish and Game Commission, composed of not less than nine members, chosen at large rather than from districts, with members familiar with fish and game matters, serving staggered terms, with no more than one person serving from any one county, with adequate salary remuneration, and elimination of any requirements that members be endorsed by statewide sportsmen's clubs.

Explanation: The Consultant Committee felt that a smaller appointive Fish and Game Commission must be created eventually, but that the sportsmen are not ready for that step at this time, as indicated by the questionnaire. The Committee felt that further study of this question should be made, and the sportsmen be given more time to familiarize themselves with the various aspects of the problem.

Recommendation No. 2

That there be no qualifications in the law for members of the Fish and Game Commission.

Explanation: The Cronemiller Report recommended that a series of qualifications be met by any person who is a candidate for membership on the Fish and Game Commission. Included was a requirement that he have the endorsement of the statewide sportsmen's organization. The Consultant Committee rejected the recommendation for qualifications primarily because of this one requirement. The questionnaire showed that 78 percent of sportsmen answering the questionnaire did *not* belong to the Nevada Federated Sportsmen, the Committee felt that the statewide organization does not represent the majority of the sportsmen, and that independent sportsmen should not be thus ineligible for membership on the Fish and Game Commission.

Recommendation No. 3

That the Fish and Game Commission be established as a policy-making and budgetary body.

Explanation: There are many types and varieties of boards and commissions in government and, at law, the Fish and Game Commission is an example of the administrative type of commission with full power and authority over the administrative functions of Nevada's fish and game organization at the state level. As provided by NRS 501.165–501.240, the Fish and Game Commission, or its Executive Board, approves all expenditures of funds, appoints and dismisses the State Director and all other staff members, approves printing, enforces the fish and game laws, acquires and disposes of real and personal property, enters into cooperative agreements with the Federal Government, enters into reciprocal fishing license agreements with other states, etc. A host of other duties are set forth in the rest of the fish and game law.

In the field of political science and public administration, this clearly establishes that the Fish and Game Commission is an *administrative* board with full administrative powers and authorities. Political scientists recognize a variety of other boards in government such as *ex-officio* boards composed of regular elective or appointive officers serving on the board in an ex-officio capacity, *policy-making* boards with little or no administrative authority, *advisory* boards, *quasi-legislative* boards, and *quasi judicial* boards.

It is interesting to note the remarks of Mr. Austin F. MacDonald, eminent authority in the field of public administration, relative to the functions of boards in state government. In his volume, *American State Government and Administration*, Fourth Edition, Thomas Y. Crowell Company, New York (1950), Mr. MacDonald remarks as follows:

> Whenever a state undertakes a new function, it must decide whether the task of administering that function would be entrusted to a single individual or to a group of individuals who exercise authority jointly. The singleheaded department of bureau has certain obvious advantages. To put control in the hands of one person is usually to get action. Moreover, responsibility is more easily fixed. If the work of a singleheaded department is improperly done, everyone knows where to place the blame. There is no possibility of evasion. And, conversely, the credit for good work can readily be fixed and rewarded. When a board or commission assumes control, however, everything is changed. Responsibility is *no* longer centered in one person, but is diffused among five, six, or a dozen—as many persons as the commission has members. It is impossible to determine who is to blame for maladministration.
>
> Another good reason for preferring individuals to boards is that the singleheaded department plan is more likely to lead to the performance of administrative duties by technical experts. Even though a board is composed of laymen who admittedly have no understanding or appreciation of the problems involved and must therefore hire a trained administrator to carry on the day-to-day routine, there is seldom a disposition to give the administrator a free hand in the performance of the work for which he has been employed. Members of the board, forgetful or careless of their ignorance, are likely to interfere with every detail. They may, and often do, insist upon examining the persons whom the administrator has selected as subordinates—or, worse still, appointing their friends and followers to the important positions. This is not just a theoretical danger; long and bitter experience has shown that it is a common trend in the field of American public administration. * * *
>
> Although reference is made to boards and commissions versus singleheaded departments, it must not be assumed that these separate types of administrative organization are mutually exclusive. It is not at all necessary, or even desirable, for a state to depend entirely on individual department heads or to put its trust completely in boards and commissions. Concerning any one function of government, a choice between an individual and a board or commission may be necessary; but when the manifold activities of state government are considered, it may seem best to entrust some of them to boards and commissions and others to departments presided over by individuals.
>
> In every instance the test lies in the nature of the agency's work. Its task may be quasi-legislative—that is, resembling the work of the legislature. In other words, it may find itself concerned chiefly with the determination of policies, in the form of rules and regulations that do not differ greatly from the statutes enacted by the legislature at every session. Therefore, it should be organized for deliberation rather than for action; its work should be entrusted to several persons instead of to one.
>
> Another agency of the state government may perform quasi-judicial functions—functions that resemble those of a court. It may sit as a court, hear witnesses, take testimony, and render decisions. A workmen's compensation board of a public utility commission answers this description perfectly. True, the findings of such a board or commission are subject to review by the courts, but this fact does not alter the judicial character of its work. The decisions of courts of first instance are also subject to review. Now, an administrative agency that is performing quasi-judicial functions also lends itself readily to the commission type of organization; impartial justice can best be secured by the meeting of trained minds. That the majority of state agencies are not concerned chiefly with the performance of quasi-legislative or quasi-judicial duties. Their most important task—often their only task—is to execute the policies that they receive readymade. Obviously they should not be hampered by the needless discussions and delays that characterizes board administration. Action is their primary need, and they should be organized to produce results promptly. That is simply a way of saying that individuals, rather than boards or commissions, should be placed in control.

> Few states have made any serious attempt to apply the general principle that a board or commission should be used for deliberation and a single-headed department for action. Usually they have accepted a very different premise: "When in doubt, establish a board or commission." The result has been a veritable epidemic of multiple-headed agencies—an epidemic that is spread from coast to coast and has not yet been brought under control by the advocates of sound administrative organization. The disease has assumed a more malignant form in some states than in others, of course, but nearly every state has placed under board control some activity that could be better administered by the singleheaded department.
>
> Strangely enough, however, there are relatively few instances of departments with individual heads administering functions that ought properly to be assigned to boards or commissions. The states have pinned their faith to the board idea. Time after time that faith has been rudely shaken. Government has stood still while some board deliberated, or merely waited for a quorum; it has suffered from the mistakes of board members who did not understand their role as amateurs. But always the faith in boards has risen triumphant above the lessons of experience. For the people of the United States, despite their oft-repeated boast that they have practical men and women, find it extremely difficult to change their theories of government. * * *

Even though Nevada's Fish and Game Commission is an administrative board under the law, it is not operating as such in fact. Its own members admit, and its minutes reveal, that it has delegated rather extensive powers, authorities and duties to the Executive Board, the State Director, and various staff members, occasionally in violation of law. In other words, practical experience has shown that it is an impossibility for it actually to carry out all the *administrative* powers, authorities and duties charged to it in the law. To a surprising extent the commission is operating in actual fact as a *policy-making* and *budgetary* body. Nothing could be more normal in the complex fish and game programs. It could not operate any other way. This is "old stuff" to experts in the field of public administration everywhere. It is a very well-known fact that boards composed of citizens serving part time, function quite well in *policy-making* and *budgetary* capacities. The reasons are simple. A board composed of laymen meeting several times a year, or even once a month, cannot possibly handle day-to-day administrative details, hire and fire staff, etc. *Immediate action* is of paramount necessity, and administrative problems cannot wait for lack of a quorum, or while members discuss and debate details with which they are not familiar and for which they have no training or experience. *But* boards composed of citizens serving part time *can* settle policy and budgetary matters, determine open and closed season dates, types of seasons, etc. These are the proper functional areas for Nevada's Fish and Game Commission, and these are the principal functions that are being exercised for the most part by the Commission *now*. Consequently, the law should be amended so as to properly define the policy-making duties, the budgetary duties, and certain fish and game duties of the Commission, and properly defined *administrative* duties of the State Director should be written into the law.

Recommendation No. 4

That the position of Executive Director of the Department of Fish and Game be created, with the following duties and responsibilities:

(1) To carry out the policies of the Fish and Game Commission.

(2) To have complete administrative authority over Department activities and personnel.

(3) To enforce laws and rules and regulations of the Commission.

(4) To prepare a budget for Commission approval or modification.

(5) To supervise all officers and employees of the Department.

(6) To gather factual data and information on the status of game and fish for presentation to the Fish and Game Commission as an aid in setting seasons and bag limits.

(7) To plan a long-range program of fish and game management for the approval of the Commission.

(8) To collect license revenues and to make disbursements according to the budget approved by the Commission.

Explanation: This recommendation continues the concept discussed in the explanation of Recommendation No. 3. The recommendation sets forth the *administrative* duties and responsibilities that should rest upon the Executive Director, and which should be written directly into the law. These administrative duties and responsibilities normally belong to the full-time head of a state department, and they are part of a concept that is common in Nevada's government today, as well as in every other state government in America.

Recommendation No. 5

That the Executive Director of the Department of Fish and Game be in the classified service of the State's personnel system, and that the following minimum qualifications for the position be written into the law:

(1) Graduation from an accredited college or university, with a degree in wildlife management or related subjects, and at least a minor in business administration or engineering.

(2) At least 10 years of paid experience in the wildlife field, the last five years of which the applicant must have held progressively responsible positions in the field of fish and game management.

(3) The incumbent should be removed from office only for inefficiency, neglect of duty, or misconduct in office after a public hearing before the Personnel Commission.

Explanation: The Consultant Committee believed that the Executive Director should be in the classified service of the State's personnel system because it is a technical position where political influence should be kept to a minimum, and every device used that would better the chances of getting a qualified person to fill the position whenever a vacancy occurred. In addition, the Committee agreed that qualifications for the position should be written into the law as recommended by the Cronemiller Report, but it added the following words in qualification No. (1): "and at least a minor in business administration or engineering." The theory of the Committee in adding this wording was that the Executive Director should have training in business administration as well as in wildlife management, because his primary duties would have to do with the administration of the Department of Fish and Game.

Recommendation No. 6

That a Department of Fish and Game be created, and charged with the direct responsibility of carrying out the policies of the Fish and Game Commission, and that all fish and game properties held by the counties be transferred to the Department for administration.

Explanation: To call the entire organization that administers Nevada's fish and game laws the "Fish and Game Commission" is not only factually incorrect, but is a type of governmental designation that has been abandoned generally in American government for 35 years. Today, governmental functions are departmentalized because departmental organization provides a natural method of breaking down the operation by function. An ordinary state department includes (1) a board, (2) an executive director, (3) a series of functional divisions headed by chiefs (there is nothing to prevent one person being the chief of two or more divisions), and (4) a series of sections (subdivisions) in each division, with section leaders in charge of the various sections. Thus functions are allocated to proper sections and divisions. Sections and divisions are created or dissolved in accordance with the functions charged to the department by law and as determined by the rules and regulations of the policy-making board or commission within the department.

Actually, Recommendation No. 4 would force very few changes in Nevada's fish and game organization. The name of the organization would change in the law, but the Fish and Game Commission would continue to exist and function in accordance with the law defining its powers, authorities and duties. The recommendation merely attempts to apply a modern organizational concept to a rather large organization that is spending approximately $1,000,000 a year.

The Cronemiller Report recommended that "the administrative authority heretofore held jointly by the Commission and county boards should be vested in the Department." This recommendation was rejected by the Consultant Committee on the grounds that the county game management boards should not be disturbed at this time.

Recommendation No. 7

That county game management boards be continued, with no change in their powers and duties.

Explanation: The Consultant Committee felt that eventually the county game management boards must be discontinued, but that the sportsmen are not ready for that step at this time, as indicated by the questionnaire.

Recommendation No. 8

That the recommendation in the Cronemiller Report for the creation of a Sportsmen's Advisory Council be rejected.

Explanation: The Consultant Committee could see no reason why another 17-man board should be added to the 17 members of the State Fish and Game Commission, and to the 51 members of the county game management boards that are already participating in fish and game matters in the State of Nevada, especially if the county game management boards are going to be retained. There are "too many fingers in the pie" now.

Recommendation No. 9

That the Department of Fish and Game be provided with legal counsel, that such attorney be employed by and responsible to the Attorney General, that he be paid out of fish and game funds, and that his offices either be located in the Department building, or be

located in the City of Reno and be readily available to serve the Department.

Explanation: Many legal problems have developed, and more are foreseen in the growth of the State and in the widening of the programs of the Commission. The interstate compact on the Truckee-Carson rivers and other water problems, the legal phases of land acquisition, and certain phases of cooperation with federal agencies require competent legal counsel in addition to that presently afforded through opinions of the Attorney General. However, the Consultant Committee agreed that such legal counsel should be appointed by and responsible to the Attorney General; the Attorney General's office is the central legal arm of the Executive Branch of the State Government, and the various departments and agencies should not be authorized to employ their own separate attorneys.

Recommendation No. 10

That the fish and game laws to rewritten so as to provide clarification, eliminate conflicting clauses, and to state more accurately the intent of the law on the responsibilities of the Fish and Game Commission and the county game management boards, and that the Legislative Counsel Bureau be required to perform this task.

Explanation: This recommendation is self-explanatory. The fish and game laws are poorly written, and create many problems of interpretation. Considerable wording is duplicated elsewhere. A good redrafting would be beneficial to all concerned.

SUMMARY OF MAJOR RECOMMENDATIONS

Scattered throughout the previous chapters are recommendations for legislative action, and recommendations that may be accomplished by administrative decision. In order to facilitate a comprehension of the many recommendations, it has been suggested that they be combined together in one chapter. The report has been examined and every recommendation listed verbatim as follows:

Recommendations for Legislative Action

(1) It is the feeling of this study group that more consideration should be given to a smaller Commission.

(2) We believe in the continuance of the county boards, but believe their action should be advisory only.

(3) The survey team is opposed to increased legislative control of expenditures of the Fish and Game Commission.

(4) The survey team favors the prohibition or control of fish or game contests, it recommends the enactment of a statute, and recommends that it contain a clause that no more than a prize of nominal value be awarded in any case.

(5) A law should be enacted creating a five-man Fish and Game Commission, appointed by the Governor on a non-political basis, and for staggered terms. The Commission should have full authority over budgetary matters, seasons, and bag limits and broad policies only.

(6) In order to prevent domination of the Commission by any section, the law should state that no more than one Commissioner could serve from any county at any one time.

(7) In order to prevent powerful political forces, which might develop from dictating the appointments to the Commission, it is recommended that the following qualifications be met by any person who is a candidate for appointment.

(a) Must have had at least five years' interest and demonstrated service in wildlife affairs.

(b) Must not, during the year preceding the appointment date, have been a candidate for a local or state political office.

(c) Must have the endorsement of the statewide sportsmen's organization.

(d) Must have successfully demonstrated his ability in business or vocation.

(8) Commission members should be appointed at large so they may feel their statewide responsibilities and to eliminate any obligation to districts or local communities. The wildlife resource must be managed on the basis of the greatest results for the money expended, regardless of county, district, or local boundaries. The philosophy of the greatest good for the greatest number should apply in game and fish management, and this stipulation should be provided in the law. It is absolutely essential that well qualified persons be appointed to the Commission—men who are capable of rising above petty personal politics

and can serve the best interest of the entire State, not merely the local communities in which they live. The success or failure of wildlife resource management in Nevada will depend upon the ability and quality of those serving as Commissioners.

(9) Commission members should be unsalaried but should be allowed adequate traveling expenses, and should not be bound by per diem limitations for salaried state employees unless such limitations still allow proper reimbursement. Commissioners who receive no compensation should be able to perform this public service at no out-of-pocket expense to themselves.

(10) There should be created a Nevada Department of Fish and Game charged with the direct responsibilities of carrying out the policies of the Commission. The administrative authority heretofore held jointly by the Commission and county boards should be vested in the Department. All fish and game properties held by the counties should be turned over to the Department for administration.

(11) There should be created a position of Executive Director of the Nevada Department of Fish and Game. The Executive Director should have the following duties and responsibilities:

(a) To carry out policies of the Commission.

(b) To have complete administrative authority over Department activities and personnel.

(c) To enforce laws and rules and regulations of the Commission.

(d) To prepare a budget for Commission approval or modification.

(e) To supervise all officers and employees of the Department.

(f) To gather factual data and information on the status of game and fish for presentation to the Fish and Game Commission as an aid in setting the seasons and bag limits.

(g) To plan a long-range program of fish and game management for the approval of the Commission.

(h) To collect license revenues and to make disbursements according to the budget approved by the Commission.

(12) Fish and game management is a science requiring skillfully trained and competent personnel. To maintain professional standards, it is recommended that the Director be included in the classified service and that the following minimum qualifications be written into the law creating such a position:

(a) Graduation from an accredited college or university with a degree in wildlife management or related subjects.

(b) At least 10 years of paid experience in the wildlife field, the last five years of which the applicant must have held progressively responsible positions in the field of fish and game management.

(c) The incumbent should be removed from office only for inefficiency, neglect of duty, or misconduct in office after a public hearing before the Personnel Commission.

(13) That a law be enacted creating a "Sportsmen's Advisory Council," composed of 17 members which might be developed in one of several ways, one of which would be to have a member of each county game management board serve as a member. The Council would be charged with the responsibility of establishing and maintaining a close liaison between the Fish and Game Commission and presenting the wishes of sportsmen and local communities at the grass root level.

The law should provide that the Advisory Council meet with the Commission as frequently as is necessary. In order to assure full participation, individual members should be paid their traveling expenses for a maximum of two meetings per year. The Fish and Game Commission should allow the Advisory Council sufficient time on its agenda to discuss whatever business is desired or recommendations to be made. The Commission should attempt to develop policies sufficiently in advance of Council meetings to give the sportsmen of the State sufficient time to study proposals and make comment before final action is consummated. Wherever possible, the Department of Fish and Game should furnish factual data and information to the Council upon which wildlife programs will be developed, and seasons and bag limits set.

(14) Rewriting some of the fish and game laws of the State to provide clarification, eliminate conflicting clauses, and to state more accurately the intent of the law with regard to the responsibilities of the Commission and the county game management boards. The Commission staff can give references to the sections involved. This job should not be confused with any attempt to write new laws, otherwise the job would not get done.

(15) Providing per diem rates in the form of salary or expense reimbursement to the members of this and perhaps other state commissions, whereby they would be fully compensated and could enjoy the kind of food and lodging justly due leaders in the State Government.

(16) Provision should be made for the Commission to employ or otherwise be provided with special legal council.

(17) A five- or seven-man Commission, each member with a statewide perspective.

(18) Their duties should cover budgetary matters, seasons and bag limits, and policy making. With a Commission of smaller size there should be no more than one member appointed from any one county. This could be included in the legislation. However, the State should not be divided into districts. There should be an informal understanding as to general areas concerning which individual Commissioners have a better knowledge, and whose opinions on these would demand respect. However, these areas could change with succeeding appointments.

(19) The code should provide for their appointment by the Governor, and the staggering of terms so that no one Governor would appoint a majority.

(20) There should be created a Department of Fish and Game which would administer the policies of the Commission and the fish and game laws and become the administrative body in fact.

(21) Nevada should eliminate the administrative authority of the county game management boards. They should be advisory with the Commission empowered to take all necessary action.

(22) We favor continuation of the present budgetary system which provides flexibility with the budget.

(23) Changing the state laws to provide for issuance of licenses on a fiscal year basis will further help to simplify accounting for license receipts.

Recommendations That May Be Accomplished by Administrative Decision

(1) Management must perfect the ability to determine harvestable surpluses accurately and provide full opportunity for the taking.

(2) More adequate surveys are needed, particularly of big game ranges and waterfowl areas, both those proposed and those under development.

(3) A broader fact-finding program is a prime need for full production of wildlife in Nevada.

(4) A fresh look is needed at the size of the administrative job in fish and game.

(5) Have staff members make proposals for a five-year program.

(6) Study habitat carefully before making additional plantings of chukar and quail.

(7) Abandon the costly game farm for chukar and pheasant.

(8) Install additional bird watering devices in carefully selected places.

(9) The program for mapping potential range for chukar and Gambel quail should be stepped up.

(10) Continue waterfowl flyway studies and development of Stillwater project.

(11) Survey state to select land acquisition areas for public shooting grounds.

(12) Continue beaver program.

(13) Install either-sex deer law for herds already too large for their ranges; acquire deer winter range where needed.

(14) Capitalize on opportunities to increase antelope and mountain sheep.

(15) Abandon introduction of elk.

(16) Concentrate predatory animal control in areas where game herds need building up.

(17) Study hatchery and fish planting programs to get essential facts.

(18) Study reservoirs not yet covered.

(19) Study and act on pollution, especially by mining industry.

(20) A biologically sound program, meshed with the problems of land ownership and landowners' attitudes and aims will, beyond doubt, be required. On the whole, perhaps the most important forward-looking steps, other than further centralizing authority, would be to build up the corps of professional workers to develop a strong fact-finding program and to work hard at securing public understanding of Commission policies and programs.

(21) Two out of three favored continuation of the Information and Education program. The study endorses this policy.

(22) It is recommended that qualified fish and game managers be selected for the principal field positions, with specialist technicians to assist them in performing all the functions and duties of the Department. The conservation officer should have the necessary qualifications to complete in a satisfactory manner most if not all of the operational needs of the Department.

(23) Fact-finding jobs should be supervised and directed by the staff officers. Basic research should be carried on by the University of

Nevada or other accredited agencies by cooperative agreements or contracts. Technicians working on applied research should devote their principal efforts toward improving techniques of gathering factual information on the game and fish resource and management and in demonstrating these improved methods to the conservation officer in order that he may obtain more reliable information from the area he serves.

(24) The applied research, or fact-finding program should be designed to develop techniques which will provide irrefutable facts with which to answer sportsmen's questions and take wildlife management affairs out of category where opinions must be used for a guide.

(25) We should not get into the trap of having a policy that requires demonstration of range damage to justify antlerless shoots.

(26) It is proposed to shuffle positions with the result that the position of Assistant Director is eliminated and the duties reassigned to appropriate divisions. The job of Acting Director would then be rotated among Division heads.

(27) Realign federal aid work eventually, assigning game and fish functions to the respective divisions.

(28) Create a new position of Warden-Pilot if qualified personnel can be found.

(29) Eventually assign automotive equipment management and building construction and maintenance to the Division of Engineering. This is not timely at present.

(30) Assign the safety program and disposal of surplus property to the Administrative Services Division.

(31) Prepare organization charts for the Director and his staff group and for each district organization. Distribute copies of these charts to all employees concerned. Revise such charts annually, or as often as may be necessary to keep them reasonably up to date.

(32) Periodically review the staff divisions and district organizations. Adjust as necessary to avoid conflicts, to take care of new responsibilities, to equalize workloads and responsibilities, and to keep in tune with changing times.

(33) The Director should be able to follow through all the way and spend less time on jobs which can be turned over to his top assistants. He should concentrate on high level contacts, long-range planning, coordination of staff work, and over-all supervision to see that basic laws and policies are followed.

(34) That the Commission develop realistic long-range (five-to-ten-year) plans and goals for the management of the fish and game resources of Nevada.

(35) That the Director and his staff set up annual programs of work to accomplish the long-range objectives established by the Commission.

(36) That the Director determine and adjust the manning (based on realistic estimates of workloads for divisions and districts) of the Administrative units of his organization as necessary to accomplish the Commission's long-range program.

(37) That uniform work planning and scheduling procedures be designed by the Director and used effectively by the divisions, and on

the districts to get maximum day-to-day accomplishment of high priority work.

(38) That periodic checks be made on the travel of all field personnel by their superiors to insure that (a) it is all necessary and (b) that it is well planned.

(39) It is suggested that a summary of allocations by districts be prepared and set up on a simple form to give a complete picture of district finances at a glance.

(40) Provide one full-time clerk-stenographer for each district headquarters to reduce the amount of clerical work now done by administrative and professional people and allow them more time for higher caliber fish and game jobs in the field.

(41) Study the filing scheme critically and streamline it as much as possible.

(42) Review all forms in use, standardize them and eliminate duplication or obsolete ones. Set up a system of tight controls on any new forms added.

(43) Get a bookkeeping machine for use in the accounting section.

(44) The Commission should seriously consider building an office adequate to take care of present and unforeseeable future needs.

(45) Strengthen the system of consolidating Fish and Game purchases statewide. Operate on a planned basis.

(46) Provide adequate storage or locked enclosures for protection of official automotive equipment where needed, particularly at Reno.

(47) Issue written permission to staff for storing state cars at their homes and specify conditions.

(48) Revise the base for rentals charged employees for occupancy of state-owned dwellings.

(49) Set up and maintain a good directives system (looseleaf manuals or handbooks) which will cover all operating policies and procedures used by the Commission and the administrative employees.

(50) Make more integrated inspections of field activities. Reduce the frequency of some of the routine functional inspections. Record the findings and recommendations of all inspections in writing in a clear, concise, and constructive manner. Provide copies for all personnel concerned. Keep in mind that training is a part of inspection.

(51) Expand the use of radio for field employees as much as possible. When funds are available to install the needed equipment, get a separate frequency for the Commission, distinct from other state agencies. Maintain a central set at the Director's office.

(52) The Chief of Information and Education feels that an interdepartmental newsletter should be prepared at two-week intervals. This sounds like a good idea, but may be too frequent.

(53) The Elko Fish Hatchery in Ruby Valley site offers the best possibilities for expanding trout rearing operations. The present capacity could easily be doubled if and when justified on the basis of statewide requirements. Such expansion would only be justified under full state, and not county control, as at present.

(54) The Verdi and Spring Creek State Fish Hatcheries are fairly efficient units, but certain improvements at each will increase their fish rearing capacities considerably.

(55) The Washoe Fish Hatchery in Idlewild Park should be abandoned and its fish cultural activities transferred to the Verdi and Elko hatcheries.

(56) The Washoe County Ponds are productive units but without an adequate water supply. Steps should be taken toward finding a more suitable site or an additional source of cold water.

(57) The efforts toward development of cutthroat brood and planting stocks at the Smith Valley Station are commendable and worth the cost as another major and necessary step toward saving the native Nevada cutthroat trout from extinction, as well as improving its availability for stocking Nevada waters.

(58) From the evidence derived from test stocking, it is recommended that less emphasis be placed upon stocking reared, hatchery trout. More emphasis is recommended for work aiding and abetting the contribution of wild, naturally propagated trout to anglers' catches. A fact-finding study should be instituted under Dingell-Johnson funds to find out more precisely the contribution of wild fish.

(59) The planting of larger numbers of reared, hatchery trout into lakes and reservoirs is recommended along with a parallel reduction in the numbers stocked in streams. That reduction in stream plants can be made is evidenced by the stream sampling tests. Hatchery fish grow and really become "wild" fish in lakes and reservoirs, but stocking them in streams often leads to the vicious "put and take" cycle that results in anglers following planting trucks and highly competitive fishing along with a general lowering of the quality of angling.

(60) To parallel the recommendation made in item 11 above, it is recommended that an experimental program be developed for stream improvements that are badly needed in Nevada. A mobile crew of four men could be used to set up "demonstration streams" in the various districts where different types of improvements could be installed and tested under controlled conditions. Such work will pay off better returns in the long run that planting more hatchery fish.

(61) Adequate flows must be set aside for maintenance of fish life in the Truckee, Carson and Walker Rivers and Pyramid and Walker Lakes.

(62) Many winter ranges and some summer ranges are being abused by deer or by deer and livestock. The Commission staff should locate and map these and determine the degree of over-use that is taking place.

(63) Means should be found to maintain and rejuvenate browse ranges that are going down the road to destruction.

(64) Deer are far undershot. Hunters are not beginning to take the full crop. In the past ten years Nevada probably reared close to a million deer. Hunters took less than one-fourth of them. The rest went down the rat-holes of starvation, disease, etc.

(65) A sound program of deer management must be based on accurate knowledge of deer and their ranges. The Commission has been criticized for having too many technicians, especially in the big game field. Actually, more manpower is needed to do the job at hand.

(66) Upland game is grossly over-managed with a superabundance of seasons and bag limits and other restrictions. Fortunately there are only 17 counties.

(67) Seasons should be more uniform on all species throughout the State and adjustments to fit annual production should be made by varying the bag limit.

(68) The Nevada Commission has made a good start upon a waterfowl management program. Seven areas have now been acquired, totaling 225,663 acres. Five of the seven existing areas are clustered within 100 miles of Reno. One area is in southern Nevada near Las Vegas, Railroad Valley in the east central part of the State is small and affords very limited habitat.

(69) A statewide program of acquisition and development of additional management areas should give consideration to a more general distribution of these areas statewide. Further clustering of additional areas in the west central part of the State is not in the best interest of sound waterfowl management. What is actually needed to best manage waterfowl in Nevada and where management areas could be located to accomplish this objective are basic questions for consideration.

(70) Development of a sound management plan for each area should precede any expenditure for development of area. It should not be hit and miss. More time or assistance is needed by the waterfowl technicians to do the necessary biological and physical evaluation of the areas and to work out a sound management plan for the development of acquired areas. The members of the Commission staff assigned to waterfowl management are sound, well-trained, dedicated workers who recognize the problems and know how to solve them. But they are spread out too thin, shuttled into too many duties to do the kind of a job they are capable of doing.

(71) Far more engineering and designing is needed for the best development of acquired areas. The management plan developed by waterfowl management technicians should show what is needed, adequate engineering will show how to secure the management objectives and provide the blueprint for construction. Would anyone think of investing half a million dollars in a building without sound plans drawn by an architect? A waterfowl area is no different in principle. More engineering help is needed by the Commission to secure adequate plans. It is humanly impossible for the present small staff to provide the necessary engineering for all phases of the Commission's program.

(72) There is need for a definite procedure for land acquisition that will permit purchase of land at a fair value. One such procedure is suggested.

(73) The Overton Management Area should be carefully examined and evaluated and the soundness of any development plan determined so far as is possible before any additional funds are expended for further development. Immediate expenditures could best be for solution of the difficulties now encountered.

(74) A caution flag should be raised against dashing all over the state trying to acquire more areas than can be handled or financed. Better select fewer, sound projects and push them to an orderly completion.

(75) Further development of the Mason Valley, Humboldt Sink and Fernley areas should be preceded by over-all development of plan of management and engineering.

(76) The sportsmen and the Commission should keep open the question of the degree of law enforcement desired. If the drain from poaching becomes excessive, the needed action should be proposed.

(77) The study group, with its rather limited knowledge, does not recommend increased law enforcement effort at this time. It does, however, recommend a law enforcement chief who might handle the combined job of Warden-Pilot.

(78) Neither the land-managing agencies nor livestock operators have fully considered the impact of existing numbers of big game animals on the range. We want to stress a point that we are speaking about the herds already on the ranges. They are there; they are consuming forage, and regardless of any future policies, they should be recognized as an impact on range and their forage requirements considered.

(79) Nevada's ranges are well stocked with deer, most of the herds are undershot, and many winter ranges are being abused and cannot continue to carry herds of present size. In order that they be most productive we have recommended that the herds be kept at or below present numbers.

(80) Our recommendation is that we recognize the use that is presently being made of the range, regardless of the kind of animals that are causing the impact, and that the Commission and the stockmen get together with public land agencies and agree upon the kind of management needed, adopt plans, and carry them out.

(81) Two or more steps should be taken. First, all policy matters should be sifted from the various reports and programs, summarized, and gathered together with those that have been formally adopted. These stated policies should provide a basis for extension work which would afford a better public understanding of the direction the Commission plans to go.

(82) Second, fish and game programs should be written up and made available to the Commission before its budget session. This type of material should be going to the public from time to time. The democratic processes need to operate more by foresight. Public action based on hindsight is tough on a Commission and its staff. They have just experienced some such action.

STATE OF NEVADA

NEVADA STATE HOSPITAL

AUDIT REPORT

For the Period July 1, 1961, to June 30, 1962

REPORT NO. 29

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

August 6, 1962

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

August 6, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, we have examined the accounts and records of the Nevada State Hospital, which relate directly to bank accounts, for the fiscal year ended June 30, 1962, and have prepared the following documentary.

SCOPE OF THE EXAMINATION

Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test checks and analyses of the accounting records and other supporting documents available, to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

INTERNAL CONTROL EVALUATION

Due to the limited scope of the examination, complete studies of internal control were not conducted. However, from casual observation, it would appear that the internal control procedures should be reviewed with an eye toward separating the functions of recording the transactions and the actual receipt and expenditure activities. It is to the benefit of the employees as well as to the State of Nevada, that such a review and action thereon be undertaken.

BOOKS AND RECORDS

The Nevada State Hospital maintains the following books and records pertaining to the bank accounts:

(1) A cash receipts and disbursements journal, in which all cash transactions are recorded.

(2) A ledger of patient's funds, showing the various balances of patients' "trust" funds, as well as certain other balances.

(3) A card ledger maintained to constitute the "billing" of patients and guardians, receipts of which are deposited to the "pay patients" bank accounts.

STATUS AND CONDITION OF FUNDS

Patients' Personal Deposit Fund

NRS 433.440 authorizes the maintenance of a patients' personal deposit fund.

It states that money belonging to a committed person shall be deposited in the name of said person in the fund. It further states that if practicable, individual credits shall not exceed $150, but if they do exceed such limit, the Superintendent may apply such excesses to the cost of support of such patient. Also, such moneys may be used for the purchase of personal necessities or may be applied to the expense of burial. Further, it provides that money accepted for the benefit of a committed person for special purposes, shall be used for such purposes regardless of the total amount to the credit of such committed person.

The law stipulates that the Superintendent shall deposit the fund in a commercial account at a reputable bank, and when such commercial account exceeds $3,000, the excess may be deposited in a savings account at interest in the same bank. This interest shall be usable for recreational purposes.

NRS 433.480 provides generally that upon the death of a patient, any personal credit funds in possession of the Hospital during the life of the patient shall be immediately applicable and transferred to the account for subsistence and care to the extent of the unpaid portion and up to the maximum which would have been charged if funds had been available.

The administration has used this account for purposes other than that specifically provided for by the pertinent statute. Amounts donated throughout the years have been deposited to this fund, and appropriate ledger cards maintained. There appears to be no specific authorization providing for the acceptance and subsequent expenditure of gifts of money. The auditors recognize that an institution such as the State Hospital should be able to accept and use gifts of money or personal property. We therefore recommend legislation which would provide for such acceptances. In addition, interest from the savings account has been used to pay transportation expenses of patients leaving the Hospital.

The Patients' Personal Deposit Fund reflects the following balances as of June 30, 1962:

Amounts directly attributable to patients		$ 48,188.18
Cigarette fund	$ 841.36	
Coca Cola fund	37.31	
Sales tax fund	14.24	
Patients recreation fund	5,044.07	
Patients' funds, discharged or released	328.59	
Others, net	(329.59)	6,137.34
		$ 54,325.52
Commercial Bank Balance		$ 15,489.78
Savings Account Balance		38,835.74
		$ 54,325.52

The following is a summary of activity through the bank account of the Patients' Personal Deposit Fund:

Deposits to the commercial bank account during the fiscal year	$119,510.95
Interest credited to the savings account	1,362.70
	120,873.65
Disbursements during the year	119,753.69
	$ 1,119.96

As of September 1, 1962, the Hospital has deposited all money, other than money belonging to patients personally, in a separate bank account.

Revolving Fund and Farm Contingent Fund

The Revolving Fund of $2,500 is created by NRS 433.190. This section stipulates that the fund may be used for the payment of hospital bills requiring immediate payment, and for no other purposes. The Revolving Fund is to be reimbursed by claims against funds appropriated by the Nevada Legislature.

An analysis of the Revolving Fund reveals that expenditures from the fund exceed $2,500 nine months out of twelve in the period under audit. The only reason the bank did not show an overdrawn balance is because the "farm contingent funds" are also deposited in this bank account to be later transmitted to the State Treasurer. These additional moneys formed a "cushion" in the account.

These "farm contingent funds" consist of receipts from commissary sales, miscellaneous items, reimbursements to the Hospital for employees' room and board, long distance calls and reimbursement of medical expenditures. These receipts are periodically transferred to the State Treasurer for credit to the Hospital's appropriated fund. The amount authorized by the Legislature covers the re-expenditure of these funds.

It does seem that it may be improper to co-mingle these two funds in the bank even though separate accounting is afforded by bookkeeping. The auditors believe that "farm contingent" receipts should be deposited directly in the State Treasury (the method has been discussed with the agency personnel concerned), and recommend that the Revolving Fund be increased to a sum sufficient to satisfy present and future needs of such a fund. A discussion with the agency revealed that perhaps $7,500 would be satisfactory.

The following presents the activity of the Revolving Fund during the year under audit:

Claims executed against the appropriated fund, providing receipts to the fund	$36,057.43
Checks written against the fund	35,430.19
Net receipts in excess of disbursements	$ 627.24
Amounts received by the contingent fund and transmitted to the State Treasurer	$ 8,582.73

Pay Patients' Funds

This bank account is maintained as a clearing account for amounts due for care and treatment of patients. Refunds as necessary are executed, and a transfer of the net amount is periodically made to the State Treasury.

The auditors believe that this bank account should be discontinued and deposits made directly to the State Treasury in a manner discussed with the Hospital. NRS 433.430 requires that such receipts be deposited in the General Fund.

A summary of the account's activities is as follows:

Amount received and transferred to the State Treasury & refunded $202,578.63

A petty cash fund of $100 established from patient trust funds for the purpose of having convenient amounts to give the patients upon their request is in use. Occasionally other small expenditures are made from this fund and have been reimbursed through a state claim.

The auditors find no statutory authority for this fund, and suggest that such authorization be obtained. We do feel that the fund is necessary for efficient hospital operation.

General auditing practices provide that if any material activities occur in a period other than the period under audit, reference thereto will be made in such an audit. Accordingly, we feel it appropriate to indicate that a bequest of $10,000 has been received and deposited in the State Treasury awaiting an Attorney General Opinion as to its disposal. Again, it should be pointed out that no statutory provision exists for such an acceptance or expenditure thereof.

SUGGESTED CHANGES

The following is a summary of changes the auditors feel are necessary for compliance with law and/or good business practice.

(1) It is recommended that internal control procedures, especially those concerning cash transactions, be carefully reviewed with reference to initiating a system separating the accounting functions of receiving money and its subsequent recording.

(2) We recommend that legislation be enacted authorizing the State Hospital to accept gifts or bequests of funds or personal property.

(3) We recommend that legislation be enacted authorizing a bank account to be known as the "State Hospital Contingent Fund," and into which would be deposited a variety of receipts as follows:

a. Gifts or bequests of money.
b. Interest earned from the savings account containing patients' personal deposits.
c. Sales of occupational therapy goods.
d. Vending machine collections.

Authorizes expenditures from this fund would include:

a. Purchase of materials, etc., for occupational therapy programs for the patients.
b. Sporting goods for patients.
c. Transportation money for patients leaving the Hospital.
d. "Leaving allowances" or sums of money for needy patients leaving the Hospital.
e. Other benefits for patients.
f. A petty cash fund not exceeding $100.

(4) We recommend that legislation be enacted requiring two signatures on all checks drawn on bank accounts.

(5) We recommend that legislation be enacted requiring that all bank accounts exceeding $10,000 be secured by a depository bond satisfactory to the State Board of Finance.

(6) We recommend that NRS 433.190 be amended so as to increase the amount of the State Hospital Revolving Fund from $2,500 to $7,500, and that the Legislature appropriate the necessary $5,000 from the General Fund.

(7) We recommend that NRS 433.190 be amended so as to authorize travel advances to Hospital employees from the State Hospital Revolving Fund.

(8) We suggest that the "pay patients" bank account be closed and that all activity be conducted through the State Treasurer directly, using inter-branch bank transfers.

OPINION

In our opinion, the bank accounts of the Nevada State Hospital are in need of review and amendment of statutory provisions pertaining thereto.

Very truly yours,

A. N. JACOBSON, Legislative Auditor

By: Paul Stanley

Paul Stanley, Auditor in Charge

PS/jkh

STATE OF NEVADA

OFFICE OF THE GOVERNOR

AUDIT REPORT

For the Fiscal Years Ended June 30, 1961, and June 30, 1962

REPORT NO. 30

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

October 4, 1962

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

October 4, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, we have examined the accounts and records of the Office of the Governor for the fiscal years ended June 30, 1961, and June 30, 1962, and have prepared therefrom the following exhibits and schedules:

Statement of Budgeted Revenue and Expenditures Compared with Actual, Administrative Fund - Carson City - for the fiscal years ended June 30, 1961 and 1962	- Exhibit A
Statement of Budgeted Revenue and Expenditures Compared with Actual, Administrative Fund - Las Vegas - for the fiscal years ended June 30, 1961 and 1962	- Exhibit B
Statement of Budgeted Revenue and Expenditures Compared with Actual, Governor's Mansion Maintenance Fund - for the fiscal years ended June 30, 1961 and 1962	- Exhibit C
Statement of Revenue and Expenditures, Governor's School Survey Committee Fund, for the fiscal year ended June 30, 1961	- Exhibit D
Statement of Revenue and Expenditures, Governor's School Survey Fund, for the fiscal years ended June 30, 1961 and 1962	- Exhibit E
Analysis of Public Relations, Office Obligations and Miscellaneous Operating Expense, Administrative Fund - Carson City - for the fiscal years ended June 30, 1961 and 1962	- Schedule 1
Analysis of Travel Expense, Office of the Governor, for the fiscal year ended June 30, 1961	- Schedule 2
Analysis of Travel Expense, Office of the Governor, for the fiscal year ended June 30, 1962	- Schedule 3

Functions of Office

The office of Governor was established under the authority of Article V, Section 1, Constitution of the State of Nevada, which also bestowed upon the Governor the "supreme executive power of this State."

Chapter 223, Nevada Revised Statutes, designated certain requirements and powers of the office and provided the authorization for the employment of an executive assistant and describes his duties.

Specific responsibilities of considerable variety are charged to the Governor throughout the statutes.

Scope of Examination

General

Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Books and Records

Cash expenditures are posted and distributed by object classification in a disbursement journal. This office does not normally receive fees or cash remittances, and, therefore, an ordinary cash receipts journal is not maintained. During the period of this examination, a rebate was made to this office representing prior fiscal year industrial insurance premium overpayments; however, in accordance with usual state budgetary procedure, this sum was deposited in the State Treasury for credit directly to the State General Fund, thus relieving this office of further accountability.

Other essential fiscal records, such as claims, lists of claims, vendors' invoices, and auxiliary supporting documents of previous fiscal periods, are permanently filed in the Governor's office. Current financial records are maintained in the office of the Director of the Budget.

Casualty Insurance and Fidelity Bonding

The automobiles assigned to the Governor in Carson City and Las Vegas are insured under the fleet automobile insurance policy covering all state owned vehicles. This insurance is placed by the State Board of Finance with the Glens Falls Insurance Company.

An official bond is not required by statute from the Governor, but he is bonded under the State Bond Trust Fund in the sum of $2,500 in his capacity as Chairman of the Colorado River Commission, as provided in NRS 538.090.

Efficiency of Subordinate Employees

During the course of this examination, we noted that the employees in this office appeared to conduct and perform their assigned duties in an efficient, courteous and cooperative manner.

Duplication of Work with Other Departments

The auditor is unaware of any work accomplished in this office that is duplicated by any other state agency.

Status and Condition of Funds

General

The Governor's Administrative Funds of the Carson City and Las Vegas offices and the Mansion Maintenance Fund are in existence as a result of legislative appropriations thereto from the State General Fund. Unexpended balances remaining in such funds at the conclusion of each fiscal year are reverted to the State General Fund.

A. Administrative Fund, Carson City - Appropriations to this Fund for the fiscal years ended June 30, 1961, and June 30, 1962, amounted to $74,800 and $78,201, respectively.

In each of the two fiscal periods audited, inter-category transfers were made as provided by law in order to provide sufficient funds in certain major budgetary categories in which the actual expenditures were in excess of the original budgeted sum. During 1960-61, transfers were made from "Salaries" to "Travel" and from "Operating" to "Salaries." The "Operating" transfer resulted in reducing the net amount available in that category to $11,636, which was $186.06 less than the total "Operating" disbursements of $11,822.06.

The total expenditures charged to this fund in 1960-61 amounted to $74,258.16, and the remaining balance of $541.84 was reverted on June 30, 1961.

Inter-category transfers were made in 1961-62 from "Salaries" to "Operating" and from "Operating" to "Equipment"; consequently, the total expenditures of $76,718.82 in 1961-62 were within the adjusted amounts available in each of the major expenditure categories. The unexpended balance of $1,482.18 was reverted June 30, 1962.

B. Administrative Fund, Las Vegas - The appropriation to this fund for fiscal year 1960-61 was $7,199 and was fully expended during that period. A transfer from the "Travel" category was divided between "Operating" and "Equipment" in order to prevent expenditures within those categories from exceeding budgeted amounts available.

The fiscal year 1961-62 appropriation was $8,044, of which sum $7,864.55 was disbursed. The unexpended balance of $179.45 was reverted on June 30, 1962. Transfers were made to "Salaries" and "Equipment" from the "Operating" category to offset expenditures in excess of the amounts budgeted in those categories.

C. Governor's Mansion Maintenance Fund - in fiscal year 1960-61, $13,475 was appropriated to this fund. Total expenditures of $12,924.49 reduced the appropriation to a reverting balance of $550.51 on June 30, 1961. In order to provide sufficient funds to purchase a new household appliance, a transfer of $200 was made from "Operating" to "Equipment."

The appropriation of $14,797 provided for the fiscal year 1961-62 was charged with expenditures during that fiscal period of $10,982.74. The ending balance of $3,814.26 was reverted June 30, 1962. No inter-category transfers were made in 1961-62, as disbursements were within all major expenditure categories as originally budgeted.

It is interesting to note that expenditures from this fund in 1961-62 were $1,941.75 less than the amount expended in the prior fiscal period.

D. Governor's School Survey Committee Fund - This fund originally was estab-

lished by the Legislature with the appropriation of $20,000 from the State General Fund on April 6, 1959, pursuant to the provisions of Section 3, Chapter 490, Statutes of Nevada, 1959. The Legislature approved a supplemental appropriation of $5,000 to this fund on March 14, 1960. During the fiscal year 1960-61, the balance in this fund was expended for authorized purposes and the fund was discontinued.

E. Governor's School Survey Fund - The Legislature created this fund on January 8, 1954, by appropriating $30,000 thereto. A prior donation of $2,500 was accepted by the former Governor on November 20, 1953, and deposited in the State Treasury. We doubt that the former Governor had legal authority to accept this donation since the Legislature had not specifically authorized him to do so; however, at this late date, this point is inconsequential.

On July 1, 1960, an unexpended balance of $488.84 remained in this fund. No disbursements were made during either of the two years examined, and $488.84 still remained unexpended on June 30, 1962. In our opinion, this balance should be reverted to the State General Fund inasmuch as Chapter 2, Statutes of Nevada, 1954 Special Session, provided that any amount of the appropriation unexpended on January 15, 1955, should have been reverted to the State General Fund.

Possible Non-compliance with Statute or Good Business Practice

The audit program of the Legislative Counsel Bureau is designed to assist, in a helpful manner, state officers to obtain effective government by including in our report situations which do not conform to statute or good business practice. Further, we are charged by statute with reporting on such situations.

Our examination disclosed the following items which appear to violate statute or regulation, or which, in our opinion, are contrary to good business practice:

1. We noted the expenditure of $1,200 during fiscal year 1960-61 to an attorney for legal services. The practice of obtaining legal advice by the Governor during legislative sessions is a customary procedure which has existed for many years; however, the auditors could not find any statutory provision authorizing this practice.

In addition, NRS 228.110 designates the Attorney General and his duly appointed deputies to provide legal advice on all state matters arising in each department of the state government. Subsection 2 of NRS 228.110 reads:

> No officer, commissioner or appointee of the State of Nevada shall employ any attorney at law or counselor at law to represent the State of Nevada within the state, or to be compensated by state funds, directly or indirectly, as an attorney acting within the state for the State of Nevada or any department thereof unless the attorney general and his deputies are disqualified to act in such matter or unless an act of the legislature specifically authorized the employment of other attorneys or counselors at law.

2. The Governor's Mansion Maintenance Fund is charged with a variety of expenses in connection with the support of the Governor and his family at the mansion residence. With the exception of the legislative appropriation made to this fund, no other statutory provisions can be found by the auditors governing the purpose and use of this fund.

We understand that the Director of the Budget and the Legislative Auditor advised the Assembly Committee on Ways and Means and the Senate Committee on Finance

during the 1959 legislative session as to the absence of any legislation regarding this fund, but that the committees did not take action to present appropriate legislation for enactment by the Legislature. We were further informed that these two committees expressed the opinion that the terms "maintenance" or "support of the Governor's mansion" were to be given a liberal interpretation and to include all items which the Governor and his family normally used in "maintaining" themselves, including food for the employees of the mansion and the items necessary in the normal entertainment of official guests.

Money has been appropriated by the Legislature to this fund for many years to maintain the mansion building and to employ staff in the mansion. In rather recent years, money has been appropriated to the fund to "maintain" governors and their families.

The auditors feel that this fund should be created by statute and its purpose defined in order that the present and future governors can be provided with definite instructions concerning the use of the fund.

In addition, it should be noted that NRS 331.070 provides that the Superintendent of Buildings and Grounds shall have supervision and control over most of the state buildings in Carson City, and, specifically, the Governor's mansion and grounds. Consequently, money to maintain the mansion building and grounds should be appropriated to the Department of Buildings and Grounds as now provided by law. But, the Governor's Maintenance Fund should be created and purposes defined in the law and appropriations made under such provisions for the "maintenance" of governors and their families, and for the employment of regular staff at the mansion.

3. NRS 334.010(5) and NRS 482.365 provide that all state vehicles, excepting a certain few enumerated therein, shall be labeled with the words "For Official Use Only," with the name of the department, and a facsimile of the Great Seal of the State of Nevada. We noted that the official state automobile of the Governor is not so marked; however, since it appears that this practice has evolved from custom, perhaps legislation should be enacted which would exampt the Governor's state automobile from the provisions of NRS 334.010 and NRS 482.365.

4. The accounting for the fiscal affairs of the Governor is being accomplished regularly by a staff person in the Office of the Director of the Budget. The "State Budge Act" contains no reference to the performance of accounting functions for the Office of the Governor by the Director of the Budget. Both the Director of the Budget and the Governor's Executive Assistant stated that this has been done since the staff in the Governor's Office is not required to have any accounting background, and since the function has fit naturally, at no increase in staff requirements, into the work of the Budget Office. The Director of the Budget stated that in his opinion having the work done in the Governor's Office would require the addition of a staff person in that office with appropriate background.

The powers and duties of public officers are prescribed by the Constitution, or by statute, or by both, and they are measured by the terms and necessary implication of the grant. Only the enumerated powers are possessed or are by necessary implication found in the grant, and such powers must be executed in the manner directed by the Legislature and in no other manner, and by the officer specified and by no other person. (Baltimore vs. Porter, 18 Md. 284)

Inasmuch as the two offices are separate and distinct, each with their respective functions, budgets and appropriations, it is the opinion of the auditors that regular functions in connection with the Governor's Office should be conducted by his employees and not by personnel from another agency.

Suggested Changes and Recommendations

We suggest that the following recommendations or changes be effected in order to clarify and remedy situations which appeared, in our opinion, to be inadequate, un ertain or contrary to statutory requirements or good business practice:

1. The Legislature should be requested to adopt statutes authorizing the employment of legal counsel in this office during legislative sessions, or, legal advice should be provided by the Attorney General's office as authorized by law. If additional funds are necessary for this latter purpose, such funds should be appropriated to the Attorney General's office.

2. The auditors suggest that the Legislature provide specific statutory authorization for the creation of the Governor's Maintenance Fund and prescribe in such legislation the purpose and use of such fund, and the Department of Buildings and Grounds maintain the mansion building and grounds as provided by law.

3. Even though the custom arose during the previous administration, the Governor should comply with NRS 334.010(5) and NRS 482.365 regarding the labeling of his state automobile, or action s hould be taken by the Legislature to exempt the Governor's automobile from these statutes.

4. We suggest that the Legislature consider the viewpoints of the Governor's Executive Assistant and of the Director of the Budget, and if the Legislature concurs that the accounting functions and other fiscal duties of the Governor's Office should be performed by the Budget Office, then the necessary legal authority should be enacted and adequate staff provided for the Budget Office to carry out this and its other duties. If the Legislature feels that the aforesaid function should be carried out by the Governor's Office, thenadequate staff should be provided to carry out this and the other duties of the office.

5. We recommend that the balance of $488.84 remaining in the Governor's School Survey Fund on June 30, 1962, and which should have reverted on January 15, 1955, be reverted by the State Controller to the State General Fund in accordance with Chapter 2, Statutes of Nevada, 1954 Special Session.

FINANCIAL STATEMENTS

1. Statement of Budgeted Revenue and Expenditures Compared with Actual, Office of the Governor, Administrative Fund, Carson City; Administrative Fund, Las Vegas; Governor's Mansion Maintenance Fund - Exhibits A, B and C - These statements reflect, in detail, the actual revenue and expenditures for the fiscal years ended June 30, 1961, and 1962, of the funds indicated, compared to the respective budgets, as revised, for the same periods. Budgetary revisions are shown by the figures entered in the columns headed "Net Work Program" which differ from the figures for the same expense classification entered in the "Appropriation" columns, and are the result of approved transfers between major expenditure categories.

2. Statement of Revenue and Expenditures, Governor's School Survey Committee Fund, for the fiscal year ended June 30, 1961 - Exhibit D - The beginning balance (carried forward from the prior fiscal period) and the expenditure of an amount of money equal to this balance are shown in this statement for the fiscal year 1960-61. This fund was fully expended and discontinued during that period.

3. Statement of Revenue and Expenditures, Governor's School Survey Fund, for the fiscal years ended June 30, 1961 and 1962 - Exhibit E - This fund was inactive during the fiscal years examined, and this exhibit merely reflects the beginning and ending balances of $488.84.

4. Analysis of Public Relations, Office Obligations and Miscellaneous Operating Expense, Administrative Fund, Carson City - Schedule 1 - The detailed expenditures charged to these expense classifications are described in this schedule for the fiscal years 1960-61 and 1961-62.

5. Analysis of Travel Expense, Office of the Governor, for the fiscal year ended June 30, 1961, and for the fiscal year ended June 30, 1962 - Schedules 2 and 3. These schedules present a detailed survey of travel expenses incurred by the Governor and his staff which were paid during the fiscal periods covered by this examination. It should be noted that these analyses reflect the actual travel expenditures made during the periods reviewed, and, in some instances, will indicate travel dates pertaining to a previous fiscal period, which results from the standard procedure of paying the expense after the completion of the travel.

Information contained in these schedules was taken directly from claims and supporting data on file in the State Controller's office. In view of this, it is quite possible that we may have overlooked some expenditures for travel by the Governor which would be charged to the funds of other state agencies; however, insofar as the travel expenditures charged to the funds of the Governor's office are concerned, we feel that these analyses are complete.

In order to clarify these schedules relative to the number of trips undertaken, and to avoid any misunderstanding developing from reviewing the information therein, it is necessary to point out that when commercial transportation is involved, usually two separate payments are made for each trip - one payment to reimburse the traveler for his expenses, and another payment to the transportation company. Consequently, where the same destination is indicated in two separate remarks on the accompanying schedules, the travel dates must be referred to in order to ascertain whether such remarks pertain to the same or different trips.

OPINION

We have examined the attached Statements of Revenue and Expenditures of the Office of the Governor for the fiscal years ended June 30, 1961, and June 30, 1962. Our examination was made in accordance with generally accepted auditing standards, and in accordance with the powers and duties set forth in NRS 218.770, and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Statements of Revenue and Expenditures present fairly the results of the operation of the several funds of the Office of the Governor for the fiscal yeard ended June 30, 1961, and June 30, 1962, in conformity with generally accepted accounting principles, applied on a basis consistent with practices usually followed in departments and agencies of the State of Nevada.

Yours very truly,

A. N. JACOBSON, LEGISLATIVE AUDITOR

By Gordon N. Pratt

Gordon N. Pratt, Auditor in Charge

GNP/jkh

OFFICE OF THE GOVERNOR
Administrative Fund - Carson City
Statement of Budgeted Revenue and Expenditures Compared with Actual
For the Fiscal Years Ended June 30, 1961, and 1962

	Fiscal Year 1960-61				Fiscal Year 1961-62			
	Appropriation	Net Wk. Pgm.(1)	Actual Revenue & Expenditures	Under or (Over) Net Wk. Pgm.	Appropriation	Net Wk. Pgm.(1)	Actual Revenue & Expenditures	Under or (Over) Net Wk. Pgm.
Revenue:								
Appropriation	$74,800.00	$74,800.00	$74,800.00	-	$78,201.00	$78,201.00	$78,201.00	-
Expenditures:								
Salaries	$53,376.00	$53,205.99	$53,194.16	$ 11.83	$58,836.00	$58,152.44	$57,137.35	$1,015.09
Travel:								
Out of State	2,000.00	2,000.00	1,799.32	200.68	2,500.00	2,500.00	1,234.47	1,265.53
In State	4,000.00	4,370.01	4,054.70	315.31	4,000.00	4,000.00	4,872.94	(872.94)
Total Travel	6,000.00	6,370.01	5,854.02	515.99	6,500.00	6,500.00	6,107.41	392.59
Operating:								
Industrial insurance	400.00	400.00	343.94	56.06	384.00	384.00	360.79	23.21
Retirement payments	1,902.00	1,902.00	1,877.73	24.27	2,247.00	2,247.00	2,066.31	180.69
Personnel assessments	21.00	21.00	-	21.00	-	-	-	-
Freight & postage	1,000.00	1,000.00	632.74	367.26	1,250.00	1,250.00	717.03	532.97
Printing	1,200.00	1,200.00	1,844.05	(644.05)	1,200.00	1,200.00	789.91	410.09
Office supplies	1,500.00	1,500.00	1,325.64	174.36	1,500.00	1,500.00	1,013.76	486.24
Telephone & telegraph	3,000.00	3,000.00	3,711.59	(711.59)	3,500.00	3,500.00	6,414.51	(2,914.51)
Auto insurance	194.00	194.00	165.70	28.30	194.00	194.00	148.98	45.02
Equipment repair	500.00	500.00	48.95	451.05	500.00	500.00	269.34	230.66
Subscriptions	225.00	225.00	188.80	36.20	275.00	275.00	184.67	90.33
Contract services	-	-	117.59	(117.59)	-	-	-	-
Public relations	-	-	286.55	(286.55)	-	-	-	-
Legal counsel	1,200.00	1,200.00	1,200.00	-	-	-	-	-
Office obligations	-	-	-	-	-	-	194.80	(194.80)
Miscellaneous operating	694.00	694.00	78.78	615.22	700.00	700.00	73.46	626.54
Unallocated transfer	-	(200.00	-	(200.00	-	483.56	-	483.56
Total operating	11,836.00	11,636.00	11,822.06	(186.06)	11,750.00	12,233.56	12,233.56	-
Equipment:								
Office furniture	720.00	720.00	286.32	433.68	430.00	430.00	156.35	273.65
Office equipment	2,868.00	2,868.00	3,101.60	(233.60)	685.00	885.00	1,084.15	(199.15)
Total equipment	3,588.00	3,588.00	3,387.92	200.08	1,115.00	1,315.00	1,240.50	74.50
Total expenditures	$74,800.00	$74,800.00	74,258.16	$541.84	$78,201.00	$78,201.00	76,718.82	$1,482.18
Amount Reverted			$ 541.84				$ 1,482.18	

Remarks: (1) Reflects inter-category transfers approved by the Director of the Budget.

Exhibit A

OFFICE OF THE GOVERNOR
Administrative Fund - Las Vegas
Statement of Budgeted Revenue and Expenditures Compared with Actual
For the Fiscal Years Ended June 30, 1961, and 1962

	Fiscal Year 1960-61				Fiscal Year 1961-62			
	Appropriation	Net Wk. Pgm.(1)	Actual Revenue & Expenditures	Under or (Over) Net Wk. Pgm.	Appropriation	Net Wk. Pgm.(1)	Actual Revenue & Expenditures	Under or (Over) Net Wk. Pgm.
Revenue:								
Appropriation	$ 7,199.00	$ 7,199.00	$ 7,199.00	-	$ 8,044.00	$ 8,044.00	$ 8,044.00	-
Expenditures:								
Salaries	$ 4,950.00	$ 4,950.00	4,950.00	-	$ 5,040.00	$ 5,575.20	5,575.20	-
Travel:								
In state	400.00	268.10	268.10	-	500.00	500.00	321.90	$ 178.10
Operating:								
Industrial insurance	37.00	37.00	41.85	($ 4.85)	33.00	33.00	32.16	.84
Retirement payments	251.00	251.00	269.26	(18.26)	255.00	255.00	250.44	4.56
Personnel assessments	-	-	2.05	(2.05)	-	-	-	-
Freight and postage	75.00	75.00	210.60	(135.60)	125.00	125.00	175.65	(50.65)
Printing	40.00	40.00	-	40.00	80.00	80.00	25.00	55.00
Office supplies	200.00	200.00	196.34	3.66	200.00	200.00	150.66	49.34
Telephone & telegraph	975.00	975.00	928.40	46.60	1,155.00	1,155.00	381.76	773.24
Auto insurance	146.00	146.00	130.40	15.60	146.00	146.00	199.74	(53.74)
Equipment repair	-	-	7.50	(7.50)	-	-	9.04	(9.04)
Subscriptions	25.00	25.00	60.25	(35.25)	-	-	68.00	(68.00)
P. O. box rental	-	-	6.75	(6.75)	-	-	-	-
Unallocated transfer	-	104.40	-	104.40	-	(700.20)	-	(700.20)
Total operating	1,749.00	1,853.40	1,853.40	-	1,994.00	1,293.80	1,292.45	1.35
Equipment:								
Office equipment	-	-	-	-	410.00	575.00	675.00	(100.00)
Other furniture & equip.	100.00	127.50	127.50	-	100.00	100.00	-	100.00
Total equipment	100.00	127.50	127.50	-	510.00	675.00	675.00	-
Total expenditures	$7,199.00	$7,199.00	7,199.00	-	$8,044.00	$8,044.00	7,864.55	$ 179.45
Amount reverted			-				$ 179.45	

Remarks: (1) Adjusted by inter-category transfers.

Exhibit B

OFFICE OF THE GOVERNOR
Governor's Mansion Maintenance Fund
Statement of Budgeted Revenue and Expenditures Compared with Actual
For the Fiscal Years Ended June 30, 1961, and 1962

	Fiscal Year 1960-61				Fiscal Year 1961-62			
	Appropriation	Net Wk. Pgm.(1)	Actual Revenue & Expenditures	Under or (Over) Net Wk. Pgm.	Appropriation	Net Wk. Pgm. (1)	Actual Revenue & Expenditures	Under or (Over) Net Wk. Pgm.
Revenue:								
Appropriation	$13,475.00	$13,475.00	$13,475.00	-	$14,797.00	$14,797.00	$14,797.00	-
Expenditures:								
Salaries	$ 6,400.00	$ 6,400.00	6,128.40	$ 271.60	$ 7,200.00	$ 7,200.00	5,330.57	$1,869.43
Operating:								
Industrial insurance	49.00	49.00	46.75	2.25	56.00	56.00	57.77	(1.77)
Retirement payments	276.00	270.00	276.00	(6.00)	306.00	306.00	230.85	75.15
Freight & postage	-	-	-	-	-	-	24.00	(24.00)
Printing	100.00	100.00	-	100.00	190.00	190.00	-	190.00
Power	-	-	362.43	(362.43)	-	-	447.02	(447.02)
Other utilities	-	-	23.25	(23.25)	-	-	20.00	(20.00)
Telephone & telegraph	225.00	225.00	1,118.81	(893.81)	975.00	975.00	624.15	350.85
Equipment repair	100.00	100.00	6.25	93.75	200.00	200.00	-	200.00
Subscriptions	75.00	75.00	141.80	(66.80)	120.00	120.00	136.00	(16.00)
Supplies:					4,950.00			
Household	400.00	400.00	508.21	(108.21)	-	550.00	547.91	2.09
Provisions	5,600.00	5,600.00	2,843.83	2,756.17	-	4,400.00	2,683.13	1,716.87
Grounds maintenance	-	-	42.10	(42.10)	-	-	27.34	(27.34)
Entertainment	-	-	819.21	(819.21)	-	-	840.05	(840.05)
Miscellaneous	150.00	156.00	362.00	(206.00)	500.00	500.00	-	500.00
Unallocated transfer	-	(200.00)	-	(200.00)	-	-	-	-
Total operating	6,975.00	6,775.00	6,550.64	224.36	7,297.00	7,297.00	5,638.22	1,658.78
Equipment:								
Other furn. & equipm.	100.00	300.00	245.45	54.55	300.00	300.00	13.95	286.05
Total expenditures	$13,475.00	$13,475.00	12,924.49	$ 550.51	$14,797.00	$14,797.00	10,982.74	$3,814.26
Amount reverted			$ 550.51				$ 3,814.26	

Remarks: (1) Adjusted by inter-category transfers.

Exhibit C

Exhibit D

OFFICE OF THE GOVERNOR
Governor's School Survey Committee Fund
Statement of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1961

Balance, beginning of period	$4,991.25
Expenditures:	
Contract payments to University of Wyoming	4,991.25
Balance, end of period	-

Remarks:

This Fund was originally created pursuant to the provisions of Section 3, Chapter 490, Statutes of Nevada, 1959, at page 867. The initial appropriation was $20,000. A supplemental appropriation of $5,000 to this Fund was authorized March 14, 1960, in accordance with Section 1, Chapter 183, Statutes of Nevada, 1960, at page 342.

Exhibit E

OFFICE OF THE GOVERNOR
Governor's School Survey Fund
Statement of Revenues and Expenditures
For the Fiscal Years Ended June 30, 1961, and 1962

	Fiscal Year	
	1960-61	1961-62
Balance, beginning of period	$488.84	$488.84
Expenditures	-	-
Balance, end of period	$488.84	$488.84

Remarks:

Legislature created this Fund and appropriated $30,000 thereto, pursuant to Chapter 2, Statutes of Nevada, 1954 Special Session.

The Nevada Taxpayers Association donated $2,500 to further advance the purposes of this Fund.

OFFICE OF THE GOVERNOR
Administrative Fund - Carson City
Analysis of Public Relations, Office Obligations and Miscellaneous Operating Expense
For the Fiscal Years Ended June 30, 1961
and June 30, 1962

	Public Relations	Office Obligations	Miscellaneous
Fiscal Year 1960-61:			
Photographs	$228.60		
Telegrams	28.70		
Office coffee	29.25		
Recording Governor's message			$30.00
Time service for clocks			48.00
Other expense			.78
Total	$286.55		$78.78
Fiscal Year 1961-62:			
Office coffee		$ 34.45	
Photographs		102.00	
Souvenir flags		58.35	
Time service for clocks			$48.00
Notary public commission			25.00
Other expense			.46
Total		$194.80	$73.46

Schedule 2

OFFICE OF THE GOVERNOR
Analysis of Travel Expenses
For the Fiscal Year Ended June 30, 1961

Traveler	Travel Date	Total Amount	Destination and Purpose of Trip	Mode of Transportation
Bruce Barnum	June 22-July 1	$ 239.96	Glacier Nat'l Pk., Governors' Conference	Private auto.
Bruce Barnum	July 9-14	75.00	Las Vegas	Passenger in car.
Frank Shattuck	July 9-14	150.92	Las Vegas	Private auto.
Jean Pugsley	June 22-July 1	75.00	Glacier Nat'l Pk., Governors' Conference	Passenger in car.
Grant Sawyer	June 22-July 1	75.00	same as above	Agency vehicle.
Grant Sawyer	July 20-25	71.00	Las Vegas	Commercial airline.
Frank Shattuck	July 20-25	71.00	Las Vegas	Commercial airline.
Grant Sawyer	Mar. 20	314.85	Plane fare for trip to Tulsa, Dallas, Washington D.C., NEW York, Las Vegas & home in March	Commercial airlines.
Grant Sawyer	May 4	40.10	Plane fare to Las Vegas	Commercial airline.
Frank Shattuck	May 4	40.10	Plane fare to Las Vegas	Commercial airline.
Frank Shattuck	July 20	40.10	Plane fare to Las Vegas	Commercial airline.
Grant Sawyer	July 20	40.10	Plane fare to Las Vegas	Commercial airline.
Bruce Barnum	Aug. 6-7	45.44	Lovelock, Winnemucca, Battle Mountain - check drought & water conditions	Private auto.
Bruce Barnum	Aug. 23-29	168.96	Las Vegas - Industrial School meeting	Private auto.
Frank Shattuck	Aug. 18-21	32.00	Las Vegas	Agency vehicle.
Frank Shattuck	Aug. 25-29	56.00	To Las Vegas via plane, to Caliente, Ely and Carson City by agency vehicle	
Frank Shattuck	Sept. 9-10	21.00	Las Vegas	Commercial airline.
Grant Sawyer	July 29	4.00	Winnemucca	Private plane.
Grant Sawyer	July 30-31	66.36	Elko	Commercial plane; private auto to return
Grant Sawyer	Sept. 9-10	21.00	Las Vegas	Commercial airline.
Grant Sawyer	Sept. 15-17	30.00	Las Vegas	Commercial airline.
Grant Sawyer	Aug. 18-21	32.00	Las Vegas	Agency vehicle.
Grant Sawyer	Sept. 1-5	62.00	Elko	Agency vehicle.
Grant Sawyer	Aug. 25-29	56.00	Las Vegas by plane, Caliente, Ely & return by agency vehicle	
Frank Shattuck	Oct. 2	91.70	Phoenix, plane fare - Colo. Riv. Comm. business	Commercial airlines.
Grant Sawyer	Oct. 2	91.70	Same as above	Commercial airlines.
Grant Sawyer	Sept. 9	26.50	Las Vegas - 1 way fare	Commercial airline.
Grant Sawyer	Sept. 15	40.10	Las Vegas - round trip fare	Commercial airline.

Frank Shattuck	Aug. 27	26.50	Las Vegas - 1 way fare	Commercial airlines.
Frank Shattuck	Sept. 9	26.50	Las Vegas - 1 way fare	Commercial airlines.
Grant Sawyer	Aug. 25	26.50	Las Vegas - 1 way fare	Commercial airlines.
Grant Sawyer	July 29	33.60	Private plane fare, trip to Winnemucca	Private plane.
Frank Shattuck	Oct. 2	7.00	Phoenix - Colo. Riv. Comm. business	Commercial airlines.
Frank Shattuck	Oct. 3-9	105.00	Las Vegas from Phoenix	Agency vehicle.
Frank Shattuck	Oct. 10	4.00	Los Angeles from Las Vegas - attend Town Hall of Los Angeles	Town Hall of L.A. paid.
Frank Shattuck	Oct. 14-21	28.40	Reno	Personal car.
Grant Sawyer	Oct. 4-9	90.00	Las Vegas	Commercial airlines.
Grant Sawyer	Oct. 10	4.00	Los Angeles from Las Vegas - address Town Hall of Los Angeles	Town Hall of L.A. paid.
Grant Sawyer	Nov. 2-3	21.00	Detroit - Economic Development business	Commercial airlines.
Frank Shattuck	Nov. 17-22	81.00	Las Vegas	Agency vehicle.
Bruce Barnum	Sept. 23	36.96	Winnemucca - Municipal Assoc. meeting	Private car.
Bruce Barnum	Oct. 1	9.28	Sparks - meeting of Progress for Retarded Children Committee	Private car.
Bruce Barnum	Oct. 14	4.80	Stateline - meeting - training for the blind	Private car.
Bruce Barnum	Oct. 19	4.80	Reno - Exchange Club meeting	Private car.
Bruce Barnum	Oct. 28	10.80	Reno - Univ. of Nevada meeting	Private car.
Bruce Barnum	Oct. 30	4.80	Reno - Nevada Mutual Health	Private car.
Bruce Barnum	Nov. 12	4.80	Reno - Red Cross dinner	Private car.
Bruce Barnum	Nov. 15	5.28	Sparks - State Directors of Veterans Affairs	Private car.
Bruce Barnum	Nov. 18	10.88	Yerington - State Assoc. of County Comm.	Private car.
Bruce Barnum	Nov. 26-29	122.92	Las Vegas - Nat'l Assoc. Public Service Comm.	Private car.
Frank Shattuck	Dec. 10-14	60.00	Las Vegas	Agency vehicle & commercial airlines.
Frank Shattuck	Dec. 21-23	24.00	Las Vegas	Commercial airlines.
Grant Sawyer	Dec. 1-4	27.00	San Francisco - attend convention of Nat'l Controllers, Treas. & Auditors	Commercial plane.
Grant Sawyer	Dec. 10-14	60.00	Las Vegas	Agency vehicle & commercial airline.
Grant Sawyer	Dec. 21-23	24.00	Las Vegas	Commercial airlines.
Grant Sawyer	Dec. 21	53.00	Las Vegas plane fare	Commercial airlines.
Frank Shattuck	Dec. 21	53.00	Las Vegas plane fare	Commercial airlines.
Frank Shattuck	Dec. 14	53.00	Las Vegas plane fare	Commercial airlines.
Grant Sawyer	Dec. 1	16.00	San Francisco	Commercial airline.
Grant Sawyer	Nov.	322.80	Chicago and Detroit	Commercial airline.
Grant Sawyer	Jan. 17-21	68.00	Washington D.C. - Kennedy Inauguration	Commercial airline.

Grant Sawyer	Jan. 17-21	290.75	Washington, D.C., for Kennedy Inauguration	Commercial airlines.
Grant Sawyer	Feb. 1	6.00	Las Vegas	Commercial airline.
Grant Sawyer	Feb. 1	40.10	Las Vegas	Commercial airline.
Frank Shattuck		1.45	Las Vegas	Phone call.
Frank Shattuck	Feb. 17-18	19.80	Las Vegas	Personal car & commercial airline.
Bruce Barnum	Feb. 4	4.80	Reno	Personal car.
Bruce Barnum	Feb. 18-19	75.32	Ely	Personal car.
Grant Sawyer	Mar. 4-5	21.00	Las Vegas	Agency vehicle & commercial airline.
Grant Sawyer	Mar. 4-5	53.00	Las Vegas	Commercial airline.
Grant Sawyer	Apr. 9	318.30	San Francisco - Baltimore	Commercial airline.
Grant Sawyer	Apr. 16	8.00	Las Vegas - Reno to Carson (returning from Oregon	Commercial airline.
Grant Sawyer	Apr. 21-25	43.00	Las Vegas - Col. Riv. Comm. & other meetings	Commercial airline.
Frank Shattuck	Apr. 20-25	75.00	Las Vegas	Agency car & commercial airline.
Grant Sawyer	May 6-7	17.00	Las Vegas (Cancer Ball, office work)	Agency vehicle & commercial airline.
Frank Shattuck	May 11 12	15.00	Las Vegas	Commercial airline.
Frank Shattuck	May 12-14	34.00	Ely	Agency vehicle.
Bruce Barnum	Mar. 24	9.28	Sparks - annual Fire Dept. meeting	Personal Car.
Bruce Barnum	Apr. 12-13	49.10	Las Vegas - office business	Commercial airline.
Bruce Barnum	Apr. 14-15	30.44	Lovelock - Annual PTA Convention	Personal car.
Bruce Barnum	Apr. 18	8.80	Reno - address 20-30 Club	Personal car.
Bruce Barnum	Apr. 20	11.76	Fallon - interview Soroptimist	Personal car.
Bruce Barnum	Apr. 21	6.80	Reno - physical handicapped citation	Personal car.
Bruce Barnum	Apr. 22	4.80	Reno - Ground breaking at U. of N.	Personal car.
Bruce Barnum	May 6-8	92.32	Alamo - High school library, rodeo	Personal car.
Grant Sawyer	May 11-12	15.00	Las Vegas - appointments & Jr. Achievement group	Agency vehicle & commercial airlines.
Grant Sawyer	May 12-19	88.00	Ely, Elko, Salt Lake - press conference & governors conference	Agency vehicle.
Grant Sawyer	May 11	53.00	Las Vegas	Commercial airline.
Frank Shattuck	May 11	53.00	Las Vegas	Commercial airline.
Frank Shattuck	May 21-24	55.80	Las Vegas	Personal car & commercial airlines
Bruce Barnum	May 13	26.72	Fallon, Hawthorne - office appointments	Personal car.
Bruce Barnum	May 15	14.88	Yerington - Mothers Day program	Personal car.

Bruce Barnum	May 20	9.28	Sparks - guest at Sons of Italy meeting	Personal car.
Bruce Barnum	June 3-4	41.16	Yerington - Centennial meeting	Personal car.
Bruce Barnum	June 6-10	43.36	Fallon, Hawthorne, Tonopah - office business & appointments	Personal car.
Bruce Barnum	June 16	21.44	Lovelock - appointments and drouth	Personal car.
Grant Sawyer	May 20	2.00	Hawthorne - Armed Forces Day	Agency vehicle.
Grant Sawyer	May 21	6.00	Las Vegas - Helldorado	Nat'l Guard plane.
Grant Sawyer	Apr. 25	27.67	Las Vegas (extra charge for bag 1.17)	Commercial airline.
Frank Shattuck	Apr. 20	43.74	Las Vegas (extra charge for bag - 3.64)	Commercial airline.
Grant Sawyer	May 6	53.00	Las Vegas	Commercial airline.
Cancelled warrant		(318.30)	Baltimore	Commercial airline.
Bruce Barnum	June 3	17.20	Gerlach - office matters	Personal car.
Bruce Barnum	June 9	10.80	Reno - office matters	Personal car.
Bruce Barnum	June 17	10.00	Stateline - Lake Tahoe - office matters	Personal car.
Bruce Barnum	June 24	14.00	Verdi - office matters	Personal car.
Grant Sawyer	June 21	27.50	San Francisco	Commercial airline.

TRAVEL EXPENSES CHARGED TO LAS VEGAS OFFICE

Judy Ness	June 9-12	47.00	Carson City	Commercial plane.
Judy Ness	Aug. 7	53.00	Reno	Commercial plane.
Judy Ness	Aug. 15	28.00	Reno-Carson City	Commercial plane.
Judy Ness	Oct. 27	40.10	Reno	Commercial plane.
Frank Shattuck	Apr. 13-16	53.00	Reno to Las Vegas & return	Commercial plane.
Frank Shattuck	Apr. 13-16	47.00	Carson, Reno to Las Vegas & return	Agency vehicle & commercial airline.

TRAVEL EXPENSES CHARGED TO COLORADO RIVER COMMISSION

Grant Sawyer	Oct. 2-3	22.00	Phoenix - C.R.C. business	Agency vehicle.
Grant Sawyer	Mar.	40.10	Las Vegas	Commercial airlines.
Grant Sawyer	Mar.	6.00	Las Vegas (perdiem, above trip)	
Grant Sawyer	Apr.	171.30	Baltimore - 1 way enroute	Commercial airlines.
Grant Sawyer	Apr.	31.30	Baltimore (perdime, above trip)	

TRAVEL EXPENSES CHARGED TO DEPARTMENT OF HIGHWAYS

Grant Sawyer	Apr.	218.90	Return from Baltimore	Commercial airlines.
Grant Sawyer	Apr.	79.05	Baltimore (perdiem, above trip)	

Total, other departments

		Out of State	In State
Total, other departments	$ 568.65	$ 522.55	$ 46.10
Adm. Fund, Carson City	5,058.58	1,764.26	3,294.32
Adm. Fund, Las Vegas	268.10	-	268.10
Sub-Total	5,895.33	$2,286.81	$3,608.52
Auto Maint., gas and oil	795.44		
Total Travel, all funds	$6,690.77		

SUMMARY
GOVERNOR'S OFFICE TRAVEL EXPENSE FOR FISCAL YEAR 1960-61

Total		Out of State	In State
Grant Sawyer	$3,036.28	$1,869.15	$1,167.13
Bruce Barnum	1,246.94	239.96	1,006.98
Frank Shattuck	1,369.01	102.70	1,266.31
Other staff members	243.10	75.00	168.10
	$5,895.33	$2,286.81	$3,608.52
Governor's Office - Carson City			
Grant Sawyer		$1,346.60	$1,121.03
Bruce Barnum		239.96	1,006.98
Frank Shattuck		102.70	1,166.31
Other staff members		75.00	-
Subtotal		$1,764.26	$3,294.32
Governor's Office - Las Vegas			
Frank Shattuck		-	$ 100.00
Other staff members		-	168.10
Subtotal			$ 268.10
Colorado River Commission			
Grant Sawyer		$ 224.60	$ 46.10
Subtotal		$ 224.60	$ 46.10
Department of Highways			
Grant Sawyer		$ 297.95	-
Subtotal		$ 297.95	-

OFFICE OF THE GOVERNOR
Analysis of Travel Expenses
For the Fiscal Year Ended June 30, 1962

Traveler	Travel Date	Total Amount	Destination and Purpose of Trip	Mode of Transportation
Bruce Barnum	June 23-July 1	$ 120.00	Carson to Reno - San Francisco - To Hawaii - Nat'l Gov. Conference	Agency vehicle & non-commercial plane. Commercial plane to Hawaii.
Grant Sawyer	June 21-23	17.00	San Francisco	Agency vehicle & non-commercial plane one way back from San Francisco.
Grant Sawyer	June 23-July 10	79.00	To San Francisco to Hawaii - Nat'l Gov. Conf. - off travel status June 28-July 9	Agency vehicle & commercial plane.
Frank Shattuck	June 23-June 28	73.00	To Hawaii, Nat'l Gov. Conf.	Nat'l Guard plane & commercial plane.
Frank Shattuck	July 5-9	107.70	Las Vegas - office business	Personal car to Carson City.
Bruce Barnum	July 29-30	107.60	Panaca, Caliente, Las Vegas - dedication of Schroeder Dam	Chartered plane.
Frank Shattuck	July 20-21 & 31	17.00	Las Vegas (vacation for 10 days (21-31)	Personal car and commercial plane.
Frank Shattuck	?	26.50	Las Vegas	Commercial air line.
Frank Shattuck	July 20	53.00	Las Vegas	Commercial air line.
Grant Sawyer	June 23	16.00	San Francisco	Commercial air line.
Bruce Barnum	August 18-21	130.40	Las Vegas, Tonopah, Hawthorne - office work & appointments	Personal car.
Frank Shattuck	August 16-20	66.00	Elko - withGov., Lion & Rotary luncheon, R.R. crossing problem, citizens dinner, Youth Training Center Bd. meeting, Chamber of Commerce Banquet, Bar Assoc. picnic, problems of citizens	Agency vehicle.
Grant Sawyer	August 16-21	66.00	Same as above	Agency vehicle.
Grant Sawyer	August 24-30	86.00	Las Vegas, Ely - at L.V.: Colo. Riv. Comm., 1st Nat'l Bank opening, offc. appts.; at Ely: race, Gov. Meet. Hi-Way Bd., C. of C., Lions & Rotary, tour of Kennecott	Agency vehicle, commercial plane, private plane.
Frank Shattuck	August 24-26	30.00	Las Vegas, see above for reasons	Commercial plane, agency vehicle.
Frank Shattuck	August 28-30	34.00	Ely - employees assoc. & same as Gov. reasons	Commercial plane & agency vehicle.

Bruce Barnum	August 15	6.00	Reno - Wts. & Measures Convention	Private car.
Bruce Barnum	August 16	10.00	Reno - Centennial Committee meeting	Private car.
Bruce Barnum	August 27	8.00	Reno - Ribbon cutting, new homes development	Private car.
Bruce Barnum	August 25	6.60	Zephyr Cove - Spooner Camp - for Forestry Fire Board Meet & tour	Private car.
Bruce Barnum	Sept. 9	19.60	Yerington - arrangements for Gov. speech	Private car.
Bruce Barnum	Sept. 19	12.20	Fallon	Private car.
Bruce Barnum	Sept. 21-23	50.84	Lovelock, Winnemucca, Elko - offc. business & appointments	Private car.
Grant Sawyer	Sept. 15	11.00	Tonopah - address Lions, attend horse show.	Agency vehicle.
Grant Sawyer	Sept. 16-17	30.00	Las Vegas - Gaming Bd. & office business	Agency vehicle.
Grant Sawyer	Sept. 18-20	38.00	Denver, Colo. - Industrial luncheon	Commercial airline.
Frank Shattuck	Sept. 15-17	36.00	Tonopah - no reason given	Down in Gaming Comm. car, back in private car.
Bruce Barnum	Sept. 29-Oct. 3	155.80	Las Vegas, Henderson, Boulder City - Appointments & confidential matters	Private car.
Bruce Barnum	Oct. 5-8	134.40	Las Vegas - same reasons as above	Private car.
Grant Sawyer	Oct. 6	26.50	Las Vegas	Commercial airline.
Grant Sawyer	Aug. 30	22.35	Ely	Commercial airline.
Grant Sawyer	Aug. 24	26.50	Las Vegas	Commercial airline.
Frank Shattuck	Oct. 5	53.00	Las Vegas	Commercial airline.
Frank Shattuck	Oct. 6	26.50	Las Vegas	Commercial airline.
Frank Shattuck	Aug. 24	26.50	Las Vegas	Commercial airline.
Frank Shattuck	Aug. 28	44.70	Ely	Commercial airline.
Frank Shattuck	?	26.50	Las Vegas	Commercial airline.
Grant Sawyer	Sept. 28-Oct. 3	75.00	Las Vegas -Tour American Potach, N.I.C bldg. dedication, Military Ball, meet with colored leaders, parole & probation conference, meet V.P. Johnson.	Agency vehicle & private plane down, plane & agency vehicle back.
Grant Sawyer	Oct. 5-6	19.00	Las Vegas - Nat'l Guard Conf., Ground Water Bd., Legislative Leaders Conf., Colo. River Comm.	Nat'l Guard Plane, Commercialplane and agency vehicle.
Frank Shattuck		75.00) 21.00)	Las Vegas - reasons same as above	Private plane, same as Gov.
Grant Sawyer	Nov. 21-22	17.00	San Francisco - WICHE Conf., White House Conf., meet with Capt. Geo. Whittel	Agency vehicle and commercial airline
Frank Shattuck	Nov. 15-16		San Francisco - work WICHE Conf., White House Conf., and meet with Pierre Salinger, Press Sec. to the Pres.	Agency vehicle and commercial airline
Bruce Barnum	Nov. 9	7.00	Minden - guest of Kiwanis Club	Personal car.
Bruce Barnum	Nov. 11	10.00	Reno - guest at Conductors & Brakemen's dinner	Personal car.
Bruce Barnum	Nov. 14	10.00	Reno - guest at Exec. Sec'ys dinner	Personal car.

Bruce Barnum	Nov. 18	10.60	Sparks - guest at Sons of Italy dinner	Personal car.
Bruce Barnum	Oct. 28-29	51.60	San Francisco - Nevada Day at Livestock Show	Personal car.
Bruce Barnum	Nov. 3-4	30.00	McDermitt - R.E.A. power into Nevada	Agency vehicle.
Grant Sawyer	Oct. 10	6.00	Winnemucca & Fallon - Chamber of Commerce, Highway Bld. dedication, joint service clubs	Agency vehicle.
Grant Sawyer	Oct. 12	6.00	Lovelock, Yerington - joint service clubs, Chamber of Commerce	Agency vehicle.
Grant Sawyer	Oct. 17	4.00	Battle Mountain - Joint service clubs	Private plane.
Grant Sawyer	Oct. 18-27	141.00	Reno, Las Vegas, Denver, Chicago, New York, Las Vegas, Reno - (Denver, Conf. on Juvenile Delinquency; N.Y., Conf. on state planning; L.V., Highway Bd., Civil Defense, Safety Conference	Agency vehicle & commercial airline.
Grant Sawyer	Nov. 8-13	73.00	Caliente, Las Vegas - Lincoln County party, Chamber of Commerce, Tour plants in Henderson, Colo. Riv. Comm., L.V. freeway, Ec. Dev. film, Vets parade, Boy Scout Region, C. of C. at Henderson, Boulder City Airport dedication, Harry Levy dinner	Agency vehicle & commercial airline.
Frank Shattuck	Oct. 10	6.00	Winnemucca, Fallon - same reasons as Gov. on line 4	Agency vehicle.
Frank Shattuck	Oct. 25-27	36.00	Las Vegas - ?	Agency vehicle & commercial airline.
Frank Shattuck	Nov. 8-12	58.00	Caliente, Las Vegas	Agency vehicle & commercial airline.
Grant Sawyer	Nov. 21	16.00	San Francisco	Commercial airline.
Frank Shattuck	Nov. 15	32.00	San Francisco & return	Commercial airline.
Grant Sawyer	Oct. 18-27	376.15	New York via Denver	Commercial airline.
Grant Sawyer	Oct. 20	3.15	Additional charge to above	
Frank Shattuck	Oct. 25	25.50	Las Vegas	Commercial airline.
Bruce Barnum	Dec. 21-24	104.96	Elko, Wells, Jackpot - construction problems Youth Traininc Center, confidential matters	Personal car.
Frank Shattuck	Dec. 18-20	24.00	Las Vegas - offc. business	Agency vehicle & commercial plane.
Frank Shattuck	Dec. 2	40.10	Las Vegas	Commercial airline.
Frank Shattuck	Nov. 12	26.50	Las Vegas	Commercial airline.
Frank Shattuck	Jan. 14-15	15.00	Las Vegas - offc. business	Commercial airline.
Grant Sawyer	Jan, 22-27	81.00	Las Vegas - offc. business, Colo. Riv. Comm. & appointments	Agency vehicle & commercial plane.
Grant Sawyer	Jan. 29-30	21.00	Las Vegas - offc. business, Colo. Riv. Comm. & appointments	Agency vehicle & commercial plane.

Bruce Barnum	Jan. 5-13	122.00	Las Vegas - illness of office staff & set up new office for Gov.	Agency vehicle.
Bruce Barnum	Jan. 16-Feb. 3	276.00	Same as above	Agency vehicle & commercial plane.
Frank Shattuck	Dec. 18	40.10	Las Vegas	Commercial airline
Brant Sawyer	Feb. 28-Mar.3	99.50	Las Vegas - Better Bus. Bur., Prayer Breakfast, Colo. Riv. Comm., Girls School Supt., Elec. Cont. Assoc., Curriculum Development, office business & appointments	Agency vehicle & commercial airline.
Grant Sawyer	Jan. 22-27	40.10	Las Vegas	Comm. airline.
Grant Sawyer	Jan. 29-30	40.10	Las Vegas	Comm. airline.
Bruce Barnum	Jan. 16	26.50	Las Vegas	Comm. airline.
Frank Shattuck	Jan. 14-15	53.00	Las Vegas	Comm. airline.
Grant Sawyer	Feb. 13-23	141.00	Battle Mountain, Twin Falls, Washington D.C., Oklahoma City, St. Louis - flood at Battle Mt., C. of C. at Twin Falls, Gov. Comm. on State Planning, S.N.I.F. Luncheons, Okla. City & St. Louis, Colo. Riv. Comm., meet with Pres. & Sec. Udahl, Freeman & Hodges. (Note says from Twin Falls to Salt Lake to D.C. will be pd. by Colo. Riv. Comm.; Okla, City & St. Louis by So. Nev. Indust. Fndtn.)	Agency vehicle & commercial airline.
Bruce Barnum	Feb. 24	24.50	State Line, Tahoe, Fernley, Sparks - Adv. Comm. Girls School	Personal car.
Bruce Barnum	Mar. 3	10.60	Sparks - guest at Sons of Italy meeting	Personal car.
Bruce Barnum	Mar. 10	8.00	Reno - Conf. of Library Trustees	Personal car.
Bruce Barnum	Mar. 12	10.00	Stead AFB - Fed. Emp. Safety Council	Personal car.
Bruce Barnum	Mar. 16	10.60	Sparks - opening new subdivision	Personal car.
Bruce Barnum	Mar. 17	31.20	Hawthorne - Adv. Comm. Girls School	Personal car.
Bruce Barnum	Mar. 21	6.00	Reno - Fed. Surplus Fiscal Officers Meeting	Personal car.
Bruce Barnum	Mar. 22	12.00	Reno - same as above & opening new warehouse	Personal car.
Bruce Barnum	Feb. 3	26.50	Las Vegas	Commercial airline.
Frank Shattuck	Feb. 24	8.30	Excess baggage from Baltimore	Commercial airline.
Grant Sawyer	Mar. 29-Apr.2	60.00	Las Vegas - NAACP meeting, American Pharmacy Assoc., Safety Clinic, Colo. Riv. Comm., SNIF, Highway business, Girls School, L.V. Jr. C. of C., Ambassador from Israel & office matters	
Frank Shattuck	April 19-24	81.00	Carson to Las Vegas to Elko - ?	Agency Vehicle.
Bruce Barnum	Mar. 29	9.00	State Line - guest at C. of C. meeting	Private car.
Bruce Barnum	Mgr. 30-Apr. 1	36.00	Las Vegas - office matters	Private car.
Bruce Barnum	Apr. 6	8.00	Reno - guest at United Airlines meeting	Private car.

Bruce Barnum	Apr. 7	6.00	Reno - Black & White Ball	Private car.
Bruce Barnum	Apr. 11	7.00	Spooner Summit, Stateline - field trip, Forestry Assoc.	Private car.
Bruce Barnum	Apr. 14	10.00	Reno - Constables Assoc.	Private car.
Bruce Barnum	Apr. 17-18	19.00	Las Vegas - office matters	Personal car, agency vehicle & plane.
Bruce Barnum	Apr. 20-23	143.60	Tonopah, Beatty, Las Vegas, Willow Beach - offc. business & Fed. Fish Hatchery	Personal car.
Grant Sawyer	Mar. 24-25	9.00	Las Vegas - Equal Rights,-Moose Ball	Agency vehicle & commercial plane.
Grant Sawyer	Mar. 24	53.00	Las Vegas	Commercial airline.
Bruce Barnum	Mar. 30-Apr. 1	53.00	Las Vegas	Commercial airline.
Bruce Barnum	Apr. 18	26.50	Las Vegas to Reno - one way	Commercial airline.
Grant Sawyer	Apr. 3	54.67	Reno to Seattle (to Japan) San Francisco to Reno. Went to Japan from Seattle & returned via San Francisco. (Portion of trip to Japan not charged to state - 1260.00, tickets attached to this claim.)	Commercial airline.
Grant Sawyer	May 12-14	34.00	Las Vegas - meet with Japanese Govs., Moapa C. of C., Nat'l Liquor Admin. Assoc. & highway matters	Agency vehicle.
Grant Sawyer	April 20	6.00	Las Vegas - Gaming officials, Helldorado	Agency vehicle & commercial airline.
Bruce Barnum	Apr. 29-30	53.00	Las Vegas	Commercial airline.
Grant Sawyer	May 20	53.00	Las Vegas	Commercial airline.
Grant Sawyer	June 12-14	36.00	Seattle - Nevada Day, World's Fair	Agency vehicle & plane.
Grant Sawyer	June 8-9	17.00	Las Vegas, Goldfield - Nevada Safety Council, Ofc. appts., Goldfield celebration.	Agency vehicle.
Grant Sawyer	June 12-14	72.60	Seattle World's Fair	Commercial airline.
Grant Sawyer	June 23	40.10	Las Vegas	Commercial airline.
Grant Sawyer	June 27	20.95	Elko - one way	Commercial airline.
Grant Sawyer	June 8	26.50	Las Vegas - one way	Commercial airline.

TRAVEL CHARGED TO LAS VEGAS OFFICE

Grant Sawyer	Oct. 3	53.00	Las Vegas	Commercial airline.
Bruce Barnum	Nov. 29-Dec. 4	73.00	Las Vegas - office details	Agency vehicle.
Bruce Barnum	Dec. 6-7	41.00	Las Vegas - office details	Chartered plane - no receipt.
Grant Sawyer	Nov. 13	26.50	Las Vegas - security seminar - Women's Forum on Survival - Colo. Riv. Comm., Boulder C. of C.	Commercial plane.
Frank Shattuck	Dec. 2-6	60.00	Las Vegas	

Judy Ness	Mar. 26-Apr. 6	12.40	13 trips to Review Journal and L.V. Sun, and 2 trips to T.V. stations to deliver press releases (she says Gov. offc. does not have state car)	Personal car.
Judy Ness	Apr. 9-May 7	26.40	21 trips to newspapers and 8 trips to T.V. stations (same reason as above)	Personal car.
Judy Ness	May 8-June 13	29.60	22 trips to newspaper offices, 10 trips to T.V. stations	Personal car.

TRAVEL EXPENSE CHARGES TO BUDGETS OF OTHER AGENCIES

(Charged to Economic Development Budget)

Grant Sawyer	Nov. 28-Dec. 2	62.00	To Boston, N.Y., and Las Vegas	Commercial airlines.
Grant Sawyer	same as above	445.50	same as above	Airplane fare, above trip.

(Charged to Colorado River Commission)

Grant Sawyer	Dec. 2-Dec. 6	58.00	Las Vegas	
Grant Sawyer	Feb. 14	300.95	Salt Lake, Baltimore, San Francisco, home	Airplane fare.
Grant Sawyer	Mar. 16-Mar. 17	15.00	Las Vegas	Commercial airlines.
Grant Sawyer	same as above	53.00	same as above	Airplane fare for above.
Grant Sawyer	Mar. 29	40.10	Las Vegas	Commercial airlines.

(Highway Dept. Budget)

Grant Sawyer		364.10	Baltimore	Airplane fare.
Grant Sawyer	May 24-May 27	45.00	Various Nevada points - Highway Bd. business	Agency vehicle.
Total, other departments		$1,383.65		

Total, other departments	$1,383.65
Total, Gov. Offc., Carson City	5,156.67
Total, Gov. Offc., Las Vegas	321.90
Total Travel, all funds	$6,862.22

SUMMARY OF EXPENSES

GOVERNOR'S OFFICE TRAVEL

	Travel Expense - All Funds		
	Total	Out of State	In State
Grant Sawyer	$3,523.32	$2,180.12	$1,343.20
Bruce Barnum	2,034.60	171.60	1,863.00
Frank Shattuck	1,235.90	126.30	1,109.60
Other staff members	68.40		68.40
	6,862.22	$2,478.02	$4,384.20
Auto maint., gas and oil	950.74		
TOTAL	$7,812.96		

	Governor's Office - Carson City	
	Out of State	In State
Grant Sawyer	$1,007.57	$1,052.60
Bruce Barnum	171.60	1,749.00
Frank Shattuck	126.30	1,049.60
Other staff members	-	-
Subtotal	$1,305.47	$3,851.20

	Governor's Office - Las Vegas	
	Out of State	In State
Grant Sawyer	-	79.50
Bruce Barnum	-	114.00
Frank Shattuck	-	60.00
Other staff members	-	68.40
Subtotal	-	$321.90

	Dept. of Economic Development	
	Out of State	In State
Grant Sawyer	$507.50	-
Subtotal	$507.50	-

	Colorado River Commission	
	Out of State	In State
Grant Sawyer	$300.95	$116.10
Subtotal	$300.95	$116.10

	Department of Highways	
	Out of State	In State
Grant Sawyer	$364.10	$45.00
Subtotal	$364.10	$45.00

STATE OF NEVADA

GAMING COMMISSION AND GAMING CONTROL BOARD

AUDIT REPORT

For the Period July 1, 1960, to June 30, 1961

REPORT NO. 31

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

October 17, 1962

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

October 17, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, we have examined such accounts and records of the Nevada Gaming Commission and such records of the Gaming Control Board as made available to us, for the period July 1, 1960, through June 30, 1961, and have prepared therefrom the following exhibits and related schedules:

Combined Statement of Financial Condition, June 30, 1961	- Exhibit A
Statement of Comparison of Budget and Actual Expenditures for the Fiscal Year Ended June 30, 1961	- Exhibit B
Statement of Revenues and Distribution for the Fiscal Year Ended June 30, 1961	- Exhibit C
Schedule of Transactions, Gambling Tax Surety Bond Trust, for the Fiscal Year Ended June 30, 1961	- Schedule 1
Schedule of Transactions, Gambling Tax Revolving Fund, for the Fiscal Year Ended June 30, 1961	- Schedule 2
Schedule of Bank Account Transactions, Nevada Gaming Control Board Chairman's Fund, for the Fiscal Year Ended June 30, 1961	- Schedule 3
Schedule of Gaming Tax Refunds, for the Fiscal Year Ended June 30, 1961	- Schedule 4
Schedule of Receipts and Distribution, County Table Tax Distributive Fund, for the Fiscal Year Ended June 30, 1961	- Schedule 5
Schedule of Travel Expenditures, for the Fiscal Year Ended June 30, 1961	- Schedule 6
Schedule of Operating Expenditures, for the Fiscal Year Ended June 30, 1961	- Schedule 7
Schedule of Equipment Purchases for the Fiscal Year Ended June 30, 1961	- Schedule 8
Schedule of Personnel by Job Title, Division and Annual Salaries Paid, as of June 30, 1961	- Schedule 9

Functions of the Nevada Gaming Commission

Chapter 463, Nevada Revised Statutes, created the Nevada Gaming Commission, which consists of five commissioners appointed by the Governor. It is the duty of the Commission to see that all gambling games and gambling devices operated in the State of Nevada are licensed and controlled so as to protect the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada. The Commission is to collect from each applicant for a gambling license, an annual state license fee based on number of games operated. These fees are known as "table fees" and are collected annually before the 10th day of January and prior to issuance of a state gambling license (NRS 464.380).

The Commission is also charged with collecting license fees each quarter based on the gross revenue from gaming, prior to issuance of a quarterly license. Such fees must be paid on or before the 25th day of the month, or, in addition, pay a penalty of 10 percent of the gross amount due, not to exceed $500 nor be less than $10.

In addition, the Commission is responsible for hearings on all complaints relative to possible revocation of licenses.

Functions of State Gaming Control Board

Chapter 463, Nevada Revised Statutes, creates the State Gaming Control Board, consisting of three members. These board members are to devote full time to the business of the board, and shall not pursue any other business or occupation or hold any other office of profit.

The Board shall investigate the qualifications of each applicant for gambling licenses before any license is issued, and shall continue to observe the conduct of all licensees. The Board has authority to (a) inspect and examine all premises wherein gaming is conducted, (b) inspect all equipment and supplies in, upon or about such premises, (c) summarily seize and remove from such premises and impound any such equipment or supplies for the purpose of examination and inspection, (d) demand access to and inspect, examine and audit all papers, books and records of applicants and licensees respecting the gross income produced by any gaming business, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of Chapter 463 of the Nevada Revised Statutes.

SCOPE OF AUDIT

General

Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents made available to us. During the course of this audit there appeared to be a conflict of law regarding confidential records and their availability to the auditors. As a consequence, certain records of the Board were not made available to the auditors.

To set forth this apparent conflict of law, the Nevada Revised Statutes applicable to the Legislative Counsel Bureau and the State Gaming Control Board are quoted at length.

> 218.720 Information and records concerning public funds; availability to legislative counsel. Upon the request of the legislative counsel, or his duly authorized representative, every elective state officer in the State of Nevada, every board or commission provided for by the laws of the State of Nevada, every head of each and every department in the State of Nevada, and every employee or agent thereof,

acting by, for, or on account of any such office, board, commission or officer receiving, paying or otherwise controlling any public funds in the State of Nevada, in whole or in part, whether the same may be funds provided by the State of Nevada, funds received from the Federal Government of the United States or any branch, bureau, or agency thereof, or funds received from private or other source, shall make available to the legislative counsel all books, papers, information and records of a public nature under their control necessary or convenient to the proper discharge of the legislative counsel's duties under this chapter.

218.770 Powers and duties of legislative auditor. The powers and duties of the legislative auditor shall be:

1. To perform a postaudit of all accounts, books and other financial records of all state departments that are charged with the collection, custody or expenditure of public funds, and to prepare a written report or reports of such audit or audits to the legislative counsel bureau and to such other person or persons designated in this chapter.

2. To personally, or by his duly authorized assistants, examine and audit at least once a year all fiscal books, records and accounts of all officers, personnel, custodians of public funds, disbursing officers, property custodians and purchasing agents, and to make independent verifications of all assets, liabilities, revenues and expenditures of the state, and its officers and depaetments, now in existence or hereafter created.

3. To require such changes in the accounting system or systems and record or records of the state departments as in his opinion will augment or provide a uniform, adequate and efficient system of records and accounting.

4. To determine whether the handling of the public money is protected by adequate accounting controls.

5. To determine whether all revenues or accounts due have been collected or properly accounted for and whether expenditures have been made in conformance with law and good business practice.

6. To determine whether the fiscal controls established by law and by administrative regulation are being properly applied.

7. To determine whether fraud or dishonesty has occurred in the handling of funds or property.

8. To determine whether property and equipment are properly accounted for and that none is improperly used or disposed of.

9. To determine whether the accounting reports and statements issued by the agency under examination are an accurate reflection of the operations and financial condition.

10. To work with the executive officers of any and all state departments in outlining and installing a uniform, adequate and efficient system of records and accounting.

11. To require the aid and assistance of executives and officials, auditors, accountants, and other employees of all the state departments at all times in the inspection, examination and audit of any and all books, accounts and records in their possession.

12. To employ and authorize, at his discretion and subject to his direction and responsibility, an independent public accountant or firm of public accountants, doing business within the State of Nevada, to perform an audit, inspection and examination of all books, accounts, claims, reports, vouchers or other records of all state departments whose disbursements in whole or in part are paid out of the funds received from sources other than the general fund,

or whose funds may be considered funds held in trust and not used for general governmental purposes, or whose funds are invested. The expenses and costs for such independent audit shall be paid by the state department audited. The provisions of this subsection shall not be applicable to the employment security department.

13. To ascertain facts and make recommendations to the legislature concerning the state budget and the estimates of the expenditure requirements of the departments, institutions and agencies of the state government.

218.780 Books and records of state departments: Availability to legislative auditor. Upon the request of the legislative auditor or his duly authorized representative, all officers and employees of the state departments shall make available and accessible to the legislative auditor all books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, necessary or convenient to the proper discharge of the duties of the legislative auditor.

218.810 Examination of activities of state departments by legislative auditor to determine duplication of effort and quality of service; reports.

1. In addition to the other duties provided for the legislative auditor, he shall thoroughly examine all departments of the state government with special regard to their activities and the duplication of efforts between departments and the quality of service being rendered by subordinate employees in each of the several departments.

2. Upon completing the examination of any state department, he shall furnish the head thereof with a report of, among other things:

(a) The efficiency of the subordinate employees.

(b) The status and condition of all public funds in charge of such department.

(c) The amount of duplication between work done by the department so examined and other departments of the state government.

(d) The expense of operating the department.

(e) Breaches of trust and duty, if any, by an officer, property custodian, purchasing agent, or other custodian or disbursement officer of public funds.

(f) Any suggested changes looking toward economy and reduction of number of clerical and other employees and the elimination of duplication and inefficiency.

3. Copies of each report shall be filed with the governor, the lieutenant governor, the secretary of state, and each member of the legislature.

218.820 Legislative auditor may request financial statements from state departments. Upon the request of the legislative auditor, every elective state officer in the state, every board or commission provided for by the laws of the state, every head of each and every department in the state, and every employee or agent thereof, acting by, for or on account of any such office, board, commission or officer receiving, paying or otherwise controlling any public funds in the State of Nevada, in whole or in part, whether the same may be funds provided by the state of Nevada, funds received from the Federal Government of the United States or any branch, bureau or agency thereof, or funds received from private or other source, shall submit to the legislative auditor a complete financial statement of each and every receipt of funds received by the office, officer, board, commission, person or agent, and of every expenditure of such receipts or any portion thereof for the period designated by the legislative auditor.

218.840 Limitations of legislative auditor's recommendations in reports.

1. All recommendations submitted by the legislative auditor shall be confined to those matters properly coming within his jurisdiction, which is:

(a) To see that the laws passed by the legislature dealing with the expenditure of public moneys are in all respects carefully observed.

(b) To see that the attention of the legislature is directed to all cases of violation of the law and to those instances where there is need for change of existing laws or the enactment of new laws to secure the efficient spending of public funds.

2. The legislative auditor shall not include in his recommendations to the legislature any recommendations as to the sources from which taxes shall be raised to meet the governmental expense.

3. All reports by the legislative auditor shall call attention to any funds, which in his opinion have not been expended in accordance with law or appropriations by the legislature. His reports shall make recommendations to the legislature as to the manner or form of appropriations which will avoid any such improper expenditure of money in the future.

218.880 Reports of improper practices following audits.

1. If the legislative auditor finds, in the course of his audit, evidence of improper practices of financial administration or of any general incompetency of personnel or inadequacy of fiscal records, he shall report the same immediately to the governor, the legislative counsel bureau, and the department head or heads affected.

2. If the legislative auditor shall find evidence of illegal transactions, he shall forthwith report such transactions to the governor, the legislative counsel bureau, and the attorney general.

From the above citations of law it appears that the Nevada Revised Statutes place the responsibility upon the Legislative Counsel, the Legislative Auditor and his duly authorized representatives to thoroughly scrutinize each piece of physical evidence used in the preparation of all books and records of all state agencies.

Further, it should be evident that the auditors must ask questions which they deem pertinent in order to ascertain the true facts in any given situation where certain entries or records appear to be in conflict or of a paradoxical nature.

Certain records and documents withheld by the Gaming Control Board were regarded as highly confidential, such confidentiality extending to exclude the Legislative Auditor.

The Chairman of the Board, in denying the auditors access to various records which he considers confidential, relied upon advice of counsel and the following excerpts of the statute governing the State Gaming Control Board and the Gaming Commission:

463.120. . .

4. All information and data required by the board or commission to be furnished to it hereunder or which may be otherwise obtained relative to the earnings or revenue of any applicant or licensee shall be considered confidential and shall not be revealed in whole or in part except as follows:

(a) In the course of the necessary administration of this chapter.

(b) Upon the lawful order of a court of competent jurisdiction.

(c) To a duly authorized agent of the Federal Bureau of Investigation, the United States Treasury Department or the Commissioner of the Internal Revenue Service of the United States.

463.330. . .

2. In order to facilitate the confidential investigation of violations of this chapter and the regulations adopted by the commission pursuant hereto, there is hereby created the state gaming control board revolving fund. Upon the written request of the chariman of the board, the state controller is directed to draw his warrant in favor of the chairman in the amount of $3,000, and upon presentation of the same to the state treasurer, the treasurer shall pay the same. When the warrant is paid, the chairman shall deposit the $3,000 in a bank of reputable standing, which bank shall secure the deposit with a depository bond satisfactory to the state board of examiners. Before the chairman of the board shall receive such $3,000 from the state treasurer, he shall furnish a bond to the State of Nevada in the penal sum of $6,000, conditioned upon the faithful performance of his duties hereunder.

3. The chairman of the board is authorized to use the revolving fund to pay the reasonable expenses of agents and employees of the board engaged in confidential investigations concerning the enforcement of this chapter, including the prepayment of expenses where necessary, whether such expenses be incurred for investigation of known or suspected violations hereof. In allowing such expenses the chairman shall not be limited or bound by the provisions of NRS 281.160 (*) or any act amendatory thereof or supplemental thereto.

4. After the expenditure of money from the revolving fund, the chairman of the board shall present a claim to the state board of examiners for the amount of the expenditure to be replaced in the revolving fund. The claim shall be audited, allowed and paid as are other claims against the state, but such claim shall not detail the investigation made as to the agent or employee making the same or the person or persons investigated. If the state board of examiners is not satisfied with the claim, the members thereof may orally examine the chairman concerning the same.

(*) NRS 281.160 pertains to traveling expenses and subsistence allowances of state officers and employees and permission for out-of-state travel.

It is our opinion that the bank statements, cancelled checks and check stubs pertaining to the Chairman's Confidential Revolving Fund should be examined by the Legislative Auditor for the primary purpose of determining that expenditures did not exceed the statutory limit of $15,000 per year.

The auditors feel that placing such a large sum of state money in the hands of any individual, regardless of his high integrity, moral rectitude and unquestionable honesty, without adequate controls or independent audit verification, subjects the state funds to any number of possible misuses. This is not meant to reflect on the present or former chairmen of the Board by any means. We wish merely to point out a situation that is contrary to all good accounting principles and proper fiscal management.

It is the position of the Board that "the Legislature well knew what it was doing in 1955 and each subsequent session when the gaming law was changed when it put into the hands of the Chairman of the Board a sum of money which is not subjected to the customary audit procedures. The Legislature was aware of the hazards involved in such action, and took steps to surround the fund with such safeguards as were felt appropriate. The safeguards include a limitation on the amount of money to be carried

in the bank account at any one time to a maximum of $3,000 plus a bonding of the Chairman in the amount of $6,000. There is no effort here to compare the State Gaming Control Board with the Federal Bureau of Investigation, but it might be noted that the Director of the FBI has available a confidential sum totaling many millions of dollars which are not subjected to audit procedures. The unique police duty put upon the Gaming Board by the statute requires payment for services and expenses to persons whose identity can be known only to the Chairman of the Board. Undercover work, by its very nature, cannot be compensated for through the customary channels of state finance."

Since the agency officials still doubted that they could properly disclose information to us in accordance with their interpretation of the statutes, this audit report must be qualified insofar as the following records were not audited to the fullest extent:

1. State Gaming Control Board Revolving Fund - Examined only to extent which would determine the mathematical veracity of the bank account and the total annual expenditure.

2. Audit reports of Casinos Prepared by Gaming Auditors - Permission to examine any particular audit report had to be obtained from the Chairman of the Gaming Control Board. Auditors were not granted access to all the gaming audit reports, but it was stipulated that we could examine a few selected at random. It was further stipulated that we could not record any information gleaned from scrutinizing these few audit reports.

The following statement has been submitted by the Gaming Control Board:

> On this point the officials of the agency based refusal of access to these records on advice of counsel that the State Gaming Control Board was without power to reveal the contents of these records and audits because of the express language and obvious intent of the statute (NRS 463.120, subsection 4). Neither Legislative Counsel nor the Legislative Auditor come within the exceptions permitting revelation of these records having to do with the earnings or revenue of licensees. It is pointed out that the confidence and confidentiality relates to records of various licensees and that the secrecy protecting those records inheres in the individual licensee in each instance. The purpose is to facilitate full, accurate and complete revelation of data to the Board without fear that any information so revealed will find its way into the hands of any unauthorized person. The Board might subject itself to civil and criminal sanctions by disregarding the legislative fiat in this regard.

Nevertheless, the auditors feel that the conflict of law should be resolved by amending subsection 4(c) of NRS 463.120 so that the Legislative Auditor will have the same right to information that is now given by law to the Federal Bureau of Investigation, the U. S. Treasury Department and the Internal Revenue Service. Certainly, a fellow state agency should have equal access to records as may be granted to federal agencies.

Evaluation of the Gaming Control Board's Audit Program

The auditors attempted an analysis of the audit program of the Gaming Control Board. However, we were able to conduct only a limited review, since access to most of the audit reports was denied. However, a selected few reports were released for our cursory examination, and certain figures were given us with no verification as to their source.

The audit staff consisted of six auditors and a supervisor. The supervisor and three

auditors worked in Las Vegas and are responsible for all Clark and Lincoln County audits. The remaining three auditors (there were three auditors during part of 1960-1961 only; now there are two working from the Carson City office) are responsible for audits performed in the other fifteen counties of the state.

From information furnished us by the Board, our analysis of the audits performed and completed during the fiscal year ended June 30, 1961, reveals the following statistics:

	Carson City Office		Las Vegas Office	
	Number	Percent	Number	Percent
Audits completed	37	100	18	100
Audits resulting in no tax adjustments	34	59.7	10	55.6
Audits resulting in tax deficiencies	10	17.5	7	38.9
Audits resulting in over-assessments	13	22.8	1	5.5
Gross amount of taxes collected due to audits	$356.09		$6,344.27	
Gross amounts of taxes refunded due to audits	(1,315.50)		(37.43)	
Net tax collected (or refunded)	($ 959.31)		$6,306.84	

The above figures reveal that the audits performed from the Carson City office resulted in a net refund of $959.31, while other audits performed from the Las Vegas office resulted in $6,306.84 additional net tax revenue. However, the figures compared on this basis are misleading, in that two different methods of recording deficiencies have been noted. The Las Vegas office issues actual deficiency notices to the licensee and collects thereon, whereas the Carson City office has the licensee include the deficiency in the next quarterly gaming license payment. The auditors recommend that one system be adopted and applied consistently throughout the entire audit program.

For analysis, the figures were converted to percentages for a more revealing comparison. It may be noted by reference to the percentages that a large number of all audits conducted resulted in no tax adjustments. This could be due partially to the fact that the gaming tax is based on gross income rather than on net income. Further analysis of the percentages reveals considerable variance between the results of the Clark and Lincoln County audits as compared with the audits performed in the remaining 15 counties.

The legislative auditors are not in a position to state why these variances exist since, as previously indicated, all necessary records were not made available to us, and appropriate studies and analyses could not be made.

A review of the few reports made available to us indicated that there never was a written narrative setting forth in detail an evaluation of the internal controls established by the various casinos. However, we were informed by the auditors that they always observe and discuss internal controls with management. This is done verbally.

We have been informed that in the northern counties the auditors contact newly licensed casinos to insure that records are set up to conform to the Board's requirements.

In our opinion, considerable benefit would result if internal control evaluation was made a part of the auditors' written report, rather than a verbal part of the audit. Thus, the auditors would be able to make a more thorough analysis of internal control, with a written report setting forth discrepancies or loose ends that may have been overlooked in the verbal discussions. Further, the reviewer would also be able

to make an analysis of the internal control and perhaps make some suggestions or recommendations beneficial to the State Gaming Control Board in maintaining adequate controls over the gaming industry.

From our examination of the audit reports, to the brief extent allowed, it appeared that there was not a complete and thorough review made of each audit report, as there should be in any well-developed, penetrating and analytical audit program. A thorough review of audits performed in any type of audit program is a basic criterion in determining if the audits have been carried forward and completed in conformity with the procedure outlined by the supervisor, and in determining if all facets of the audited organization were satisfactorily scrutinized and appropriately commented upon.

Accounting Procedures and Internal Control Evaluation

The auditors wish to point out that the overall condition of the books and records is good; however, some improvement is necessary. With reference to the incoming license fees and gaming fees collected by the Gaming Commission, we believe that certain steps should be taken to tighten present internal control.

The present system requires that one to three persons handle the incoming checks before a listing or deposit of such checks is made. In order to reduce the possibility of checks being mislaid, lost or inadvertently destroyed, it is suggested that an effort be made to institute a positive control and a listing of incoming checks should be made as soon as the mail is opened, taking into account the need for speedy distribution of the mail.

During the audit, it was noted that during the 1960-61 fiscal year the bookkeeping machine was being used primarily for statistical computation rather than accounting procedures. If full use of the machine and its resulting cards were made, the accounting portions of the hand posted journal could be eliminated entirely, since this information can easily be placed on the machine cards. However, there seems to be justification for the continued use of the journal as a license register. The auditors were informed that more extensive accounting use of the machine is being explored.

It was further noted that a costly microfilming machine is being used, but that the persons needing information do not readily refer to the microfilm, but rather to the original records, which the Gaming Commission still retains. If this machine is to be used for the purpose intended, all original records, after being microfilmed, should be destroyed, once permission to do so is granted by the Board of Examiners. Normally, the reason such a machine is acquired is to rid the office of bulky and numerous records; consequently, the originals should be destroyed and the microfilm put to use. The entire microfilming process is being studied to increase its effectiveness.

We will explain later in this report, in detail, the corrections we deem necessary to improve the system of internal control and accounting to a point more in agreement with the intent of the Legislature and the statutory provisions of the Nevada Revised Statutes.

Efficiency of Subordinate Employees

From general observation, it appeared that departmental employees are performing their duties satisfactorily and have developed good work habits. Each employee appeared well-versed in his particular area of responsibility and performed required duties in an efficient manner.

Because of the nature of the Control Board's work, a large number of employees are engaged in field work and it is impossible to comment on their work habits. How-

ever, in this latter regard, appropriate comments relative to submission of daily attendance records by field employees will be made in another section of this report, entitled "Possible Non-Compliance with Statute or Good Business Procedure."

Because of the many direct inquiries received by the Legislative Counsel Bureau relative to the type of positions, number of employees and total payroll of the Nevada Gaming Commission and the State Gaming Control Board, we have included Schedule 9 of this report. This schedule shows the actual positions of all employees of the control agencies and the total salaries paid for each position during fiscal year 1960-1961.

Schedule 9 disclosed that the following employee classifications were paid the salary total indicated:

6.5	Classified Personnel	$ 34,517.20
46.5	Unclassified Personnel	290,631.14
53.0	TOTALS	$325,148.34

In using the above figures, however, it should be pointed out that the Commission members are paid only for days on which they are engaged in Commission business. Also, the position of janitor was abolished on October 18, 1960. Thus, the Commission staff for most of the year was made up of 8 full-time employees. The Board had 39 full-time employees, and together the Commission and Board had 47 full-time employees during the fiscal year.

Status and Condition of Funds

(a) Gambling Tax Collection Account - the Gaming Commission has an account in the First National Bank of Nevada, Carson City Branch, which was established by the Nevada Tax Commission many years ago, for the purpose of depositing all license fees, table fees and penalties that the Commission is charged by law to collect. These fees are eventually remitted to the State Treasury for credit to the General Fund or as otherwise specified.

NRS 463.320(2) reads as follows:

> All state gaming license fees and penalties shall be collected by the commission and paid over immediately to the State Treasurer.

This law is quite clear that all monies collected by the Gaming Commission will be remitted immediately to the State Treasurer. Therefore, this practice appears to be in violation of law by having a bank account wherein the monies are deposited and kept for some time prior to being forwarded to the State Treasurer.

Also, it was noted that the bank had posted a security bond of only $1,000,000 on this account. On one occasion, the bank account contained the sum of $3,578,185.99.

NRS 356.020 states as follows:

> (1) All funds deposited by the State Treasurer shall be secured by obligations of the United States, or bonds of this state, or bonds of any county, municipality or school district within this state, deposited by the depository bank with the state treasurer, or with a Federal Reserve bank, or, if such deposit of security will not be accepted by a Federal Reserve bank, then with any bank other than the depositary bank which will accept such bonds as a trust for the purpose hereof.
>
> (2) The amount, in actual value, as distinguished from par

value, of such deposit of securities by each such depository bank shall be at least 10 percent in excess of the amount of the deposit with such depository bank. Such bonds and securities shall be approved in writing by the state board of finance and by the State Treasurer.

From the aforementioned statutory language, it is evident that the bond posted for the Commission's bank account is inadequate. Although the above statute relates specifically to the duties of the State Treasurer, it simply points out that it is good business management to protect adequately monies belonging to the State of Nevada and its citizens. Therefore, the regulations pertaining to the State Treasurer's handling of funds should apply to all agencies maintaining separate bank accounts, regardless of the amounts involved.

The bank account was found to have a beginning balance of $1,318.61, as of July 1, 1960. Total receipts deposited in the bank account for the fiscal year ended June 30, 1961, totaled $10,002,549. Of this sum, $145.45 was determined to be uncollectible. The total receipts collected during the fiscal year ended June 30, 1961, less bad debts and plus the beginning balance was remitted to the State Treasury prior to June 30, 1961, leaving an ending balance of zero. The beginning balance would mean that the 1959-1960 fiscal year receipts were understated, and the 1960-61 receipts were overstated. The bank account has been terminated by the Executive Secretary of the Gaming Commission as of April 1, 1962, and all gambling tax revenues are now being remitted directly to the State Treasury.

(b) Chairman's Confidential Revolving Fund - This is another bank account maintained at the First National Bank of Nevada, Carson City Branch. It is authorized by statute, as set out below, and the Chairman of the Gaming Control Board is solely responsible for such account. NRS 463.330 provides that:

1. Costs of administration of this chapter incurred by the commission and the gaming control board shall be paid from the general fund on claims presented by the commission and approved and paid as other claims against the state are paid; but the total amount of such claims shall not exceed 10 percent of the total amount of money collected pursuant to this chapter. The commission and the board shall comply with the provisions of the State Budget Act in order that legislative authorization for budgeted expenditures may be provided.

2. In order to facilitate the confidential investigation of violations of this chapter and the regulations adopted by the commission pursuant hereto, there is hereby created the state gaming control board revolving fund. Upon the written request of the chairman of the board, the state controller is directed to draw his warrant in favor of the chairman in the amount of $3,000, and upon presentation of the same to the state treasurer, the treasurer shall pay the same. When the warrant is paid, the chairman shall deposit the $3,000 in a bank of reputable standing, which bank shall secure the deposit with a depository bond satisfactory to the state board of examiners. Before the chairman of the board shall receive such $3,000 from the state treasurer, he shall furnish a bond to the State of Nevada in the penal sum of $6,000, conditioned upon the faithful performance of his duties hereunder.

3. The chairman of the board is authorized to use the revolving

fund to pay the reasonable expenses of agents and employees of the board engaged in confidential investigations concerning the enforcement of this chapter, including the prepayment of expenses where necessary, whether such expenses be incurred for investigation of known or suspected violations hereof. In allowing such expenses the chairman shall not be limited or bound by the provisions of NRS 281.160 or any act amendatory thereof or supplemental thereto.

4. After the expenditure of money from the revolving fund, the chairman of the board shall present a claim to the state board of examiners for the amount of the expenditure to be replaced in the revolving fund. The claim shall be audited, allowed and paid as are other claims against the state, but such claim shall not detail the investigation made as to the agent or employee making the same or the person or persons investigated. If the state board of examiners is not satisfied with the claim, the members thereof may orally examine the chairman concerning the same.

5. Expenditures from the revolving fund shall not exceed $15,000 in any 1 calendar year. Authorization for expenditures from the revolving fund shall in no event be deemed to be an exception to the limitation on total expenditures imposed by subsection 1, but such expenditures from the revolving fund shall be deemed administrative expenses of this chapter and shall be included in the total of expenditures to which such limitation is applicable.

Because the Chairman of the Gaming Control Board on advice of counsel, refused the Legislative Auditor access to the Revolving Fund bank records and declined to substantiate or verify expenditures from the Fund, our audit covered only the gross receipts, beginning and ending balances and total expenditures. This limited audit of the Revolving Fund disclosed the following:

1. Account non-reimbursed to extent of $5.

2. Total expenditures in the calendar year 1961 totaling $16,578.89. The latter discrepancy appears to violate subsection 5 of NRS 463.330, which provides that expenditures from the Revolving Fund in any one calendar year shall not exceed $15,000.

An explanation of the shortage and explanation of the expenditures in excess of $15,000 was made by the Chairman of the Board as follows:

1. The non-reimbursed item resulted when five vouchers totaling $245 were reimbursed in 1959 only to the extent of $240. The Gaming Control Board is now in the process of correcting this error.

2. $1,600 of the $16,578.89 expended from the Revolving Fund during 1961 appeared to be late payment of obligations incurred for services rendered during 1960.

These explanations were not verified or substantiated by any tangible evidence, since all such information or any available records were regarded as confidential and not made available to the legislative examiners. In any event, the excess expenditures over the $15,000 limitation should have been prevented by maintaining a closer accounting of the total expenditures during the year. It is recommended that the portion of NRS 463.330(5) providing for calendar year accounting be amended to provide for fiscal year accounting, which would conform with the State Controller's records.

Cash in the bank in the amount of $1,941 is the balance of the Confidential Revolving Fund as of June 30, 1961.

(c) Gambling Tax Revolving Fund - The State Controller has established an account in the State Treasury for the purpose of controlling the replenishing of the Chairman of the Board's confidential revolving bank account. As of July 1, 1960, there was a balance in the fund of $11,488.37, to which additional funds of $13,183.30 were added during the fiscal year. Transfers to the bank account from this fund totaled $19,970.16, leaving a balance as of June 30, 1961, of $4,693.51.

(d) Gambling Tax Surety Bond Trust Fund - This fund is in the State Treasury and is used to record the receipts and refunds of all cash deposits required by the Commission to insure payment of taxes until such time as an advance payment can be computed. The balance as of July 1, 1960, was $76,075, to which $57,900 in additional bonds were received, and $54,050 were refunded during the year, leaving a balance held in trust of $70,925.

(e) Gaming Tax Refunds Fund - The Gaming Tax Refunds Fund is maintained in the State Treasury. Transfers are made to this account in the exact amount of refunds; therefore, there should be no balance. However, a refund issued by warrant was cancelled because of non-delivery. The Commission considers the refund a liability and has left the balance in this account.

(f) County Table Tax Distributive Fund - This fund is also maintained in the State Treasury. The table taxes received by the Commission, less administrative charges, are deposited to this account. Distribution is made to the counties on an equal basis. A balance of $88,056.13 existed as of July 1, 1960. Transfers received amounted to $660,638.33. Distributions amounted to $656,100.04, leaving a balance of $102,603.42 on June 30, 1961.

Possible Non-Compliance with Statute or Good Business Procedure

During the course of the audit, the following items were noted and appear to be violations of statute, regulation or acceptable business procedure.

1. Payment of wages for annual leave and sick leave to unclassified employees. NRS 463.080(2) provides that:

> The board shall classify its employees as executive, supervisory, investigative and clerical, as it shall deem appropriate. No member or employee of the board, other than those designated as clerical employees, shall be included in the classified service nor be subject to any provisions of Chapter 284 of NRS or any acts amendatory of or supplemental thereto.

In part, Chapter 284 of NRS provides for leave allowances granted to all state employees. Applying this statute to the Gaming Commission and Gaming Control Board, it appears that unclassified employees of the Gaming Commission and Gaming Control Board are specifically exempt from all provisions of Chapter 284 of NRS. Thus, all leave paid to unclassified employees by the Commission appears to be without statutory authority.

An analysis made from incomplete records in regard to sick leave and annual leave paid since July 1, 1955, when NRS 463.080(2) was first effective, discloses the following amounts paid:

Period		Amount
7-1 to 12-31-55		$ 501.76
1956		4,015.66
1957		3,674.80
1958		4,728.38
1959		6,875.50
1960		12,968.91
1961		13,460.03
1-1 to 2-28-62		944.14
	Total	$47,169.18

We repeat that the records from which these amounts were compiled, especially for the earlier years, are incomplete and it is probable that more leave was paid than is reflected above. However, we have stated the least amount paid in order to be conservative, and in accordance with good accounting principles. In addition, the increased amounts paid from year to year appear to be due merely to increases in staff. Since leave allowances are desirable, the statute should be amended to place the employees now exempt into the unclassified service of the personnel system as set forth in Chapter 284 of the Nevada Revised Statutes, or the gaming law should be amended so as to specifically provide leave allowances for employees.

2. Purchasing Procedures - During the audit it was noted that a major portion of office supplies were purchased from independent suppliers rather than through the State Department of Purchasing. Many of the items purchased from independent suppliers were on hand in the warehouse of the State Department of Purchasing at the time of purchase.

Section 2817 of the State Administrative Manual states:

> Items that may be procured directly by any using agency shall be limited to the following. . .
>
> (b) Minor or miscellaneous materials and supplies, the value of which does not warrant purchasing by central purchasing procedure. Such materials shall not consist of items regularly warehoused by the purchasing department or which should be requested under quarterly or other periodic requisitions, except in case of emergency, nor shall they consist of items normally carried on inventory as non-expendable (capital outlay) of which the purchase price is $25.00 or more.

Our audit included an analysis of the office supplies purchased by the Gaming Commission and it was noted that of $16,265.50 expended for office supplies during the 1960-1961 fiscal year, only $2,077.45 or only 12.77% of the total was purchased from the State Department of Purchasing.

Our analysis indicated that mimeograph paper accounted for 64.26% of the small amount of supplies purchased from the Department of Purchasing, or a total of only $1,344.93. It appears that the Gaming Commission, rather than buying "minor or miscellaneous materials and supplies, the value of which does not warrant purchasing by central purchasing procedures" (SAM 2817(b)), is actually buying most of its supplies through independent suppliers, and only using the facilities of the State Department of Purchasing for occasional items or items specifically exempt from outside purchasing by the Director of Purchasing.

Our audit also disclosed that the Gaming Commission was paying for items ordered from the Department of Purchasing prior to delivery. NRS 333.460 states "upon the receipt of such supplies, materials and equipment or expense from the revolving fund

(Purchasing Department's), each state officer, department, institution, board, commission or agency concerned shall prepare a voucher payable to the State Department of Purchasing. . . ." Thus a state agency cannot pay for supplies or equipment until delivery is made.

3. Poor Purchase Planning and Recording of Expenditures - It was further noted that in a period of eight or ten months, the Gaming Commission purchased eight electric clocks for the various offices. These clocks cost approximately $14 each and were purchased a few at a time from various suppliers. No attempt was made to go through the State Department of Purchasing since it was pointed out that each clock cost less than $25. The Commission appears to be within the bounds of the State Administrative Manual regulations, Section 2815.2, wherein it states in regard to equipment: "Purchases in excess of $25.00 cannot be made in the open market by any using agency."

The current interpretation is that the $25 refers to each separate item rather than several items. Such an interpretation tends to weaken the overall efficiency of the State Department of Purchasing. The clocks might have been purchased in quantity lots, from one vendor, at a discount probably larger than that received by the Gaming Commission. In any event, it is poor business practice to purchase equipment sporadically when, with better planning, the total number of clocks might have been purchased at one time, probably at a sizable discount.

Further, it was noted that none of the clocks were entered as part of the "equipment" purchases. Theywere all purchased as supplies and listed as "operating" expenses. This incorrect recording distorts the picture for purposes of budgeting in regard to detailing expenditures between the categories of salaries, travel, operating and equipment.

4. Improper Daily Time Records - During the course of our audit, it was noted that the daily time slips submitted by field employees did not agree with the travel vouchers submitted, nor with leave records maintained by the office personnel. It was determined that they did not agree because daily reports were submitted on a Monday through Friday, 8 a.m. through 5 p.m. basis, regardless of the days or time actually worked. In many instances, the field employees would work only at night, 5 or 6 hours, and actually claim a total of 8 hours worked on that day, by the previously submitted daily time records. Conversely, it was noted also that in some instances an employee, having recorded an 8-hour day, actually worked 9 or 10 hours. Further, there were instances where an employee was assigned to work on a weekend, and he would take off a weekday or two, yet an attendance record indicating that such day or days off were worked was submitted and approved.

For example, it was noted that an employee indicated on his attendance record that he was present 4 hours in the morning and 4 hours in the afternoon but his travel voucher indicated he worked only from 1 p.m. to 8 p.m.

This is poor business management, and it destroys the worth of attendance and leave records for purposes of accurate payroll computation. It also casts doubt on the veracity of any leave time accumulated or compensatory time earned. However, the auditors restate their position explained in Item 1 above to the effect that no leave has been provided by statute. The Chairman of the Board indicated in a written statement dated October 24, 1962, that changes were instituted and time forms now are in use which show the actual working hours of all employees on days, nights, weekends, and holidays.

5. Poor business procedure in following up error on quarterly returns - Our examination included test checks of ledger cards maintained by the Gaming Commission. It was noted during such test checks that one gaming establishment had made two tax payments for the July-September quarter of 1960. A review of the quarterly returns

filed by the establishment disclosed that two returns had been filed for what appeared to be the same quarter. However, a closer scrutiny of the returns disclosed that one return represented 7 quarters for the period January 1, 1959, through September 30, 1960. This return was for previously unreported income earned on pinball machines. Previously, pinball machines had not been considered as gaming devices, and therefore the tax had not been paid on income derived therefrom.

However, on the return reporting the pinball machine income, it was noted that only a gross of $612.30 was reflected while a tax thereon of $183.70 was computed and remitted. The tax rate is only 3% and therefore the correct tax on $612.30 is $18.37. However, if the taxpayer inadvertently reported $612.30 gross revenue when it should have been $6,123 then the tax of $183.70 as remitted would have been correct.

We made a review of all records to determine if an examination, audit or some correspondence had ensued with the taxpayer in an attempt to determine the correct figures and the correct tax liability. No such evidence was discovered. It therefore appeared that although there was an obvious error on a return, no followup action was initiated by the Gaming Commission.

We were informed that action was taken by the Gaming Commission but all reports in prior periods resulting from such action was usually done verbally. We have been informed that the present procedure calls for a written report of some kind to be prepared and filed in the folder of every licensee examined.

It is poor business procedure not to have a written report setting out in every instance where there has been contact with a licensee. Certainly, as a minimum requirement some written notation should be made on those returns where there has been an obvious error. Standard office procedure should require that a written report or, at the minimum, that a note be placed in a licensee's file whenever such licensee is contacted by a representative of either the Gaming Control Board or the Gaming Commission.

6. Travel Time and Expenses - It was noted during the audit that at least one member of the Board left work at approximately three o'clock on an afternoon when a trip to Las Vegas was required in the evening. Possibly, the Board was attempting to compensate the member for the time such member would be enroute from his home to Las Vegas. However, the proper way to handle this situation is to require the employee or member to sign out when he leaves work early and then report the actual time involved in making the trip.

Under the system of recording working hours during the fiscal year 1960-1961 there was no possible way to determine if a person worked a full 40-hour week or a 20-hour week or a 60-hour week. The daily attendance records must be kept in accordance with the actual hours worked rather than what one expects to work or should work. Under this system, certain employees may have overtime due them because of excessive hours worked, but such time had not been properly recorded and thus was lost to the employee. There may be employees who have worked considerably less than the required 40 hours each week, and, as a result, the State of Nevada has overpaid these employees. This points up the need for accurate daily time records to be submitted by each employee and member of the Commission and Board. Such time records should record actual time started to work and actual time stopped for each day actually worked.

It is also noted that even where employees and members of the Board do take off several hours prior to flight time late in the evening, that they still claim perdiem for the evening meal. It would appear that the evening meal should be eaten prior to flight time, especially in those instances where the person has performed no services between time of leaving the office and flight time.

In scrutinizing the travel claims, it was also noted that some of the travelers appear to travel first class on out-of-state flights, even though less expensive flights are available. When such first class flights are taken, full course meals are included in the price of the ticket, but the traveller always claims the full reimbursement for meals.

Section 0632 of the State Administrative Manual states:

> Travel should be by the least expensive method available when such factors as total travel time, salary of traveler, availability of agency cars and of motor pool cars, and cost of transportation are considered. Air coach is recommended to all areas serviced. Persons traveling first class air service shall not be entitled to reimbursement for meals while enroute. Persons traveling air coach shall be entitled to $2.00 for breakfast, $2.00 for lunch and $4.00 for dinner while enroute. Transportation from air terminals shall be by limousine (rather than taxi) when such service is available.

7. Availability of Confidential Information to the General Public - Under the authority of law, the Gaming Commission and State Control Board have undercover cars which have private license plates and fictitious registration cards. The Commission and Board regard such information as highly confidential. Yet the auditors were able to ascertain such confidential information from records which are available to the general public. Steps should be taken to keep this information from the general public as well as office personnel of state agencies.

8. Failure to Safeguard Credit Card - Upon reviewing the personnel records kept by the Gaming Commission, it was noted in one instance of a terminated employee that the folder contained a Shell Oil Company credit card, which was good until revoked. It had no expiration date and could easily have been appropriated by anyone having access to the files. Adequate safeguards should be established to protect the state from misuse of credit cards. If there is no further use for a credit card, it should be destroyed.

9. Claims Paid Involving Personal Expenses - A Board member went to San Francisco on personal business during the work week, at his own expense, but returned to Reno by plane at the expense of the State of Nevada. This Board member had been called long distance by the Chairman of the Board and told to report to Ely on business. Consequently, the Board member flew to Reno from San Francisco and then on to Ely. The entire amount of the air fare was paid by the State of Nevada.

The Board member contends that since the Chairman of the Board called him back on duty, that all travel expenses should be paid by the state from the point at which he was called back on duty. The Board member has also stated that the Gaming Control Board's counsel has advised him that the travel from San Francisco to Reno is not personal, but official business travel and should be paid from state funds.

The auditors contend that the Board member must return to Nevada and his official post of duty at his own expense, and cannot travel at state expense in the state in which he was engaged on purely personal business. The Board member states that he now is in accord with that position, and further states that he stands ready to refund $16.50 to the state.

Although the above Board member made the personal trip during a normal work week, no record could be found indicating that leave without pay, annual leave, or compensatory time was recorded in the payroll records. For the reasons stated in Item 1 of this report, headed "Possible Non-Compliance with Statute or Good Business Procedure," we contend that under the provisions of NRS 463.080(2) no member or employee of the Board other than clerical employees are entitled to annual leave.

In this particular instance, the Board member returned to Reno from San Francisco on a Friday morning, indicating that he was in San Francisco during the normal work week. The Board member states that he does not remember when he went to San Francisco that week. Therefore, the possibility exists that he could have been in San Francisco for several days, or he could have gone to San Francisco on the Thursday night preceding his return Friday to Reno. Since no records of any kind are maintained by Board members in regard to daily attendance or leave time, the auditors cannot verify the payroll time records and correctness of pay.

10. Storage of Used Tires - During the course of the examination, it was noted that all used tires of the agency vehicles were being held in storage. One person was responsible for the automobiles and tires, and apparently maintained exceptionally good records, basing our opinion of the records on the statistics furnished. These records were regarded as confidential and auditors were not permitted to scrutinize them, although excerpts from such records were supplied after a conference with the Chairman of the Gaming Control Board, which was the procedure followed when certain records were requested by the auditors.

The person in charge of the used tires displayed foresight and economy by recapping used tires with snow tire tread for use during the winter months. However, it was pointed out that they would eventually have more tires in storage than they would need for winter driving. It was further pointed out that NRS 333.220(4) provides that the Director of the State Department of Purchasing "shall prescribe the procedure by which supplies, materials and equipment may be condemned and disposed of, by sale or otherwise, when of no further use to the state." In accordance with this provision, the Department of Purchasing was contacted and arrangements made for the excess tires to be taken to Reno for future auction sales.

11. Bank Accounts - This audit disclosed that the Gaming Commission was depositing all tax revenue collected directly to a separate bank account maintained by the Commission. This appears to be adirect violation of statutes, since NRS 463.320(2) provides that:

> All state gaming license fees and penalties shall be collected by the commission and paid over immediately to the state treasurer. . .

The Gaming Commission had previously taken steps and finally began depositing all tax revenues in the State Treasury as of April 1, 1962.

12. Security Bond on Bank Accounts - The bond posted for the Gaming Commission's tax revenue bank account was wholly inadequate. During our audit, it was determined that amounts totaling up to $3,578,185.99 were on deposit in the tax revenue bank account maintained in the Carson City Branch of the First National Bank of Nevada during the fiscal year ended June 30, 1961. The bond posted to cover those deposits was only $1,000,000.

It would appear a bond in the amount of $4,000,000 should have been posted as security for the Gaming Commission's bank account.

The Gaming Commission terminated this bank account during our audit.

13. Two different methods of recording tax assessments - As indicated in the aforementioned evaluation of the Gaming Control Board's audit program, the auditors working in the northern counties conduct their audits and tax deficiency collections on an entirely different basis than those working in the southern counties. This is poor business management in that:

1. No conclusive analysis can be made for purposes of ascertaining the effectiveness of the entire audit program.

2. There is no way of determining (from scrutiny of the quarterly return) if the proper tax has been collected after an auditor has determined that there is a tax deficiency.

3. No means of determining if the additional tax assessed the taxpayer is correct or incorrect since there is no report made thereon, but such additional tax is merely reported on the subsequent quarterly return.

14. Failure of Audit Supervisor to Properly Review all Audit Reports - This is a poor accounting and business procedure, and all types of audits and reports should be thoroughly reviewed by a responsible supervisor or official.

Suggested Changes:

We suggest that the following changes be made in order to clarify and remedy situations which appeared, in our opinion, to be inadequate, uncertain or contrary to statutory requirements:

1. We recommend that steps be taken to amend the Nevada Revised Statutes governing the Gaming Commission and Board to authorize their unclassified employees to be entitled to sick and annual leave.

2. We recommend that the Gaming Commission and Board fully utilize the facilities of the State Department of Purchasing. Before any purchase is made from independent suppliers, the State Department of Purchasing should be consulted to see if it has the required supplies. Also, whenever any equipment purchases are anticipated, regardless of the limitation of $25 imposed by the State Administrative Manual, requisitions should be placed with the Department of Purchasing which may have several other agencies desiring the same type of equipment, and thus one larger order may be placed at a considerable saving.

3. A procedure should be established whereby all attendance records submitted reflect the actual hours worked each day. Such attendance records should be submitted daily to the office personnel in charge of payroll and leave records. It has been stated that this recommendation has been carried out.

4. We suggest that as a matter of the Gaming Commission's standard office procedure that there should be preparation of written reports in those instances where there has been personal contact with a licensee involving all matters pertaining to any tax returns filed and/or payment of any taxes.

5. We recommend that all representatives of the Gaming Control Board and the Gaming Commission reflect full explanations on all their travel claims stating the general nature of their duties performed and indicating explicitly the time actually spent on official business.

6. There appears to be a conflict of opinion concerning the availability of records requested by the Legislative Auditor.

The auditors rely upon Section 218.780 of NRS - which provides that all records, confidential or otherwise, are to be made available to the auditors. The Board relies upon NRS 463.120 and 463.330 in denying the auditors access to such records as they deem confidential. It is recommended this apparent conflict be resolved by legislative action.

7. Credit cards should be accounted for and maintained in a safe place, and when their use is no longer necessary they should be destroyed.

8. It is recommended that the rules and regulations in the State Administrative Manual concerning out of state air travel be strictly adhered to.

9. Tires that are no longer needed for spares or recapping should be transferred to the State Department of Purchasing for disposal. It has been stated that this recommendation has been carried out.

10. The auditors recommend the adoption and consistent use of one method of assessing deficiencies from audit and collection thereof. It has been stated that this recommendation has been carried out.

11. It is also recommended that the audit reports of field auditors be thoroughly and critically reviewed to strengthen the Board's audit program.

12. The Chairman of the Board's Confidential Revolving Fund should be on a fiscal year basis. This change will bring the books and records of the Commission into conformity with the State Constitution and with recordkeeping of all other state agencies.

13. During our audit, it was noted that the statutes covering certain procedures for the Nevada Gaming Commission do not appear to coincide with the statutes of the Nevada Racing Commission, relative to certain horseracing events where betting is allowed. During our examination of both the Nevada Gaming Commission and the Nevada Racing Commission, we noted in one particular instance that the Nevada Racing Commission had authorized racing for an organization, but it seemed there was some doubt as to whether or not such organization should be exempt from the gaming tax. Investigation ultimately revealed that the organization in question had an exemption letter from the Racing Commission, but such exemption was not made known to the Gaming Commission.

In order to have better coordination between the state's enforcement and licensing agencies, it is recommended that the Nevada Racing Commission make a practice of sending a letter to the Gaming Commission informing them of the status of each organization or individual to whom a racing license is granted. Consideration should be given to requiring such cooperation by law.

14. We recommend that the following internal control and accounting procedures be established:

a. It is recommended that two employees be assigned to open the mail. When checks are received by mail, one or both employees should list the checks by name and amount. When a deposit list is prepared, this list should be compared with the list made by the personnel responsible for opening mail. This recommended system will provide a double check on all monies received.

b. It is recommended that the bookkeeping machine be utilized to maintain all books and accounts of the Board and Commission. This utilization should eliminate the necessity for the present hand-posted journal.

c. We recommend that full utilization be made of microfilm equipment. Once original records have been microfilmed, they should be placed in dead storage until permission is received to destroy them.

COMBINED STATEMENT OF FINANCIAL CONDITION

The Combined Statement of Financial Condition, Exhibit A, reflects the financial

condition of each of the funds under control of the gaming agencies at June 30, 1961.

Cash in Bank - $1,941

The Gaming Control Board Chairman's Confidential Revolving Fund had a balance of $1941 at June 30, 1961, on deposit in the First National Bank of Nevada, Carson City Branch. The balance was confirmed by direct correspondence with the depository bank.

Cash Held in State Treasury - $180,568.14

Balances on hand in the State Treasury to the credit of the Nevada Gaming Commission were as follows:

Gambling Tax Surety Bond Trust Fund	$ 72,925.00
Deposit Reserved for Attachment on Sky Harbor Casino	335.80
Gambling Tax Revolving Fund	4,693.51
Cancelled Warrants	10.41
County Tax Distributive Fund	102,603.42
	$180,568.14

Furniture and Fixtures - $1

Furniture and fixtures have been shown at a nominal value of $1 since accurate inventory figures are not available. The State Department of Purchasing is responsible for inventory of the state's property and has not prepared an inventory of this department.

Automobiles - $1

The value of automobiles in the custody of the gaming agencies has likewise been shown at a nominal value of $1 due to lack of inventory valuations as explained in the preceding paragraph.

Funds Held in Trust - $73,271.21

At June 30, 1961, the following funds were held in trust:

Gambling Tax Surety Bonds	$72,925.00
Deposit reserved for attachment on Sky Harbor Casino	335.80
Cancelled Warrants	10.41
	$73,271.21

Amounts Due to Counties - $102,603.42

Undistributed amounts of gaming revenues collected to June 30, 1961, in amount of $102,603.42 were on hand at that date. These funds were distributed in the period subsequent to audit.

Fund Equity - $6,636.51

The uncommitted equity of all funds at June 30, 1961, amounted to $6,636.51, as set forth in Exhibit A.

STATEMENT OF COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

Exhibit B, Statement of Comparison of Budgeted and Actual Expenditures, shows in

comparative form the various category budget totals and the actual amounts expended. It may be noted that although two budget revisions were submitted and approved in substantially greater amounts than the original budget, the actual expenditures were less than even the original budget request. This raised the question as to why the various supplemental budgets were prepared. The Commission and Board state they contemplated expanded staff in order to carry out an expanded program, but this was not accomplished because of the difficulty in obtaining suitable staff. Further study of the actual expenditures reveals that the total administration costs were 5.47 percent of the revenues derived from gaming and table taxes and applicable penalties.

The travel, operating and equipment categories are explained in further detail in Schedules 6, 7 and 8.

STATEMENT OF REVENUES AND DISTRIBUTION

The Statement of Revenues and Distribution, Exhibit C, presents the revenues and the categories of collection. The "Other" column includes such items as penalties, interest and assessments. Bad checks were deducted from the receipts, under the theory that such were never received. However, the amounts were included in the gross receipts and had to be deducted.

Total revenues collected amounted to $10,074,257.81. The following distribution was made.

Tax Refunds	$ 1,260.08
Administrative Fees	552,702.26
County Table Tax Distribution	670,638.33
Transfer to Confidential Revolving Fund	13,183.30
Paid into the State General Fund	8,836,469,84
	$10,074,257.81

OPINION

We have examined the statements of financial condition of the several funds of the State Gaming Commission as of June 30, 1961, and the related statements of revenues and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records made available to us, and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial condition and statements of revenues and expenditures present fairly the financial position of the several funds of the State Gaming Commission as of June 30, 1961, on a cash basis, and the results of their operations for the year then ended, in conformity with accounting principles adopted by this agency applied on a basis consistent with that of the preceding year. By the gaming law, the auditors are not authorized to examine the transactions of the Nevada Gaming Board Chairman's Confidential Revolving Fund, and, therefore, we cannot render an opinion regarding this fund.

Yours very truly,

A. N. JACOBSON, LEGISLATIVE AUDITOR

By
R. C. Seay, Auditor in Charge

NEVADA GAMING COMMISSION
Combined Statement of Financial Condition
June 30, 1961

Assets	Total	Gambling Tax Surety Bond	DEPOSIT*	Gambling Tax Revolving Fund	Gaming Bd. Revolving Fund Bank Account	(1) Cancelled Warrants	County Table Tax Distributive Fund	Fixed Assets
Cash in Bank	$ 1,941.00				$1,941.00			
Cash Held in State Treasury	180,568.14	$72,925.00	$335.80	$4,693.51		$10.41	$102,603.42	
Furniture and Fixtures	1.00							$1.00
Automobiles	1.00							1.00
	$182,511.14	$72,925.00	$335.80	$4,693.51	$1,941.00	$10.41	$102,603.42	$2.00
Liabilities and Fund Equity								
Funds Held in Trust	$ 73,271.21	$72,925.00	$335.80			$10.41		
Amounts due to Counties	102,603.42						$102,603.42	
Total Liabilities	175,874.63	72,925.00	335.80			10.41	102,603.42	
Fund Equity	6,636.51			$4,693.51	$1,941.00			$2.00
	$182,511.14	$72,925.00	$335.80	$4,693.51	$1,941.00	$10.41	$102,603.42	$2.00

* Gambling Deposit reserved for attachment on Sky Harbor Casino.

(1) Represents a refund, upon which liability remains.

NEVADA GAMING COMMISSION
Statement of Comparison of Budgeted and Actual Expenditures
For the Fiscal Year Ended June 30, 1961

	Budget Request	Revised Work Pgm.	Final Revised Work Pgm.	Actual Expenditures	Percent Revenue	Percent Expenditures
Salaries	$329,208.00	$372,129.00	$488,837.00	$325,148.34	3.22	58.83
Travel (Schedule 6)						
Out of State	12,196.00	12,196.00	12,196.00	3,297.94	.04	.60
In State	82,804.00	82,804.00	82,804.00	31,578.18	.31	5.71
Repair & Maintenance				8,846.41	.08	1.60
	95,000.00	95,000.00	95,000.00	43,722.53	.43	7.91
Operating(Sched.7)	149,875.00	162,595.00	207,444.00	137,426.94	1.36	24.86
Equipment(Sched.8)	30,706.00	52,000.00	54,769.00	46,408.45	.46	8.40
Totals	$604,789.00	$681,724.00	$846,050.00	$552,706.26	5.47	100.00

Exhibit C

NEVADA GAMING COMMISSION
Statement of Revenues and Distribution
For the Fiscal Year Ended June 30, 1961

Revenue Collections by County	Gaming Tax	Table Fees	Other	Total	% of Total Revenue
Churchill	$ 12,148.25	$ 3,500.00	$ 30.00	$ 15,678.25	.16
Clark	5,068,283.96	329,150.00	2,575.93	5,400,009.89	53.60
Douglas	1,340,959.94	67,300.00	74.40	1,408,334.34	13.98
Elko	171,940.33	22,150.00	527.71	194,618.04	1.93
Esmeralda	216.13	-	10.00	226.13	-
Eureka	201.17	200.00	-	401.17	-
Humboldt	24,042.67	3,300.00	20.00	27,362.67	.27
Lander	2,754.83	900.00	-	3,654.83	.04
Lincoln	1,489.74	100.00	50.00	1,639.74	.02
Lyon	5,126.48	700.00	34.81	5,861.29	.06
Mineral	43,944.34	6,300.00	30.00	50,274.34	.50
Nye	19,691.40	3,400.00	158.66	23,250.06	.23
Ormsby	71,729.11	9,200.00	566.73	81,495.84	.81
Pershing	4,747.34	600.00	72.45	5,419.79	.05
Storey	6,431.18	300.00	10.00	6,741.18	.07
Washoe	2,502,075.47	247,850.00	1,912.06	2,751,837.53	27.31
White Pine	21,925.54	3,800.00	70.00	25,795.54	.26
	9,297,707.88	698,750.00	6,142.75	10,002,600.63	99.29
Other Receipts					
Add: Beginning balance in bank account (*)	-	-	1,318.61	1,318.61	.01
Less: Bad checks			(145.45)	(145.45)	-
Add: Investigation Fees			66,783.52	66,783.52	.67
Misc. Receipts			3,700.50	3,700.50	.03
Total Revenues	$9,297,707.88	$698,750.00	$77,799.93	$10,074,257.81	100.00
Distributions					
Tax Refunds	$ 1,260.08			$ 1,260.08	.01
Administrative Fees	524,594.59	$ 28,111.67	-	552,706.26	5.49
County Table Tax Distrubution Fund		670,638.33		670,638.33	6.66
Transfer to "Confidential" Revolving Fund	13,183.30			13,183.30	.13
Paid to General Fund	8,758,669.91		$77,799.93	$ 8,836,469.84	87.71
	$9,297,707.88	$698,750.00	$77,799.93	$10,074,257.81	100.00

* This account has been discontinued in favor of depositing revenues directly in the Treasury. Identity of category is lost.

Schedule 1

NEVADA GAMING COMMISSION
Gambling Tax Surety Bond Trust
Schedule of Transactions
For the Fiscal Year Ended June 30, 1961

Balance, July 1, 1960	$ 67,075.00
Add: Bonds received during the year	57,900.00
	124,975.00
Less: Bonds refunded during the year	52,050.00
Balance, June 30, 1961	$ 72,925.00

Schedule 2

NEVADA GAMING COMMISSION
Gambling Tax Revolving Fund
Schedule of Transactions
For the Fiscal Year Ended June 30, 1961

Balance, July 1, 1960	$11,480.37
Transfers into Revolving Fund	13,183.30
	24,663.67
Transfers to confidential Revolving Fund bank account	19,970.16
Balance, June 30, 1961	$ 4,693.51

Note: Because this statement is based on fiscal year transactions, calendar year transactions cannot be determined.

Schedule 3

NEVADA GAMING COMMISSION
Nevada Gaming Board Chairman "Confidential" Revolving Fund
Schedule of Bank Account Transactions
For the Fiscal Year Ended June 30, 1961

Balance, July 1, 1960	$ 1,511.27
Transfers from Revolving Fund	19,970.16
Refunds for advances	150.00
	21,631.43
Less: Expenditures "confidential"	19,690.43
Balance, June 30, 1961	$ 1,941.00

Note: Because this statement is prepared to reflect fiscal transactions, calendar year transactions cannot be determined therefrom.

Schedule 4

NEVADA GAMING COMMISSION
Schedule of Gaming Tax Refunds
For the Fiscal Year Ended June 30, 1961

Balance, July 1, 1961		-
Add: Transfers from Revenue account		$1,260.08
Less: Refunds of tax	$1,260.08	
Cancelled check - payee not located	10.41	1,249.67
Balance, June 30, 1961		$ 10.41

Schedule 5

NEVADA GAMING COMMISSION
County Table Tax Distributive Fund
Schedule of Receipts and Distribution
For the Fiscal Year Ended June 30, 1961

Balance, July 1, 1961		$ 88,065.13
Transferred into fund from table tax receipts		670,638.33
Total available for distribution		758,703.46
Distribution to counties:		
Churchill	$38,594.12	
Clark	38,594.12	
Douglas	38,594.12	
Elko	38,594.12	
Esmeralda	38,594.12	
Eureka	38,594.12	
Humboldt	38,594.12	
Lander	38,594.12	
Lincoln	38,594.12	
Lyon	38,594.12	
Mineral	38,594.12	
Nye	38,594.12	
Ormsby	38,594.12	
Pershing	38,594.12	
Storey	38,594.12	
Washoe	38,594.12	
White Pine	38,594.12	656,100.04
Balance, June 30, 1961		$102,603.42

Schedule 6

NEVADA GAMING COMMISSION
Schedule of Travel Expenditures
For the Fiscal Year Ended June 30, 1961

	Budget Request	Revised Work Pgm.	Final Revised Work Pgm.	Actual Expenditures
Out of State	$12,196.00	-	-	$ 3,297.94
In State	82,804.00	-	-	31,578.18
Repair and Maintenance				8,846.41
Total	$95,000.00	$95,000.00	$95,000.00	$43,722.53
Detail - Revised Work Program				
Car Travel				
Gas and Oil		$19,164.00		
Repair and Maintenance		10,479.00		
Rent and Parking		2,795.00		
In State Mileage		10,161.00		
Air Travel				
In State		13,590.00		
Out of State		8,635.00		
Subsistence				
In State		26,615.00		
Out of State		3,561.00		
Total		$95,000.00		

Schedule 7

NEVADA GAMING COMMISSION
Schedule of Operating Expenditures
For the Fiscal Year Ended June 30, 1961

	Budget Request	Revised Work Pgm.	Final Revised Work Pgm.	Actual Expenditures
Dues & Subscriptions	$ 145.00	$ 145.00		$ 212.67
Partitions	1,000.00	5,000.00		
Rent	13,860.00	20,700.00		21,051.25
Freight, Express & Postage	6,500.00	6,500.00		2,794.52
Printing	4,000.00	4,000.00		2,052.10
Utilities	3,600.00	3,600.00		-
Telephone & Telegraph	16,000.00	16,000.00		14,882.43
Insurance	2,500.00	2,500.00		1,841.19
Employee Benefits*	15,420.00	17,300.00		15,921.95
Repairs	1,000.00	1,000.00		-
Supplies	10,750.00	10,750.00		16,265.50
Hearings and Transcripts	15,000.00	15,000.00		
Contract Services	60,000.00	60,000.00		27,778.79
Miscellaneous	100.00	100.00		-
Investigation				34,312.05
Credit Ratings				314.49
Totals	$149,875.00	$162,595.00	$207,019.00	$137,426.94
* Detail of Employee Benefits				
Industrial Insurance		$ 2,465.00		$ 2,150.08
Retirement Payments		14,691.00		13,430.61
Personnel Assessments		144.00		341.26
		$ 17,300.00		$ 15,921.95

NEVADA GAMING COMMISSION
Schedule of Equipment Purchase
For the Fiscal Year Ended June 30, 1961

	Budget Request	Revised Work Pgm.	Final Revised Work Pgm.	Actual Expenditures
Adding Machines	$ 750.00	$ 1,250.00	$ 1,250.00	$ 1,326.80
Automobiles	14,250.00	24,000.00	24,000.00	21,683.77
Bookcases	2,000.00	2,000.00	500.00	89.87
Brief Case				31.50
Cabinets - Storage	100.00	225.00	225.00	442.75
Small			115.00	
Keg				89.00
Calculating Machines	900.00	900.00	1,800.00	945.00
Chairs - Conference	70.00	840.00	840.00	721.83
Executive		255.00	255.00	402.09
Steno		140.00	420.00	478.78
Arm		240.00	1,200.00	624.95
Folding				69.15
Costumer	75.00	100.00	100.00	
Credenza Unit				182.29
Desks - Executive	450.00	2,250.00	1,200.00	1,188.11
Steno	165.00	330.00	330.00	1,202.84
Desk Trays - Wood				275.31
Dice Micrometer and Caliper Set				65.45
Duplicating Equipment	1,600.00	1,600.00		841.40
Verifax			450.00	
Files - Cabinets	1,132.00	1,132.00		
Fingerprint	450.00			
Kardex	225.00	450.00	450.00	
Portable		50.00	150.00	
Four Drawer Locked		960.00	2,720.00	
Three Drawer Insulated				222.87
Two Drawer Legal				247.16
Four Drawer Legal				1,487.64
Five Drawer Legal			1,570.00	992.07
Card			99.00	241.73
Desk High Files	225.00	225.00	225.00	
First Aid Kits				148.42
Fire Extinguishers				49.14
Letter Trays			50.00	600.00
Microfilm Equipment			4,600.00	
Microfilm Recorder and Endorser				2,892.00
Microfilm Reader and Printer				1,351.00
Microphone Extension				31.68
Mimeograph	2,400.00	2,400.00	350.00	
Numbering Machines			45.00	
Office Valets				204.26
Paper Shredder				435.92
Parking Lot Sign				49.00
Partitions		3,039.00		
Metal Storage				550.00
Recording Machines	1,275.00	1,275.00	1,275.00	410.00
Safe		5,000.00	5,000.00	
Shelving Unit				192.00

Schedule 8
(Continued)

	Budget Request	Revised Work Pgm.	Final Revised Work Pgm.	Actual Expenditures
Stands - Audograph			$ 25.00	
Typewriter			138.00	
Machine				$ 95.24
Kardex				73.00
Statutes			200.00	
Tables - Conference	$ 300.00	$ 300.00	450.00	119.66
Telephone		200.00	200.00	
Small				497.05
Time Recorder			155.00	
Typewriters - Electric	2,370.00	2,370.00	2,370.00	2,074.50
Manual	424.00	424.00	1,272.00	2,597.05
Venetian Blinds	1,500.00			
Waiting Room Furniture			500.00	
Settees - 2 passenger				182.50
Wall Clocks			150.00	
Waste Baskets	45.00	45.00	90.00	3.67
Total	$30,706.00	$52,000.00	$54,769.00	$46,408.45

NEVADA GAMING COMMISSION AND GAMING CONTROL BOARD
Personnal by Job Title, Division and Annual Salaries Paid
from July 1, 1960 to June 30, 1961

Nevada Gaming Commission	Number of Positions	Job Code No.	Annual Salary
Commission Members ($25 per meeting)	5	U	3,175.00
Executive Secretary	1	U	10,416.60
Ass't. Executive Secretary	1	U	6,770.77
Sr. Tax Administrator	1	U	7,683.92
Posting & Fiscal Officer	1	U	2,608.22
Administrative Assistant	1	U	6,020.00
Administrative Assistant to F.O.	1	U	4,820.00
Research Assistant (½ days)	½	U	2,542.23
Sr. Clerk Typist	1	1.118	4,368.00
Sr. Clerk Steno. (½ days)	½	1.112	1,933.50
Janitor (Position eliminated 10/18/60)	1	U	733.74
Commission Total	14		$51,071.98
GAMING CONTROL BOARD			
Board Members	3	U	41,768.89
Investigations			
Chief	1	U	11,041.66
Agents	7	U	54,383.39
Enforcement			
Chief	1	U	9,716.66
Agents	5	U	37,287.12
Audit			
Chief	1	U	11,041.66
Agents	7	U	53,178.82
Clerical			
Office Manager	1	U	8,041.58
Acting Secty. of Board	1	U	5,260.30
Admin. Assistants	3	U	14,140.58
Clerk Typists	4	1.130	11,010.69
Clerk Steno.	1	1.127	2,294.26
Senior Clerk	1	1.115	2,299.84
Sr. Clerk Steno.	1	1.112	4,166.01
Prin. Clerk Typist	2	1.109	8,444.90
Board Total	39		$274,076.36
Commission Total	14		
Total Employees	53		
GRAND TOTAL - Salaries, both Agencies			$325,148.34

STATE OF NEVADA

BOARD OF ARCHITECTURE

AUDIT REPORT

For the Period July 1, 1961, to June 30, 1962

REPORT NO. 32

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

November 10, 1962

ALBERT E. CARTLIDGE
CERTIFIED PUBLIC ACCOUNTANT
PHONE FAIRVIEW 9-3496
SUITE 2
248 SOUTH SIERRA STREET
RENO, NEVADA

MBER AMERICAN INSTITUTE
TIFIED PUBLIC ACCOUNTANTS

MEMBER NEVADA SOCIETY
OF CERTIFIED PUBLIC ACCOUNTANTS

November 10, 1962

Nevada Legislative Commission
Capital Building
Carson City, Nevada

Gentlemen:

I have examined the records of the Nevada State Board of Architecture in accordance with Section 218.770, Nevada Revised Statutes, for the fiscal years ended June 30, 1961 and June 30, 1962. I have prepared the following exhibits in connection with my examination:

Statement of Financial Condition of the Nevada State Board of Architecture as of June 30, 1962	Exhibit A
Statement of Budgeted Revenues and Expenditures Compared to Actual of the Nevada State Board of Architecture for the fiscal year ended June 30, 1961	Exhibit B
Statement of Budgeted Revenues and Expenditures Compared to Actual of the Nevada State Board of Architecture for the fiscal year ended June 30, 1962	Exhibit C

FUNCTIONS OF AGENCY

The statutory authority for the Nevada State Board of Architecture is contained in Chapter 623, Nevada Revised Statutes. The purpose of the Nevada State Board of Architecture is to administer academic and technical examinations for certificates and registration under this Chapter, as well as to accept satisfactory evidence in lieu of all examinations as set forth in

Section 623.210, Nevada Revised Statutes. The Board may, by three concurring votes, revoke any certificate of registration to practice architecture issued or renewed under the provisions of this Chapter, if satisfactory proof is presented to the Board in certain cases set forth in Section 623.270, Nevada Revised Statutes. The Board consists of five members appointed by the Governor to hold office for a term of four years.

SCOPE OF EXAMINATION

My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and other auditing procedures as I considered necessary in the circumstances.

Internal control evaluation

The Board does not employ full time employees. Raymond Hellmann is presently Secretary-Treasurer of the Board. Mr. Hellmann's Secretary assists him in maintaining records and other files for the Board. Mr. Hellmann's Secretary is paid by the Board for her services. All funds were transferred to the State Treasury on June 5, 1961. Prior to that time, funds were held in the State Treasury and also in a commercial checking account at the First National Bank of Nevada.

Section 623.160, Nevada Revised Statutes, provides that all fees received by the Board Secretary shall be paid by him monthly into the State Treasury to the credit of the Nevada State Board of Architecture. Since June 5, 1961, the provisions of this Section have been complied with by the Board. Due to the lack of employees and the corresponding delegation of various duties in order to effect proper internal control, there is a lack of such control.

All monies received by the Board are deposited with the State Treasurer and dispersed through proper procedures, therefore, the lack of internal control within the Board itself is, in my opinion, insignificant.

Books and records

The Board's records are contained in a sectional post binder and consist of one cash journal. Receipts are entered in numerical order according to pre-numbered printed receipts issued to the payee. Receipts are also classified as license fees, examination fees, or treatise fees. Disbursements are entered in numerical order by claim number and classified as to salaries, travel, operating expenses and equipment purchases. My review of the records indicate that they are adequate for the Nevada State Board of Architecture.

In addition to the above, Section 218.810, Nevada Revised Statutes, specifically charges the Legislative Auditor with the responsibility of examining:

Efficiency of subordinate employees

There are no full time employees connected with the Nevada State Board of Architecture. The part time Secretary appeared to perform her services in a creditable manner. Records and files appeared to be adequately maintained. Correspondence and other forms used by the Nevada State Board of Architecture were prepared in a neat and orderly basis and, in accordance with the requirements of the State Treasurer, as well as other good business procedures.

Duplication of work with other departments

I found no evidence of duplication of the Board's work with that

performed by other departments in the State Government.

Status and condition of funds

Funds held by the State Treasurer for the Board of Architecture increased from $6,992.07 at July 1, 1960, to $10,703.68, as of June 30, 1962. Annual requirements of the Board have been approximately $3,800.00 to $4,200.00 during the past two years, therefore, there is a considerable surplus in the Board's funds held by the State Treasurer.

Possible non-compliance with Statutes for good business procedure

I found no evidence of lack of good business procedures by the members of the Board or their part-time Secretary in carrying on the duties of the Nevada State Board of Architecture during the fiscal year ended June 30, 1962.

Suggested changes and recommendations

The previous audit report prepared by the Legislative Auditor's office at the request of the Board and dated March 16, 1961, covered the period from July 1, 1957, to June 30, 1960. The Legislative Auditor's office encountered numerous difficulties in completing their audit. Adequate records were lacking and some bank statements, cancelled checks and invoices were missing in support of expenditures. Adequate receipts in support of disbursements from the petty cash fund were also lacking. In addition, the auditor made numerous comments on the Board's custody and disbursements of its funds, as well as budgets submitted to the Budget Director. Receipts and subsequent deposits of the receipts were also commented on. The Board also established a fee of $10.00 for examination in the field of seismic forces for those architects registered in states other than California when they apply for Nevada

registration. The auditor pointed out that there was no statutory provision for such a fee and suggested that the Board request the Attorney General's opinion on the legality of this fee charge, or Legislative action to amend the scheduled fees included in Chapter 623, Nevada Revised Statutes. The Board requested an opinion and the Attorney General's office issued Opinion 222 on June 6, 1961. The opinion stated that a fee of $35.00 should be charged for such examinations. The Board is now complying with this opinion. The audit report also included comments in connection with the position of Executive Secretary created by the Board at its meeting on October 24, 1959. Creation of this post in compliance with Section 623.135, Nevada Revised Statutes, was questioned. The auditor stated that the Executive Secretary could not do many things that would normally be associated with such a position, since the Secretary of the Board is required by law to perform the various duties. Raymond Hellmann, present Secretary-Treasurer of the Board is now performing the necessary duties set forth in Chapter 623, Nevada Revised Statutes. Equipment purchases were also made on two different occasions during the 1958 - 1959 fiscal year without regard for the requirements of the State Purchasing Act and Purchasing Department regulations.

I have carefully reviewed the present operations of the Board in connection with the various discrepancies and inadequacies noted in the previous audit report. I found that the Board's present operations are following much more closely good business procedures, as well as the various requirements of the Nevada Revised Statutes. My audit for the fiscal year ending June 30, 1961, did indicate similar lack of good business procedure during the first few

months of the fiscal year, however, the previous audit report was issued March 16, 1961, and in my opinion, the various recommendations contained in the report were followed and complied with as soon as possible after the report was issued. Records, files and other pertinent data maintained by the Board for the fiscal year ending June 30, 1962, are in good order. I encountered none of the difficulties mentioned by the previous Auditor during the course of my audit for the current fiscal year. Supporting documents for both receipts and disbursements were readily available and filed in good order. Equipment purchases were completed through proper channels and in compliance with the requirements of the State Purchasing Act and Purchasing Department regulations. Printing was done almost entirely by the State Printing Office. Very nominal purchases were made from commercial printing shops; however, I found no evidence of prior approval by the Superintendent of State Printing. I recommend that in the future, the Board secure all of their printing from the State Printing Office or request approval prior to securing printing from independent printing shops.

FINANCIAL STATEMENTS

Statement of Financial Condition of the Nevada State Board of Architecture as of June 30, 1962 - Exhibit A

Cash on deposit in the State Treasury amounted to $10,703.68 as of June 30, 1962. I received confirmation of the balance from Keith L. Lee, State Controller, as of June 30, 1962, and June 30, 1961.

The petty cash fund totaling $15.00, was not independently counted. I reviewed various reimbursements to the fund during the year under review.

The fund w ; established on June 30, 1961, by a withdrawal from funds held by the State Treasurer. It is maintained as a revolving type of petty cash fund and, in my opinion, is handled properly by the Board's Secretary, as well as the part-time secretary. There is presently no statutory authority for the petty cash fund. I recommend that Chapter 623, Nevada Revised Statutes, be amended to include provision for establishing a cash fund , if the Board feels that such a fund is necessary.

The Board purchased a Thermofax Duplicating Machine from the Nevada State Purchasing Agent for $359.00 during the year under review. Budget provision for the purchase was $400.00. An inventory of office equipment was also prepared by the Board's Secretary and furnished to the Nevada State Purchasing Department on May 23, 1962. Equipment is reflected on the Statement of Financial Condition at a nominal value of $1.00, since the inventory of office fixtures is the responsibility of the Department of Purchasing.

The Board had no outstanding liabilities as of June 30, 1962.

Unappropriated surplus increased from $6,993.07 as of July 1, 1960, to $10,719.68 at June 30, 1962. The increase amounted to $3,726.61 and represented the excess of revenues over expenditures for the fiscal year ended June 30, 1961, of $2,223.63 as set forth in Exhibit B and $1,502.98 for the year ended June 30, 1962, as set forth in Exhibit C.

The previous audit report did not include a Statement of Financial Condition reflecting unappropriated surplus as of June 30, 1960; however, the report did include a Cash Recapitulation and Reconcilement Exhibit. Balances received by the present Secretary-Treasurer according to the Exhibit,

totaled $6,989.34, whereas the unappropriated surplus balance, according to the enclosed Statement of Financial Condition, was $6,993.07, as of July 1, 1960. The difference of $3.73, consisted of the nonimal value of $1.00 reflected in the enclosed Statement of Financial Condition for office furniture and equipment and check number 358 for $2.00 and check number 359 for 73¢. The two checks were deducted in arriving at the balances received by the present Secretary-Treasurer according to Cash Recapitulation and Reconcilement Exhibit in the previous audit report. Both checks were written August 2, 1960 and, therefore, have been included as expenses in the period under review.

Revenues and expenditures compared with actual for the Nevada State Board of Architecture for the year ended June 30, 1961 - Exhibit B

There were significant differences between budgeted items and actual expenditures for the fiscal year ended June 30, 1961. The previous audit report pointed out that it was quite certain that the 1960-1961 authorization would be considerably short of the Board's needs. The report also pointed out that the funds were on hand to meet the Board's requirements; however, they could not be legally spent without budgetary authority. I found no evidence of a request to the Budget Director for an additional allowance in accordance with authority given him by Section 3 of Chapter 412, Nevada Revised Statutes. The State Budget Director's office informed me that a budget was not filed in time to be included in the Governor's Budget Report to the State Legislature, therefore, an arbitrary budget was submitted to the Governor by the Budget Director in the amount of $2,654.00 or the same

amount as was approved for the fiscal year ended June 30, 1960. Section 353.210, Nevada Revised Statutes, requires all agencies and departments of the State Government to submit estimates of expenditures in even numbered years. The Board was not in compliance with this Section of the Nevada Revised Statutes, for the fiscal year ended June 30, 1961, nor did the Board secure authority to expend funds in excess of $2,654.00 for the fiscal year. A total of $3,846.37 was expended during the fiscal year ended June 30, 1961, or $1,192.37 more than was authorized by the State Legislature.

Estimated revenues for the fiscal year were $4,000.00, whereas, the actual revenues total $6,070.00, an increase of $2,070.00. In other words, ample funds were available from revenue during the year under review, to pay all expenses of the Nevada State Board of Architecture, and their request to the Budget Director for an additional allowance would have clarified the situation and enabled the Board to comply with the requirements of the Nevada Revised Statutes.

Revenues and expenditures compared with actual for the Nevada State Board of Architecture for the year ended June 30, 1962 - Exhibit C

The previous audit report stated that no budget had been submitted for the 1961-1962 period and that the Budget Director had again resorted to an arbitrary provision of $2,654.00 for that period. Subsequent to the audit report, a budget was submitted and approved providing for expenditures of $5,350.00. Exhibit C reflects actual expenditures of $4,227.02, or $1,122.98 less than the budgeted expenditures. Freight and postage was budgeted for $500.00, whereas, the actual expenditure amounted to only $97.17. The previous

year's expenditure for freight and postage was $145.83, therefore, I feel that the budgeted expenditure of $500.00 was in excess of the needs of the Board. Printing was budgeted at $500.00, whereas the actual expenditure was $228.29. Here again, the previous year's expenditure was only $66.85, therefore, the $500.00 budgeted item was in excess of the Board's needs. Examination expense amounted to $374.00 for the previous year, therefore, a budgeted item of $500.00 did not seem excessive. However, the actual expenditure amounted to only $119.50. Actual revenues exceeded budgeted revenues by $505.00. License fees received were $450.00 more than estimated, and examination and treatise fees were $55.00 more than estimated.

OPINION

I have examined the Statement of Financial Condition of the Nevada State Board of Architecture as of June 30, 1962 and the related Statements of Revenue and Expenditures for the years ended June 30, 1961 and June 30, 1962. My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying Statement of Financial Condition and Statements of Revenue and Expenditures present fairly the financial position of the Nevada State Board of Architecture as of June 30, 1962, and the result of its operations, for the years ended June 30, 1961, and June 30, 1962, in conformity with generally accepted accounting principles.

Sincerely,



NEVADA STATE BOARD OF ARCHITECTURE
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1962

EXHIBIT A

Assets		
Cash on deposit in State Treasury	$ 10,703.68	
Petty cash fund	15.00	
Office furniture and equipment	1.00	$ 10,719.68
Liabilities		
None		-
Unappropriated surplus		10,719.68

Represented by:

Balance, July 1, 1960	6,993.07
Add:	
Excess of revenues over expenditures for the year ended June 30, 1961 - Exhibit B	2,223.63
Excess of revenues over expenditures for the year ended June 30, 1962 - Exhibit C	1,502.98
Balance, June 30, 1962	10,719.68

NEVADA STATE BOARD OF ARCHITECTURE — EXHIBIT B

STATEMENT OF BUDGETED REVENUES AND EXPENDITURES COMPARED WITH ACTUAL

FOR THE YEAR ENDED JUNE 30, 1961

	Budgeted	Actual	Difference
Revenues			
License fees	$ 3,000.00	$ 4,950.00	$ 1,950.00
Examination and treatises fee	1,000.00	1,120.00	120.00
	4,000.00	6,070.00	2,070.00
Expenditures			
Salaries	700.00	1,353.30	(653.30)
Travel:			
Out of state	260.00	439.24	(179.24)
In state	350.00	1,003.04	(653.04)
Operating expense:			
Rental	300.00	-	300.00
Freight and postage	75.00	145.83	(70.83)
Printing	350.00	66.85	283.15
Office supplies	75.00	188.64	(113.64)
Telephone and telegraph	100.00	171.47	(71.47)
Dues	150.00	100.00	50.00
Examination grading expense	294.00	374.00	(80.00)
Bank charges	-	4.00	(4.00)
	2,654.00	3,846.37	(1,192.37)
Excess of revenues over expenditures	1,346.00	2,223.63	877.63

NEVADA STATE BOARD OF ARCHITECTURE — EXHIBIT C

STATEMENT OF BUDGETED REVENUES AND EXPENDITURES COMPARED WITH ACTUAL

FOR THE YEAR ENDED JUNE 30, 1962

	Budgeted	Actual	Difference
Revenues			
License fees	$ 4,375.00	$ 4,825.00	$(450.00)
Examination and treatise fees	850.00	905.00	(55.00)
	5,225.00	5,730.00	(505.00)
Expenditures			
Salaries	1,610.00	1,610.00	-
Travel:			
Out of state	455.00	382.10	72.90
In state	785.00	638.25	146.75
Operating expense:			
Rental	-	90.76	(90.76)
Freight and postage	500.00	97.17	402.83
Printing	500.00	228.29	271.71
Office supplies	200.00	245.07	(45.07)
Telephone and telegraph	300.00	314.38	(14.38)
Office equipment repair	-	52.50	(52.50)
Dues	100.00	90.00	10.00
Examination grading expense	500.00	119.50	380.50
Equipment	400.00	359.00	41.00
	5,350.00	4,227.02	1,122.98
Excess of revenues over expenditures	(125.00)	1,502.98	(1,627.98)

STATE OF NEVADA

ATHLETIC COMMISSION

AUDIT REPORT

For the Period July 1, 1960, to June 30, 1961

REPORT NO. 33

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

July 26, 1962

July 26, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, I have examined the accounts and records of the Nevada State Athletic Commission for the fiscal year ended June 30, 1961, and have prepared therefrom the following exhibits and related schedules:

Statement of Cash Receipts and Disbursements and Fund Balances - July 1, 1960, to June 30, 1961 - Exhibit A

Statement of Budgeted Revenues and Expenditures Compared to Actual - July 1, 1960, to June 30, 1961 - Exhibit B

FUNCTIONS OF AGENCY

The function of the Nevada State Athletic Commission is to administer the provisions of Chapter 467 of the Nevada Revised Statutes pertaining to boxing and wrestling in the State of Nevada.

SCOPE OF EXAMINATION

General

My examination was made in accordance with generally accepted auditing standards, but did not make a detailed check of all records pertaining to the commission as some of the records such as license books and club reports were not available for audit. There had been a change in the office of Secretary-Treasurer during this period and some of the records were lost. In my opinion, all funds pertaining to the records made available for audit have been accounted for during this period. However, some of the receipts received for this period were not deposited in the State Treasury until after the end of the period. According to NRS 353.250, all funds received by the Secretary-Treasurer are to be deposited in the State Treasury no later than the first Monday of the following month in which the funds are received.

Internal Control Evaluation

There is poor internal control as to receiving and depositing cash receipts. This is usually the case where the operation is so small.

Books and Records

The books and records are comprised of a single entry cash receipts and dis-

bursements book that does not allow for a distribution to the various classified accounts. A new system has been started to show this distribution.

Status and Condition of Funds

There was an increase of funds on hand in the amount of $2,007.25 from July 1, 1960, to June 30, 1961.

Expenditures of funds as compared with the budget shows that the amount of expenditures for salaries exceeded the budget in the amount of $1,999.00. However, the total amount budgeted exceeded the actual expenditures during this period in the amount of $1,025.61.

Possible Non-compliance

The amount expended has not been kept in line with the amounts budgeted as mentioned above under "Status and Condition of Funds."

The law requires that a report be filed with the Governor of the State of Nevada each year for year ending December 31, and to be filed by January 31 of the following year. No copy of such a report was made available.

The law requires that printing must be done by the State Printer's Office unless permission is given by that office to have the printing done elsewhere. Claims presented for payment did not have such permission.

Permission for out of state travel must be given by the Board of Examiners. Claims audited did not show that such permission had been received.

Suggested Changes and Recommendations

It is suggested that cash deposits be made more promptly if possible, and that more detail regarding these deposits should be entered in the books.

It was suggested that a distribution type of cash receipts and disbursements journal be maintained. I believe that this has been done.

It is suggested that the law be changed to cover salaries for commission business.

FINANCIAL STATEMENTS

Statement of Cash Receipts and Disbursements of Nevada Athletic Commission - Exhibit A

This statement reflects the cash receipts actually deposited with the State Treasurer during this period and does not reflect any cash received but not deposited for the period. There is no breakdown as to classification of receipts as the records were not adequate to obtain this information.

The cash disbursements are classified and listed in detail on this exhibit.

Statement of Budgeted Revenues and Expenditures of Nevada Athletic Commission - Exhibit B

This statement shows that considerable more has been expended for salaries than

the amount set forth in the budget. However, the total amount expended is less than the total amount budgeted.

OPINION

I have examined the statement of financial condition of the funds of the Nevada State Athletic Commission as of June 30, 1961, and the related statements of revenue and expenditures for the year ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests of accounting records made available for audit, and other procedures deemed necessary.

In my opinion, the accompanying statements of cash receipts and disbursements reflect fairly the operations for the year ended June 30, 1961, and show the financial condition of the Commission on that date.

Very truly yours,

Murland E. Newbold

MEN/jkh

Exhibit A

Statement of Cash Receipts and Disbursements
and Fund Balances
July 1, 1960, to June 30, 1961

Balance of Cash on Hand July 1, 1960		$ 2,701.99
Cash Receipts		
Taxes and Licenses		7,631.64
Total Available		$10,333.63
Cash Disbursements		
Salaries	$2,349.00	
Travel In State	1,789.79	
Travel Out of State	640.00	
Printing	394.28	
Freight and Postage	17.30	
Telephone	277.86	
Dues and Subscriptions	17.00	
Special Secretarial Services	39.90	
Refund State Tax	33.16	
Office Supplies	11.50	
Returned Check	10.00	
Miscellaneous	44.60	5,624.39
Balance of Cash on Hand June 30, 1961		$ 4,709.24

Exhibit B

Statement of Budgeted Revenues and Expenditures
Compared to Actual for Year
July 1, 1960, to June 30, 1961

	Budgeted	Actual
Salaries	$ 350.00	$2,349.00
Travel	4,000.00	2,429.79
Operating	2,000.00	845.60
Equipment	300.00	-
	$6,650.00	$5,624.39

STATE OF NEVADA

BOARD OF OSTEOPATHY

AUDIT REPORT

For the Period July 1, 1960, to June 30, 1961

REPORT NO. 34

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

August 7, 1962

Carlos B. Brown
CERTIFIED PUBLIC ACCOUNTANT

421 COURT STREET
POST OFFICE BOX 17
RENO, NEVADA
FAIRVIEW 3 8681

August 7, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, we have examined the accounts and records of the State Board of Osteopathy, State of Nevada, for the year ended June 30, 1961, and have prepared therefrom, the attached Statement of Revenues and Expenditures for the fiscal year then ended.

FUNCTIONS OF THE AGENCY

The State Board of Osteopathy, State of Nevada, has the authority to issue, refuse to issue, renew, suspend and revoke licenses to practice osteopathy and surgery in the State of Nevada. Chapter 633, Nevada Revised Statutes, is the statutory authority for the Board's existence.

SCOPE OF EXAMINATION

General

Our examination was made in accordance with generally accepted auditing standards for organizations on a cash basis. We made a detailed examination of all recorded financial transactions since no books of account were maintained and since the number of transactions was small.

Internal Control Evaluation

The Secretary-Treasurer of the Board prepares all checks for expenditures of Board funds, submits notices of license renewals due, and receives and deposits cash for license applications and renewals. Signatures of two of the three Board members are required on checks drawn on the First National Bank of Nevada - Minden Branch. Only the signature of John H. Pasek, D.O., Secretary-Treasurer, is required on checks drawn on the Security National Bank of Reno.

The internal control of the Board could be improved by recording all receipts and disbursements in detail in a journal. The maintenance of individual subsidiary records for license holders would help insure the collection

of license renewal fees or provide the basis for suspension of licenses for non-payment. The practice of giving pre-numbered receipts to individuals remitting license renewal fees would help insure the proper handling of these funds. We understand that this is being done for the 1961-62 fiscal year.

We also recommend that a new signature card for the commercial checking account at the Security National Bank of Reno be filed, requiring two of the three Board members' signatures instead of the one signature required at the present time.

NRS 353.250 states that every state office, department or commission which receives moneys of the State of Nevada or for its use shall pay into the State Treasury on the first Monday of each month all moneys received, together with a complete itemized statement covering all financial transactions during the month. We could find no specific authorization for these deposits to be made in commercial bank accounts, nor were the moneys deposited on the first Monday of each month.

Books and Records

The Board maintains two commercial checking accounts and a savings account. The Board's financial records consist of duplicate deposit slips of deposits to these accounts and check stubs, bank statements, cancelled checks and vouchers in support of disbursements from these accounts. A register listing each license holder, his license number, date issued and last known address is also maintained by the Board. The present books and records are inadequate and we suggest that changes be made in conformity with the section of this report entitled "Suggested Changes and Recommendations".

In several instances, there were no vendors invoices or statements, or signed expense vouchers to support the expenditure of the Board's funds. We satisfied ourselves that all such items were within the statutory provisions of NRS 633.030(3), which states that "all money derived from fees shall be used to defray the expenses of the Board." It is recommended that documentary evidence in the form of vendors' invoices, statements, receipts or signed expense vouchers be on file with the Board before claims are paid.

Receipts were not issued for license renewal fees received during the 1960-61 fiscal year. These license renewal fees, which were authorized for the first time by an amendment to NRS 633.110, approved on March 31, 1961, would not be due from the license holders until on or before February 1, 1962. Pre-numbered receipts were being issued by the Board in the 1961-62 fiscal year for such payments received.

Efficiency of Subordinate Employees

The Board did not employ any subordinate employees during the 1960-61 fiscal year.

Duplication of Work With Other Departments

No duplication of work between the Board and other departments was observed during the course of our examination.

Status and Condition of Funds

Adequate balances are maintained in the two commercial checking accounts to insure payment of normal and ordinary claims. The savings account maintained by the Board has not been disturbed since June 25, 1956, except for semi-annual interest increments.

As stated previously under "Internal Control Evaluation", we could find no specific authorization for these funds to be deposited in commercial bank accounts.

Non-Compliance with Statutes or Good Business Practice

1. Estimate of expenditure requirements and work programs for the 1960-61 and 1961-62 fiscal years were not submitted to the Director of the Budget as required by NRS 353.210 and NRS 353.215 respectively.

The General Authorization Act, Chapter 262, Section 1 of the Nevada Statutes passed at the Fiftieth Session of the Legislature in 1960, authorized the expenditure of $242.00 by the State Board of Osteopathy for the 1960-61 fiscal year. The Board actually expended $761.49 in this fiscal year, which was $519.49 in excess of the amount authorized. During the year, the Board did not submit revised work programs to the Governor through the Director of the Budget, with a request for revision of the allotments of the remaining quarters of that fiscal year as required by NRS 353.220, and by the 1960 General Authorization Act, Chapter 262, Section 3.

2. Form LA-1, "Summary of Receipts from Other Sources, Transfers Between Funds and Disbursements for the Fiscal Year Ended June 30, 1961", was found to be incorrect as submitted to the Legislative Auditor. NRS218.800 requires that this statement shall show the true financial condition of the agency and a correct statement of funds received and expended.

3. As previously mentioned in this report in the section on "Books and Records", we could not find, in several instances, the vendors' invoices, statements or signed vouchers to support the expenditure of funds as required by NRS 218.800 (2)(d).

4. There is no specific authorization for members of the Board to receive travel reimbursement and to be paid such reimbursement from Board funds. NRS 218.160 provides that "When any district judge, state officer, commissioner---shall be entitled to receive his expenses in the transaction of public business --- such person shall be paid up to $15 for each 24 hour period---. Such person may also receive an allowance for transportation----."

State officers and employees are entitled to receive their expenses in the transaction of public business when there is specific authority for travel reimbursement in the law creating a state department of agency. In this situation, it appears that the members of the Board may not receive any travel reimbursement whatsoever while attending Board meetings or while engaged in official business of the Board.

5. Expense vouchers for travel expense were not submitted, but, rather, the Board members advised the Secretary orally the amount due them for travel. We were advised by the Secretary-Treasurer that the travel expense represented reimbursement for air travel expense to Board meetings only. Itemized vouchers should be presented to the Board before payment.

6. We can find no specific authorization for the funds of the Board to be deposited in commercial bank accounts. NRS 353.250 requires that "every state officer, department or commission which receives or which may receive any moneys of the State of Nevada or for its use or benefit shall pay into the State Treasury --- all moneys received ---". Since Chapter 633 of NRS is silent on where the Board's money is deposited, the general law is applicable. The bank account at the Security National Bank of Reno requires the signature of only one Board member while the other two accounts require two of three signatures.

7. The funds of the Board were not deposited regularly on the first Monday of each month as provided in NRS 353.250.

8. Statements covering the records of the Board have not been filed annually, with the Secretary of State as provided by NRS 633.040 (2).

Suggested Changes and Recommendations

The following is a summary of recommendations some of which have been made in other sections of this report. We wish to summarize them at this point, together with other suggestions:

1. Keeping of Cash Journals - We recommend that a cash receipts and disbursements journal be used by the Board to record financial transactions. We believe that a simple journal of this nature in which the cash received from license applications and renewals and funds expended for Board purposes could be recorded in detail would be of value in assisting the Secretary-treasurer in carrying out the functions of his office more effectively and to more adequately insure that the funds are properly accounted for.

2. Keeping of Subsidiary Records - We recommend that detailed subsidiary records be maintained for license holders. An amendment to NRS 633.110, requiring the annual payment of a license renewal fee on or before February 1 of each year makes it important that accurate records be maintained in order that the Board may readily determine which license holders are current and

which ones are delinquent in paying their license renewal fees.

3. Bank Accounts - We recommend that the three bank accounts be terminated and that the funds of the Board be deposited in the State Treasury as required by NRS 353.250. If, eventually, the Board is authorized by law to use the services of commercial banks, then one checking account is sufficient, and should require the signature of two of the three Board members in order to make withdrawals.

4. Documentary Evidence of Expense Vouchers - We recommend that documentary evidence in the form of receipts, invoices, statements or signed expense vouchers be on file with the Board before claims are paid as required by NRS 218.800 (2)(d).

5. Estimated Expenditures - We recommend that the Secretary-Treasurer of the Board be given assistance in the preparation of estimates of expenditure requirements and work programs for the forthcoming fiscal year, so that the Board can comply with the law regarding the filing of this information as required by NRS 353.210 and NRS 353.215.

6. Revision of Work Programs and Allotments - We recommend that in the future, the Secretary-Treasurer of the Board ask for assistance in the preparation of revisions of work programs and allotments, if the need should arise, as required by NRS 353.220.

7. Preparation of Form LA-1 - We recommend that the Secretary-Treasurer of the Board be given assistance in the preparation of Form LA-1, "Summary of Receipts From Other Sources, Transfers Between Funds and Disbursements" for future fiscal years so that the Board will be in compliance with NRS 218.800 which requires that this statement shall show the true financial condition of the agency and a correct statement of funds received and expended.

8. Depositing of Receipts - It is recommended that the moneys be deposited by the first Monday of each month as required by NRS 353.250, and a complete itemized statement of each deposit be maintained.

9. Travel Reimbursement - It is recommended that the members of the Board accept no travel reimbursement for attendance at Board meetings until the law is amended to authorize such reimbursement, and that the 1963 Session of the Nevada Legislature specifically authorize such travel reimbursement to Board members while attending meetings or while engaged in official business of the Board.

10. Filing of Annual Reports - It is recommended that the Board file statements covering the records of the Board annually with the Secretary of State as required by NRS 633.040 (2).

STATEMENT OF REVENUES AND EXPENDITURES

The $242.00 budgeted expenditure for the fiscal year ended June 30, 1961, was authorized by the 1960 General Authorization Act. As previously mentioned in this report, the actual expenditure of $761.49 exceeded the amount authorized by $519.49. The Board did not submit revised work programs to augment the authorized expenditures as required by NRS 353.220. Although the Board received more than an adequate amount of revenue from license application and renewal fees to provide for the increase in the authorized amount expended, it must still follow the prescibed statutes by having revisions in expenditures approved by the Governor through the Director of the Budget.

The savings account at the Union Federal Savings and Loan Association, Reno, had a balance of $1,995.06 at June 30, 1961. The money in this account was transferred from the commercial checking account a number of years ago, as there was no need for it at that time to meet the operating expenses of the Board. It earns interest at the rate of 4-1/4%, compounded semi-annually.

OPINION

We have examined the Statement of Revenues and Expenditures for the operating fund of the State Board of Osteopathy, State of Nevada, for the year ended June 30, 1961. Our examination was made in accordance with generally accepted auditing standards for records maintained on a cash basis, and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Statement of Revenues and Expenditures, presents fairly the financial position of the operating fund of the State Board of Osteoapthy, State of Nevada, as of June 30, 1961, and the results of its operations for the year then ended in conformity with generally accepted accounting principles reflecting financial transactions on a cash basis.

Yours very truly,

Carlos B. Brown

STATE BOARD OF OSTEOPATHY

STATE OF NEVADA

Statement of Revenues and Expenditures - Operating Fund

For the Fiscal Year Ended June 30, 1961

	BUDGETED	ACTUAL
Revenues		
Osteopathic licenses		
Applications		$ 900.00
Annual registrations		125.00
		1,025.00
Interest on savings account		82.13
Total revenues		1,107.13
Expenditures		
Compensation of board members		200.00
Travel - in state		165.71
Operating expense		
Freight and postage		35.48
Printing - stationery		59.67
Office supplies		.63
Legal fee		200.00
License application fee refunded		100.00
Total operating expense		395.78
Unallocated	$242.00	
Total expenditures	242.00	761.49
Excess of revenue over expenditures	$ -0-	345.64
Add: Balance in operating fund, July 1, 1960		
The Security National Bank of Reno		349.11
Union Federal Savings and Loan Association - Reno		1,912.93
Office furniture and equipment (Note)		1.00
Operating fund balance, July 1, 1960		2,263.04
Operating fund balance, June 30, 1961		$2,608.68
Accounted for as follows:		
The Security National Bank of Reno		$ 487.62
First National Bank of Nevada - Minden Branch		125.00
Union Federal Savings and Loan Association - Reno		1,995.06
Office furniture and equipment (Note)		1.00
Operating fund balance, June 30, 1961		$2,608.68

NOTE: The value of office furniture and equipment is reflected at the nominal sum of $1.00 since the inventory of such property is the responsibility of the Department of Purchasing, State of Nevada.

STATE OF NEVADA

NEVADA STATE BOARD OF COSMETOLOGY

AUDIT REPORT

For the Period July 1, 1961 to June 30, 1962

REPORT NO. 35

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

December 3, 1962

December 3, 1962

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, I have examined the accounts and records of the Nevada State Board of Cosmetology for the fiscal year ended June 30, 1962, and have prepared therefrom the following exhibits and related schedules:

Balance Sheet as of June 30, 1962	Exhibit A
Statement of Cash Receipts and Disbursements and Fund Balances - July 1, 1961 to June 30, 1962	Exhibit B
Statement of Budgeted Revenues and Expenditures Compared to Actual - July 1, 1961 to June 30, 1962	Exhibit C
Bank Reconciliation as of June 30, 1962	Schedule 1

FUNCTIONS OF AGENCY

The function of the Nevada State Board of Cosmetology is to administer the provisions of Chapter 644, Nevada Revised Statutes, pertaining to licensing and regulation of hairdressers, cosmeticians, electrologists and manicurists in the State of Nevada.

SCOPE OF EXAMINATION

General

My examination was made in accordance with generally accepted auditing standards. An examination of all licenses and fees was not made, but sufficient sample checks were made on these items to assure that all had been properly accounted for and entered. All checks and bank statements were examined and endorsements were checked on items for which no invoices were available for audit.

Internal Control Evaluation

The internal control as to receiving and depositing cash receipts is not good because the operation is small and most of this work is done by one person.

Books and Records

The books and records are comprised of a single entry cash receipt and disbursement journal that does allow for a limited distribution to the various classified accounts.

Status and Condition of Fund

The fund has a good cash balance on hand in the amount of $11,522.72 as of June 30, 1962, which is an increase over the balance on hand as of June 30, 1961, in the amount of $3,829.69. There were just a few outstanding bills against this account that were unpaid as of that date.

Possible Non-compliance

The amount expended has not been kept in line with the amount budgeted as reflected in Exhibit C, "Statement of Budgeted Revenue and Expenditures." The amount budgeted for this period was $12,100.00, whereas, the amount actually expended was in the amount of $14,560.81, or an overexpenditure of $2,460.81.

The employees of the Board are not covered by the Public Employees Retirement System. It is evident from the amount of salaries paid that some of the employees should be covered.

Hiring of employees has not been done through the State Department of Personnel.

Suggested Changes and Recommendations

1. It is suggested that a more detailed distribution-type of cash receipts and disbursements journal be maintained.

2. It is suggested that steps be taken to place employees under the Public Employees Retirement System, as required by law.

3. It is suggested that the cash account be transferred to the State Treasury, as required by Sec. 353.250, Nevada Revised Statutes.

4. It is suggested that certain sections of the statutes pertaining to the Nevada State Board of Cosmetology be changed in order to avoid conflict with general law. Portions of the law pertaining to travel, hiring of personnel, salary rates, setting up change funds, etc., should be clarified.

FINANCIAL STATEMENTS

Balance Sheet
Nevada State Board of Cosmetology
Exhibit A

This statement reflects the assets and liabilities of the Board, as of June 30, 1962.

Statement of Cash Receipts and Disbursements
Nevada State Board of Cosmetology
Exhibit B

This statement reflects the cash receipts deposited with the First National Bank of Nevada, Reno, Nevada, during this period from funds received for licenses, fees, etc., during the period July 1, 1961 to June 30, 1962.

It also shows the classified cash disbursements during this same period.

Statement of Budgeted Revenues and Expenditures
Nevada State Board of Cosmetology
Exhibit C

This statement shows that more money was expended during the period than was budgeted.

Bank Reconciliation
Nevada State Board of Cosmetology
Schedule 1

This statement is the bank reconciliation as of June 30, 1962.

OPINION

I have examined the financial condition of the Nevada State Board of Cosmetology as of June 30, 1962, and the related statement of revenue and expenditures for the year ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests of accounting records made available for audit, and otherprocedures deemed necessary.

In my opinion, the balance sheet, together with other schedules and exhibits reflect a sound financial condition and a true reflection of the



Reno, Nevada
December 3, 1962

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit A

Balance Sheet
June 30, 1962

Assets	
Cash In Bank	11,522.72
Cash On Hand	25.00
Equipment	1.00
	11,548.72
Liabilities	
Accounts Payable	502.17
Fund Equity	11,046.55
	11,548.72

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit B

Statement of Cash Receipts and Disbursements
And Fund Balances
July 1, 1961 to June 30, 1962

Balance of Cash In Bank July 1, 1961		7,693.02
Cash Receipts		
Licenses, fees, etc.		18,390.50
Total Available		26,083.53
Cash Disbursements		
Salaries	8,370.00	
Office Rent	300.00	
Printing	1,091.25	
Telephone	898.60	
Supplies	88.22	
Postage and Freight	203.00	
Travel In State	1,883.11	
Travel Out of State	1,307.84	
Refunds	120.50	
Rentals for Examinations	199.50	
Court Reporter	37.95	
Industrial Insurance	25.84	
Bond Premium	10.00	
Association Dues	25.00	14,560.81
Cash In Bank June 30, 1962		11,522.72

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit C

Statement of Budgeted Revenues and Expenditures Compared to Actual for Year July 1, 1961 to June 30, 1962

	Budgeted	Actual
Salaries	7,500.00	8,370.00
Travel	1,500.00	3,190.95
Operating	3,000.00	2,999.86
Equipment	100.00	
	12,100.00	14,560.81

Nevada State Board of Cosmetology
Reno, Nevada

Schedule 1

Bank Reconciliation
June 30, 1962

Balance as per Bank Statement June 30, 1962			12,811.62
Less outstanding checks:	No. 2613	3.00	
	No. 2762	8.80	
	No. 2765	200.90	
	No. 2766	213.60	
	No. 2768	184.50	
	No. 2769	10.00	
	No. 2770	92.95	
	No. 2771	151.70	
	No. 2788	423.45	1,288.90
Balance as per books June 30, 1962			11,522.72

STATE OF NEVADA

TAX COMMISSION

AUDIT REPORT

For the Period July 1, 1960, to June 30, 1961

REPORT NO. 36

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

January 2, 1963

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

January 2, 1963

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of NRS 218.770, we have examined the accounts and records of the Nevada Tax Commission for the fiscal years ended June 30, 1961, and June 30, 1962, and have prepared therefrom the following exhibits and schedules:

Statement of Budgeted Revenue and Expenditures compared to Actual, Nevada Tax Commission Administrative Fund, for the fiscal years ended June 30, 1961 and 1962 — Exhibit A

Summary of Revenue and Expenditures by Functional Classification, Nevada Tax Commission Administrative Fund for the fiscal year ended June 30, 1961 — Schedule A-1

Summary of Revenue and Expenditures by Functional Classification, Nevada Tax Commission Administrative Fund, for the fiscal year ended June 30, 1962 — Schedule A-2

Schedule of Correct Appropriations and Reversions Compared to Actual, Motor Fuels Tax Administration for the fiscal years ended June 30, 1961 and 1962 — Schedule A-3

Schedule of Collection Costs in Relation to Tax Collections, Nevada Tax Commission, for the fiscal year ended June 30, 1962 — Schedule A-4

Statement of Revenue and Distributions, Cigarette Tax Fund for the fiscal years ended June 30, 1961 and 1962 — Exhibit B

Schedule of City and Combined County Distributions, Cigarette Tax Fund, for the fiscal year ended June 30, 1962 — Schedule B-1

Statement of Receipts and Expenditures, City and County Cigarette Tax Apportionment Fund, for the fiscal year ended June 30, 1962 — Exhibit C

Statement of Receipts and Expenditures, County Cigarette Tax Apportionment Fund, for the fiscal years ended June 30, 1961 and 1962 — Exhibit D

Statement of Receipts and Expenditures, Cigarette Tax Refund

Account, for the fiscal years ended June 30, 1961 and 1962	Exhibit E
Statement of Revenue and Distribution, Liquor Tax Fund, for the fiscal years ended June 30, 1961 and 1962	Exhibit F
Statement of Receipts and Expenditures, Liquor Tax Refund Account for the fiscal year ended June 30, 1962	Exhibit G
Statement of Revenue and Distributions, Motor Fuels Tax Suspense Account, for the fiscal years ended June 30, 1961 and 1962	Exhibit H
Statement of Receipts and Expenditures, Combined County Gas Tax Funds, for the fiscal years ended June 30, 1961 and 1962	Exhibit I
Statement of Receipts and Expenditures, Combined Gas Tax Refund Account, for the fiscal years ended June 30, 1961 and 1962	Exhibit J
Statement of Receipts and Expenditures, Aviation Fuel Tax Refund Account, for the fiscal years ended June 30, 1961 and 1962	Exhibit K
Statement of Receipts and Expenditures, State Airport Fund, for the fiscal years ended June 30, 1961 and 1962	Exhibit L
Statement of Receipts and Distributions, Motor Fuels Tax Division Administrative Fund, for the fiscal years ended June 30, 1961 and 1962	Exhibit M
Statement of Revenue Collected and Transferred to State Treasury, Sales and Use Tax Division Collection Bank Account, for the fiscal years ended June 30, 1961 and 1962	Exhibit N
Summary of Uncollected Returned Checks, Sales and Use Tax Division Collection Bank Account, June 30, 1962	Schedule N-1
Statement of Revenue and Distributions, Sales Tax Fund, for the fiscal years ended June 30, 1961 and 1962	Exhibit O
Statement of Receipts and Expenditures, Sales and Use Tax Refund Account, for the fiscal years ended June 30, 1961 and 1962	Exhibit P
Statement of Receipts and Expenditures, Sales Tax Cash Bond Trust Fund, for the fiscal years ended June 30, 1961 and 1962	Exhibit Q
Statement of Negotiable Bonds Deposited in State Treasury, Sales and Use Tax Division, for the fiscal year ended June 30, 1962	Exhibit R

FUNCTIONS OF AGENCY

Chapter 360, Nevada Revised Statutes, authorizes the creation and legal existence of the Nevada Tax Commission and designates certain duties and powers

of the Commission relative to its administration, the appraisement and assessment of property, and the presentation of budgets by cities, counties and school districts.

The provisions of NRS 360.200 empowers the Nevada Tax Commission "to exercise general supervision and control over the entire revenue system of the state."

In various chapters of the Nevada Revised Statutes, the Nevada Tax Commission specifically is assigned jurisdiction of administering and enforcing statutes governing the establishment of valuations for the assessment of the property tax; the determination and assessment of net proceeds of mines; motor vehicle fuel taxes; intoxicating liquor licenses and taxes; cigarette license and taxes; and sales and use taxes.

The Commission has established six divisions under its control for the purpose of implementing and enforcing the several revenue programs for which it is responsible. These divisions and their respective functions are:

1. General Administration Division - The general administrative affairs of the Commission and its supporting divisions are conducted by this division.

2. Division of Assessment Standards - Chapter 360, Nevada Revised Statutes, established this division for the general purposes of performing a continual study and exercising supervision over the property assessment procedures to be applied and used in all of the counties of this state to insure that assessments of property are equal in each of the several counties of this state.

3. Audit Division - This division is responsible for auditing accounts and records of taxpayers who are subject to the revenue and taxation laws administered by the Nevada Tax Commission.

4. Motor Fuels Tax Division - The enforcement and collection of motor fuel taxes as directed by Chapter 365, Nevada Revised Statutes, and the assessment of net proceeds of mines under the provisions of Chapter 362, Nevada Revised Statutes, are the chief functions of this division. Also, this division is charged with the collection of petroleum products inspection fees in accordance with NRS 590.120.

5. Cigarette and Liquor Tax Division - The provisions of Chapters 369 and 370, Nevada Revised Statutes, relative to intoxicating liquor and cigarette licenses and taxes are administered by this division.

6. Sales and Use Tax Division - The administration of the "Sales and Use Tax Act" (NRS Chapter 372) is the responsibility of this division.

The enforcement of the provisions of Chapter 366, Nevada Revised Statutes, imposing a tax on special fuels, was transferred by legislative action to the department of Motor Vehicles on July 1, 1959.

SCOPE OF EXAMINATION

General

Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves

of the general accuracy of the records.

We reviewed and analyzed certain areas of administrative policy and procedure in order to attempt to appraise the Commission's management of some aspects of its taxing authorities.

Internal Control Evaluation

With the exception of a relative small amount of sales and use tax receipts and permit fees received in the form of coin and currency, most of the taxes and fees are remitted to the Nevada Tax Commission b' check. All receipts are channeled to the cashier who segregates the remittances by tax revenue source and deposits the same in the bank or State Treasury.

At present, sales and use taxes are temporarily deposited in a clearing account in the Carson City Branch, First National Bank of Nevada, and subsequently transferred by check to the State Treasury. The remaining taxes collected by the Nevada Tax Commission are deposited directly in the State Treasury.

Cash is withdrawn from the bank account for the sole purpose of effecting transfers to the State Treasury. All refunds to taxpayer and distributions of proportionate shares of tax receipts to cities and counties, when applicable, are processed on state claims and paid from funds on deposit in the State Treasury.

Money collected by sales tax field representatives appears to be adequately controlled and safeguarded. Local area representatives deliver collections to the office of the Nevada Tax Commission in Carson City at least weekly, and occasionally more frequently. Agents operating in the Southern Nevada district deposit receipts in the Carson City bank clearing account by means of inter-branch depositing through a Las Vegas branch of the First National Bank of Nevada, and the representative in the Elko-Ely area transmits his collections by cashier's check to Carson City. All field collections are reconciled to duplicate prenumbered receipts and compared with related tax returns. Cash surety bonds collected by field personnel are confirmed through correspondence with the pledgor.

In our opinion, some changes in the present routine of intra-department document flow and the handling of remittances and supporting data would provide a more effective and dependable system of internal control. Under the system now in operation, we understand that all incoming mail is opened and segregated for distribution by a mail clerk. General correspondence is delivered to the responsible divisions, and remittances, together with related tax returns, are delivered to the cashier. The cashier prepares the deposits and then transmits the tax returns to the revenue divisions for further processing. We suggest that two employees be present when the mail is received and opened, and that a daily remittance list be prepared reflecting the identity of the payee and the amount remitted.

The mail clerks, after comparing returns to the corresponding remittances to prove the conformity of payments to liability, should separate the money from the returns and forward only the money to the cashier. The returns should go directly to the divisions concerned. After the deposit has been prepared, duplicate deposit slips should be furnished the accounting section for posting to the control leagers and the responsible division for comparison to the tax returns. The remittance list prepared in the mail room can be compared to the deposit slip for added verification.

It was noted that liquor tax payments and license fees sometimes are withheld from the daily deposit and placed in a suspense file in the office vault until

discrepancies on the related tax returns have been corrected. We disapprove of this procedure and recommend that all receipts be deposited promptly in the proper depository. Discrepancies should be adjusted on a later return.

Unused cigarette tax stamps are stored in the office vault and appear to be under satisfactory control. However, a considerable number of obsolete tax stamps were included in the inventory. These out-dated stamps probably should be destroyed and accountability terminated in accordance with statutory procedure.

State property in the custody of this department is periodically inventoried and identified by Commission personnel. A listing of such property is carefully maintained on a current basis.

A representative of the Department of Purchasing performed a physical inventory of state property held by the Nevada Tax Commission during the calendar year 1960. The auditors did not examine the records pertaining to that inventory and are unable to comment on the current status of that survey.

Books and Records

Accounting for the revenue, expenditures, and administrative fiscal matters of the Nevada Tax Commission is the responsibility of the General Administrative Division.

Separate revenue control accounts are maintained for each of the four tax sources (i.e. sales and use tax; motor fuels tax; cigarette tax; and liquor tax). A fifth account is carried for recording miscellaneous items. Additional revenue accounts individually reflect sales tax permit fees, liquor license fees, cigarette license fees, cash surety bonds and negotiable instrument surety bonds.

Various refunds and city and county apportionments are recorded in separate accounts. Refund claims are prepared and filed in the originating divisions.

Accounts receivable control accounts are maintained on postponed cigarette tax settlements with wholesalers using metered machines. Also, accounts receivable are kept to control inventories of cigarette tax stamps issued to county and city officials for ultimate sale to licensed wholesalers. Cigarette tax receipts due the state from the sale of cigarette tax stamps by county sheriffs are recorded in a separate accounts receivable ledger.

Detailed entries concerning cash bonds and negotiable instrument bonds posted by taxpayers to secure sales tax payments are registered in a subsidiary ledger.

Each revenue division keeps statistical records relative to tax collections. These auxiliary records, which support summary entries in the revenue control ledgers, reflect the detailed fiscal information.

In addition to the books and records already discussed, the Cigarette and Liquor Tax Division maintains control and subsidiary ledgers representing revenue production, refunds and disposition of collections, accounts receivable with licensed wholesalers and county sheriffs, and cigarette tax stamp inventory control. Records indicating detailed revenue collections are necessary for statistical and internal control purposes, but revenue control and tax stamp inventory accounting should be discontinued at this Division level as such record keeping duplicates work being performed by the General Administrative Division.

The Sales and Use Tax Division's machine accounting section posts revenue data to individual taxpayer accounts and simultaneously produces I. B. M. punch cards for subsequent preparation of statistical reports. The taxpayers ledger is comprised of several thousand individual accounts which basically reflect the identical information reported on the tax return. The tax returns are retained and filed by account number and constitute the usual reference source for obtaining information pertaining to a particular taxpayer. Since the machine posted accounts apparently are of unimportant value, and considering the storage and time utilization problems included, the auditors believe that the maintenance of the individual taxpayers ledger should be discontinued. We feel, however, that the posting machine should remain in use as a means of producing punch cards for furnishing statistical information, verifying computations on tax returns and obtaining proof sheets for cash control.

Casualty Insurance, Leases, and Fidelity Bonding

The Nevada Tax Commission has secured automobile insurance through the State Board of Finance which provides the usual fleet policy limits of liability for state owned vehicles. This insurance is placed with the Glens Falls Insurance Company, J. V. Corica General Agency, and covers all Commission automobiles, including those transferred to the State Motor Pool.

In addition to various equipment maintenance agreements, the Nevada Tax Commission has contracted with the I.B.M. Corporation for leasing 2 key punch machines and a card sorting machine during the period of this examination.

The five appointed members of the Nevada Tax Commission are bonded for the faithful performance of their duties under the State Bond Trust Fund in the amount of $10,000.00 each.

The Secretary of the Commission is bonded for $20,000.00, and every employee is covered in the sum of $5,000.00, under an honesty blanket position bond carried with the Glens Falls Insurance Company.

Efficiency of Subordinate Employees

In the performance of this audit, we observed work habits of the employees of the Commission and worked closely with some staff personnel. It is the opinion of the auditors that employees in the Nevada Tax Commission are competent and appear to accomplish their assigned duties in a satisfactory manner. In a later section of this report, we take exception to some policy decisions and statutory interpretations in regard to the application and assessment of certain taxes; nevertheless, the employees seem to efficiently perform their functions as directed.

We did note occasional inactivity on the part of some employees in certain revenue divisions. In order to meet the pressures and demands of the peak collection periods, a sufficient number of personnel must be maintained to accurately and promptly process the mass of returns, reports, and miscellaneous documents that are received by the Commission each month; but when this material can be processed so rapidly as to provide idle work days, some staff adjustments might be necessary. The reverse of this situation was found in the Cigarette and Liqour Tax Division where work time appeared constantly in demand. This division, staffed by a tax administrator and one principal clerk-typist, collects less taxes than either of the other two revenue divisions in the Nevada Tax Commission, but, notwithstanding this fact, the tax administration of the cigarette and intoxicating liquor wholesale and import activity in the State of Nevada is the responsibility of this division and entails a consider-

able work load, In order to alleviate this situation, consideration should be given to the possibility of shifting some personnel between divisions to gain more efficient time utilization from employees in the overall department. We feel that some of the auditing of liquor tax returns should be accomplished by a person rated as at least a tax examiner.

Perhaps, routine clerical functions of the entire Commission could be accomplished more efficiently by the cooperative effort of a pooled clerical staff. Specific divisional assignments of clerical personnel sometimes prevents the utilization of available personnel in other administrative areas where temporary assistance would result in a reduction of work backlogs and balance employee work production throughout the department. If a pooled staff is deemed unfeasible by the members and the Secretary of the Nevada Tax Commission, the problem might be solved by a complete reorganization and redistribution of personnel assignments among the revenue divisions to effect equalization of positions in relation to the work requirements.

Duplication of Work with Other Departments

During the course of this examination we did not observe any work being done in this department that, insofar as we could determine, is duplicated by another agency in state government.

As pointed out previously in the section ofthis report on "Books and Records," the auditors considered the machine posted taxpayer accounts kept in the Sales and Use Tax Division to be duplicates of tax returns filed in that division, and specific accounting duties performed in the Cigarette and Liquor Tax Division a reproduction of the functions assigned to the General Administrative Division. In each case, we recommended the discontinuation of such practices.

Evaluation of Audit Effect

Enforcement of the "Sales and Use Tax Act" has been the primary objective and function of the Audit Division.

Initially, the responsibility for auditing taxpayer accounts to insure sales and use tax law compliance was assigned to the Sales and Use Tax Division. However, in July 1960, an Audit Division was created by the Nevada Tax Commission for the purpose of investigating and enforcing all phases of tax revenue production administered by the Commission.

Since the organization of the Audit Division, only minor attention has been directed by this Division to the tax programs involving liquor, cigarettes and motor fuels, inasmuch as some independent verification of the tax returns can be obtained from careful examination of the reports and supporting documents by staff members within the respective revenue divisions. However, it is our contention that certain information reported by taxpayers within these industries can be confirmed only through review of the taxpayer's books and records by field personnel of the Audit Division. We therefore urge that serious consideration be given to the performance of several auditing assignments in the fields of liquor, cigarette and motor fuels tax, and also in the mining industry to insure compliance with statutes governing the assessment of the net proceeds of mines.

In attempting to analyze and set forth the effect and results of the audit program for the period covered by this examination, we gave consideration to a revised approach to the performance of each individual audit assignment, emphasis upon a systematic program for selecting the accounts to be examined, and comparative relationships of past and present recoveries, costs and performance.

Data obtained from reports prepared and issued by the Nevada Tax Commission

has been presented in the following table to reflect trends in the areas of audit costs and recoveries:

Fiscal Period	No. of Audits	Amount Recovered	Total Audit Cost	Average Recovery Per Audit	Recovery Per $1.00 Expended
1957-58	175	$143,234.00	$ 13,978.00	$ 818.48	$ 10.24
1958-59	154	113,026.00	13,692.00	733.94	8.25
1959-60	277	263,443.00	47,037.00	951.06	5.60
1960-61	108	193,800.37	86,806.76	1,794.45	2.23
1961-62	140	270,291.60	126,219.22	1,930.65	2.14

Comparative analyses are frequently used for measuring progressive standards; however, in the above tables some relative aspects are not particularly meaningful unless consideration is given to the activities that produced the result. For an example, the cost of the audit program increased during fiscal year 1960-61 by $39,769.76, or 84.5% over the audit costs of fiscal year 1959-60. During the same two year period, the number of audits performed declined by 169, or 61%. It is apparent that an almost doubled staff completed less than 40% as many audits as in the earlier year. Again referring to the table, it can be seen that approximately $70,000.00 less was recovered during 1960-61, but the average recovery per audit increased by $843.39. The results of these comparisons are due to the different approach to the field audit program which was commenced about July 1, 1960. The newly developed audit program was directed particularly to taxpayers with larger business activity and multi-state operations. Audits of this nature are more time consuming and require assigning more than one auditor to conduct the examination. Auditing the out-of-state companies necessitates traveling, which further reduces the amount of time available for performing audits. The methods employed in auditing the individual accounts have been revamped and a more thorough examination is now required, together with post audit conferences with the taxpayer. Much time has been devoted to educating various taxpayers relative to the provisions of the Sales and Use Tax Act and pointing out the application of such laws to the taxpayers concerned. We are informed that new auditors, when initially employed, undergo a period of orientation and on-the-job training which helps to develop a better understanding of the tax laws and standardizes auditing techniques and methods to be employed by each auditor. The combined effect of the foregoing elements probably accounts for the smaller number of completed audits, but produces an increased average amount of recovery per audit. During fiscal year 1961-62, the total audit recovery was the largest since the inception of the Sales and Use Tax Act amounting to $270,291.60. Only 140 taxpayer accounts were examined with an average recovery per audit of $1,930.65 compared to 277 audits conducted in 1959-60 which realized an average audit recovery figure of $951.06. Undoubtedly, the efficiency of individual audit performance has improved, but the area of coverage has been reduced.

It is to be noted that in the last column of the comparative table, the ratio of recovery to expense declined sharply during the first four years indicated, but leveled off to nearly the same ratio in 1961-62 that existed in 1960-61. In a report issued by the Nevada Legislative Tax Study Group in October 1960, entitled "Financing State and Local Government in Nevada," Dr. Reuben A. Zubrow, Project Director, anticipated a probable decline in productivity ratios with the augmentation of the enforcement program, and he noted that a recovery-cost ratio of 3 to 1 would be considered "very good." The present ratio of 2 to 1 is somewhat less than the desirable 3 to 1 relationship mentioned above, but in the same report, Dr. Zubrow pointed out that in fiscal 1956-57 the State of California recovered $1.79 for each dollar expended in their audit program.

Since the expanded audit function has only a two year history, a fair evaluation of its effectiveness is difficult at this time. Progress shown statistically in

fiscal year 1961-62 appears favorable; however, the number, of audits being completed each year is probably not sufficient to provide an adequate enforcement program insofar as examining enough accounts of business activities which would be representative of the various fields of taxpayer liability.

On June 30, 1962, there were 9,915 active taxpayer accounts registered with the Sales and Use Tax Division. Only 140 audits were performed during fiscal year 1961-62, which means that approximately 14 of every 1,000 active accounts were examined during that year. It is our belief that taxpayer compliance is not being satisfactorily controlled in this state by a program that is limited to auditing accounts of about 1½% of the total taxpayers. As a result of this, it is possible that the State of Nevada could be sustaining substantial loss of revenue each year.

In our opinion, audit production should be drastically increased in order to broaden the scope of field audit activity. Before any significant increase in the range of audit control can be achieved in sales and use tax, plus the additional field audit effort that should be applied in the other tax fields, the number of field auditors will have to be increased. We feel that any inequities that now may exist between taxpayers due to a lack of proper enforcement could be minimized by an extended audit program, and that the increased cost of an enlarged audit staff would be readily absorbed by the amount of additional revenue recovered by the Audit Division.

Status and Condition of Funds

The Revenues and expenditures reflected in the discussion of the several funds of the Nevada Tax Commission enumerated in this section are as shown in the records of the State Controller, with correcting adjustments. Any differences between these figures and those of the Nevada Tax Commission are a result of end of the year overlapping of deposits and expenditures between the records of the Nevada Tax Commission and the State Controller.

A. Nevada Tax Commission Administrative Fund - All appropriations to the Nevada Tax Commission and the expenses incurred in the administration of the several activities of the Commission are credited and charged to this fund.

The appropriated moneys are derived from the State General Fund, State Highway Fund and County Gas Tax Fund. Appropriations from the State Highway Fund and County Gas Tax Fund are provided solely for the support of the Motor Fuels Tax Division; however, the information presented in Exhibit "A" and Schedules "A-1" and "A-2", attached hereto, clearly demonstrates that such appropriated money was not accurately allocated to the costs of the Motor Fuels Tax Division during either of the two years covered by this examination. The under-appropriation in fiscal year 1960-61, and erroneous reversions occurring in both fiscal years resulted in the expenditure of excessive money from the State General Fund in fiscal year 1960-61 and from the County Gas Tax and State Highway Funds during fiscal year 1961-62.

The costs of administering the Nevada Tax Commission increased from $419,583.42 during the fiscal period ended June 30, 1961, to $466,766.04 for the subsequent fiscal year 1961-62. The total increase of $47,182.62 is primarily due to the additional salary expense of $42,847.46. In fiscal year 1960-61, equipment expenditures exceeded the legislative appropriation for equipment by $2,145.48. The Director of the Budget approved a transfer of $600.00 from "Operating" to "Equipment" and authorized the additional expenditure of $1,600.00 of miscellaneous receipts which represented an insurance reimbursement covering a wrecked agency vehicle. The transfer and authorization of expenditure of supplemental receipts were sufficient to offset the

difference between the equipment appropriation and the actual amount of equipment expense. During fiscal year 1961-62, administrative expenses were within amounts appropriated in all major budgetary categories.

The small ending balances indicated on the statements included in Exhibit "A" represent the overpayments for postage during the last month of each fiscal year which necessitated credit adjustments in favor of the Commission on the books of the mailing service of the Department of Building and Grounds. As mentioned before, the overpayments stemmed from estimated postage costs billed to the Commission which were in excess of the actual expense incurred.

B. Cigarette Tax Fund - NRS 370.260(2), created this fund for the purpose of receiving and accumulating cigarette excise tax collections and wholesale dealer license fees prior to any further distribution thereof.

Gross revenue credited to this fund in fiscal year 1960-61 amounted to $1,714,350.18 compared to $4,256,486.28 deposited in fiscal year 1961-62. The increased sum of $2,542,136.10, or approximately 148% is probably the result of the increased tax rate on cigarettes from 3 to 7 cents per package enacted by the Legislature effective July 1, 1961.

Since the distribution of cigarette tax receipts was completely revised by the Legislature on July 1, 1961, no valid comparison can be performed for the two year period examined. The State General Fund received $1,520,393.28 in fiscal year 1960-61 and $3,174,865.79 in fiscal year 1961-62. The county distribution during the fiscal period ended June 30, 1961 amounted to $217,199.04, and, under the amended apportionment schedule in fiscal year 1961-62, the counties received a total of $663,306.13 which included $286,652.57, or 5.5% of net collections, based on cigarette sales within each county, and $376,653.56, or a portion of the 28.5% of net collections divided between counties and cities based on population, The several cities received the balance of the population basis distribution during fiscal period 1961-62, amounting to $834,127.91. There were no allocations to the cities prior to July 1, 1961.

The apportionments shown for fiscal year 1960-61 in Exhibit "B" were made on excise tax collections received during the first three quarters of that fiscal period, plus the final quarter collections of the prior fiscal year. The fourth quarter tax receipts of fiscal year 1960-61 are included in the distributions made in the fiscal year ended June 30, 1962.

As noted in the remark at the foot of Exhibit "B", the State Controller erroneously transferred $60,178.79 of county distribution shares to the State General Fund in fiscal year 1961-62. This discrepancy should be corrected in order to provide the counties with the amount that they were entitled to receive.

C. City and County Cigarette Tax Apportionment Fund and County Cigarette Tax Apportionment Fund - These funds were established by the State Controller for the purpose of segregating amounts of cigarette excise taxes due cities and counties prior to the actual distribution of such sums.

In fiscal year 1961-62, $1,210,781.47 was credited to the City and County Cigarette Tax Apportionment Fund and remitted to the various cities and counties in this state. During the same fiscal period, $286,652.27 should have been paid to the counties through the County Cigarette Tax Apportionment Fund, as compared to county payments of $217,199.04 in fiscal year 1960-61.

D. Cigarette Tax Refund Account, Liquor Tax Refund Account, Combined Gas Tax Refund Account and Sales and Use Tax Refund Account - Refunds to claimants of over-

paid excise taxes are paid through these refund accounts.

Refunded cigarette excise taxes increased from $879.36 in fiscal year 1960-61 to $8,130.25 during fiscal period 1961-62. Liquor tax refunds amounted to $1,801.52 in fiscal year 1961-62. There were no refunds of liquor taxes in the previous fiscal period as most liquor tax overpayments are adjusted by credit allowances taken by taxpayers on subsequent tax returns. Motor vehicle fuel tax refunds in 1960-61 amounted to $329,582.48 and, during fiscal year 1961-62, were reduced to $320,406.85. During the two fiscal year period covered by this audit, sales and use tax refunds were paid in the amounts of $10,605.08 during 1960-61 and $10,758.72 in 1961-62.

E. Liquor Tax Fund - Liquor excise tax collections and dealer license fees are credited to this fund in accordance with NRS 369.170.

Due primarily to the increase of the liquor tax rate approved by the 1961 Legislature, receipts in this fund increased from $1,313,192.02 in 1960-61 to $2,227,102.06 during fiscal year 1961-62. The net revenue of $2,225,300.54 credited to the Liquor Tax Fund was transferred entirely to the State General Fund as provided in NRS 369.170(2).

F. Motor Fuels Tax Suspense Account - All state and county motor vehicle fuel taxes, aviation fuel taxes, petroleum products inspection fees and dealer license fees are credited to this account before the ultimate disposition of such revenue is made.

During the fiscal year ended June 30, 1961, total revenue receipted in this account amounted to $9,057,547.25 compared to $10,093,959.54 deposited in fiscal year 1961-62. Detailed distribution of this revenue is reflected in Exhibit "H", appended hereto.

G. County Gas Tax Funds - All seventeen County Gas Tax Funds are combined in Exhibit "I". The total amount of gasoline tax receipts credited to these funds, after deducting the sum appropriated to the administration of the Motor Fuels Tax Division, was $2,030,706.77 in fiscal year 1960-61, and $2,638,434.19 during 1961-62. Of the total revenue credited, the counties share of the tax refunds during 1960-61 and 1961-62 amounted to $78,797.30 and $80,101.27, respectively. Remittances to the several counties were $2,128,950.51 during fiscal 1960-61 and $2,337,153.72 in the subsequent fiscal period.

The ending balance in these funds totalling $218,080.75 constitutes the net amount due the counties based on June 1962, gasoline tax collections. The State Controller's balance is reflected at $214,689.85; however, the difference between the ending balance of the Nevada Tax Commission and that of the State Controller, in the amount of $3,390.90, represents the apparent over-transfer by the Controller on November 30, 1961, to the Combined Gas Tax Refund Account for which there were no offsetting refunds effected. This matter should be reviewed and corrected if found to be in error.

H. Aviation Fuel Tax Refund Account - This account was created under the provisions of NRS 494.042(4) for the purpose of separately crediting and maintaining accountability for excise taxes collected on aviation fuel. Aviation fuel excise tax receipts are subject to refunds, and all such refunds are paid on state claims drawn against this account.

The unrefunded balance of all excise taxes held in this account for a period of six months should be transferred monthly to the State Airport Fund in accordance with NRS 494.044.

In fiscal year 1960-61, the State Controller's records reflected a beginning balance in this account of $118,995.03, receipts of $122,556.12, total transfers to other funds and refund expenditures of $131,390.29, and ending balance on June 30, 1961 of $110,160.86.

Excise taxes received during fiscal period 1961-62 amounted to $199,257.33. Transfers and disbursements totalled $182,597.31, and a balance of $126,820.88 remained in this account on June 30, 1962

The records of the Nevada Tax Commission indicated that as of June 30, 1962, the balance remaining should habe been $38,020.69, which represented the amount of unrefunded excise taxes collected on aviation fuel during the preceding six months.

This account should be carefully examined by the responsible officials and action taken to properly dispose of the excess balance on hand June 30, 1962, which amounted to $88,800.19.

I. State Airport Fund - The State Airport Fund was established under the provisions of NRS 494.044. As pointed out in the preceding subsection of this report, the unrefunded balance of excise taxes held in the Aviation Fuel Tax Refund Account for a period of six months should be transferred to this fund. Receipts credited to this fund are distributed to the Civil Air Patrol and certain counties in this state where excise taxes on aviation fuel have been collected and not refunded. An additional distribution to support the administration of the Motor Fuels Tax Division is provided in NRS 494.045(2); however, this particular statutory transfer has not been effected.

County remittances from this fund totalled $78,321.34 in fiscal year 1960-61 and $59,645.15 in fiscal year 1961-62. Transfers to the Civil Air Patrol during the fiscal years ended June 30, 1961 and June 30, 1962, amounted to $12,000.00 and $15,000.00, respectively; however, these transfers to the Civil Air Patrol actually were made from the Aviation Fuel Tax Refund Account rather than from this fund.

J. Motor Fuels Tax Division Administrative Fund - This fund was established by the State Controller to account for appropriations to the Nevada Tax Commission from the State Highway Fund and County Gas Tax Fund.

In fiscal year 1960-61, the Legislature appropriated $9,100.00 from the County Gas Tax Fund and $26,295.00 from the State Highway Fund for the support of the Motor Fuels Tax Division of the Nevada Tax Commission. The State Controller actually transferred $8,341.67 from the County Gas Tax Fund and $26,295.00 from the State Highway Fund, which in total was $758.33 less than the amount appropriated by the Legislature. Of the combined transfers to this fund in the sum of $34,636.67, the State Controller further transferred from the Motor Fuels Tax Division Administrative Fund to the Nevada Tax Commission Administrative Fund only $26,546.25; thus, leaving a remaining balance of $8,090.42 in this fund which was reverted entirely to the State Highway Fund on June 30, 1961. By reverting the full balance to the State Highway Fund, the net amount provided from the State Highway Fund to the Nevada Tax Commission during fiscal year 1960-61 was $18,204.58, and the amount transferred to the Nevada Tax Commission from the County Gas Tax Fund was $8,341.67. The effect of the foregoing was that the Nevada Tax Commission received $8,848.75 less in fiscal year 1960-61 to cover motor vehicle fuel tax administrative costs than the total amount appropriated by the Legislature.

In fiscal year 1961-62, the full amount of $39,524.00 appropriated by the Legislature for the administration of the Motor Fuels Tax Division was made available to the Nevada Tax Commission; however, as discussed previously in the comments relative to

the Nevada Tax Commission Administrative Fund, the State Controller erred by not reverting a portion of the unexpended balance on June 30, 1962, remaining in the Nevada Tax Commission Administrative Fund to the State Highway Fund and County Gas Tax Fund on a proportionate basis.

K. Sales and Use Tax Division Collection Bank Account - This account is used by the Nevada Tax Commission to temporarily deposit sales and use tax collections and permit fees prior to transferring the same to the State Treasury.

At present, there is no statutory provision establishing this bank account. If continued use of this account is considered essential by the Commission, legal authorisation should be obtained from the Legislature.

The Commission cleared $13,843,030.18 to the State Treasury through this account in fiscal year 1960-61 and $15,257,539.00 in fiscal year 1961-62, as represented by $15,220,000.00 in sales and use tax collections and $37,539.00 in cash surety bonds. On June 30, 1962, a balance of $4,686.09, including two deposits in transit amounting to $1,869.67, remained in this account.

L. Sales Tax Fund - The provisions of NRS 372.780 established the Sales Tax Fund in the State Treasury for the deposit of sales and use taxes, permit fees, penalties and interest.

Net revenue transferred to the State General Fund through this fund in 1960-61 totalled $13,835,331.15, and, during fiscal year 1961-62, transfers to the State General Fund from the Sales Tax Fund increased to $15,216,081.17. The transfer in 1961-62 of $5,812.10 to the Motor Vehicle Fund, as shown in Exhibit "O", was effected in order to correct over-transfers to the Sales Tax Fund from the Motor Vehicle Fund.

M. Sales Tax Cash Bond Trust Fund - Receipts deposited in this fund constitute cash security pledged by taxpayers to insure payment of their sales tax liability.

The cash balance in this fund on June 30, 1962, was $247,751.13, an increase of $10,690 over the balance of $237,061.07 on June 30, 1961.

N. The Nevada Tax Commission had deposited $29,100.00 of negotiable bonds in the State Treasury for safekeeping as of June 30, 1962. These bonds also represent surety pledged by taxpayers to secure sales tax payments.

Possible Non-compliance with Statute or Good Business Procedure

The audit program of the Legislative Counsel Bureau is designed to assist, in a helpful manner, state officers to obtain effective government by including in our reports situations which do not conform to statute or good business practice, Further, we are charged by statute with reporting on such situations.

Our examination disclosed the following items which appear to violate statute or regulation, or which, in our opinion, are contrary to good business practice:

1. A review of leave records of personnel of this Commission indicated that employees, who had accumulated maximum leave credits were permitted to accrue additional annual leave in excess of thirty working days during fiscal year 1961-62 in accordance with the ruling of the Personnel Commission which states that "vacation credit may be accumulated not to exceed thirty working days at the beginning of any calendar year. Amounts in excess of thirty working days at the beginning of any calendar year shall be forfeited."

We have interpreted the provisions of NRS 284.350(1), which reads "all employees in the public service, whether in the classified or unclassified service, shall be entitled to annual leave with pay of $1\frac{1}{4}$ working days for each month of service, which

may be cumulative from year to year not to exceed 30 working days," to mean that if at any given time during the year an employee's annual leave accrual exceeds thirty working days, the excessive leave credit shall be forfeited.

The apparent conflict between the Personnel Commission ruling and the governing statute should be resolved in favor of the statute until legislative clarification can be obtained.

2. A sampling of claims supporting expenditures by this agency, disclosed a repeated violation of rules and regulations issued by the Department of Purchasing in regard to direct local purchasing of supplies and commodities that are regularly warehoused by the Department of Purchasing. This practice should be curtailed when the Department of Purchasing produces and distributes a catalog listing merchandise stored in the warehouse and available for sale.

3. In June 1961, the Nevada Tax Commission overpaid their postage expense based on an estimated amount billed by the Department of Buildings and Grounds mailing services. The overpayment of $381.35 apparently was credited to the account of the Commission and carried over to the new fiscal period. Inasmuch as this sum represented an expenditure of funds from an appropriation of the previous fiscal year the credited amount should have been reverted to the State General Fund, and not redistributed to the state agency in the form of a credit for re-expenditure during fiscal year 1961-62.

4. NRS 370.090, provides that each licensed wholesale cigarette dealer shall

> "1. Establish and maintain a place of business in the State of Nevada; and
>
> 2. Keep on hand therein at all times merchandise of a wholesale value of at least $1,000.00."

Since no regular field enforcement program exists in the administration of the cigarette tax, compliance with the statutory requirement of minimum inventories cannot be assured. The auditors, having reviewed reported sales activities of various cigarette wholesale dealers for the period under examination, feel that the volume of business transactions would indicate that proper minimum inventories are being maintained; however, periodic investigations by field representatives of the Audit Division would insure compliance.

5. We were informed that the number of cigarette revenue stamps in the custody of county officials are not physically verified by personnel of the Cigarette Tax Division. We do not believe that the Nevada Tax Commission can exercise proper control over cigarette revenue stamp inventories without benefit of independent confirmations from their own audit staff.

6. NRS 369.190(3) provides that "Each applicant for an importer's license or for a wholesale wine or liquor dealer's license or for a wholesale beer dealer's license shall agree to establish and maintain a place of business in the State of Nevada, in good faith actually to carry on a bona fide wholesale business, and must keep on hand therein at all times liquor of a wholesale value of at least $1,000.00." Our examination of records maintained in the Liquor Tax Division revealed that one licensed liquor importer paid no tax during fiscal year 1961-62, and apparently has not imported any alcoholic beverages since having been issued both the importers license and wholesale wine or liquor dealer's license. The auditors presume that this licensee does not maintain the required inventory of liquor and probably has not been engaged in good faith in a bona fide wholesale business. In our opinion, the Liquor Tax Division should continously investigate the business activities of all licensed importers and wholesale dealers to insure compliance with this provision of law.

7. Effective April 6, 1961, the Legislature enacted certain amendments to the statutes governing the administration of liquor taxes which provided, among other things, for refund or credit of excise taxes paid on imported liquors actually exported and sold outside the state, and, also, relieving importers from taxation on any shipments damaged or spoiled on the premises. Prior to these legislative amendments, the statutes were restrictive so that not more than 35 percent of the tax paid could be credited or refunded to the taxpayer when not less than 35 percent of such imports had been actually exported and sold outside the state, and the law provided no relief from taxation to importers on shipments damaged on the premises. Although the statutes clearly limited allowance granted for liquor exports and provide no relief for damages occurring on the premises prior to April 6, 1961, the Nevada Tax Commission has for years permitted taxpayers to deduct the amount of tax paid on liquor exported outside the state and on liquor damaged on the premises. These situations of conflict have been resolved with the recent amendatory legislation, but it should be noted that, for a period of time, the Nevada Tax Commission pursued certain policies in connection with administering liquor taxes which were inconsistent with the statutes. Other procedures that are currently not in conformity with the statutes are set forth in subsequent paragraphs.

8. The Nevada Tax Commission has been and is presently allowing sales of liquor, wine and beer to instrumentalities of the Armed Forces of the United States to be exempt from the excise tax imposed on liquor, wine and beer. This exemption is not provided in the statutes pertaining to excise taxes on intoxicating liquor and either should be discontinued, or authorized by the Legislature.

We have been informed that this exemption has been allowed by the Nevada Tax Commission based on opinions of various Attorney Generals of the State of Nevada rendered throughout the years which gave recognition to federal immunity from state taxation under the United States Constitution. In this connection, it is noteworthy that the State of California expressly grants a "military beer exemption," but imposes the excise tax on distilled spirits sold on military reservations.

In fiscal year 1961-62, the amount of uncollected excise tax on sales of alcoholic beverages to military reservations was approximately $39,000.00

9. NRS 369.450(4), provides that "No liquor shall be imported into this state except by common carrier, contract carrier regularly operating as such, or a carrier having a special permit so to do in the case of each shipment." The cigarette and Liquor Tax Division issues special permits to licensed importers and wholesale dealers for the purpose of transporting liquor into or within the state in accordance with NRS 369.450(5). These permits are issued for a specified period of time and are valid until the expiration date shown thereon. Some licensed importers transport liquor into this state by means of conveyances owned and operated by themselves, considering the special permit as blanket and continuing authorization to engage in such interstate transportation of liquor. We believe that the section of law quoted above restricts carriers operating on special permits to one-trip deliveries and that separate permits must be obtained for each act of importation.

10. In accordance with the provisions of NRS 369.430(2), licensed importers should receive liquor shipments only from out-of-state vendors who have been granted a certificate of compliance by the Nevada Tax Commission. Reports from importers indicated occasional purchases of liquor from exporters in otherstates who have not secured the required certificates of compliance.

11. We found instances of the failure of holders of certificates of compliance and carriers of liquor into this state to render the monthly reports required by NRS 369.430(3), and rules and regulations of the Nevada Tax Commission.

12. In our opinion, the various reports received by the Nevada Tax Commission to support liquor imports exempt transactions, loss deductions, and internal revenue bond transactions are not always satisfactory evidence to provide effective enforcement of intoxicating liquor license and tax laws. We feel that a thorough field audit program should be instituted in order to strengthen the administration of this tax.

13. Certain problems involving the administration of the Motor Fuels Tax Division were noted by the auditors during the course of this examination.

Specifically, we were concerned with the apparent lack of auditing of taxpayers accounts, and the tendency to improperly allocate and charge administrative costs to the various appropriations as required by law.

In reviewing the activities of the Motor Fuels Tax Division, we felt that some aspects of this operation were similar to the special fuels tax program controlled by the Department of Motor Vehicles. Both taxes are commonly described as a "highway user tax" and revenues derived from each tax form are dedicated by the Constitution of the State of Nevada "for the construction, maintenance, and repair of the public highways of this state," less costs of administration. At this time, the combined tax rate on motor fuels (gasoline) is $.06 per gallon, including $.01½ county tax levy, and the special fuels (primarily diesel) tax amounts to $.06 per gallon, which is entirely for state purposes. Aviation gasoline also is taxed at the rate f $.06 per gallon and is collected by the Motor Fuels Tax Division. Taxes collected on aviation fuel are refundable under the exemption for non-highway use, but a portion of the unrefunded balance of such proceeds, after deducting collection costs, is allocated to the Nevada Wing 96 of the Civil Air Patrol, and the remaining balance is earmarked for airport improvements in the various counties.

The taxes on motor fuels and special fuels generally apply to the sale, distribution or use of taxable fuels, but the major difference in administering the two taxes is the method of collection. The tax on motor fuels is collected from licensed dealers while the special fuels tax is collected mainly from the user. In each case, there is a departure from the usual collection procedure. Special fuel users, not possessing the user's license and permit, pay the special fuels tax to the dealer at the time of the fuel purchase, and the dealer reports and remits the taxes imposed thereon. Some transport carriers licensed with the Nevada Tax Commission as dealers, pay the motor fuels tax to the seller when the gasoline is purchased, and subsequently adjust their tax payments on their monthly reports from a gollonage purchased to a mileage use basis.

In the period of this examination, the Audit Deivsion of the Nevada Tax Commission concentrated on the enforcement of sales and use tax laws and devoted very little time, if any, to motor fuels tax enforcement.

The majority of the administration expense of the Nevada Tax Commission is borne by legislative appropriations from the General Fund with the exception of the costs of administering the motor fuels tax, which are chargeable to appropriations from the Highway and County Gas Tax Funds. When the determination and assessment of net proceeds of mines function was delegated to the Motor Fuels Tax Division in 1960, this created a confused costing system by directly associating an activity financed by the General Fund with the so-called gasoline tax operation supported by the Highway and County Gas Tax Funds. The resulting inequities from this unrelated combination are discussed in detail later in this report. The problem of charging all costs of motor fuels tax administration to the Highway and County Gas Tax Funds as provided in NRS 365.150(2) is further complicated in the Nevada Tax Commission by an internal costing system that attempts to reallocate to the Motor Fuels Tax Division certain expenses of the Audit and General Administrative Division, that are indirectly incurred and chargeable to the Motor Fuels Tax Division. This situation involving in-

accurate appropriation charges also is discussed in a later section of this report. Further, any unexpended balances remaining in the Hiway Fund and County Gas Tax Fund appropriations at the end of each fiscal year are comingled with the unexpended balance of the General Fund appropriation, and the combined balance is reverted by the State Controller to the General Fund.

14. Earlier in this report, we discussed the problems of allocating administration costs to the Motor Fules Tax Division in order that appropriations from the Highway Fund and County Gas Tax Fund could be properly charged and any unexpended balances remaining in those appropriations could be reverted to the respective funds. During fiscal year 1960-61, the Tax Commission charged $41,428.08 of expenditures to the Motor Fuels Tax Division; such sums consisting of $32,680.83 of direct charges and $8,747.25 of pro-rated costs incurred by the Audit and General Administrative Divisions for their assistance in the administration of Motor Fuels Tax Division functions. The direct and indirect costs included the expense of managing the net proceeds of mines activity which should be supported by the General Fund. By eliminating expenditures on behalf of net proceeds of mines, we have developed a cost analysis for the Motor Fuels Tax Division which reflects expenses of $31,968.56 chargeable to the Highway and County Gas Tax Fund appropriations. Since the combined appropriations from these two funds for administering motor vehicle fuel taxes for fiscal year 1960-61 totalled $35,395.00, a balance of $3,426.44 remained on June 30, 1961, and should have been reverted proportionately to the Highway and County Gas Tax Funds. Although the Nevada Tax Commission allocated costs of net proceeds of mines administration to the Motor Fuels Tax Division with the resultant indication that the expenses of the Division were $6,033.08 in excess of the combined appropriations, we were told that divisional administration cost accounting maintained by the Nevada Tax Commission was utilized primarily for their own internal purposes, and that the determination and allocation of reverting balances was the responsibility of the State Controller. In reviewing the ledger accounts of the State Controller pertaining to the Nevada Tax Commission, we discovered that the State Controller failed to distribute $8,090.42 from the Highway Fund appropriation and $758.33 from the County Gas Tax appropriation to the Nevada Tax Commission. Instead of the Nevada Tax Commission receiving $35,395.00 to support the administration of the motor vehicle fuel taxes, only $26,546.25 was made available. Again referring to the amount of $31,968.56 which we established as the expense of administering gasoline taxes, it is readily seen that, in view of the under-appropriation, the General Fund had to bear $5,422.31 of the expense of administering the motor vehicle fuel tax program during fiscal year 1960-61 which is contrary to NRS 365.150(2).

During the fiscal period ended June 30, 1962, according to cost figures furnished by the Nevada Tax Commission, expenses of administering motor vehicle fuel taxes, exclusive of any net proceeds of mines costs, amounted to $32,486.81. The combined appropriation from the Highway and County Gas Tax Funds in support of the activity for fiscal year 1961-62 totalled $39,524.00. Deducting the administration costs from the total appropriation for gasoline tax management results in an unexpended balance of $7,037.19 on June 30, 1962, which sum should have been reverted on a pro-rata basis to the Highway and County Gas Tax Funds. The State Controller, however, reverted the entire balance in the Nevada Tax Commission Administrative Fund to the General Fund; thus, through the mechanics of bookkeeping, nearly 1/5 of the total appropriations from the Highway and County Gas Tax Funds technically were diverted to support General Fund activities in the Nevada Tax Commission during fiscal year 1961-62, which is contrary to the provisions of Article 9, Section 5, Constitution of the State of Nevada.

15. The provisions of NRS 365.340 prescribes mandatory penalties for delinquent motor fuel tax payments. Various motor fuel tax returns inspected by the auditors indicated delinquent receiving dates, but there appeared to be practically no application of penalties involved. As a matter of fact, a letter written by

the Administrator of the Motor Fuels Tax Division urging a habitually tardy taxpayer to render reports on a timely basis stated in part, "The statute provides for penalties on late reports which we have been reluctant to apply, but we may find it necessary in the future." We contend that the Administrator has no discretionary power in this regard, and that the specified penalties must be imposed on all delinquent motor fuel excise tax payments.

16. We tested a representative number of a variety of claims for refund of motor fuel excise tax with the result that we feel that most claims appear to receive careful scrutiny by division personnel to insure accuracy and compliance with law However, we did find one particular claim for a refund of tax on aviation gasoline wherein the claimant paid the tax at the time of the fuel purchase, but the seller, a military installation located in this state, failed to report and remit the amount of the tax to the Nevada Tax Commission. The auditors brought this matter to the attention of the Motor Fuels Tax Division and subsequently were advised that recovery of the tax from the seller was effected. In checking refund claims, responsible employees of this Division should endeavor to ascertain whether taxes paid by purchasers have been remitted to the Commission by the sellers.

17. As previously discussed, field auditing for motor vehicle fuel tax enforcement has been irregular and of minor importance during prior years. We were informed that accounts of a few licensed dealers and retailers were examined in February of this year by the Administrator of this Division and one assistant, resulting in a recovery of unpaid taxes amounting to $2,465.40. Considering the recovery figure in the light of the few days of audit effort expended, it seems imperative that a thorough field audit program be initiated in this field in order to insure compliance with statutory requirements and to prevent any possible tax evasion.

18. Some interstate common and contract carriers have been permitted to compute their motor vehicle fuel tax liability on a mileage or use in this state basis. The statutes do not provide for this method of calculating "gasoline" tax liability. NRS 365.220(2) exempts from the payment of this tax motor vehicle fuel exported from this state by a dealer, and NRS 365.260 nullifies the export exemption if the amount of motor vehicle fuel carried out of this state in the fuel tank or tanks of such motor vehicle is less than 25 gallons. Since those carriers who compute their tax liability on the use basis have been licensed as dealers in this state, they would be entitled to treat gasoline carried out of this state in fuel tanks of their vehicles, when the quantity contained therein exceeded 25 gallons, as exempt exports. Enabling legislation providing for tax payments on a mileage basis in the case of motor carriers might assist in clarifying this situation.

19. In accordance with NRS 365.170, 365.180 and 365.190, every dealer must render to the Nevada Tax Commission a monthly report of all motor vehicle fuel sold, distributed or used by him in the State of Nevada during the preceding calendar month and pay the applicable motor vehicle fuel taxes therein unless otherwise exempted from taxation by law. The dealers report devised and required by the Commission is prepared in such a manner as to determine the measure of the tax by combining the opening inventory and monthly receipts of motor vehicle fuel, subtracting the ending inventory and eliminating the exempt transactions. The remaining balance, which includes a normal loss or gain of fuel while in transit or storage, constitutes taxable gallonage. As a result of this reporting procedure, it is our contention that motor vehicle fuel dealers are being assessed an excise tax on normal inventory losses which is contrary to the intent of the law. Our conclusions may be countered by the discount provisions of NRS 365.330(2) which allows dealers and users to deduct 2% of the amount of "the tax found to be due upon any statement duly and punctually

rendered . . . to cover the dealer's or user's cost of collection ofthe tax and of compliance with this chapter and the dealer's or user's handling losses occasioned by evaporation, spillage or other similar causes." However, it must be remembered that the imposition of the tax is upon the sale, distribution or use of motor vehicle fuel as provided in NRS 365.170(2), and we doubt that a loss of fuel through handling, transporting or storage could be considered or classified as a sale, distribution or use thereof. Furthermore, since the allowable discount granted dealers and users is conditioned upon punctual submission of monthly reports, it would seem unfair to deprive a dealer or user of a normal loss deduction merely because his report and tax payment were delinquent.

20. Under the provisions of NRS 494.045(2), the Nevada Tax Commission, State Treasurer and State Controller are directed to allocate to the Nevada Tax Commission, at the close of each fiscal year, a sum of money from the State Airport Fund not to exceed 5% of the remaining balance in such fund, subsequent to the allocation to the Nevada Wing 96 of the Civil Air Patrol, for the purpose of defraying the costs of administration in connection with taxes collected on aviation fuel. This allocation to the Nevada Tax Commission was not effected in either of the two years covered by this audit. The Legislature might consider repealing this section of law inasmuch as the Highway Fund and County Gas Tax Funds presently support rhe Motor Fuels Tax Division in accordance with NRS 365.150.

21. NRS 494.044 instructs the State Controller to transfer monthly to the State Airport Fund the unrefunded balance of all excise taxes which have been held in the Aviation Fuels Tax Refund Account for a period of 6 months prior to such transfer. On June 30, 1962, this account reflected a balance of $126,820.88, although the total amount of taxes collected on aviation gasoline during the preceding six months and considered subject to refund was $38,020.69. It appears that either an additional $88,800.19 should have been transferred by the State Controller to the State Airport Fund during fiscal year 1961-62 for further distribution to the various participating counties in accordance with NRS 494.045(3), or that the records in the Controller's office are in error, thus overstating the balance in the Aviation Fuels Tax Refund Account.

Also, we noted that the statutory requirement directing the monthly transfer between the Aviation Fuels Tax Refund Account and the State Airport Fund is being disregarded. If the use of the State Airport Fund in strict compliance with the statutes is considered impossible by the responsible officials charged with its administration, positive action should be taken to seek legislative amendments to the statutes.

22. The Sales and Use Tax Division deposits and clears taxes, permit fees and cash bonds received from the Las Vegas office through a bank account in Carson City. NRS 372.780(2) states, "The tax commission shall transmit the payments to the state treasurer to be deposited in the state treasury to the credit of the sales tax fund." Although such payments are eventually transmitted to the State Treasurer by means of periodic check withdrawals from the bank account, the legality of the bank account is questioned by the auditors since no statutory authority for clearing revenues in this manner is contained in the "Sales and Use Tax Act." There undoubtedly is practical justification for the use of the bank account by the Commission, especially as a tool fo the State Treasurer and State Controller to avoid the problems and complications involved in the handling of the tremendous volume of returned checks; however, the bank account should be authorized by statute.

23. In sampling refunds processed by the Sales and Use Tax Division, we found evidence of a refund of sales tax to the purchaser rather than the retailer of the property. Since the liability for thepayment of the sales tax is imposed upon

the seller (retailer), the refund of sales tax should be made to the seller as the person who paid the tax in accordance with NRS 372.630. The purchaser must recover sales tax overpaid by him from his retailer. This apparently is not a common practice as we found only one refund of sales tax made to a purchaser rather than the retailer.

24. Another taxpayer was refunded $5,453.34 which represented sales tax paid on the sale of jet turbine fuel. The Nevada Tax Commission authorized this refund based on an opinion from the Attorney General relative to the interpretation of the sales and use tax exemption contained in NRS 372.275 in connection with motor vehicle fuels. In an opinion rendered May 16, 1955, the Attorney General concluded that "Any combustible gas, liquid or material of the same class, grade or sort, as that used to propel a motor vehicle on the highways, is exempt under the act from the taxes therein imposed, whether or not such combustible gas, liquid or other material is used to propel a motor vehicle on the highway, when the same is used in an internal, combustion or diesel engine." As a result of this interpretation, the Nevada Tax Commission not only refunded the taxes mentioned above, but also exempted from the computation of sales and use taxes the gross receipts from the sale, distribution, storage, use or other consumption in this state of all motor vehicle fuel "of the same class, grade or sort, as that used to propel a motor vehicle on the highways," regardless of its subsequent use.

We have viewed the phraseology and wording of this statute from a different approach than that used by the Attorney General at the time of his opinion. Attempting to determine the purpose of the Legislature in enacting the exemption provisions contained in NRS 372.275, we raised the question as to why provide an express exemption of motor vehicle fuels from the sales and use tax? Apparently, the reason was that such fuels were already subject to a substantial tax under the "Motor Vehicle Fuel Tax Act," and the Legislature probably intended to exempt only those fuels from the sales and use tax that were subject to taxation under the other revenue and taxation statutes. An exemption "in respect of other taxes payable or paid," is common in sales and use tax acts adopted in most other states. For an example, in South Dakota, the exemption reads "Gross receipts from the sale of gasoline . . . already taxed under the laws of this state." In view of the foregoing analysis, it would appear that no valid justification or reason exists for exempting all motor vehicle fuel from the sales and use tax. The State of California exacts a sales or use tax on motor vehicle fuel which is exempt from the motor vehicle fuel taxes. The second paragraph of Section 6357, California Revenue and Taxation Code, provides specifically that the State Controller shall deduct the amount of sales tax due on motor vehicle fuels for which there is a refund, and that he shall transfer the amount of the tax to the retail sales tax fund.

Now, let us consider the provisions of NRS 372.275 as a whole and attempt to give meaning and effect to every part of the statute. The exemption statute reads "There are exempted from the taxes imposed by this chapter the gross receipts from the sale and distribution of, and the storage, use or other consumption in this state of any combustible gas, liquid or material of a kind used in an internal or combustion or diesel engine for the generation of power to propel a motor vehicle on the highways."

In the Attorney General's opinion, evidently the phrase "of a kind" was considered as controlling and influenced his conclusion. It should be noted that the words "of a kind" are followed immediately thereafter by the words ". . . used in an internal or combustion or diesel engine for the generation of power to propel a motor vehicle on the highways." (underscore supplied) It is our contention that the words, "of a kind", as completely taken out of context by the Attorney General, fail to express the complete thought contained in the section. Undoubtedly, the phrase was intended by the Legislature to be an all inclusive or "catch all" description, synonymous with the phrase used in NRS 365.060 defining motor vehicle fuels which

reads ". . . gasoline and any other inflammable or combustible liquid by whatever name such liquid may be known or sold." (underscore supplied) It mustbe kept in mind that whatever the description of the propulsion agent, whether "combustible gas or liquid" or whatever term might have been used to describe the agent, it was specifically related to "material . . . used to propel a motor vehicle on the highway."

In our opinion, the exemption provided in NRS 372.275 applies only to motor vehicle fuel upon which a motor fuels tax or special fuels tax has been collected and not refunded. According to statistical reports issued by the Department of Highways and records of the Department of Motor Vehicles, a conservative estimate of the quantity of gasoline and diesel fuel sold or used in this state for off-highway purposes during fiscal years 1960-61 and 1961-62 would represent nearly $500,000.00 in additional sales taxes for the two year period, if the sales tax had been applied in accordance with our understanding of the exempting statute.

To exempt all motor vehicle fuel from sales and use tax would appear to discriminate unfairly against the users of such fuel on the highways and in favor of the airplanes, boats, railroads and all other users of fuel for purposes other than to propel motor vehicles on highways. Certainly, this question should be resolved by a court decision, keeping in mind that legislative acts may be constitutional as drafted and unconstitutional as administered. Opinions of the Attorney General are no defense for public officials who fail to collect taxes due the state.

In all fairness, it should be pointed out that the actions of the Legislature in changing the wording of the exemption section on motor vehicle fuels, as contained in the original sales tax bill as introduced in 1955, seems to show intent that such motor vehicle fuel be completely exempt from the sales tax. Section 55 of Senate Bill No. 171 originally read as follows:

> "Sec. 55. There are exempted from the taxes imposed by this act the gross receipts from the sale and distribution of, and the storage, use, or other consumption in this state of motor vehicle fuel, the distribution of which in this state are subject to the tax imposed by the motor vehicle fuel tax act of 1935, as amended, or the special fuel tax act of 1953, as amended, and not subject to refund."
>
> Amendment No. 23 introduced and adopted in the Senate on March 9,1955, amended Senate Bill No. 171 so as to strike out completely the words "and not subject to refund." And then after the bill was transmitted, to the Assembly for consideration, Amendment No. 10 was introduced and adopted on March 17, 1955, and which struck out completely the entire wording of Section 55 as amended by the Senate, and substituted the present wording which is contained in NRS 372.275.

Because of these amendments in both the Senate and Assembly striking out all wording to the effect that if fuel taxes were paid sales taxes would not be paid (and vice versa, that if fuel taxes were not paid sales taxes would be paid), it appears that there is evidence that the Legislature intended that no sales taxes be paid on motor vehicle fuel regardless of whether fuel taxes were paid or not.

All this points out the proposition that the meaning of NRS 372.275 should be interpreted by a court, or the section should be amended to make the legislative intent and the wording absolutely clear. Unfortunately, the Constitution of the State of Nevada prohibits the amendment of the chapter on the sales tax by the Legislature at this time. The 1963 Legislature should initiate a constitutional amendment which would authorize the Legislature to amend a law approved by the

people by referendum after a three year waiting period (this is the case now with an initiative measure).

25. On June 7, 1960, the Attorney General rendered an opinion in which he concluded that ". . the use of returnable bottles purchased by Nevada bottlers from out-of-state sources is not subject to the use tax under present Nevada law." This statement, founded upon various court decisions and circumstances, noted that the "theory and justification of a use tax is (1) to prevent evasion of the sales tax and (2) to protect local merchants and the economy of the state." Further, the opinion pointed out that ". . no explicit or sufficient legal basis in the Nevada Sales and Use Tax Act indicating that the exemptions authorized in NRS 372.290 are limited to nonreturnable containers only" could be found. Admittedly, the theoretical justifications for the imposition of the use tax in the case of returnable bottles are not apparent in Nevada, since bottling firms located in this state must, by necessity, purchase the bottles in other states; however, we are unable to find any provision in the Nevada Sales and Use Tax Act granting relief to Nevada business firms from the imposition of the use tax because such firms are required to obtain tangible personal property from out-of-state vendors. On the contrary, NRS 372.100 defines "use" as including "the exercise of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of that property in the regular course of business," and NRS 372.185 imposes the use tax" ... on the storage, use or other consumption in this state of tangible personal property purchased from <u>any</u> retailer . . . for storage, use or other consumption in this state . ." In addition, the auditors believe that the use of returnable containers by bottling firms is excluded from the exemption features contained in NRS 372.290, since the Legislature clearly exempted only those "returnable containers when sold <u>with the contents</u> in connection with a retail sale of the contents or when resold for refilling." (Underscore supplied) Nonreturnable containers were exempt when sold without the contents to persons who place the contents in the container and sell the contents together with the container, and we feel that if the Legislature had intended to provide the same exception to returnable containers, they certainly would have done so with explicit language.

In our opinion, the use of returnable containers acquired from out-of-state supplier by Nevada business firms should be subject to the use tax.

26. A contracting firm performing a contract with the United States within a federalized area located in this state has been permitted a sales tax exemption on materials purchased by such contractor in performance of the contract with the United States, which includes the construction of improvements on or to real property. This exemption appears to violate the provisions of NRS 372.340, which imposed the sales tax upon the contractor under such conditions. There seemed to be some confusion as to the application of the sales tax in view of the ultimate purpose of such improvements by the United States, and, as a result, the Nevada Tax Commission allowed the exemption, after receiving advice from the Attorney General's office.

There is no doubt that the construction constitutes an improvement upon its completion, and NRS 372.340 does not provide an exception from the imposition of the sales tax under these circumstances with respect to subsequent use.

27. Records in the Nevada Tax Commission indicate that one particular taxpayer in this state has not been complying with the provisions of the Sales and Use Tax Act relative to the use of resale certificates.

It has come to our attention that the taxpayer in question, in order to simplify accounting procedures and readily ascertain his tax liability, presents retailers

with a resale certificate on the majority of his purchases, although he may know at the time of purchase that certain property will be use by him and not sold in the regular course of business. Since the sales tax is imposed upon the retailer for the privilege of selling tangible personal property at retail, the indiscriminate use of resale certificates by this taxpayer might very well expose his retailers to additional tax assessments and penalties. It must be borne in mind that a seller is relieved from the burden of proving that a sale of tangible personal property is not a sale at retail and therefore excluded from the computation of sales tax only if the seller accepts in good faith a resale certificate from a person who, at the time of the purchase, intends to sell the property or cannot determine whether theproperty will be sold or used for some other purpose. Ruling No. 50 of Sales and Use Tax Rules and Regulations states that "The good faith of the seller will be questioned if he has knowledge of facts which give rise to a reasonable inference that the purchaser does not intend to resell theproperty, as, for example, knowledge that a purchaser of particular merchandise is not engaged in the business of selling that kind of merchandise." We have reason to believe that certain retailers have taken resale certificates covering purchases by this taxpayer of merchandise which he is not engaged in the business of selling.

We are not implying that any tax evasion has resulted from this practice, since, we are told, the taxpayer maintains accounting records which permit the cost summarization of property purchased tax exempt and used for purpose other than resale, and, from these records, the taxpayer quarterly prepares and submits a tax return to the Nevada Tax Commission reflecting his tax liability, and also remits a payment to for the amount of sales and use tax due the state.

The question that concerns us in this report deals with the presentation and acceptance of resale certificates in accordance with the Sales and Use Tax Act.

28. Under the provisions of NRS. 372.510, the Nevada Tax Commission, whenever it deems it necessary to insure compliance with the Sales and Use Tax Act, may require any person subject to the act to post security as determined by the Commission. We understand that consumers liable for the use tax have not been required to place any surety with the Commission. Officials of the Nevada Tax Commission have stated that posting of security for the use tax has not been required since many times consumers having use tax liability are unknown to the Nevada Tax Commission until such consumers voluntarily remit the amount of the tax. Posting of security would appear advisable in the case of out-of-state contractors engaged in large one-time construction jobs in this state for which they would be liable for use tax on materials purchased from out-of-state suppliers, since such contractors conceivably could leave the state upon completion of the job without remitting the proper amount of their tax liability.

29. Tax returns for reporting sales and or use tax liability are required from taxpayers in the manner and form prescribed by the Nevada Tax Commission in accordance with NRS 372.360 and 372.365. The report forms devised by the Commission are designed to reflect the information specified in NRS 372.365 and additional supporting detail as prescribed by the Commission.

A sampling of returns revealed that many taxpayers neglect to complete the schedule supporting the exempt transactions and the schedule of purchases on the consumer report. One taxpayer evidently refuses to submit the return and merely remits a check for the amount of tax due. Another taxpayer reported at irregular periods and only for periods in which he actually transacted taxable sales, although supposedly he was engaged in business throughout the year. We were informed that Sales and Use Tax Division personnel rarely compared deductions from total sales with the detailed schedule of exemptions to insure their equality and legality,

since the actual confirmation of deductions for validity is considered a field audit function. The Nevada Tax Commission should insist upon the submission of reports and information required by law, and, if data requested by Commission authority is considered non-essential, the forms should be revised to eliminate this type of information.

30. Ruling No. 65, Sales and Use Tax Rules and Regulations, adopted February 26, 1962, relieves retailers from sales tax liability to the extent to which the measure of their liability is represented by accounts which have become worthless and charged off for income tax purposes.

It has come to our attention that the State of California has provided retailers in that state with similar relief from tax liability on worthless accounts by specific statutory authority enacted by the California Legislature in 1957, and re-enacted with amendments in 1959, as contained in sections 6055 and 6203.5 of the California Revenue and Taxation Code. However, the Nevada Sales and Use Tax Act contains no such authority, and the Nevada Tax Commission, in permitting deductions on account of bad debts, is doing so strictly by administrative decision, and, in fact, contrary to law.

Liability for sales tax is measured by "gross receipts," and the use tax measure is "sales price." NRS 372.025 defines "gross receipts" as the "total amount of the sale . . price, . . of the retail sales of retailers, valued in money, whether received in money or otherwise . .," and "sales price" is defined in NRS 372.065 as "the total amount for which tangible property is sold, valued in money, whether paid in money or otherwise . . .," excluding, however, the sales price or the amount charged for property returned by customers when the full sales price or the entire amount charged therefor is refunded either in cash or credit. In each of the foregoing citations, a deduction from the total amount of the "gross receipts" or the "sales price" on account of "losses or any other expense" is specifically prohibited.

In the opinion of the auditors, action taken by the Nevada Tax Commission permitting retailers to treat bad debts and repossession losses as deductible from their sales tax liability is contrary to the provisions pertaining thereto in the Sales and Use Tax Act. Further, it appears that the Nevada Tax Commission, in rendering administrative rulings of this nature, has effected a statutory change in the law, which the Legislature itself is powerless to accomplish, since the Attorney General has held that the Sales and Use Tax Act cannot be amended except by the constitutional process involving a vote of the people, inasmuch as the act was approved by a referendum vote of the people in November, 1956.

Suggested Changes and Recommendations

We suggest that the following recommendations be effected in order to clarify and remedy situations which appeared, in our opinion, to be inadequate, uncertain or contrary to statutory requirements:

1. NRS 360.060 provides that the commissioners and assistants of the Nevada Tax Commission be reimbursed from the State for their actual and necessary expenses while engaged in traveling on business of the Commission. However, travel claims checked by the auditors indicated that reimbursement of traveling expenses is being made in accordance with the general provisions of NRS 281.160. It is suggested that Legislature amend NRS 360.060 in order to eliminate any wording contained therein which appears to be in conflict with NRS 281.160.

2. NRS 365.120, pertaining to the employment of personnel in the Motor Fuels Tax Division, grants authority to the Nevada Tax Commission to fix the compensation

for such employees. The Commission employs and compensates its employees in accordance with the "Personnel Act," and we suggest that Legislature enact amendatory legislation which would conform NRS 365.120 to the "Personnel Act". (NRS chapter 284)

3. The Nevada Tax Commission is charged with the "general supervision and control over the entire revenue system of the state" under the provisions of NRS 360.200. Since certain revenue authority has been delegated to other state agencies, as in the case of gaming and special fuel, perhaps the authority of the Nevada Tax Commission should be limited by law to those areas of revenue and taxation in which it has jurisdiction and responsibility.

4. The bank account used for clearing sales and use taxes should be authorized by statute, or these taxes should be deposited directly in the State Treasury.

5. The method of handling remittances should be revised as suggested in a prior section of this report entitled "Internal control evaluation."

6. We suggest that all remittances received by the Commission be deposited immediately, and that the practice of holding a tax payment in the office for any reason be discontinued.

7. Action should be taken to destroy obsolete cigarette revenue stamps in accordance with NRS 370.230.

8. The Cigarette and Liquor Tax Division should maintain only those accounting records that are essential for statistical and internal control purposes, and should discontinue recording information that is duplicated by the General Administration Division.

9. In our estimation, the machine posted sales and use taxpayer ledger serves no useful purpose; therefore, we suggest that the maintenance of these records be halted. The posting machine should continue to be used in order to obtain proof sheets and punch cards.

10. We urge that consideration be given to the possibility of a pooled clerical staff or a redistribution of personnel among the revenue divisions in order to gain maximum benefit and efficiency from the employees in these divisions.

11. It is recommended that the activities of the Motor Fuels Tax Division be confined to the administration and collection of the motor vehicle fuel tax, and that any functions involving administrative costs chargeable to the General Fund appropriation be doscontinued.

12. We recommend that the staff of the Audit Division be enlarged in order to broaden the scope of sales and use tax enforcement and to expand the audit program into the tax fields involving motor fuels, cigarettes, liquor and net proceeds of mines.

13. Statutory provisions governing maximum vacation leave accruals should be carefully observed until the Legislature clarifies the intent of NRS 284.350(1).

14. Supplies and equipment should be purchased from the Department of Purchasing when the required merchandise is available through the Department of Purchasing warehouse facilities.

15. When the Commission is the recipient of credits or reimbursements and refunds involving expenditures from a previous fiscal year appropriation, the refunds or credits, converted to cash, should be placed either in the General Fund or in the

"unencumbered" accounts of the Commission's Administrative Funds, as directed by the Director of the Budget.

16. It is suggested that cigarette revenue stamp inventories of county officials be periodically verified by personnel of the Cigarette and Liquor Tax Division or of the Audit Division.

17. The Cigarette and Liquor Tax Division should investigate certain liquor importers and wholesale dealers in order to ascertain whether the requirements of NRS 369.190(3), relative to minimum liquor stock and the conduct of bona fide busi-- nesses, are being fully satisfied. Similar licensing conditions are contained in NRS 370.090 pertaining to cigarette wholesalers, and monthly reports submitted by various cigarette wholesalers indicate compliance with the minimum inventory and valid business provisions of NRS 370.090.

18. We recommend the collection of the liquor excise taxes on liquor, wine and beer sold on military reservations, since an exemption for sales to the armed forces presently is not expressed in the statutes, or that legislation be enacted which would specifically exempt such transactions.

19. The provisions of NRS 369.450(4), pertaining to the transportation and delivery of liquor into this state, should be carefully reviewed by the Nevada Tax Commission, and only carriers qualifying under the conditions prescribed in the cited law should be allowed to engage in transporting liquor into this state.

20. Inasmuch as NRS 369.430(2), reads "Any intending importer may not legally receive or accept any such shipment except from a holder of a certificate of compliance," all liquor importers should be cautioned against dealing with unregistered out-of-state suppliers, whenever such cases are noted by the Nevada Tax Commission.

21. The Nevada Tax Commission should consider suspending certificates of compliance issued to vendors in other states who neglect to regularly submit reports as required by NRS 369.430. The Commission has authority for such action in NRS 369.430(4) and should exercise this power whenever it becomes apparent that a holder of a certificate of compliance refuses to satisfy the agreed conditions.

22. It is suggested that officials of the Nevada Tax Commission confer with the State Controller and Director of the Budget at the conclusion of each fiscal year to determine the appropriation reversions to the various funds supporting Commission activities.

23. Penalties for delinquent reporting and remitting of motor fuel taxes should be assessed whenever applicable, and discretionary application should be discontinued because the law does not authorize such discretion.

24. Refund claims for erroneous or exempt tax payments should be examined carefully to insure the validity of the claim, to determine that the purported tax payment actually was received by the State, and to determine the accuracy of the computation.

25. Since the statutes do not specifically provide for inter-state carriers to compute their motor fuel excise tax on a mileage or use basis, we suggest that the Nevada Tax Commission draft appropriate legislation for presentation to the next Legislature which would provide express authority for the application of the mileage basis for inter-state carriers. As we mentioned before, some trucking firms

have been computing their gasoline tax liability based on miles driven in this state converted to gallons used. The Commission has permitted this practice, probably because of the export exemption provision; however, we feel that the statutes need some legislative clarification in this matter.

26. We believe that the Legislature intended the motor fuel excise tax to be levied only on taxable motor vehicle fuel sold, distributed or used in this state, and, therefore, we recommend that the present motor vehicle fuel dealers tax returns be amended so that taxable gallonage will only reflect gasoline sold, distributed or used, and that gains or losses reflected in the inventory figures be eliminated from the taxable base, or that the law be amended to include inventory gains or losses as a part of the taxable base.

27. In the past, appropriations from the Highway Fund and County Gas Tax Fund have provided sufficient revenue to support the motor vehicle fuel tax program. For that reason, together with the fact that the Nevada Tax Commission, State Treasurer and State Controller have not complied with NRS 494.045(2) relative to a percentage distribution from the State Airport Fund to the Nevada Tax Commission, we urge Legislative repeal of that portion of NRS 494.045(2) dealing with the allocation of a sum of money to the Nevada Tax Commission from the State Airport Fund not exceeding 5% of the remaining balance in such fund.

28. As discussed earlier in this report, the State Controller's balance in the Aviation Fuels Tax Refund Account on June 30, 1962, apparently was overstated by $88,800.19. Although it appears that there has been no misuse of funds, the Nevada Tax Commission and State Controller should reconcile this account and properly account for this discrepancy.

29. Since the State Airport Fund is dormant during most of the fiscal period, perhaps the legislature should consider abolishing this fund, and provide for the allocations presently made from the State Airport Fund to be drawn from the Aviation Fuels Tax Refund Account.

30. In order to create a justiciable issue and for reasons previously set forth, we recommend that the Sales and Use Tax Division begin collecting the sales and use tax on motor vehicle fuel and special fuel which has not been taxed under the laws of this state pertaining to taxes on such fuels. If any further question arises regarding the sales and use taxability of fuels exempt from motor fuels or special fuel taxation, this matter should be resolved by a court decision.

31. The exemption from the impostition of the use tax on returnable containers purchased from out-of-state vendors appears to us in conflict with the provisions relating thereto contained in the Sales and Use Tax Act. We, therefore, suggest that the use tax be imposed on such containers, and that the Sales and Use Tax Division amend its ruling on this subject to conform with the statutes. Again, any resultant dispute should be settled by the courts.

32. We recommend that the corporation performing a contract for the United States, discussed in item 27 of the section "Possible non-compliance with statute," be subject to the sales tax on materials purchased by the contractor for the purpose of constructing improvements on or to real property.

33. Taxpayers who issue resale certificates to their retailers when purchasing property which knowingly is not intended for resale should be cautioned about the proper use of the resale certificate and made aware of the possible jeopardy involving the retailer. Laws governing taxation should apply equally to all taxpayers, without exception, and the administrative authority, when aware of errant situations, is responsible

for correcting the condition by demanding statutory conformity.

34. The auditors recommend that, as a matter of good business and protection to the state from possible tax evasion, out-of-state contractors and certain other consumers when their activities are known by the Nevada Tax Commission, be required to post security with the Commission to insure payment of the use tax.

35. The Sales and Use Tax Division should require taxpayers to prepare and submit sales and use tax returns in accordance with the Sales and Use Tax Act and rules adopted by the Nevada Tax Commission.

36. We recommend that the Nevada Tax Commission revoke administrative rules and regulations pertaining to the exclusion of bad debts and repossession losses of retailers from the computation of "gross receipts" and "sales price," since such allowances appear to be in conflict with the law.

37. A sum of money has accumulated in the Sales and Use Tax Cash Bond Trust Fund representing cash bonds deposited by taxpayers which have not been refunded, upon the termination of such taxpayer's liability, because the whereabouts of the pledgors are unknown. It is recommended that the amount of unrefunded cash bonds that has remained in the Sales and Use Tax Cash Bond Trust Fund for a period of three years or more following the termination of the taxpayer's liability be transferred to the General Fund. Hereafter, any unrefunded cash deposits that have been posted by taxpayers whose accounts have been terminated for a period of three years should be transferred at the end of each fiscal year to the General Fund, subject to the claim of the pledgor. If there is any doubt as to the legal authority to transfer these funds, then the Nevada Tax Commission should seek statutory approval by legislative action.

38. In accordance with NRS 372.520, 372.545, and other related sections of the Sales and Use Tax Act, pertaining to the time limitation in which the Nevada Tax Commission, must initiate action to collect delinquent or unpaid taxes, it appears that the Commission, in order to recover taxes due as represented by worthless checks, must take appropriate action within three years after the tax becomes due and payable. We, therefore, recommend that if necessary action has not been taken to collect the amount of the returned checks which have been submitted by taxpayers in payment of sales and use taxes due and payable for more than three years, then such items should be considered uncollectible, and the records and accounts of the Nevada Tax Commission adjusted accordingly.

39. The auditors believe that discounts provided taxpayers in the various taxation and revenue statutes administered by the Nevada Tax Commission are extremely liberal, considering that combined discounts allowed taxpayers amounted to approximately $750,000.00 during the fiscal year 1961-62, as reflected in Schedule "A-4." Perhaps, the Legislature might desire to review the allowance provisions and reduce the rates to a lesser percentage.

40. The Nevada Tax Commission should initiate action to correct the apparent discrepancy in the records of the State Controller in connection with the erroneous transfer of $60,178.79 of cigarette tax revenue to the State General Fund which should have been apportioned among the several counties of this state.

41. The difference of $3,390.90 existing between the records of the Nevada Tax Commission and those of the State Controller with respect to the balances on June 30, 1962, of the combined County Gas Tax Funds should be properly adjusted.

42. The reconciliation on the attached Exhibit "J" clearly indicates an overtransfer on November 30, 1961, by the State Controller, of $10,172.53 from the State Highway Fund to the Combined Gas Tax Refund Account. The auditors recommend that the

Nevada Tax Commission bring this matter to the attention of the State Controller and that corrective action be effected.

43. We suggest that the Nevada Tax Commission advise the State Controller of the discrepancies indicated on Schedule "A-3", appended hereto, concerning the money provided for the administration of the Motor Fuels Tax Division, and that the Funds involved be adjusted in order to rectify this situation.

OPINION

We have examined the various financial statements of the several funds and accounts of the Nevada Tax Commission for the periods indicated. Our examination was made in accordance with generally accepted auditing standards, and in accordance with the powers and duties set forth in NRS 218.770, and included such tests of the accounting records and such other auditing procedures as we considered neceasary in the circumstances.

In our opinion, the accompanying financial statements present fairly the results of the operation of the several funds and accounts of the Nevada Tax Commission for the fiscal years ended June 30, 1961 and June 30, 1962, in conformity with generally accepted accounting principles, applied on a basis consistent with practices usually followed in departments and agencies of the State of Nevada.

Yours very truly,

A. N. JACOBSON, LEGISLATIVE AUDITOR

By Gordon N. Pratt
Gordon N. Pratt, Auditor-in-charge

GP/en

NEVADA TAX COMMISSION
Administrative Fund
Statement of Budgeted Revenue and Expenditures Compared to Actual
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit A

	Fiscal Year 1960 - 61				Fiscal Year 1961 - 62			
	Budget	Revised Budget(1)	Actual	(Over) or Under Budget	Budget	Revised Budget(1)	Actual	(Over) or Under Budget
Balance, beginning of period							$ 381.35(5)	$ (381.35)
Revenue:								
Appropriations:								
General Fund	$428,222.00	$428,222.00	$428,222.00		$451,757.00	$451,757.00	451,757.00	
Highway Fund	26,295.00	26,295.00	18,204.58(2)	$ 8,090.42	30,424.00	30,424.00	30,424.00	
County Gas Tax Fund	9,100.00	9,100.00	8,341.67(3)	758.33	9,100.00	9,100.00	9,100.00	
Employees Salary Increase Fund						13,374.00	13,374.00	
Miscellaneous receipts and refunds		1,600.00(4)	5,780.24	(4,180.24)			1,472.69	(1,472.69)
Total Revenue	463,617.00	465,217.00	460,548.49	4,668.51	491,281.00	504,655.00	506,127.69	(1,472.69)
Total Accountability	$463,617.00	$465,217.00	$460,548.49	$ 4,668.51	$491,281.00	$504,655.00	$506,509.04	$(1,854.04)
Expenditures:								
Salaries	$349,163.00	$349,163.00	$312,777.76	$36,385.24	$370,362.00	$383,736.00	$355,625.22	$28,110.78
Travel:								
Out-of-state	6,325.00	6,325.00	5,641.21	683.79	8,000.00	8,000.00	6,666.13	1,333.87
In-state	34,445.00	34,445.00	29,063.76	5,381.24	35,000.00	35,000.00	34,183.20	816.80
Total Travel	40,770.00	40,770.00	34,704.97	6,065.03	43,000.00	43,000.00	40,849.33	2,150.67
Operating:								
Industrial insurance	2,615.00	2,615.00	2,033.05	581.95	2,398.00	2,398.00	2,246.79	151.21
Retirement payments	16,668.00	16,668.00	14,717.49	1,950.51	17,323.00	17,323.00	16,411.45	911.55
Personnel assessments	2,007.00	2,007.00	1,766.77	240.23	2,888.00	2,888.00	2,888.00	-
Freight and postage	4,100.00	4,100.00	4,986.32(5)	(886.32)	4,500.00	4,500.00	6,275.62(6)	(1,775.62)
Printing	9,725.00	9,725.00	9,154.70	570.30	12,900.00	10,900.00	7,311.89	3,588.11
Office supplies	4,200.00	4,200.00	6,668.29	(2,468.29)	7,000.00	7,000.00	8,181.05	(1,181.05)
Telephone and telegraph	4,885.00	4,885.00	3,540.85	1,344.15	4,200.00	4,200.00	3,681.70	518.30
Insurance	2,516.00	2,516.00	2,653.79	(137.79)	2,700.00	2,700.00	2,792.98	(92.98)
Office equipment repair	1,564.00	1,564.00	2,415.28	(851.28)				
Equipment repair	450.00	450.00		450.00	2,500.00	2,500.00	2,439.85	60.15
Contract services	2,000.00	2,000.00	920.75	1,079.25	2,000.00	2,000.00	1,709.00	291.00
Equipment rental	2,082.00	2,082.00	1,573.50	508.50	1,950.00	1,950.00	1,694.00	256.00
Dues and subscriptions					1,500.00	1,500.00	2,681.15	(1,181.15)
Unallocated operating expense	6,988.00	6,388.00	5,640.42	747.58				
Total Operating	59,800.00	59,200.00	56,071.21	3,128.79	61,859.00	59,859.00	58,313.48	1,545.52
Equipment:								
Automobiles	12,475.00	13,160.00	13,159.19	.81	12,950.00	12,950.00	7,475.39	5,474.61
Office furniture	75.00	515.00	512.27	2.73	1,010.00	1,010.00	965.05	44.95
Office equipment	934.00	2,200.00	2,184.64	15.36	2,100.00	4,000.00	3,472.79	527.21
Other furniture and equipment	400.00	209.00	173.38	35.62		100.00	64.78	35.22
Total Equipment	13,884.00	16,084.00	16,029.48	54.52	16,060.00	18,060.00	11,978.01	6,081.99
Total Expenditures	$463,617.00	$465,217.00	$419,583.42	$45,633.58	$491,281.00	$504,655.00	$466,766.04	$37,888.96
Amount Reverted			$ 40,583.72				$ 39,368.84(7)	
Balance, end of period			$ 381.35(5)				$ 374.16(6)	

See next page for footnote explanations.

NEVADA TAX COMMISSION
Administrative Fund
Statement of Budgeted Revenue and Expenditures Compared to Actual
For the Fiscal Years Ended June 30, 1961 and 1962

(1) Includes inter-category transfers.

(2) State Controller under-appropriated $8,090.42 from Highway Fund. Received by transfers from the Motor Fuels Tax Division Administrative Fund.

(3) State Controller under-appropriated $758.33 from County Gas Tax Fund. Received by transfers from the Motor Fuels Tax Division Administrative Fund.

(4) Insurance settlement on wrecked automobile; authorized for expenditure and credited to "equipment allotment" by Director of the Budget.

(5) Freight and postage expense reflects $381.35 less than charged on State Controller's ledger, as this sum constituted an overpayment to Buildings and Grounds Mail Room which was credited to the account of the Nevada Tax Commission. The credit is shown as a balance carried forward.

(6) Same as item #5 above, except that transaction pertains to fiscal year 1961-62.

(7) Reconciliation of reversion on June 30, 1962:

State Controller reverted	$39,356.07
Add: Reimbursement subject to reversion, in transit to State Controller on June 30, 1962	12.77
Nevada Tax Commission Reverted	$39,368.84

NEVADA TAX COMMISSION
Administrative Fund
Summary of Revenue and Expenditures by
Functional Classification
For the Fiscal Year Ended June 30, 1961

Schedule A-1

	Revised Budget	Actual	Functional Distribution: General Administration	Audit[1]	Assessment Standards	Cigarette & Liquor Tax	Motor Vehicle Fuel Tax	Sales & Use Tax	Net Proceeds of Mines
Revenue:									
Appropriations:									
General Fund	$428,222.00	$428,222.00	$100,959.92	$91,356.76	$75,173.83	$20,978.48		$134,843.49	$4,909.52
Highway Fund	26,295.00	18,204.58					$18,204.58[3]		
County Gas Tax Fund	9,100.00	8,341.67					8,341.67[3]		
Misc. receipts and refunds	1,600.00	5,780.24	5,780.24						
Total Available	$465,217.00	$460,548.49	$106,740.16	$91,356.76	$75,173.83	$20,978.48	$26,546.25	$134,843.49	$4,909.52
Expenditures:									
Salaries	$349,163.00	$312,777.76	$44,567.32	$66,688.00	$56,409.38	$13,834.88	$26,481.71	$100,151.10	$4,645.37
Travel	40,770.00	34,704.97	3,864.37	11,082.37	8,616.32	1,099.66	1,406.95	8,635.30	
Operating	59,200.00	56,071.21	5,108.76	11,115.72	9,433.60	6,043.94	3,962.48	20,142.56	264.15
Equipment	16,084.00	16,029.48	6,812.33	2,470.67	714.53		117.42	5,914.53	
Total Expenditures	$465,217.00	$419,583.42	$60,352.78	$91,356.76	$75,173.83	$20,978.48	$31,968.56	$134,843.49	$4,909.52
Amount Reverted		$ 40,583.72[2]	$46,006.03[2]	- 0 -	- 0 -	- 0 -	$(5,422.31)[2]	- 0 -	- 0 -
Balance, end of period		$ 381.35	$ 381.35						

[1] Audit Division costs are reallocated as follows:

Sales & Use Tax Division	$86,806.76
Net Proceeds of Mines	4,550.00
Total Audit Expense	$91,356.76

[2]

Amount that should have been reverted to General Fund	$46,006.03
Amount actually reverted by State Controller	(40,583.72)
Amount of General Fund appropriation diverted to administering motor vehicle fuel tax program	$ 5,422.31

[3] See Exhibit "M."

NEVADA TAX COMMISSION
Administrative Fund
Summary of Revenue and Expenditures by
Functional Classification
For the Fiscal Year Ended June 30, 1962

Schedule A-2

	Revised Budget	Actual	Functional Distribution: General Administration	Audit[1]	Assessment Standards	Cigarette & Liquor Tax	Motor Vehicle Fuel Tax	Sales & Use Tax	Net Proceeds of Mines
Balance, beginning of period		$ 381.35	$ 381.35						
Revenue:									
Appropriations:									
General Fund	$451,757.00	451,757.00	62,898.64	$126,972.99	$81,422.80	$22,701.39		$151,468.10	$6,293.08
Highway Fund	30,424.00	30,424.00					$30,424.00[3]		
County Gas Tax Fund	9,100.00	9,100.00					9,100.00[3]		
Employees Salary Increase Fund	13,374.00	13,374.00	13,374.00						
Misc. receipts & refunds		1,472.69	1,472.69						
Total Available	$504,655.00	$506,509.04	$78,126.68	$126,972.99	$81,422.80	$22,701.39	$39,524.00	$151,468.10	$6,293.08
Expenditures:									
Salaries	$383,736.00	$355,625.22	$35,796.03	$ 92,806.08	$62,567.88	$18,142.72	$26,751.28	$113,904.92	$5,656.31
Travel	43,000.00	40,849.33	3,842.67	15,166.77	9,003.46	1,097.44	1,854.93	9,884.06	
Operating	59,859.00	58,313.48	4,464.45	14,628.67	9,196.41	3,036.73	3,880.60	22,616.35	490.27
Equipment	18,060.00	11,978.01	1,317.72	4,371.47	655.05	424.50		5,062.77	146.50
Total Expenditures	$504,655.00	$466,766.04	$45,420.87	$126,972.99	$81,422.80	$22,701.39	$32,486.81	$151,468.10	$6,293.08
Amount reverted		$ 39,368.84[2]	$32,331.65[2]	- 0 -	- 0 -	- 0 -	$ 7,037.19[2]	- 0 -	- 0 -
Balance, end of period		$ 374.16	$ 374.16						

[1] Audit Division costs were reallocated in full to the Sales & Use Tax Division for costing purposes.

[2]

State Controller reverted to General Fund		$39,368.84
Reversion to General Fund should have been		(32,331.65)
Reversion to Highway Fund should have been	$5,418.64	
Reversion to County Gas Tax Fund should have been	1,618.55	$ 7,037.19

[3] See Exhibit "M."

NEVADA TAX COMMISSION
Motor Fuels Tax Administration
Schedule of Correct Appropriations and Reversions Compared to Actual
For the Fiscal Years Ended June 30, 1961 and 1962

	Fiscal Year 1960-61			Fiscal Year 1961-62		
	Correct	Actual	Difference	Correct	Actual	Difference
Appropriations:						
Highway Fund	$26,295.00	$18,204.58	($8,090.42)	$30,424.00	$30,424.00	-
Co. Gas Tax Fund	9,100.00	8,341.67	(758.33)	9,100.00	9,100.00	-
Total	35,395.00	26,546.25	(8,848.75)	39,524.00	39,524.00	-
Expenditures:						
(See Sched. A-1 and A-2)	31,968.56	31,968.56	-	32,486.81	32,486.81	-
Reversion	$ 3,426.44(1)	-	($3,426.44)	$ 7,037.19(1)	-	($7,037.19)

Remarks:

(1) Reversion pro-rated as follows:

	1960-61	1961-62
Highway Fund	$ 2,545.85	$ 5,418.64
Co. Gas Tax Fund	880.59	1,618.55
Total	$ 3,426.44	$ 7,037.19

	Highway Fund		Co. Gas Tax Fund		General Fund	
	To	From	To	From	To	From
Summary:						
Under-transfers, 1960-61		$ 8,090.42		$ 758.33	$8,848.75	
Corrected Reversion						
1960-61	$ 2,545.85		$ 880.59			$3,426.44
1961-62	5,418.64		1,618.55			7,037.19
Incorrect Transfer to Highway Fund, 1961-62		758.33	758.33			
Totals	$ 7,964.49	$ 8,848.75	$3,257.47	$ 758.33	$8,848.75	$10,463.63

Net Adjustment Required:	To	From
Co. Gas Tax Fund	$ 2,499.14	
Highway Fund		$ 884.26
General Fund		$1,614.88

NEVADA TAX COMMISSION
Schedule of Collection Costs in Relation to Tax Collections
For the Fiscal Year Ended June 30, 1962

Schedule A-4

Revenue Source	Allocated Administration Costs	Taxpayer Discounts[1]	Total Collection Costs	Net Tax Collections[2]	Cost to Collection %
Sales and Use Tax	$278,441.09	$304,638.42	$ 583,079.51	$15,223,673.31	3.83%
Motor Vehicle Fuel Tax	32,486.81	200,143.54	232,630.35	9,665,600.53	2.41%
Cigarette and Liquor Tax	22,701.39	244,270.91	266,972.30	6,473,656.57	4.12%
Total	$333,629.29	$749,052.87	$1,082,682.16	$31,362,930.41	3.45%

Remarks:

(1) Taxpayer discounts pertaining to sales and use tax and motor vehicle fuel tax are estimated based on deductions at the rate of 2% from gross tax collections of:

Sales and use tax - $15,231,921.03 X .02% = $304,638.42.

Motor vehicle fuel tax - $10,007,176.88 X .02% = $200,143.54.

Discounts on cigarette and liquor taxes are actual amounts allowed as reflected in Nevada Tax Commission records.

(2) Actual revenue after deducting refunds.

NEVADA TAX COMMISSION
Cigarette Tax Fund
Statement of Revenue and Distributions
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit B

	Fiscal Year 1960-61		Fiscal Year 1961-62	
Balance, beginning of period		$ 448,065.30		$ 423,943.80
Revenue:				
Cigarette Excise Taxes	$1,710,900.18		$4,252,823.78	
License fees	3,450.00		3,662.50	
Total Revenue		$1,714,350.18		$4,256,486.28
Total Accountability		$2,162,415.48		$4,680,430.08
Distribution:				
Transfers to:				
General Fund		$1,520,393.28		$3,174,865.79 (1)
City & County Cigarette Tax Apportionment Fund				1,210,781.47
County Cigarette Tax Apportionment Fund		217,199.04		286,652.57 (1)
Cigarette Tax Refund Account		879.36		8,130.25
Total Distributed		$1,738,471.68		$4,680,430.08
Balance, end of period		$ 423,943.80		- 0 -

Reconciliation of Controller's Balance on June 30, 1961

State Controller's Balance	$458,000.40
Deduct: Revenue of fiscal year 1960-61, not transferred to General Fund by Controller until April 11, 1962	34,056.60
Nevada Tax Commission balance	$423,943.80

Remarks:

(1) Accounts of State Controller reflect error in 1961-62 distributions to General Fund and County Cigarette Tax Apportionment Fund as follows:

	General Fund	County Cigarette Tax Apportionment Fund
State Controller transfers	$3,269,101.18	$226,473.78
Less: Transfer of 1960-61 revenue 4/11/62	34,056.60	
	$3,235,044.58	
Nevada Tax Commission allocations	3,174,865.79	286,652.57
Amount of Difference	$ 60,178.79	$(60,178.79)

This difference represents county shares (5½%) of cigarette excise taxes collected during the calendar quarter ended June 30, 1962. The State Controller erroneously transferred this sum to the General Fund.

NEVADA TAX COMMISSION
Cigarette Tax Fund
Schedule of City and Combined County Distributions
For the Fiscal Year Ended June 30, 1962

Schedule B-1

	(5½% & 28½%) County	(28½%) City	Total Distributed in Each County
Churchill County	$ 29,168.55		
Fallon		$ 11,603.65	$ 40,772.20
Clark County	263,372.14		
Boulder City		17,227.21	
Henderson		53,158.73	
Las Vegas		273,348.61	
North Las Vegas		78,186.92	685,293.61
Douglas County	24,216.85		24,216.85
Elko County	25,748.19		
Carlin		4,342.14	
Elko		26,730.03	
Wells		4,545.51	61,365.87
Esmeralda County	2,834.71		2,834.71
Eureka County	3,410.39		3,410.39
Humboldt County	14,353.77		
Winnemucca		14,655.15	29,008.92
Lander County	7,876.77		7,876.77
Lincoln County	7,483.13		
Caliente		3,361.38	10,844.51
Lyon County	22,897.10		
Yerington		7,486.73	30,383.83
Mineral County	30,607.08		30,607.08
Nye County	18,026.09		
Gabbs		3,268.03	21,294.12
Ormsby County	20,345.37		
Carson City		21,912.83	42,258.20
Pershing County	7,566.23		
Lovelock		8,267.70	15,833.93
Storey County	2,838.89		2,838.89
Washoe County	150,804.19		
Reno		218,449.75	
Sparks		70,530.30	439,784.24
White Pine County	31,756.68		
Ely		17,053.24	48,809.92
Totals	$663,306.13	$834,127.91	$1,497,434.04

NEVADA TAX COMMISSION
City and County Cigarette Tax Apportionment Fund
Statement of Receipts and Expenditures
For the Fiscal Year Ended June 30, 1962

Exhibit C

Receipts:			
Transfer from Cigarette Tax Fund (28-1/2%)			$1,210,781.47
Expenditures:		Total Within Counties	
Fallon	$ 11,603.65		
Churchill County	24,268.53	$ 35,872.18	
Boulder City	17,227.21		
Henderson	53,158.73		
Las Vegas	273,348.61		
North Las Vegas	78,186.92		
Clark County	117,161.47	539,082.94	
Douglas County		14,774.19	
Carlin	4,342.14		
Elko	26,730.03		
Wells	4,545.51		
Elko County	15,359.84	50,977.52	
Esmeralda County		2,627.29	
Eureka County		3,255.42	
Winnemucca	14,655.15		
Humboldt County	9,570.74	24,225.89	
Lander County		6,646.45	
Caliente	3,361.38		
Lincoln County	6,956.31	10,317.69	
Yerington	7,486.73		
Lyon County	18,585.49	26,072.22	
Mineral County		26,861.67	
Gabbs	3,268.03		
Nye County	15,296.14	18,564.17	
Carson City	21,912.83		
Ormsby County	12,308.33	34,221.16	
Lovelock	8,267.70		
Pershing County	5,309.51	13,577.21	
Storey County		2,410.80	
Reno	218,449.75		
Sparks	70,530.30		
Washoe County	70,687.37	359,667.42	
Ely	17,053.24		
White Pine County	24,574.01	41,627.25	
Total Expenditures			$1,210,781.47
Balance, end of period			- 0 -

Remarks: No fund during fiscal year 1960-61.

NEVADA TAX COMMISSION
County Cigarette Tax Apportionment Fund
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit D

	Fiscal Year 1960-61 (12½%)		Fiscal Year 1961-62 (5½%)	
Receipts:				
Transfer from Cigarette Tax Fund		$217,199.04		$286,652.57(1)
Expenditures:				
Churchill County	$ 4,241.71		$ 4,900.02	
Clark County	105,523.07		146,210.67	
Douglas County	7,253.85		9,442.66	
Elko County	8,621.43		10,388.35	
Esmeralda County	187.49		207.42	
Eureka County	208.46		154.97	
Humboldt County	4,037.12		4,783.03	
Lander County	977.09		1,230.32	
Lincoln County	412.63		526.82	
Lyon County	3,585.67		4,311.61	
Mineral County	3,272.85		3,745.41	
Nye County	1,970.60		2,729.95	
Ormsby County	6,291.57		8,037.04	
Pershing County	1,966.05		2,256.72	
Storey County	318.07		428.09	
Washoe County	62,451.51		80,116.82	
White Pine County	5,879.87		7,182.67	
Total Expenditures		$217,199.04		$286,652.57(1)
Balance, end of period		- 0 -		- 0 -

Remarks:
(1) State Controller actually distributed $226,473.78 to counties through this fund. Counties share of cigarette taxes (5½%) collected during quarter ending June 30, 1962, in the sum of $60,178.79, erroneously transferred to General Fund.

NEVADA TAX COMMISSION
Cigarette Tax Refund Account
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit E

	Fiscal Year 1960-61	Fiscal Year 1961-62
Receipts:		
Transfer from Cigarette Tax Fund	$879.36	$8,130.25
Expenditures:		
Refunds to cigarette wholesalers and manufacturers on stale cigarettes and obsolete revenue stamps	$879.36	$8,130.25
Balance, end of period	- 0 -	- 0 -

NEVADA TAX COMMISSION
Liquor Tax Fund
Statement of Revenue and Distributions
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit F

	Fiscal Years 1960-61	1961-62
Revenue:		
Liquor excise taxes	$1,296,335.77	$2,209,776.23
License fees	16,856.25	17,325.83
Total Revenue	$1,313,192.02	$2,227,102.06
Distributions:		
Transfers to:		
General Fund	$1,313,192.02	$2,225,300.54
Liquor Tax Refund Account		1,801.52
Total Distributed	$1,313,192.02	$2,227,102.06
Balance, end of period	- 0 -	- 0 -

NEVADA TAX COMMISSION
Liquor Tax Refund Account
Statement of Receipts and Expenditures
For the Fiscal Year Ended June 30, 1962

Exhibit - G

Receipts:	
Transfer from Liquor Tax Fund	$1,801.52
Expenditures:	
Refunds to liquor importers	1,801.52
Balance, end of period	- 0 -

Remarks: No refunds were made during fiscal year 1960-61.

NEVADA TAX COMMISSION
Motor Fuels Tax Suspense Account
Statement of Revenue and Distribution
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit H

	Fiscal Year 1960-61		Fiscal Year 1961-62	
Balance, beginning of period		$ 1,435.34		$ 785,181.53(1)
Revenue:				
State Motor Fuel Taxes	$6,692,215.48		$7,364,739.58	
County Motor Fuel Taxes	2,230,970.63		2,454,934.99	
Aviation Fuel Taxes	134,311.14		187,502.31	
Petroleum Products Inspecting Fees			86,742.66	
License fees	50.00		40.00	
Total Revenue		9,057,547.25		10,093,959.54
Total Accountability		$9,058,982.59		$10,879,141.07
Distributions:				
Transfers to:				
State Highway Fund	$6,112,196.50		$7,944,848.56	
County Gas Tax Funds	2,030,706.77		2,638,434.19	
Aviation Fuel Tax Refund Account	122,556.12		199,257.33	
Motor Fuels Tax Administrative Fund	8,341.67		9,858.33	
Petroleum Products Suspense Account	- 0 -		86,742.66	
Total Distributed		$8,273,801.06		$10,879,141.07(1)
Balance, end of period		$ 785,181.53(1)		- 0 -

Remarks:
(1) Distributions shown above during fiscal 1961-62 include collections of June, 1961, which are represented by the June 30, 1961 balance.

NEVADA TAX COMMISSION
Combined County Gas Tax Funds
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit I

	Receipts				Expenditures			
Fiscal Year 1960-61	Beginning Balance	Transfers From Motor Fuels Tax Suspense	Miscellaneous Refunds	Total Accountability	Remitted To Counties	Transfers To Combined Gas Tax Refunds	Total Reductions To Funds	Balance, End of Period
Churchill	$ 6,067.17	$ 74,912.89		$ 80,980.06	$ 72,827.09	$ 8,711.40	$ 81,538.49	$ (558.43)
Clark	51,903.37	598,730.95		650,634.32	638,424.33	12,537.53	650,961.86	(327.54)
Douglas	2,405.94	32,558.08		34,964.02	31,011.36	4,101.41	35,112.77	(148.75)
Elko	14,984.87	191,995.49		206,980.36	195,770.01	11,438.44	207,208.45	(228.09)
Esmeralda	2,297.77	25,210.85		27,508.62	27,045.63	472.60	27,518.23	(9.61)
Eureka	2,169.74	26,656.31		28,826.05	27,567.21	1,286.44	28,853.65	(27.60)
Humboldt	8,882.99	108,887.72		117,770.71	111,472.32	6,884.50	118,356.82	(586.11)
Lander	4,060.95	47,886.53		51,947.48	49,945.81	2,095.32	52,041.13	(93.65)
Lincoln	4,816.09	55,871.03		60,687.12	59,671.72	1,038.32	60,710.04	(22.92)
Lyon	5,105.75	73,219.51		78,325.26	69,619.27	9,004.22	78,623.49	(298.23)
Mineral	4,675.11	43,307.21		47,982.32	47,803.72	178.60	47,982.32	-
Nye	9,056.95	105,214.85		114,271.80	110,868.43	3,658.91	114,527.34	(255.54)
Ormsby	4,681.83	54,921.02		59,602.85	58,537.60	1,075.85	59,613.45	(10.60)
Pershing	5,397.23	60,776.50		66,173.73	63,225.86	2,947.87	66,173.73	-
Storey	744.24	10,412.30		11,156.54	11,156.54	-	11,156.54	-
Washoe	36,279.20	410,793.82	$1,764.89	448,837.91	440,313.54	8,856.60	449,170.14	(332.23)
White Pine	8,648.50	109,351.71		118,000.21	113,690.07	4,509.29	118,199.36	(199.15)
Total	$172,177.70	$2,030,706.77	$1,764.89	$2,204,649.36	$2,128,950.51	$78,797.30	$2,207,747.81	$(3,098.45)
Fiscal Year 1961-62								
Churchill	$ (558.43)	$ 95,153.41		$ 94,594.98	$ 79,890.45	$ 7,941.52	$ 87,831.97	$ 6,763.01
Clark	(327.54)	818,980.04		818,652.50	730,398.19	14,012.27	744,410.46	74,242.04
Douglas	(148.75)	42,442.32		42,293.57	35,236.05	3,673.34	38,909.39	3,384.18
Elko	(228.09)	233,947.39		233,719.30	203,962.26	11,692.19	215,654.45	18,064.85
Esmeralda	(9.61)	30,511.64		30,502.03	27,579.76	625.06	28,204.82	2,297.21
Eureka	(27.60)	34,705.11		34,677.51	30,402.23	1,479.42	31,881.65	2,795.86
Humboldt	(586.11)	131,216.47		130,630.36	114,386.77	6,642.77	121,029.54	9,600.82
Lander	(93.65)	58,975.15		58,881.50	52,262.69	1,943.00	54,205.69	4,675.81
Lincoln	(22.92)	72,892.55		72,869.63	66,013.91	1,131.40	67,145.31	5,724.32
Lyon	(298.23)	88,652.78		88,354.55	72,512.02	9,224.00	81,736.02	6,618.53
Mineral	-	53,001.15		53,001.15	48,299.09	334.32	48,633.41	4,367.74
Nye	(255.54)	141,570.38		141,314.84	125,459.08	4,234.31	129,693.39	11,621.45
Ormsby	(10.60)	70,560.59		70,549.99	63,658.22	1,152.24	64,810.46	5,739.53
Pershing	-	77,600.05		77,600.05	69,220.51	2,496.49	71,717.00	5,883.05
Storey	-	10,798.47		10,798.47	9,862.14	-	9,862.14	936.33
Washoe	(332.23)	539,419.88		539,087.65	485,920.94	8,764.92	494,685.86	44,401.79
White Pine	(199.15)	138,006.81		137,807.66	122,089.41	4,754.02	126,843.43	10,964.23
Total	$(3,098.45)	$2,638,434.19	-	$2,635,335.74	$2,337,153.72	$80,101.27	$2,417,254.99	$218,080.75 (1)

Note: See next page for footnote (1).

NEVADA TAX COMMISSION
Combined County Gas Tax Funds
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit I (Page 2)

Reconciliation of Controller's Balance, June 30, 1962:	
State Controller's Balances	$214,689.85
Add: Transfer to Combined Gas Tax Refund Account, November 30, 1961; no offsetting refunds indicated on Controller's accounts	3,390.90
Nevada Tax Commission Balance	$218,080.75

Remarks: (1) Due counties as their share of June, 1962, Motor Vehicle Fuel Tax collections.

NEVADA TAX COMMISSION
Combined Gas Tax Refund Account
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit J

	Fiscal Year 1960-61		Fiscal Year 1961-62	
Balance, beginning of period		$ 14,747.03		- 0 -
Receipts:				
Transfers from:				
State Highway Fund	$236,038.15		$240,305.58	
County Gas Tax Funds	78,797.30		80,101.27	
Total Receipts		$314,835.45		$320,406.85
Total Accountability		$329,582.48		$320,406.85
Expenditures:				
Refunds of Motor Fuel Taxes		$329,582.48		$320,406.85
		- 0 -		- 0 -
Reconciliation of Controller's Balance on June 30, 1962:				
State Controller's Balance				$13,563.43
Less: Transfers from following funds November 30, 1961; no offsetting refunds indicated on Controller's accounts:				
State Highway Fund			$10,172.53	
County Gas Tax Funds			3,390.90	13,563.43
Nevada Tax Commission Balance				- 0 -

NEVADA TAX COMMISSION
Aviation Fuel Tax Refund Account
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit K

	Fiscal Year 1960-61		Fiscal Year 1961-62	
Balance, beginning of period		$118,995.03		$110,160.86
Receipts:				
Transfer from Motor Fuels Tax Suspense Account		122,556.12		199,257.33
Total Accountability		$241,551.15		$309,418.19
Expenditures & Distributions:				
Transfers to:				
State Airport Fund	$77,965.92		$59,645.15	
Civil Air Patrol Fund	12,000.00		15,000.00	
Total Transfers	$89,965.92		$74,645.15	
Refunds to Claimants	41,424.37		107,952.16	
Total Reductions to Fund		131,390.29		182,597.31
Balance, end of period		$110,160.86		$126,820.88

NEVADA TAX COMMISSION
State Airport Fund
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit L

	Fiscal Year 1960-61		Fiscal Year 1961-62	
Balance, beginning of period		$ 355.42		-0-
Receipts:				
Transfer from Aviation Fuels Tax Refund Acct.		77,965.92		$59,645.15
Total Accountability		$78,321.34		$59,645.15
Expenditures:				
Distributions to:				
Churchill County	$ 180.14		$ 697.85	
Clark County	50,431.11		33,264.10	
Douglas County	720.56		870.82	
Elko County	5,137.88		5,004.23	
Esmeralda County	78.32		155.08	
Eureka County	-		11.93	
Humboldt County	422.94		685.92	
Lander County	125.31		369.80	
Lincoln County	-		65.61	
Lyon County	219.30		304.19	
Mineral County	-		190.86	
Nye County	2,286.98		2,141.26	
Ormsby County	697.06		620.31	
Pershing County	70.49		35.79	
Washoe County	16,658.95		13,718.38	
White Pine County	1,292.30		1,509.02	
		$78,321.34		$59,645.15
Balance, end of period		- 0 -		- 0 -

NEVADA TAX COMMISSION
Motor Fuels Tax Division Administrative Fund
Statement of Receipts and Distributions
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit M

	Fiscal Years 1960-61	1961-62
Receipts:		
Transfers from:		
State Highway Fund	$26,295.00	$30,424.00
Motor Fuels Tax Suspense Account	8,341.67 (1)	9,858.33 (1)
Total Accountability	$34,636.67	$40,282.33
Distributions:		
Transfer to:		
Nevada Tax Commission Administrative Fund	$26,546.25 (2)	$39,524.00
State Highway Fund		758.33
Total Distributed	$26,546.25	$40,282.33
Amount reverted to Highway Fund	$ 8,090.42 (2)	- 0 -

Remarks:

(1) State Controller did not make final monthly transfer of $758.33 to this Fund from Motor Fuels Tax Suspense Account during fiscal year 1960-61. Actual transfer occurred in July, 1961.

(2) State Controller should have transferred $35,395.00 to Nevada Tax Commission Administrative Fund in fiscal year 1960-61, but failed to make final quarterly transfer from this Fund. The fourth quarter transfer should have amounted to $8,848.75, consisting of receipts from the following sources:

State Highway Fund	$6,573.75
County Gas Tax Fund (actually administered through the Motor Fuels Tax Suspense Account):	
Amount available (April & May transfers)	1,516.67
Balance in Fund, available for transfer	8,090.42
Add: June, 1961, transfer not effected (See Note (1))	758.33
Amount due Nevada Tax Commission, fiscal year 1960-61	$8,848.75

As a result of omitting the final monthly and quarterly transfers noted in these remarks, a balance of $8,090.42 remained in this Fund on June 30, 1961, and was reverted to the State Highway Fund.

NEVADA TAX COMMISSION
Sales and Use Tax Division Collection Bank Account
Statement of Revenue Collected and Transferred to State Treasury
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit N

	Fiscal Year 1960-61		Fiscal Year 1961-62	
Revenue:				
Sales & Use Taxes		$13,841,493.57		$15,220,175.21
Cash Surety Bonds				37,539.00
Permit fees		2,327.00		2,511.00
Gross Revenue		$13,843,820.57		$15,260,225.21
Adjust: Uncollected returned checks, July 1	$ 13,935.04		$ 14,725.43	
Less: Uncollected returned checks, June 30	14,725.43	(790.39)	12,725.55	1,999.88
Net Revenue		$13,843,030.18		$15,262,225.09
Withdrawals:				
Transfers by check to State Treasury and credited to:				
Sales Tax Fund	$13,843,030.18		$15,220,000.00	
Sales Tax Cash Bond Trust Fund	-		37,539.00	
		$13,843,030.18		$15,257,539.00
Balance, end of period		- 0 -		$ 4,686.09

Bank reconciliation, June 30, 1962:	
Balance, per bank	$2,816.42
Deposits in transit, June 30, 1962	1,869.67
Balance, per Nevada Tax Commission	$4,686.09

NEVADA TAX COMMISSION
Sales and Use Tax Division Collection Bank Account
Summary of Uncollected Returned Checks
June 30, 1962

Schedule N-1

Fiscal Year	Amount
1955 - 56	$10,498.83
1956 - 57	2.00
1957 - 58	786.13
1958 - 59	396.08
1959 - 60	101.91
1960 - 61	267.04
1961 - 62	673.56
Total	$12,725.55

NEVADA TAX COMMISSION
Sales Tax Fund
Statement of Revenue and Distributions
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit O

	Fiscal Year 1960 - 61		Fiscal Year 1961 - 62	
Revenue:				
Transfers from Sales & Use Tax Division Collection Bank account:				
Sales & Use Taxes	$13,840,703.18		$15,217,489.00	
Permit fees	2,327.00		2,511.00	
Sub-total (See Exhibit "N")		$13,843,030.18		$15,220,000.00
Transfer from Motor Vehicle Fund:				
Use Taxes		2,906.05		12,651.99
Total Revenue		$13,845,936.23		$15,232,651.99
Distributions:				
Transfers to:				
State General Fund	$13,835,331.15		$15,216,081.17	
Sales & Use Tax Refund Account	10,605.08		10,758.72	
Motor Vehicle Fund	-		5,812.10	
Total Distributed		$13,845,936.23		$15,232,651.9
Balance, end of period		- 0 -		- 0 -

NEVADA TAX COMMISSION
Sales and Use Tax Refund Account
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit P

	Fiscal Years	
	1960-61	1961-62
Receipts:		
Transfers from Sales Tax Fund	$10,605.08	$10,758.72
Expenditures:		
Refunds of Sales or Use Tax	10,605.08	10,758.72
Balance, end of period	- 0 -	- 0 -

NEVADA TAX COMMISSION
Sales Tax Cash Bond Trust Fund
Statement of Receipts and Expenditures
For the Fiscal Years Ended June 30, 1961 and 1962

Exhibit Q

	Fiscal Years	
	1960-61	1961-62
Balance, beginning of period	$221,104.21	$237,061.07
Receipts:		
Cash bonds	80,202.00	92,088.30
Total Accountability	301,306.21	329,149.37
Expenditures:		
Refunds of cash bonds	64,245.14	81,398.24
Balance, end of period	$237,061.07	$247,751.13

NEVADA TAX COMMISSION
Sales and Use Tax Division
Statement of Negotiable Bonds Deposited in State Treasury
For the Fiscal Year Ended June 30, 1962

Exhibit R

Balance, July 1, 1961	$19,950.00
Receipts:	
Negotiable bonds	17,100.00
Total Accountability	37,050.00
Withdrawals:	
Bonds returned to pledgors	7,950.00
Balance, June 30, 1962	$29,100.00

Appendix A

GRANT SAWYER
Governor
CHAIRMAN

STATE OF NEVADA

NEVADA TAX COMMISSION

CARSON CITY, NEVADA

R. E. CAHILL
SECRETARY

January 24, 1963

Mr. J. E. Springmeyer
Legislative Counsel Bureau
State Capitol
Carson City, Nevada

As discussed with you in our recent conference, I would like to make some comments on the report of the audit made of this office which, I believe, should be a part of the official record.

I have indicated to you in reviewing the preliminary draft of the report that I have no basic objection to many of the suggested changes and recommendations made in your report. Some were direct recommendations to the legislature of proposed changes in the law, which is entirely in the jurisdiction of that body. Many were good and will be followed; some of these were included in the suggested changeover to machine accounting incorporated in our plan submitted to the budget director some months ago; some are minor in nature reflecting only a normal margin of error or a difference of opinion between the auditor and those in our office who are doing the work. These, I am sure, do not need, or deserve, any further comment here.

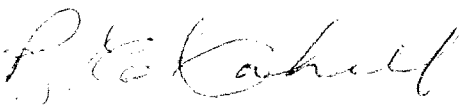
I would, however, like to comment particularly on those recommendations numbered 30 through 36. Here you take exception to policy decisions and interpretations stemming from tax commission rules and regulations and attorney general opinions. Much time, administrative experience and effort, has been devoted to making every one of these decisions, much more than could possibly be applied or available in your office on a single audit assignment. We have made these decisions and constantly lived with them since the inception of the sales and use tax act in 1955, amending them when and if necessary, and I believe they are administratively sound and proper. I cannot believe we should force taxpayers to court at the expense of the state and against the better judgment of this office and the attorney general (who is designated by law our legal advisor) simply because an auditor, or someone in your office, disagrees with us.

I would also like to comment on those recommendations made concerning differences in figures between our office and the state controller's office. I would like it to be clear, as a matter of record, that there is no missuse or unaccountability of funds or improper apportionments involved. The differences are in accounting periods only and the figures balance in subsequent periods. We realize that the controller's books are the official records of the state, but submit that our accounts properly reflect the transactions of this office as they happened. We also respectfully submit that corrections in the controller's records now, or in the future, are a proper function of your office, not ours.

Your report, when issued, will receive the careful attention of the tax commission and will be discussed with them for any action they may deem necessary.

I would like to acknowledge the courtesy extended by you and your office in the course of this audit. Your chief auditor, Mr. Gordon Pratt, was courteous, competent and efficient. You, as always, were considerate of our rights and constructive in your attitude.

NEVADA TAX COMMISSION



R. E. Cahill
Secretary

REC/p

STATE OF NEVADA

UNIVERSITY OF NEVADA

AUDIT REPORT

For the Period July 1, 1961 to June 30, 1962

REPORT NO. 37

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

February 11, 1963

STATE OF NEVADA
OFFICE OF THE
LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

A. N. JACOBSON
LEGISLATIVE AUDITOR

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

In accordance with the requirements of section 218.770 Nevada Revised Statutes, we have examined the accounts and records of the University of Nevada for the fiscal year ended June 30, 1962, and have prepared therefrom the following exhibits and related schedules:

Consolidated Statement of Financial Condition	-	Exhibit A
Statements of Revenue and Expenditure		
Agricultural Experiment Station - Fund 01 State Appropriated Funds	-	Exhibit B
Agricultural Experiment Station - Fund 02 Federal Hatch Funds	-	Exhibit C
Federal Agricultural Regional Research Funds - Fund 02	-	Exhibit D
Agricultural Extension Division - Fund 03 Federal Smith-Lever Funds	-	Exhibit E
Agricultural Extension Division - Fund 03 Bureau of Indian Affairs Funds	-	Exhibit F
Schedule of Expenditures (Detailed by Category)		
Agricultural Experiment Stations - Fund 01 State Appropriated Funds	-	Schedule 1
Agricultural Experiment Station - Fund 02 Federal Hatch Funds	-	Schedule 2
Federal Agricultural Regional Research Funds Fund 02	-	Schedule 3

FUNCTIONS OF AGENCY

The University of Nevada is a State-supported coeducational land-grant university governed by a Board of Regents consisting of nine members from three districts serving staggered terms--elected by the people in a general election.

Officers of the Board of Regents consist of the Chairman, Vice-Chairman, Secretary and Secretary Emeritus. Officers of the University include the President, Executive Vice-President, and Business Manager.

Powers and duties of the Board of Regents of the University of Nevada are set forth in Article 11 of the Nevada Constitution and various statutes of Nevada, including Chapter 396, Nevada Revised Statutes, concerned directly with the University of Nevada. Other statutes dealing with the University are included in the State Budget Act, State Personnel Act, Public Employees Retirement Act, and State Purchasing Act, all of which pertain to the financial operations of the University.

The University has two divisions, the main campus situated in Reno, and Nevada Southern, located in Las Vegas. There is one principal business office on the Reno campus which controls the accounting for revenues and expenditures of all University activities, and maintains administrative and general ledger control over operations of Nevada Southern at Las Vegas.

SCOPE OF EXAMINATION

General

Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate to

satisfy ourselves of the general condition of the records.

The accounting system at the University was extensively revised during the period under audit as a result of discussions by the University staff with the Legislative Auditor and the Director of the Budget prior to the period of audit.

The University's financial statements reflect the numerous improvements which were effected. We are convinced from our analysis of the accounting records and from a review of the University's financial statements that great strides have been made in bringing the accounts into close conformity with accepted accounting standards pertaining to universities and colleges.

We are accepting the University's own financial statements as prepared by the Business Manager's Office referring to them in our audit discourse. We feel that there has been much improvement in presentation with sufficient inclusion of detail in most areas to satisfy all interested parties.

Only in Funds 02 and 03, Agricultural Experiment Stations and Agricultural Extension Division, and in the Agricultural matching funds of Fund 01 do we feel that the University's financial report could be enlarged upon to show more detail as to the operations of those divisions.

In an effort to show more clearly the type and number of projects involved in these two divisions we are including our own statements. We feel that this type of presentation may help clear some of the confusion which apparently exists in the minds of some taxpayers between Agricultural Resident Instruction, Agricultural Extension Services and Agricultural Experiment Stations. We have encountered the criticism that the expenditures for the College of Agriculture are far in excess of what is justified by the number of students graduated in agricultural courses.

The criticism is perhaps not justified in the light of this knowledge as to the types of projects and the sums of money spent for Agricultural Extension and Agricultural Experiments.

Internal Control Evaluation

There has been improvement in the internal control at the University. Foremost in this respect has been the modernizing of the accounts into the fund concept recognized as the accepted standards for universities and colleges. However, much remains to be improved.

We are including an Internal Control Score Card as a measure to evaluate the effectiveness of internal control at the University. This questionnaire was prepared from a volume entitled "Proceedings of the Eighth Governmental Accounting & Finance Institute" prepared by the Institute of Public Affairs, Austin: The University of Texas in April of 1962.

These are sample questions only on internal control; they are not intended to be all inclusive, as a complete review of internal control would of necessity be based on the procedures found in each respective governmental unit. However, they will give an effective indication of the degree of general internal control. Their purpose is to stimulate interest in these aspects of daily operations and increase awareness of the more important procedures which constitute effective internal control in a governmental unit.

There are 40 questions, with a score of 2.5% for each correct answer. A reasonable evaluation would be as follows:

90 - 100%	Excellent	50 - 75%	Fair
75 - 90%	Good	0 - 50%	Poor

CASH RECEIPTS

	Yes	No
1. Is responsibility for handling cash clearly fixed?	( )	(X)

	Yes	No
2. If receipts are prepared manually, are prenumber receipt forms used?	(X)	( )
3. Does someone independent of the persons receiving cash account for all numbers and compare receipts totals with bank deposits?	(X)	( )
4. If cash registers are used, does an independent person compare locked-in totals with bank deposits?	(X)	( )
5. Is incoming cash commingled with other cash used for making disbursements or cashing checks?	(X)	( )
6. Do any persons handling cash keep the general books or accounts receivable records?	( )	(X)
7. Do persons outside your office collect cash?	(X)	( )
8. Do persons handling cash have access to securities?	( )	(X)
9. Are cash receipts deposited intact daily (or frequently, if not daily?)	(X)	( )
10. Is mail opened by someone rather than the cashier or accounts receivable bookkeeper?	(X)	( )

CASH DISBURSEMENTS

11. Are prenumbered check forms used and all numbers accounted for?	(X)	( )
12. Are spoiled checks voided and retained?	(X)	( )
13. Are two signatures required on checks?	( )	(X)
14. Are checks permitted to be signed in blank?	( )	(X)
15. If checks are signed mechanically, are signature plates controlled?	(X)	( )

	Yes	No
16. When presented for signature, are checks accompanied by approved disbursement vouchers and supporting invoices from outside creditors?	(X)	( )
17. Are supporting documents cancelled or marked "paid" to prevent their reuse?	(X)	( )
18. Are bank accounts reconciled by someone who does not receive cash, write checks or sign them?	(X)	( )
19. Is an imprest fund established for all disbursements of petty cash?	(X)	( )
20. Are payroll checks delivered by some person other than the one who prepares them?	(X)	( )

OTHER ASSETS

21. Are securities under dual control or held in safekeeping for your unit by a financial institution?	(X)	( )
22. Is there an adequate follow-up to assure collection of income from investments?	(X)	( )
23. Is a physical inventory taken at least once yearly of materials and supplies?	(X)	( )
24. Are unused materials and supplies fenced in or otherwise housed?	(X)	( )
25. Are materials orderly arranged in their storage areas?	(X)	( )
26. Is there a system in effect to avoid overbuying or purchase of unusuable items?	(X)	( )
27. Is a ledger or card record maintained on general fixed assets?	( )	(X)
28. Are such records controlled on the general ledger or other memorandum record?	( )	(X)

	Yes	No
29. Are deed or title evidences on file for all land owned?	(X)	( )
30. Is machinery and equipment physically tagged and identified on the records?	( )	(X)
31. Are employees who handle cash and receivables bonded?	(X)	( )
32. Are reports of hours worked approved by supervisors before the payroll is prepared?	(X)	( )
33. Are all employees required to take regular vacations?	( )	(X)
34. Are the purchasing and accounting departments separated?	(X)	( )
35. Is a centralized purchasing program maintained?	(X)	( )
36. Is the budgeting procedure centralized?	(X)	( )
37. Is monthly reporting to the governing body required?	( )	(X)
38. Does your budget officer have any control over purchasing or addition of new personnel?	(X)	( )
39. Do you have an internal audit program?	( )	(X)
40. Do you have an independent audit of your accounts and records?	(X)	( )

An evaluation of the preceding questionnaire reveals thirty correct answers. Scoring 2.5% for each correct answer would indicate an evaluation of 75% or a rating of good.

Closer analysis of the answers to the following questions with pertinent qualifications would, we feel, shade the rating a bit closer to the rating designated as good.

No. 1. The responsibility for handling cash is shared by four people at present. It would be difficult to pinpoint error or loss to anyone of the four individuals under present cashiering procedures. However, practical limitations preclude the segregation of responsibility at all times. Complete separation of

the cashiering function from the accounting office would be necessary to accomplish the above objective. This separation is not feasible at present from an economy viewpoint. Ultimately this plan may prove worthy, especially if the University enrollment increases as rapidly as anticipated.

No. 5. Incoming cash is commingled with other cash used for cashing checks only. Under the reorganized accounting procedures instituted on July 1, 1961, no disbursements from daily receipts are permitted. There is an imprest type, petty cash fund for making petty disbursements.

Cashing of checks for students seems to be a service that the University feels it must provide. Therefore, the possibility of setting up a separate fund for cashing checks should be explored. We feel it is quite important that the identity of receipts be maintained in the form received--from cash register to deposit in the bank. Such a system materially strengthens audit of cash receipts.

No. 20. Payroll checks are delivered by someone other than the one who prepares them. However, the individual who prepares checks does have access to them prior to the time the checks are delivered. This is a weakness which tends to negatively shade the correct scoring of this question.

Questions No. 27, 28, and 30. The above questions pertain to property control at the University. This problem was discussed at length in the previous year's audit. As there has been little change in property control since then we feel justified in quoting verbatim, past criticism, as follows:

> Property Control - The purpose of property accounting is to maintain accountability for the State's investment in fixed assets such as land, buildings, machinery, equipment, automobiles, furniture, and similar items of property.
>
> We found that the inventory control for property at the University is practically non-existent. Detail property records are not maintained on a current basis. Property inventories are not taken as

often as is necessary to maintain control over the property. Since the State's investment in property is substantail at the university, it is essential that these internal control deficiencies be corrected to minimize possible loss.

The auditors have been informed that the University's requested assistance in an inventory program from the State Department of Purchasing, Inventory Division, is in progress.

No. 31. The Business Manager and Chief Accountant are bonded for $100,000 each. All other University employees are bonded for $10,000 each. This is included for general information purpose only.

No. 37. Monthly reporting to the governing body is not required and apparently is not necessary at the University. However, a very comprehensive report is submitted quarterly. This appears to meet the needs of all interested parties.

The payroll at the University, as in other state agencies is a "before-the-fact" payroll which causes unnecessary work. The payroll is based on the assumption that the employee will complete a full payroll period. Payroll is paid on the day the time should be completed. If such time is not completed, the payroll check either must be cancelled or is given in error. Thus the payroll bank account is always in need of reconciliation.

With an after-the-fact payroll, work would be reduced and accuracy enhanced. Exact time of each employee could be computed, and the proper amount disbursed.

Books and Records

The basic document which sets up the appropriation ledger is known as the Working Budget. This is the document which is prepared by the University to allocate the lump sum appropriation provided by the Nevada Legislature, student fees, miscellaneous incomes, and federal funds to the various colleges and departments of the University. The budget for a particular college or department is recorded in quarterly allotments in four categories. Transfers of spending authority from one college or administrative unit to another are subject to Board of Regents approval. Transfers of spending authority from one department of a college to another department of the same college may be initiated by a dean or administrative officer and are subject to approval of the President. Ledger sheets in the instructional and operational group are designed to show a free or unencumbered balance upon the recording of each transaction.

Beginning with the fiscal period under audit, July 1, 1961, an agreement was arrived at with the Office of the Director of the Budget and the State Controller's Office whereby purchase orders on 1961-1962 budget allocations in

Fund 01 would be accepted through June 8, 1962. Unpaid purchase orders at June 30, 1962, would be paid from 1961-1962 budget allocations up to September 30, 1962. Claim procedure with the State will be the same procedure as is followed after state appropriated funds are exhausted. Claims will be prepared in the usual manner. A check drawn against Regent's funds for the full amount of the claim will be written as a deposit to the State Treasurer to cover the amount of the claim. After the Director of the Budget has preaudited the claim, the State Controller will issue a warrant to reimburse the Accounts Payable Revolving Fund.

The form of the ledger sheets for recording the financial activity in the group of funds in the non-budgeted segment of the ledger has been extensively revised in keeping with the overall accounting reorganization commenced on July 1, 1961.

The changes have been designed to simplify the ledger sheets by separating various segments of financial transactions on individual sheets rather than recording all phases of activity on one sheet, as in the past.

To be specific, there is an unappropriated account recording surplus at the beginning of the fiscal year for each fund. Expenditures accounts are designed to indicate each individual transaction in one column, and in other columns total figures for expenditures and unliquidated encumbrances. Expenditures are distributed to four main categories generally speaking, although there may be deviations. If the fund is quite active, separate sheets record each main expense category.

A control account records the unliquidated encumbrances for each fund on a current basis.

Each fund has a "Cash in Bank Account" which shows the actual cash balance in each fund after each deposit to a bank.

The cash balance per the books in each fund is arrived at in the following manner. Unappropriated surplus of each sub-fund and revenues of each sub-fund are totalled. From this is deducted expenditures from each sub-fund to give a cash balance. By deducting unliquidated encumbrances, an "available balance" is computed.

An account with each fund group records the total of monies invested, if any.

Efficiency of Subordinate Employees

Section 218.810 of the Nevada Revised Statutes specifically charges the Legislative Auditor with the responsibility of examining the efficiency of subordinate employees.

From observation during the time of the audit examination we were unaware of any infraction of rules as promulgated by the State Administrative Manual. Work habits of employees appeared to be good. We observed no overstaffing. Employees' time and talents seem to be well utilized.

Duplication of Work with Other Departments

There exists a possible duplication of work with other departments in the purchasing function of the Buyer's Office with the State Department of Purchasing.

Nevada Bureau of Mines

The Nevada Bureau of Mines for the period under audit received a budget allotment from the general appropriation to the University in the amount of $147,705.00. In addition, there was appropriated from the General Fund for support of the Bureau, the sum of $60,000.00.

We question the need for a separate appropriation to the Bureau which is a department of the Universit lrawing support from the general appropriation to the University.

Cost of Operations

The cost of operations of the University of Nevada is difficult to analyze due to the many factors involved in cost comparisons. We are endeavoring through the presentation of statistics in a basis consistent with that used in the preceding year to arrive at a form of standardization which will have some meaning in year to year enrollment comparisons.

As in the preceding audit of the University we have attempted to use a head count and a determination between full time and part time students.

The University apparently considers a full time student as one who is carrying twelve credit hours. The U. S. Department of Health, Education and Welfare defines a full time student as one who is carrying 75% of the average semester credit hours required for graduation from the particular college in which enrolled. Under the latter formula, a full time student at the University of Nevada would be one carrying from 12 to 14 units, depending upon the college in which he was enrolled. The following schedule presents the federal interpretation:

Code	College	Total Credit Hours for Graduation	Average Semester Credit Hours	Full Time Student Credit Hours
1	Agriculture	136	17	13
2	Home Economics	128	16	12
3	Arts and Sciences	128	16	12
4	Business Administration	128	16	12
5	Education	128	16	12
6	Engineering	146	18	14
7	Mines	146	18	14
8	Nursing	136	17	13
9	Graduate 1/	24	-	-

Detailed verification of enrollment figures was made for the autumn semester of 1961. Only matriculated students were considered. We present the following comparisons based upon the enrollment as of November 10, in the academic years of 1960 and 1961. We have used the federal basis as representative of the entire year giving due consideration to drop-outs and additions up to the date indicated.

The following tables represent a comparative presentation of the enrollment figures for the years noted.

1/ Graduate credit and hours have not been classified as to part time or full time students by the auditors.

RENO CAMPUS

Code	Total Enrollment		Part Time		Full Time	
	1960	1961	1960	1961	1960	1961
1	114	124	30	28	84	96
2	65	70	9	13	56	57
3	821	967	151	140	670	827
4	419	441	79	43	340	398
5	491	574	65	70	426	504
6	361	358	84	92	277	266
7	95	94	29	19	66	75
8	47	49	7	6	40	43
9	57	51	0	0	57	51
Total Reno	2470	2728	454	411	2016	2317

LAS VEGAS CAMPUS

1	4	8	3	1	1	7
2	-	-	-	-	-	-
3	163	178	44	45	119	133
4	109	133	33	38	76	95
5	136	173	57	56	79	117
6	68	73	28	13	40	60
7	7	2	5	0	2	2
8	6	6	3	0	3	6
9	45	20	0	0	45	20
Total Las Vegas	538	593	173	153	365	440

TOTAL BOTH CAMPUSES

1	118	132	33	29	85	103
2	65	70	9	13	56	57
3	984	1145	195	185	789	960
4	528	574	112	81	416	493
5	627	747	122	126	505	621
6	429	431	112	105	317	326
7	102	96	34	19	68	77
8	53	55	10	6	43	49
9	102	71	0	0	102	71
Total Both Campuses	3008	3321	627	564	2381	2757

An indication of the cost per year per student enrolled was arrived at as follows:

Total general operational cost of the University, not including Organized Research, Extension or Public Service amounted to $4,609,652.62, for the fiscal period ended June 30, 1962. This figure divided by a total enrollment of 3,321

students accounts for a cost per student enrolled of $1,388.03. A cost comparison per student enrolled for the fiscal years, 1960-1961 and 1961-1962 would appear as follows:

Fiscal Year	General, Instructional and Operating Costs	Total Students Enrolled	Cost per Student
1960-1961	$3,960,856.64	3,008	$1,316.77
1961-1962	$4,609,652.62	3,321	$1,388.03
Percentage of Increase	16.38%	10.41%	5.41%

Status of Funds

General University Operation - Fund 01. (Refer to University Financial Statements on Pages 5 thru 70--and to Exhibit B of this report).

Sources of receipts are:

1. Appropriation by the Legislature.
2. Interest from the 90,000 Acre Grant Fund.[1/]
3. Proceeds from the University Irreducible Fund.[2/]
4. Interest from the University Contingent Fund.[3/]
5. Delinquent payments of the old University State Tax Fund.
6. Tuition and fees of matriculated students during the academic year.
7. Other miscellaneous receipts.

Disbursement method:

Payrolls are paid semi-monthly for classified staff and monthly for professional, technical and part-time employees and student help. All salaries are paid from the Payroll Clearing Account. This account is used for gross payroll and is reimbursed semi-monthly by state warrant drawn in accordance with payroll documents submitted through, and certified by, the State Department of Personnel and the State Budget Office.

1/ Act of Congress granted 90,000 acres of land to Nevada; 30,000 acres for each Congressional seat. The interest derived from the investment of the money arising from the sale of the land is to be expended for the support and maintenance of the University of Nevada.

2/ The moneys arising from the sale of 72 sections of land granted this state by Act of Congress to be invested by the Board of Regents, the interest there from to be used for the maintenance of the University.

3/ The interest derived from the University Irreducible Fund.

Accounts payable are paid daily as needed by check from the Accounts Payable Revolving Fund. The Revolving Fund is reimbursed by presenting claims to the State Board of Examiners in the manner provided by law.

Location of depository:

Appropriations by the Legislature remain on deposit in the State Treasury until drawn upon by presentation of claims to the State Board of Examiners.

Receipts from tuitions, fees, and miscellaneous receipts are placed in a bank account or invested in short-term government bills and transferred to the State Treasury, when needed, for expenditure after the state appropriation has been exhausted. No expenditures are charged against these receipt accounts; they are available for transfer to the State Treasury only.

Reference to Fund 01 (University Financial Statements, page 2) shows a deficit balance on June 30, 1961, of $21,379.05. Actual revenues received (University Financial Statements, page 3) were $5,806,969.30. Expenditures from operational and educational departments in this fund amounted to $5,411,525.62 (University Financial Statements, page 70). The net of several adjustments as shown on the financial statements, page 2, totaled $12,707.29. Supplies and equipment ordered and contracts entered into at the end of the fiscal period were $124,641.85. The net effect of these accumulated transactions on the beginning of the fiscal year deficit of $21,379.05 resulted in an end of the fiscal year surplus balance of $262,130.77.

It should be noted that the opening cash deficit position of previous years has been overcome and General University Operation, Fund 01 is now in a sound position. Analysis of the above figures shows that the University has operated well within its income and the approved budget.

We wish to point out, however, that the estimated revenues upon which the University Budget for Fund 01 was computed were considerably underestimated--the actual revenues exceeded the estimated revenues by $132,340.30.

On July 1, 1961, the policy relating to custody of funds from fees and other receipts was revised. These funds were deposited temporarily in a bank account upon receipt and then invested in short term government bills--earning the University several thousand dollars interest. Funds from this source were transmitted to the State Treasury only when needed after the state appropriation had been expended.

We take no exception to this procedure other than to point out the need for specific statutory authority for this bank account. We further recommend that legislation authorizing a bank account should specifically restrict disbursements (other than purchase of short term government bills) to transmittal of funds to the State Treasury.

Need for statutory authority for a bank account is mandatory to nullify the provisions of NRS 353.250 which states:

1. Every state officer, department or commission which receives or which may receive any moneys of the State of Nevada for its use and benefits shall pay into the State Treasury on the 1st Monday of each month all moneys received by such officer, department or commission during the previous calendar month, together with a complete itemized statement covering all financial transactions during the month.

2. Every officer, head of any department or commission failing to comply with the provisions of this section shall be guilty of a misdemeanor in office.

Agricultural Experiment Stations, Federal Funds - Fund 02. (Refer to University Financial Statements on page 71 and to Exhibit B of this report)

Purpose of the fund is to conduct scientific research related to agriculture in Nevada, as well as cooperative research related to agriculture of other states. Research is carried on at the Max C. Fleischmann College of Agriculture, and at different University farms and installations, including; Main Station Farm and Dairy, in Washoe County, Valley Road Farm, Reno, Knoll Creek Station, Contact, Newlands Field Station, Churchill County, and Southern Nevada Field Station, Logandale.

Sources of receipts are from Hatch Act Federal Subventions, United States Department of Agriculture Regional Research Federal Subvention, state appropriations and station sales. State appropriations and station sales, however, are accounted for in Funds 01 and 41 respectively.

A bank account is maintained at the Nevada Bank of Commerce, North Reno Branch. Checks on this bank account are signed by either the Business Manager or the Chief Accountant.

Disbursements from this fund are as follows: Payrolls are paid from the University Payroll Clearing Account. That account is reimbursed by check on this fund.

Accounts payable are paid daily as needed by check from this fund.

Reference to Fund 02 reveals a cash balance on June 30, 1961, of $23,562.35. Revenues amounted to $277,446.00; expenditures were $270,215.00 as follows:

Salaries	$ 78,323.77
Travel	16,041.33
Operating	124,224.37
Equipment	51,625.53
Total	$270,215.00

The result was a cash balance on June 30, 1962, of $30,793.35 which was reconciled to the bank statement of that date. Supplies and equipment

ordered and services contracted for at the end of the fiscal period amounted to $30,793.35 fully depleting the available balance.

We are not satisfied that the University's financial statements on page 71 of their report are in sufficient detail to portray the scope of activities encompassed by this fund. There are a myriad of research projects which make up the $270,215.00 expenditure recorded on one page of the financial report.

In an effort to show this fund in a truer perspective we are including our own statements as Exhibit C. We feel this will show the fund activity in a more meaningful presentation.

Agricultural Extension Service - Federal Funds - Fund 03. (Refer to University Financial Statements on page 73 and to Exhibit D of this report).

Function of the Fund is as follows:

A. Smith-Lever - To give instruction and practical demonstrations in agriculture and home economics through field demonstration and other media.

B. Bureau of Indian Affairs - Assist Indians in the proper development of land and other economic resources to help prepare Indians to fit into the communities in which they live as citizens. Work is carried on at the Max C. Fleischmann College of Agriculture building and by agents in 16 counties.

Sources of receipts are from federal subventions, Smith-Lever, and Bureau of Indian Affairs (County monies for this activity are disbursed by the county and are not a part of this fund).

A bank account is maintained at the Nevada Bank of Commerce, North Reno Branch. Checks on the account are signed by either the Business Manager or Chief Accountant.

Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid

daily as needed by check from this fund.

Reference to Fund 03 shows a cash balance on June 30, 1961, of $35,406.53. Revenues amounted to $231,454.00; expenditures were $217,752.35 as follows:

Salaries	$138,820.81
Travel	21,482.79
Operating	39,544.67
Equipment	17,904.08
Total	$217,752.35

The result was a cash balance on June 30, 1962, of $49,108.18 reduced by $7,195.00, due to a Bureau of Indian Affairs allocation leaving a cash balance of $41,913.18. Supplies and equipment ordered and services contracted for at the end of the fiscal period amounted to $8,349.79, leaving an available balance of $33,563.39.

We are submitting our own statements showing fund activity as Exhibit D. We feel more detailed analysis of projects will provide a better understanding than is possible from the University's presentation of control figures only.

Summer School - Fund 11. (Refer to University Financial Statements on page 75).

The summer school is an integral part of the University of Nevada. Its function is to meet the needs of teachers and students who wish to spend a part of the summer vacation in serious study--to increase skill and classification--or, in the case of students, to accelerate their progress.

The summer school is self-supporting to the extent that cost of instructional staff and direct operating expenses are paid from fees charged to students enrolled.

A bank account is maintained at the First National Bank of Nevada, Spokane Branch. Checks on the account are signed by either the Business Manager or Chief Accountant.

Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Examination of Fund 11 shows a beginning balance on July 1, 1961, of $113,451.48 in the several departments comprising the summer school. Fees collected amounted to $139,721.06; disbursements were $157,552.28 as follows:

Salaries	$ 97,108.39
Travel	3,853.32
Operating	50,492.00
Equipment	6,098.57
Total	$157,552.28

Net transfers out were $75.00 leaving a cash balance on June 30, 1962, of $95,545.26. Supplies ordered or services contracted for at the end of the fiscal period amounted to $2,263.32, leaving an available balance on June 30, 1962, of $93,281.94. This appears to be a rather large balance at first glance, but on further analysis we discover that though most of the income has been recorded at the June 30 cutoff date, very little of the expenditures against this income has been incurred. This distorts the year end balance, giving the illusion of a large surplus which does not in reality exist.

Correspondence, Extension and Evening Division - Fund 12. (Refer to University Financial Statements on page 77)

Correspondence Division- For the convenience of students who wish to continue their education by home study, a program of correspondence

courses has been developed by the several departments of the University.

Extension Division - The nature of the work is defined in general terms by law as "the giving of instruction and practical demonstrations in agriculture and home economics and subjects relating thereto to persons not attending or resident in said colleges in the several communities, and imparting information on said subjects through demonstrations, publications and otherwise."

Evening Division - This is a program to provide continuing educational opportunities to the adults in Reno and Las Vegas and other communities in Nevada.

Receipts are from student fees and federal subventions, deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch. Checks on the account are signed by either the Business Manager or Chief Accountant.

Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

This fund is self-supporting to the extent that cost of instructional staff and direct operating expenses are paid from fees charged to students enrolled. Examination of Fund 12 indicates a beginning balance on July 1, 1961, of $24,498.42 in the five departments comprising the fund. Fees collected amount to $143,625.29; disbursements, $118,763.72, as follows:

Salaries	$ 78,304.42
Travel	5,758.76
Operating	24,019.34
Equipment	10,681.20
Total	$118,763.72

Net transfers out were $6,000.00 leaving a cash balance on June 30, 1962, of $43,359.99. Supplies and equipment ordered or services contracted for at the end of the fiscal period amounted to $3,330.59, leaving an available balance on June 30, 1962, of $40,029.40.

Here as in Fund 11, there appears to be a rather large balance, but this is due to the fact that revenues are collected in one period, whereas the expenditures against these revenues are incurred in the following period.

Research Financed by Grants - Fund 13. (Refer to University Financial Statements on page 78).

This fund consists of federal grants from the National Science Foundation, U. S. Department of Health, Education and Welfare, Atomic Energy Commission and National Institute of Health. In addition, there are various grants from state and local governments as well as private grants.

The fund is reimbursed from grantors for direct and indirect costs in some cases, for direct costs only, in other cases. Also, there may be outright grants of a given sum for specific research projects.

Receipts are deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch. Checks on the account are signed by either the Business Manager or the Chief Accountant.

Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Examination of Fund 13 shows a beginning balance on July 1, 1961, of $72,434.50 in the various research grants comprising this fund. Funds advanced or reimbursements made to the fund amounted to $576,175.69; disbursements were $300,209.23 as follows:

Salaries	$184,451.57
Travel	24,814.17
Operating	55,485.49
Equipment	35,458.00
Total	$300,209.23

Transfers into the fund totaled $6,386.31 as identified on the University's statements. The net result was an ending cash balance on June 30, 1962, of $354,787.27. Supplies and equipment ordered and services contracted for at the end of the fiscal period amounted to $38,418.23, leaving an available balance on June 30, 1962, of $316,369.04.

Special Institutes and Projects, Fund 14. (Refer to University Financial Statements on page 83).

This fund consists of special federal grants and registration fees. Expenditures from those projects supported by federal grant are reimbursed from federal funds for direct and indirect costs of the project. Part of the indirect costs reimbursement is transferred to Fund 01, University General Operation. Those special institutes supported by registration fees are designed to be self-supporting. That is, the direct operating costs are paid for by fees collected from students enrolled in the special institutes.

Receipts are deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch. Checks on the account are signed by either the Business Manager or the Chief Accountant.

Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Expenditures against the fund are in payment of operating, travel and equipment claims of all inter-collegiate athletics.

Review of Fund 21 shows a beginning balance on July 1, 1961 of $7,407.79. Revenues amount to $29,345.62; expenditures were $58,043.27 as follows:

Salaries	$ 899.00
Travel	22,929.27
Operating	28,324.50
Equipment	5,890.50
Total	$58,043.27

Transfers into the fund as explained on the financial statements were $29,207.00, leaving a cash balance on June 30, 1962, of $7,917.14. Supplies and equipment ordered and services contracted for amounted to $5,085.47, reducing the balance to an available figure of $2,831.67.

Dining Commons. - Fund 22. (Refer to University Financial Statements on page 86).

Dining Commons revenue is derived from serving of meals to student body and faculty.

Receipts are deposited in a bank account maintained at the Security National Bank of Reno. Checks on the account are signed by either the Business Manager or the Chief Accountant.

Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Review of Fund 22 shows a beginning balance on July 1, 1962, of $67,235.96. Revenues amounted to $339,671.95; expenditures were $230,068.26 as follows:

Salaries	$ 82,448.17
Travel	210.09
Supplies	3,066.47
Misc. Operating	37,126.51
Equipment	1,211.70
Food costs	106,005.32
Total	$230,068.26

An adjustment for interest on interim financing of $11,657.17 and a $120,000.00 transfer to reserve for sinking fund resulted in a cash balance on June 30, 1962, of $45,182.48. Supplies and equipment ordered and services contracted for in the amount of $1,811.64 reduced the figure to an available balance of $43,370.84.

Residence Halls and Apartments - Fund 23. (Refer to University Financial Statements on page 88).

This fund accounts for the operation of student halls and apartments. Revenues are in the form of rents collected from Manzanita, Lincoln and Artemisia Halls, as well as Married Student Housing and New Residence Hall. Receipts are deposited in a bank account maintained at the Security National Bank of Reno. The Sinking Fund Account is maintained at the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or the Chief Accountant. Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Examination of Fund 23 shows a beginning balance of $129,975.06; however, $20,000.00 of this balance is a receivable from Fund 91, Plant Funds. Receipts were $155,159.67; expenditures, $113,265.93 as follows:

Salaries	$ 42,597.97
Travel	390.65
Supplies	1,803.71
Misc. Operating	61,255.79
Equipment	7,217.81
Total	$113,265.93

Distribution of residence hall deposits of $5,375.00, transfer of $42,800.00 to reserve for sinking fund, and adjustments of interest on interim financing in the amount of $172.25, resulted in a balance of $123,866.05 at June 30, 1962, $20,000.00 of which was a receivable. Supplies and equipment ordered and services contracted for amounting to $77,834.92 reduced the balance to an available figure of $46,031.13.

There is due from the Plant Funds $20,000.00 advanced by Lincoln Hall and Artemesia Hall Funds in amount of $10,000.00 each for construction on the Planetarium Atomspherium.

Student Health Services - Fund 24. (Refer to University Financial Statements on page 90).

All students registered for seven or more credits are entitled to benefits from the University Health Service, which maintains an infirmary on the campus with resident nurses and a physician. This service is included in the consolidated fee that a matriculated undergraduate resident student is required to pay.

The fund accounts for the operation of student health services on the Reno and Nevada Southern campuses. Revenues consist of a portion of the consolidated fee plus an $8.00 fee from non-matriculated students if they subscribe to the service. Receipts are deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or the Chief Accountant. Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Examination of Fund 24 shows a beginning balance of $27,168.20 on July 1, 1961. Revenues are $41,573.84; expenditures, $36,121.34, as follows:

Salaries	$27,274.48
Operating	8,460.61
Equipment	386.25
Total	$36,121.34

The cash balance on June 30, 1962, was $32,620.70. Supplies or equipment ordered at the end of the fiscal year were $397.40, leaving an available balance of $32,223.30.

4-H Camp - Fund 25. (Refer to University Financial Statements on page 91)

The fund accounts for the operation of the 4-H Club at Stateline, Lake Tahoe. Receipts are derived from rents, sale of meals and other sundries. Receipts are deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or Chief Accountant. Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Reference to Fund 25 reveals a beginning cash balance of $16,433.13 on July 1, 1961. Revenues are $19,492.05; expenditures are $11,293.19 as follows:

Operating	$11,125.19
Equipment	168.00
Total	$11,293.19

The cash balance on June 30, 1962, was $24,631.99. Supplies or equipment ordered at the end of the fiscal year were $503.50, leaving an available balance of $24,128.49.

Jot Travis Student Union - Fund 26. (Refer to University Financial Statements on page 92).

This fund accounts for operation of the Jot Travis Student Union and Snack Bar. Its revenues are derived from student activity fees and sales. Receipts are deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or the Chief Accountant. Payrolls are paid from the University Payroll Clearing Account and that account reimbursed by check on this fund. Accounts payable are paid daily as needed by check from this fund.

Reference to Fund 26 shows a beginning cash balance of $40,044.02 on July 1, 1961. Revenues are $109,961.06; expenditures, $107,694.65 as follows:

Salaries	$ 45,331.29
Travel	2,550.09
Supplies	6,483.11
Misc. Operating	20,205.81
Food	31,866.85
Equipment	1,257.50
Total	$107,694.65

The cash balance on June 30, 1962, was $42,310.43. Supplies and equipment ordered and services contracted for at the end of the fiscal year were not shown as encumbered. Noted as a matter of interest is the fact that expenditures for Union Services exceeded receipts by $1,105.40 for the fiscal year. However, the account has a healthy cash balance of $29,975.07 accrued from prior years.

Scholarships - Fund 31. (Refer to University Financial Statements on page 93).

This fund accounts for gifts, the principal of which is usable for scholarships, and income from endowments designated by the donor for scholarships.

Receipts are deposited in a bank account maintained at the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or the Chief Accountant after scholarship authorization has been signed by the Chairman of the Scholarship Committee. Disbursements are made by check against this fund.

Review of Fund 31 reveals a beginning cash balance on July 1, 1961, of $60,040.75. Revenues are $87,267.78; expenditures $85,389.00. Net transfers in as identified on page 97 of the financial statements amount to $10,847.53, leaving a cash balance on June 30, 1962, of $72,767.06.

University Sales - Fund 41. (Refer to University Financial Statements on page 98).

This fund accounts for cash receipts of various departments which are authorized to make sales and to use the resulting receipts. Deposits are made to the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or Chief Accountant. Disbursements are made by check drawn against the bank

account of this fund.

Reference to Fund 41 shows a beginning cash balance on July 1, 1961, of $232,657.38. Revenues amounted to $231,977.15; expenditures were $211,992.67. Transfers in totaled $17,855.35 as identified on page 99 of the financial statements. The result was a cash balance of $270,497.21 on June 30, 1962. Supplies ordered or services contracted for at the end of the fiscal period were $44,675.66, leaving an available balance at June 30, 1962, of $225,821.55.

Noted for attention is the large balance carried in this fund. Of the total $225,821.55 available balance, the largest portion, or $191,293.25 is composed of restricted fund balances such as farm sales accounts which can be expended only for specific purposes according to informed sources at the University.

Special Gifts and Miscellaneous Accounts - Fund 51. (Refer to University Financial Statements on page 100).

This fund accounts for gifts to the University, the principal of which is usable and which may or may not be restricted by the donor to a specific operational use. Income from unrestricted endowments may also be recorded in this group. Deposits are to the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or the Chief Accountant. Disbursements are made by check against the bank account.

The balance at the beginning of the fiscal period, July 1, 1961, amounted to $124,139.32. Revenues were $148,811.29; expenditures amounted to $83,209.32. Net transfers out totaled $31,489.93 as identified on the financial statements on page 103. The result was a cash balance on

June 30, 1962, amounting to $158,251.36. Supplies and equipment ordered or services contracted for were $48,405.83, leaving an available balance at the end of the fiscal period of $109,845.53.

Student Loan Fund, - Fund 61. (Refer to University Financial Statements on page 104).

This fund accounts for moneys loanable to students. If the principal is loanable, the entire amount is recorded here in one account. Income accounts from endowments restricted to student loans are also included in Fund 61.

Deposits are made to the First National Bank of Nevada, Spokane Branch. Checks on the account are signed by either the Business Manager or Chief Accountant. Disbursements are made by check drawn against the bank account of this fund.

Examination of Fund 61 shows a beginning cash balance on July 1, 1961, of $68,624.51. Increases in the balance were in the form of loan repayments of $48,591.37 and receipts added to principal of $86,602.88. Loans made this fiscal period of $110,380.00, and transfers out of $17,303.39 as identified on page 105 of the financial statements reduced the balance to a figure of $76,135.37 at June 30, 1962.

Loans in force at the end of the fiscal period were $195,920.20, accounting for a principal balance of $272,055.57.

Endowment Funds - Fund 71. (Refer to University Financial Statements on page 107).

This fund accounts for endowments, the principal of which is inviolate, the income of which may be used. Income from this fund is transferred and expended in the proper functional fund. That is:

1. Endowment income restricted for scholarships is transferred to the Scholarship Fund 31.
2. Income restricted for student loans is transferred to the Loan Fund 61.
3. Income restricted to a special purpose is transferred to either the Special Institutes and Projects Fund 14 or the Special Gifts and Miscellaneous Fund 51.
4. Income from unrestricted endowments remain in the fund until transferred by the Board of Regents or the President upon authority of the Board.

Endowments, Income Restricted for Scholarships

The endowed principal balance in this group of endowments on June 30, 1961, was $505,116.97. This is the value placed on the endowments at the time they were received. Additions or deductions during the year as identified on the financial reports increased the endowed principal balance by $13,050.00 to a figure of $518,166.97. The appraised market value of pro rata pooled investments representing the contribution of assets of this group of endowments amounted to $581,928.16 at June 30, 1962. This shows an appreciation on paper of $63,761.19 in the endowed principal balance.

The proportionate share of the total endowment pool income earned by this group of endowments totaled $22,815.92.

Endowments, Income Restricted for Student Loans

The endowed principal balance in this group of endowments on June 30, 1961, was $344,655.72. This is the value placed on the endowments at the time they were received. Additions and deductions during the year as identified on the financial statements reduced the endowed principal

balance by $43,653.61 to a figure of $301,002.11. The appraised market value of pro rata pooled investments representing the contribution of assets of this group of endowments amounted to $336,289.43 at June 30, 1962. This shows an increase on paper of $35,287.32 in the endowed principal balance.

The proportionate share of the total endowment pool income earned by this group of endowments totaled $13,550.33.

Endowments, Income Restricted

The endowed principal balance in this group of endowments on June 30, 1961, was $537,467.09. This is the value placed on the endowments at the time they were received. Additions and deductions during the year as identified on the financial statements increased the endowed principal balance by $497,723.31 to a figure of $1,035,190.40. The appraised market value of pro rata pooled investments representing the contribution of assets of this group of endowments amounted to $1,382,372.60 at June 30, 1962. This shows an increase on paper of $347,182.20 in the endowed principal balance.

The proportionate share of the total endowment pool income earned by this group of endowments totaled $41,271.30.

Endowments, Income Not Restricted

The endowed principal balance in this group of endowments on June 30, 1961, was $86,499.38. This is the value placed on the endowments at the time they were received. The appraised market value of pro rata pooled investments representing the contribution of assets of this group of endowments amounted to $188,658.70 at June 30, 1962. This shows an increase on paper of $102,159.32 in the endowed principal balance.

The proportionate share of the total endowment pool income earned by this group of endowments totaled $7,610.52.

Summarization of all Endowment Groups

The total endowed principal balance in all groups of endowments on June 30, 1961, was $1,473,739.16. This is the value placed on the endowments at the time they were received. Additions and deductions during the year as identified on the financial statements increased the endowed principal balance by $467,119.70 to a figure of $1,940,858.86. The appriased market value of all pooled investments representing the contribution of assets of all endowments sharing in the pool amounted to $2,489,248.89. This shows an increase in value, on paper, of $548,390.03 in the endowed principal balance.

The total income earned by the endowment pool investments during the fiscal year was $85,248.07.

Agency Funds - Fund 81. (Refer to University Financial Statements on page 111).

This fund accounts for moneys in the custody of the University but not belonging to it. The University serves essentially as a campus bank for these funds.

Receipts are from various sources, but mainly from student associations.

Deposits are made to the First National Bank of Nevada, Spokane Branch. Checks on the account are signed by either the Business Manager or Chief Accountant. Disbursements are made by check drawn against the bank account of this fund.

Examination of Fund 81 shows a beginning cash balance on June 30, 1961, of $54,175.76. Revenues are $236,877.71; expenditures, $208,235.15.

Net transfers out were $30,093.88 as identified on page 112 of the financial statements. The result of these transactions was a cash balance of $52,724.44 on June 30, 1962. Supplies and equipment ordered at the end of the fiscal period amounted to $662.41, leaving an available balance of $52,062.03.

Plant Funds - Fund 91. (Refer to University Financial Statements on page 113).

This fund is to record the buildings and grounds assets of the University and to account for funds in the control of the Board of Regents which are designated or expended for the acquisition of real property (or, if included in grant provisions, for real property and equipment).

Sources of receipts are from federal grant, private grant or bequest, revenue bonds or other loans and state appropriations if made to Board of Regents. Ordinarily state appropriations for capital improvements at the University are made to the State Planning Board and disbursed from that office.

Deposits are made to the First National Bank of Nevada, Spokane Branch.

Checks on the account are signed by either the Business Manager or the Chief Accountant. Disbursements are made by check drawn against the bank account of this fund.

Reference to Fund 91 shows a Regents' cash balance of $1,276,031.49 on June 30, 1961. Revenues were $822,581.28; expenditures, $735,491.27, leaving a balance of $1,363,121.50 on June 30, 1962. Adjustments as outlined on page 113 of the financial statements explain the discrepancy between opening balances shown and the June 30, 1961, ending balances.

Funds in the hands of the State Treasurer were $6,031,523.81 at June 30, 1961. Additional funds of $20,090.27 provided, less expenditures of

$3,603,804.55 resulted in a cash balance of $2,447,809.53 on June 30, 1962.

Questionable Policies and Procedures

The audit program of the Legislative Counsel Bureau is designed to assist, in a helpful manner, state officers to obtain effective government by including in its reports situations which do not conform to statute or good business practice. Further, the auditors are charged by statute with reporting on such situations.

Our examination disclosed the following items which appear to violate statute or regulations, or which, in our opinion, are contrary to good business practice.

The following claims are submitted as part of the audit report to reflect the nature of claims paid through the Regents' bank accounts. For the period under audit claims of this nature were not subject to preaudit by the Board of Examiners. However, since July 1, 1962, the University initiated a change in procedure wherein claims against Regents' Funds pass through the same pre-audit control as do claims against the University appropriation on deposit in the State Treasury. We emphasize that there appears to be a trend towards much closer allignment to state statutes and directives pertaining to purchasing in most departments at the University. However, the Desert Research Institute clings to what it terms statutory exemption in by-passing the State Department of Purchasing--in numerous cases.

Claims as listed below were paid from Fund 51, known as Special Gifts, and Miscellaneous Funds. This fund accounts for gifts to the University, the principal of which is usable and which may or may not be restricted by the donor to a specific operational use.

Claim 659 for $3.75 paid from the School of Nursing Gifts--for ice tea and cookies for twenty-five people.

Claim 2173 for $39.76 paid from the President's Discretionary Fund--for replacement of two lamp shades and a thirty cup coffee maker used in the President's home.

Claim 3333 for $17.50 paid from the President's Discretionary Fund--flowers for funerals.

Claim 3334 for $31.59 paid from the President's Discretionary Fund for a dinner to a lecturer.

Claim 3559 for $11.00 paid from the President's Discretionary Fund for flowers.

Claim 5370 for $50.00 paid from the President's Discretionary Fund as a contribution from the Board of Regents and the University administration to a memorial fund.

Claim 5655 for $88.00 paid from the President's Discretionary Fund for meals at an Associated Students University of Nevada conference and for dance music at freshman orientation.

Claim 5843 and 5844 for $250.00 each paid from the President's Discretionary Fund for faculty bonus prize, special award.

Claim 8778 for $131.00 paid from the President's Discretionary Fund for Christmas cards.

Claim 3308 for $3.50 paid from the Robert Laird Fulton Lecture Fund--tea and cookies for thirty persons.

Claim 3309 for $31.50 paid from the Robert Laird Fulton Lecture Fund--lodging for a lecturer and his wife.

Claim for $14.65 paid from the Link Foundation Fund for a luncheon meeting with an official of the Link Foundation.

Claim 35555 for $12.50 paid from Orvis School of Nursing Gifts for coffee and cookies.

Claim 3556 for $26.50 paid from Music Department Discretionary Fund for coffee and cookies.

Claim 3806 for $4.95 paid from the Mackay School of Mines Discretionary Fund for a luncheon.

Claim 5525 for $7.50 paid from Music Department Discretionary Fund for a banquet table centerpiece.

Claim 5662 for $16.50 paid from Music Department Discretionary Fund for restaurant charges.

Claim 7994 for $20.05 paid from Music Department Discretionary Fund for corsages, boutonnieres, and miscellaneous decorations for a concert.

Claim 8028 for $5.85 paid from Mackay School of Mines Discretionary Fund for a lunch in connection with an interview for a technician position application.

Claim 9931 for $40.00 paid from Friends of the Library Fund for coffee and tea.

We feel expenditures of the type listed above to be inappropriate tending to adversly influence prospective donors. Many of the above claims would more properly be charged to the President's $6,600.00 entertainment account provided by appropriation by the State Legislature.

The following claims were paid from Fund 13 which is financed from Federal, State, and local governments as well as private grants.

We are listing these claims to show what a far reaching effect the statutory exemptions to NRS Titles 23 and 31 has had in the administration of the Desert Research Institute...for the purpose of informing the Nevada Legislature of a situation which possibly is in need of amendatory legislation..to bring the Desert Research Institute back under the regulatory control of the State, as are all other State agencies.

Claims 3711, 3779, 3780, 3862, 3863, 1864, 1879 are but a few of the travel claims paid from the Desert Research Institute for out of state travel for which there was no approval by the Office of the Budget Director.

Claim 4056 for $246.07 is in payment for retirement benefits and industrial insurance for which the Desert Research Institute is not entitled to participate, inasmuch, as the statutory exemption to Title 23 includes Chapter 286, Public Employees' Retirement Act.

Claim 4906 for $4,647.00 paid to the Sanford Tractor and Equipment Co. for two pieces of equipment. This purchase bypasses the State Department of Purchasing, as do the following:

Claim 5575 for $1,757.25 for one "dynametric, inc."

Claim 5651 for $886.20 purchased three walnut bookcases.

Claim 7879 for $630.90 purchased a "tote goat" and accessories.

The above claims are but a samplying of the type of claims paid by the Desert Research Institute which would not be approved by the State Board of Examiners had they been submitted by any other State Agency.

The next listed claims were paid from Fund 11, Summer School.

Claim 311 for $220.00 paid for a barbeque dinner.

Claim 1633 for $159.00 for two pairs of draw drapes for the College of Education.

Claim 3347 for $5.83 for gasoline put into a private car.

Claim 257 for $19.00 paid from Fund 14, Special Institutes and Projects was a dinner for three persons.

Claims 296 and 3019 totaling $8,742.50 were made from Fund 91, Plant Funds to the architectural firm of Vhay and Hellman. A member of this firm is the secretary of the State Board of Architecture. Such payment could be in violation of the conflict of interest provisions of NRS 281.220.

Claim 6321 for $234.50 paid from Fund 41, University Sales to Dodge Bros. for hay pellets might also be in violation of the provisions of NRS 281.220.

Claim 7061 for $1,000.00 paid from Fund 41 for the purchase of four shares of preferred stock in Muddy Valley Irrigation Co. could be a violation of section 9 of Article VIII of the Nevada Constitution which states, "The State shall not donate or loan money, or its credit, subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for education or charitable purposes."

Suggested Changes and Recommendations

The following is a concise summary of recommendations and suggested changes made in the previous year's audit report--with comments as to what, if any, action has been taken in implementing changes or recommendations.

1. Continuation and acceleration of the overall modernization of the accounting system.

Comments: As pointed out elsewhere great strides have been made in modernizing and streamlining what had been called an archaic and unorthodox accounting system. The auditors bear witness to this fact in the relative ease in accomplishing their objectives in contrast to the almost maddening frustrations encountered in previous audits.

2. Increased utilization of existing automated data processing facilities even though this may curtail present statistical data processing of other departments. The tremendous volume of daily transactions in the accounting office warrants top priority for existing IBM equipment.

Comments: We have observed no additional use of automated data processing facilities by the accounting office.

3. Assessment of fees be reinstated as a function of the Registrar's Office.

Comment: Evidently the University disagrees with the auditor's stand on this point; there has been no change as recommended.

4. Cash received through the mail be listed by the mail opener in the presence of one or more other persons.

Comments: The University Business Office has not complied with this recommendation.

5. The cashier be forbidden to cash student or employee checks out of current receipts, or that a separate fund be established for this purpose.

Comment: The University Business Office has not complied with this recommendation. Their view is that a change fund would require too much cash on hand. We are not in agreement with this viewpoint.

6. Petty cash disbursements from daily receipts be discontinued.

Comment: This practice has been discontinued.

7. Adoption of procedures for controlling cash as described in the bulletin of the Financial Advisory Service, entitled "Auditing of Colleges and Universities."

Comment: The University has not adopted this procedure. It feels present control of cash is adequate. The auditors maintain there are weaknesses which could be strengthened.

8. Adherence to standard procedures for reconciliation of bank accounts.

Comment: Complete adherence to theoretically correct reconciliation procedures would prove too cumbersome according to University accounting staff.

9. Merging property accounting into the overall accounting system as an integral component.

Comments: This recommendation has not been complied with as yet, but the problem is being given consideration.

10. A review of the purchasing functions to clarify authority and responsibility of the University Buyer.

Comment: Written instructions have been issued to the University Buyer by the State Purchasing Director defining his responsibilities and outlining the scope of his authority.

11. Correction of inefficient procurement policies on the part of certain administrative officials, which places an extra burden of work and expense on the Buyer's Office.

Comment: The Business Manager's Office has issued instructions to department heads emphasizing the need for planned requisitioning.

12. a. Tuition fees and other receipts be deposited in the State Treasury to a non-reverting fund or that the present bank accounts be authorized by statute.

Comment: The University stands on an opinion of the Attorney General that no such authorization is required.

b. The state's appropriation from the General Fund be made to a reverting fund with a three month delay in reversion beyond June 30.

Comment: The three-month delay in reversion beyond June 30 was put into effect by agreement with the State Controller's Office. We wonder if this was the proper way to effect this change. The problem has deep rooted legal implications which should be researched by competent legal counsel.

c. Revolving Fund be continued as at present, reimbursed upon presentation of claims to the Board of Examiners.

Comment: Present policy is in agreement with recommendation as submitted.

13. Overhead costs be charged to those funds which are known as "self-supporting" and be transferred as credits to Fund 01, General University Operation.

Comment: Recommendation has not been given consideration as yet. Accurate computation of overhead costs would require extensive cost accounting for

which the University accounting system is not geared to produce.

14. A complete analysis of "restricted fund balances" to determine under what specific authority fund balances are restricted--with the objective of utilizing any unrestricted balances in general University operation.

Comments: There has been no specific action taken on this recommendation.

15. Intensified efforts be made towards collecting overdue student loans.

Comment: It appears this recommendation has been met.

16. Specific accounting procedures for pool investments be initiated to provide equitable investment in and revenue from the pool by each account which is a part thereof.

Comment: The problem has been given considerable study by the Business Manager's Office. We believe progress has been made towards ultimate solution of this complex investment income accountability.

17. Transfers and corrections be separately identified in the accounting records to permit proper identification of all transfers to and from accounts.

Comment: We encountered far less difficulty in tracing transfers than in previous audits. However, we feel that even greater simplicity would perhaps result if a separate ledger card for transfers were set up for each sub-fund.

18. Discontinue deductions for retirement from the salaries of personnel of the Desert Research Institute and secure refund of amounts paid to the Public Employees' Retirement Fund.

Comment: This recommendation has not been complied with due to disagreement as to its validity.

19. Adhere to legislative intent in budgeting with records reflecting necessary adjustment to the budgeted funds.

Comment: This recommendation is perhaps invalid in the light of renewed consideration due to the fact that lump sum appropriations by the legislature

preclude budgetary control.

20. All automotive vehicles of the University of Nevada should be placed in the State motor pool in Reno and be restricted in use as are any other State cars.

Comment: This recommendation has not been met, nor has there been a satisfactory substitute enforced. Perhaps the constant grumbling by taxpayers of alledged misuse of State cars could be reduced if a small card was posted on the windshield stating in effect, "This car is being used on State business between the hours of _____ and _____", signed by a responsible official.

Consolidated Statement of Financial Condition - Exhibit A

Cash in Bank - $1,769,434.38

The aggregate of cash balances of the various funds as shown on Exhibit A is represented by deposits in several bank accounts as listed below. Direct confirmation of balances from the banks are on file and have been reconciled to the book balances.

Security National Bank

First National Bank, Spokane Branch

Nevada Bank of Commerce, No. Reno Branch

Nevada Bank of Commerce, Fed. #1

Bank of Nevada - Strip Branch

Cash in Bank, Accounts Payable Revolving Fund - $5,627.89

The cash balance in the University Accounts Payable Revolving Fund was $5,627.89 at June 30, 1962. However, this does not reflect the true status of the Revolving Fund. By adding reimbursements in transit from the State Treasurer, $94,760.84 less miscellaneous adjustments of $388.73, we arrive at the normal balance of $100,000.00.

Cash in Registers - $4,400.00

$4,000.00 in cash is held in the office safe at the Reno Campus; $400.00 in the office safe at Nevada Southern for a total of $4,400.00 cash held in office safes to be used as change funds.

Cash in Bank, Payroll Clearing Account, - $91,101.68

Cash in State Treasury,- $2,447,809.53

Cash balances remaining on deposit with the State Treasurer amount to $2,447,809.53. These are balances remaining in the custody of the State Planning Board from appropriations authorized by the Legislature for building projects.

Accounts Receivable, - $649.60

Accounts receivable of $649.60 consist of $606.60 due from salary overpayment and $43.00 receivable from a student on a returned check.

Receivable from the State Treasurer - $98,440.10

A list of disbursements from the University Accounts Payable Revolving Fund of $94,440.10 in the process of audit by the Office of the Director of the Budget preparatory to reimbursement from appropriated funds. (Also included are 90,000 Acre Grant interest of $2,314.09 and University contingent of $1,165.65)

Payroll Advances Receivable - $585.49

This account is set up to pay salaries of employees who are inadvertently left off the payroll. It is not, as the title might imply, a payment of salary in advance of the payroll period.

Travel Advances Receivable - $2,880.45

Travel advances outstanding due this account by various members of the University staff total $2,880.45.

Due from Other Funds - $34,315.13

Fund 22, Dining Commons, has a loan receivable outstanding from Plant Fund 91 in the amount of $14,315.13. This is the balance still due from an original

loan of $17,535.60 loaned to Fund 91 for remodeling the University Post Office. The repayment of $3,220.47 was made from Post Office receipts during the period under audit.

There is also a loan receivable from Plant Fund 91 due to Fund 23, Residence Halls and Apartments, in the sum of $20,000.00. This loan was made to Fund 91 in connection with the construction on the Planetarium Atmospherium. Total due from other funds is $34,315.13 as explained above.

Investments, Short Term - $769,000.00

Surplus cash which has not been specifically earmarked is temporarily invested in short term government notes until needed. The sum of $769,000.00 of such monies is invested for the following funds as listed below:

Summer School, Fund 11	$ 10,000.00
Correspondence, Extension and Evening School, Fund 12	25,000.00
Research by Grants, Fund 13	150,000.00
Special Institutes & Projects, Fund 14	30,000.00
Dining Commons, Fund 22	50,000.00
Residence Halls and Apartments, Fund 23	5,000.00
Student Health Services, Fund 24	25,000.00
4-H Camp, Fund 25	15,000.00
Jot Travis Student Union, Fund 26	30,000.00
Scholarships, Fund 31	34,000.00
University Sales, Fund 41	170,000.00
Special Gifts & Miscellaneous, Fund 51	150,000.00
Student Loans, Fund 61	45,000.00
Agency Funds, Fund 81	30,000.00
Total in short term investments	$769,000.00

The practice of investing surplus funds in short term, interest earning notes is commendable. It marks a departure from past procedures wherein surplus balances were permitted to rest idle in checking accounts earning no interest whatsoever.

Loans Receivable, Students - $195,920.20

Requests for confirmation of outstanding balances were not obtained directly from students as was the case in the prior years audit.

Investments, Book Value - $2,339,393.11

Investments at book value of the total endowments funds amount to $2,339,393.11.

The University in September of 1959 initiated the practice of pooling endowment assets into an investment fund with the Trust Department of the First National Bank of Nevada to take advantage of the services of experts in the investment field. The bank is to keep the deposited property, collect and receive the income and principle, and hold, invest, disburse, or otherwise dispose of the property or its proceeds upon the written order of the University. The income from this agency will be made available to the University quarterly, or at such other times as the University may designate. A statement of receipts and disbursements of this agency will be furnished to the University quarterly or at such other times as the University may designate. The bank will be entitled to the following compensation for its services: acceptance fee of $200.00, which is non-recurring, and an annual fee of $1,800.00.

Notes Receivable - $235,000.00

Notes Receivable - $235,000.00 - result from the transaction effected by the sale of the Ladino Dairy Farm in July of 1960.

Sale price for the farm to the highest bidder was $430,000.00. A down payment of $100,000.00 was made at the time of the bid.

A note for the balance of $330,000.00 is secured by a deed of trust. The makers of the note agree to pay annually to the University the sum of $47,500.00

or more, plus interest, at seven per cent per annum on the unpaid balance beginning at July 15, 1961. The entire unpaid balance of principal and interest shall be paid not later than April 1, 1967. The privilege is reserved of paying the whole or any part of the note at any time prior to maturity.

Construction in Process - $10,981,415.27

The amount of $10,981,415.27 represents estimated cost of construction to date in the various building projects at the University as of June 30, 1962.

Land Purchases in Process - $242,380.77

The amount of $242,380.77, represents money appropriated to the State Planning Board to be expended for acquisition of certain properties for the University.

Equipment - $1.00

In the absence of inventory control over equipment, we have no practical alternative but to attach a nominal $1.00 value for equipment.

Buildings - $8,431,231.61

The amount represents the value placed on buildings at the University. Refer to pages 117 to 126 of the University Financial Statements for a detailed listing.

Campus Improvements - $500,523.00

The amount of $500,523.00 represents the value placed on campus improvements as identified on page 127 of the Financial Statements.

Land - $3,534,532.00

The amount of $3,534,532.00 represents the value placed on land holdings of the University as identified on page 128 of the Financial Statements.

Outstanding Encumbrances - $402,571.26

Supplies and equipment ordered [illegible] amounted to $402,571.26.

Accrued Salary Deductions Payable - $89,963.16

Various employee salary deductions withheld in trust and payable currently totaled $89,963.16 as follows:

Accrued withholding tax	$68,030.11
Accrued employees hospitalization insurance	2,520.85
Accrued employees state retirement	16,174.10
Accrued U. S. Savings Bond deductions	956.25
Accrued F.I.C.A. deductions	109.41
Accrued employees Federal insurance	187.96
Accrued employees federal retirement	1,984.48
Total	$89,963.16

Accrued Rental Deductions - $539.99

Monies withheld from certain employees for the value of living accomodations furnished by the University, an example of which might be a dwelling on the University Farm. The account is subsequently closed to rental income.

Telephone Clearing Account - $678.82

This is an account set up to expedite the payment of telephone toll charges from various departmental units at the University.

Accommodation Account - $1,094.44

A holding account to temporarily account for monies preparatory to their final disposition accountwise.

Payable to State Treasurer, Revolving Fund - $100,000.00

The 1961 Session of the Legislature authorized and appropriated $100,000.00 to create a revolving fund for the payment of operating expenses of the University.

The revolving fund is reimbursed upon the presentation and approval of claims by the State Board of Examiners with monies of the University on deposit in the State Treasury.

Notes Payable - $1,318,000.00

$1,318,000.00 in notes payable to the First National Bank for interim financing of building projects--Dining Commons, Married Student Housing, Men's and Women's Dormitories.

Due to Other Funds - $34,315.13

Refer to the heading "Due from other Funds."

Fund Equities, Restricted Fund Balances - $1,192,631.05

The aggregate of assets over the aggregate of liabilities of the various funds in this group identified as restricted on the financial statements totals $1,192,631.05 as follows:

Agricultural Experiment Station	$ 180.90
Agricultural Extension Service	33,563.39
Summer School	93,281.94
Correspondence, Extension & Evening School	40,029.40
Research by Grants	316,369.04
Special Institutes and Projects	40,000.49
Intercollegiate Athletics	2,831.67
Dining Commons	113,246.73
Residence Halls and Apartments	46,031.13
Student Health Services	32,223.30
4-H Camp	24,128.49
Jot Travis Student Union	42,310.43
Scholarships	72,767.06
University Sales	225,821.55
Special Gifts and Miscellaneous	109,845.53
Total restricted fund balances	$1,192,631.05

State Special Equipment Appropriations - $342.34

This figure of $342.34 represents the balance remaining of the appropriation enacted by the 1959 Legislature providing $527,697.00 to the University for the purchase of equipment, furniture, furnishings and fixtures for the various branches, colleges and departments of the University.

Reserve for Sinking Fund - $162,800.00

The amount of $162,800.00 was transferred from accumulated surplus earned from operation of the Dining Commons, Fund 22 and Residence Halls and Apartments, Fund 23 to set up a reserve for the redemption of H.H.F.A. building certificates as they mature.

Transferred from Dining Commons	$120,000.00
Transferred from Residence Halls and Apartments	42,800.00
Total to reserve	$162,800.00

Loan Fund Balances - $272,055.57

The cash balance in the Student Loan Fund 61 of $76,135.37, plus the loans outstanding on June 30, 1962, added up to a principal balance of $272,055.57.

Endowment Fund Balances - $1,940,858.86

The total of endowment fund balances amounts to $1,940,858.86. This figure represents the value of the assets received as endowments at the time they were recorded on the books of the University. It does not include any of the earnings of the assets invested, nor does it reflect the substantial increases in value of these assets during the time the University has held them.

Plant Fund Balances - Regents and State - $25,854,597.79

The figure $25,854,597.79 representing the appraised value of the physical plant at the University, including land and construction in progress or planned, is best summarized by listing assets and liabilities as follows:

Assets

Cash in bank	$ 440,885.51
Cash in State Treasury	2,447,809.53
Investments	398,534.25
Notes Receivable (from sale of Ladino Dairy Farm)	235,000.00
Construction in Progress	10,981,415.27
Equipment (nominal value)	1.00
Buildings	8,431,231.61
Campus Improvements	500,523.00
Lands	3,534,532.00
Land Purchases in Progress	242,380.77
Total Assets	$27,212,312.94

Liabilities

Outstanding Encumbrances	$ 5,400.02
Notes Payable (First National Bank for interim financing)	1,318,000.00
Due to Dining Commons	14,315.13
Due to Resident Halls and Apartments	20,000.00
Total Liabilities	$ 1,357,715.15
Plant Fund Balance	$25,854,597.79

Agency Fund Balance - $52,062.03

The agency fund balance consists of $22,724.44 cash in bank and $30,000.00 invested in short term notes - less outstanding encumbrances amounting to $662.41 for a balance of $52,062.03.

Unappropriated Surplus - $262,130.77

The amount of $262,130.77 represents the fund equity in Fund 01, General

University Operations, or what is known as the operating accounts. Reference to page 2 of the Financial Statements will provide an analysis of the changes in unappropriated surplus which turned a deficit balance on June 30, 1961, of $21,379.05 to a credit balance of $262,130.77 on June 30, 1962.

OPINION

We have examined the statements of financial condition of the University of Nevada as of June 30, 1962, and the related statements of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted audit standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the University's statements of financial condition and statements of revenues and expenditures present fairly the financial position of the University of Nevada as of June 30, 1962, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied in a basis consistent with that of the preceding year.

Very truly yours,

A. N. JACOBSON, Legislative Auditor

Remo Albertini

By:
Remo Albertini
Auditor in Charge

UNIVERSITY OF NEVADA
Statement of Financial Condition
For the Fiscal Year Ended June 30, 1962

EXHIBIT A

	Together	01-Revolving, Trust, and Gen. Operation	02-USDA-Agri. Exper. Station (Federal)	03-USDA- Agri. Extension Ser. (Federal)	11 Summer School	12-Correspondence, Extension and Evening Division	13- Research Financed by Grants	14- Special Institutes and Projects	21-Intercollegiate Athletics	22- Dining Commons	23- Residence Halls and Apartments	24-Student Health Services
Assets												
Cash in banks-Regents	$ 1,769,434.38	$ 375,706.16	$ 30,974.25	$ 41,913.18	$ 85,545.26	$ 18,359.99	$ 204,787.27	$ 13,281.52	$ 7,917.14	$ 177,459.49	$ 141,666.05	$ 7,620.70
Cash in registers	4,400.00	4,400.00										
Cash in banks-Accounts Payable Revolving Fund	5,627.89	5,627.89										
Cash in bank-Payroll Clearing Account	91,101.68	91,101.68										
Cash in State Treasury	2,447,809.53											
Accounts Receivable	649.60	649.60										
Receivable from State Treasurer	98,440.10	98,440.10										
Payroll Advances Receivable	585.49	585.49										
Travel Advances Receivable	2,880.45	2,880.45										
Due from other funds	34,315.13									14,315.13	20,000.00	
Investments-Short term	769,000.00				10,000.00	25,000.00	150,000.00	30,000.00		50,000.00	5,000.00	25,000.00
Loans Receivable-Students	195,920.20											
Investments-Book Value	2,339,393.11											
Notes Receivable	235,000.00											
Construction in Process	10,981,415.27											
Equipment	1.00											
Buildings	8,431,231.61											
Campus Improvements	500,323.00											
Land	3,534,532.00											
Land Purchases in Process	242,380.77											
Total Assets	$31,684,641.21	$ 579,391.37	$ 30,974.25	$ 41,913.18	$ 95,545.26	$ 43,359.99	$ 354,787.27	$ 43,281.52	$ 7,917.14	$ 241,774.62	$ 166,666.05	$ 32,620.70
LIABILITIES												
Outstanding Encumbrances	$ 402,571.26	$ 124,641.85	$ 30,793.35	$ 8,349.79	$ 2,263.32	$ 3,330.59	$ 38,418.23	$ 3,281.03	$ 5,085.47	$ 8,527.89	$ 77,834.92	$ 397.40
Accrued Salary Deductions Payable	89,963.16	89,963.16										
Accured Rental Deductions	539.99	539.99										
Telephone Clearing Account	678.82	678.82										
Accomodation Account	1,094.44	1,094.44										
Payable to State Treasurer, Accounts Payable Revolving Fund	100,000.00	100,000.00										
Notes Payable	1,318,000.00											
Due to other Funds	34,315.13											
Total Liabilities	$ 1,947,162.80	$ 316,918.26	$ 30,793.35	$ 8,349.79	$ 2,263.32	$ 3,330.59	$ 38,418.23	$ 3,281.03	$ 5,085.47	$ 8,527.89	$ 77,834.92	$ 397.40
FUND EQUITIES												
Restricted Fund Balances	$ 1,192,631.05		$ 180.90	$ 33,563.39	$ 93,281.94	$ 40,029.40	$ 316,369.04	$ 40,000.49	$ 2,831.67	$ 113,246.73	$ 46,031.13	$ 32,223.30
State Special Equipment Appropriation	342.34	$ 342.34										
Reserve for Sinking Fund	162,800.00									120,000.00	42,800.00	
Loan Fund Balances	272,055.57											
Endowment Fund Balances	1,940,858.86											
Plant Fund Balances-Regents	14,544,978.24											
Plant Fund Balances-State	11,309,619.55											
Unappropriated Surplus	262,130.77	262,130.77										
Agency Fund Balances	52,062.03											
Total Fund Equities	$29,737,478.41	$ 262,473.11	$ 180.90	$ 33,563.39	$ 93,281.94	$ 40,029.40	$ 316,369.04	$ 40,000.49	$ 2,831.67	$ 233,246.73	$ 88,831.13	$ 32,223.30
Total Liabilities and Fund Equities	$31,684,641.21	$ 579,391.37	$ 30,974.25	$ 41,913.18	$ 95,545.26	$ 43,359.99	$ 354,787.27	$ 43,281.52	$ 7,917.14	$ 241,774.62	$ 166,666.05	$ 32,620.70

11 Summer School	12-Correspondence, Extension and Evening Division	13- Research Financed by Grants	14- Special Institutes and Projects	21-Intercollegiate Athletics	22- Dining Commons	23- Residence Halls and Apartments	24-Student Health Services	25- 4-H Camp	26- Jot Travis Student Union	31 Scholarships	41 University Sales	51 Special Gifts & Miscellaneous	61 Loans	71 Endowments	81 Agency Funds	91 Plant Funds
$ 85,545.26	$ 18,359.99	$ 204,787.27	$ 13,281.52	$ 7,917.14	$ 177,459.49	$ 141,666.05	$ 7,620.70	$ 9,631.99	$ 12,310.43	$ 38,767.06	$ 100,497.21	$ 8,251.36	$ 31,135.37		$ 22,724.44	$ 440,885.51
																3,447,809.53
10,000.00	25,000.00	150,000.00	[illegible]		14,315.13 50,000.00	20,000.00 5,000.00	25,000.00	15,000.00	30,000.00	34,000.00	170,000.00	150,000.00	45,000.00 195,920.20		30,000.00	
														1,940,858.86		398,534.25 235,000.00 10,981,415.27 1.00 8,431,231.61 500,523.00 3,534,532.00 242,380.77
$ 95,545.26	$ 43,359.99	$ 354,787.27	$ 43,281.52	$ 7,917.14	$ 241,774.62	$ 166,666.05	$ 32,620.70	$ 24,631.99	$ 42,310.43	$ 72,767.06	$ 270,497.21	$ 158,251.36	$ 272,055.57	$ 1,940,858.86	$ 52,724.44	$ 27,212,312.94
$ 2,263.32	$ 3,330.59	$ 38,418.23	$ 3,281.03	$ 5,085.47	$ 8,527.89	$ 77,834.92	$ 397.40	$ 503.50			$ 44,675.66	$ 48,405.83			662.41	5,400.02
																1,318,000.00 34,315.13
$ 2,263.32	$ 3,330.59	$ 38,418.23	$ 3,281.03	$ 5,085.47	$ 8,527.89	$ 77,834.92	$ 397.40	$ 503.50			$ 44,675.66	$ 48,405.83			$ 662.41	$ 1,357,715.15
$ 93,281.94	$ 40,029.40	$ 316,369.04	$ 40,000.49	$ 2,831.67	$ 113,246.73	$ 46,031.13	$ 32,223.30	$ 24,128.49	$ 42,310.43	$ 72,767.06	$ 225,821.55	$ 109,845.53				
					120,000.00	42,800.00							272,055.57			
														1,940,858.86		14,344,978.24 11,309,619.55
															52,062.03	
$ 93,281.94	$ 40,029.40	$ 316,369.04	$ 40,000.49	$ 2,831.67	$ 233,246.73	$ 88,831.13	$ 32,223.30	$ 24,128.49	$ 42,310.43	$ 72,767.06	$ 225,821.55	$ 109,845.53	$ 272,055.57	$1,940,858.86	$ 52,062.03	$ 25,854,597.79
$ 95,545.26	$ 43,359.99	$ 354,787.27	$ 43,281.52	$ 7,917.14	$ 241,774.62	$ 166,666.05	$ 32,620.70	$ 24,631.99	$ 42,310.43	$ 72,767.06	$ 270,497.21	$ 158,251.36	$ 272,055.57	$ 1,940,858.86	$ 52,724.44	$ 27,212,312.94

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962

EXHIBIT B

	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
STATE OFFSET FUNDS						
Administration						
1961-62 Funds	$ 49,317.50	$ 36,017.43	$(11,634.83)	$1,665.24[1]		$1,665.24
Agriculture Chemistry						
General:						
1961-62 Funds		124.37	124.37			
Project #100 - Chorionic Gonodatrophin of the Cow:						
1961-62 Funds	5,459.75	5,459.75				
Project #101 - Chemical Factors in White Muscle Disease of Ruminant Animals:						
1961-62 Funds	4,251.75	4,251.75				
Project #102 - Chemical Studies of Range Plants, Forage Crops and Livestock Water Supplies:						
1961-62 Funds	5,678.37		(5,678.37)			
Project #103 - Effects of Feeding High Molybdenum Hay to Dairy Cattle:						
1961-62 Funds	1,868.38	1,868.34	(.04)			
Project #104 - The Functions of Trace Elements in Plants and Animals:						
1961-62 Funds		5,678.37	5,678.37			
Sub-total	$ 17,258.25	$ 17,382.58	$ 124.33			
Agriculture Economics - Non-Marketing						
General:						
1961-62 Funds		$ 909.72	$ 909.72			
Project #200 - Adjusting Ranching in the Northern Nevada Livestock Area to Prospective Markets:						
1961-62 Funds	$ 1,550.00	1,550.00				
Project #201 - An Economic Study of the High Water Table Problem, Newlands Reclamation Project, Nevada:						
1961-62 Funds	500.00	500.00				
Project #202 - Tillage Power and Machinery Cost in Nevada:						
1961-62 Funds	660.00	660.00				
Project #203 - Economics of Feeding Hay and Utilizing Meadows and Pastures for Market Cattle:						
1961-62 Funds	971.53	971.53				

[1] Agriculture records show $1,938.24 - $273.00 transferred from President's Reserve in January, 1962.

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

EXHIBIT A

	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
STATE OFFSET FUNDS						
Agriculture Economics - Non-Marketing - (continued)						
Project #204 - Agricultural Prices and the Nevada Farm Index:						
1961-62 Funds	$ 1,016.00	$ 1,016.00				
Project #205 - Economics of On-Farm Use of Irrigation Water:						
1961-62 Funds	1,551.00	1,551.00				
Project #206 - An Economic Analysis of Rehabilitating Range Seedings in Nevada:						
1961-62 Funds	2,000.00	2,000.00				
Project #207 - A Study of Farm Real Estate Values in Western Nevada:						
1961-62 Funds	1,703.00	1,703.00				
Project #208 - Economic Analysis of Intergrated Ground-Surface Water Resource Management:						
1961-62 Funds	750.00	750.00				
Sub-total	$ 10,701.53	$ 11,611.25	$ 909.72			
Agriculture Economics - Marketing						
Project #250 - The Economics of Marketing Hay and Feed Grains in Nevada:						
1961-62 Funds	$ 1,524.00	$ 1,524.00				
Project #251 - Controlled Experiments in Shrinkage and Body Weights of Cattle & Sheep & Economic Costs of Regain:						
1961-62 Funds	560.00	560.00				
Project #252 - Transportation of Livestock and Meats in Nevada:						
1961-62 Funds	1,460.00	1,460.00				
Project #253 - An Analysis of the Potential Costs and Benefits of Rancher-Owned Farm Supply Agencies in Nevada:						
1961-62 Funds	857.00	857.00				
Project #254 - An Evaluation of Direct Marketing of Nevada Livestock Compared With Alternative Livestock:						
1961-62 Funds	1,530.00	1,530.00				
Project #255 - Market Discovery and Development for Agricultural Products That Can Be Produced on Nevada Farms and Ranches:						
1961-62 Funds	1,860.00	1,860.00				

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

EXHIBIT A

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Agriculture Economics - Marketing - (continued)						
Project #256 - Effect of Changing Milk Consumption and Marketing Practices on Nevada Milk Pricing:						
1961-62 Funds	$ 1,732.00	$ 1,732.00				
Project #257 - Marketing Certified Seed Produced In Nevada:						
1961-62 Funds	1,687.00	1,687.00				
Sub-total	$ 11,210.00	$ 11,210.00				
Agriculture Information						
General:						
1961-62 Funds	$ 10,020.00	$ 9,992.01		$ 27.99		$ 27.99
Animal Husbandry						
General:						
1961-62 Funds		$ 47.72	$ 47.72			
Project #300 - The Nutritive Value of Range Forages and Its Relationship to Reproduction and Growth of Range Livestock as Modified By Nutrient Supplementation:						
1961-62 Funds	$ 11,885.84	11,605.42	(241.45)	$ 38.97	$ 38.97	
Project #301 - Genetic and Environmental Factors Affecting Carcass Quality in Lambs:						
1961-62 Funds	3,672.00	3,716.00		(44.00)		$ (44.00)
Project #302 - The Development of Supplements for Wintering Range Cattle Fed Native Meadow Hay:						
1961-62 Funds	5,630.00	6,182.86	440.00	(112.86)		(112.86)
Project #303 - The Effect of Water Intake on Growth and Production of Range Livestock:						
1961-62 Funds	7,760.00	7,809.82	49.82			
Project #304 - The Effect of Environment on Selection for Traits of Economic Importance; The Relative Value of Several Selection Criteria, and Progress of Selection in Range Beef Cattle:						
1961-62 Funds	11,743.16	17,016.06	5,272.90			
Project #305 - Synchronization of Estrus in Post Partum Cattle and Its Effect on Fertility:						
1961-62 Funds	6,725.00	6,871.31	146.31			

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

EXHIBIT A

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Animal Husbandry - (continued)						
Project #306 - The Relation of Feber, Protein and Other Quality Factors to The Nutritive Value of Hay:						
1961-62 Funds		$ 200.00	$ 200.00			
Project ARS #23 - The Effect of Genetic-Environmental Interactions on Selection Responses:						
1961-62 Funds	$ 3,694.00	3,562.45	(104.55)	$ 27.00	$ 27.00	
Project AEC #96 - The Relation of Fall-Out and Other Factors to Soil and Plant Contamination and The Assimilation of Fission Products and Other Materials by Range Cattle:						
1961-62 Funds	3,025.00	2,451.84		573.16		$ 573.16
Project Ladino Dairy:						
1961-62 Funds	1,200.00	1,200.00				
Project Lalor Grant:						
1961-62 Funds	1,000.00	822.00		178.00		178.00
Sub-total	$ 56,335.00	$ 61,485.48	$ 5,810.75	$ 660.27	$ 65.97	$ 594.30
Main Station Farm						
General:						
1961-62 Funds		$ 3,168.85	$ 3,168.85			
Farm Services:						
1961-62 Funds	$ 27,050.00	28,455.11	1,400.00	$ (5.11)		$ (5.11)(1)
Sub-total	$ 27,050.00	$ 31,623.96	$ 4,568.85	$ (5.11)		$ (5.11)
Plant Science						
General:						
1961-62 Funds		$ 574.37	$ 574.37			
Project #306 - The Relation of Feber, Protein and Other Quality Factors to the Nutritive Value of Hay:						
1961-62 Funds		200.00	200.00			
Project #400 - Ecology and Management of Whitesage, Eurotia Lanata:						
1961-62 Funds	$ 3,996.68	2,680.37		$1,316.31		$1,316.31(2)

(1) Shown on their records as $457.89--$463.00 previously transferred to President's Reserve January, 1962.
(2) Shown on their records as 31¢--$1,316.00 previously transferred to President's Reserve January, 1962.

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Plant Science - (continued)						
Project #401 - The Ecology and Management of Indian Ricegrass, or Oryzopsis Hymenoides:						
1961-62 Funds	$ 2,937.25	$ 2,667.25		$ 270.00		$ 270.00(1)
Project #402 - Increased Stream Flow and Forage Production Through Eradication of Undesirable Vegetation, Seeding and Grazing Management:						
1961-62 Funds	3,322.19	3,217.19		105.00		105.00(2)
Project #403 - Changes in Vegetation of Spring-Fall and Winter Range Types in Nevada During Twenty Years of Protection from Grazing:						
1961-62 Funds	532.90	532.90				
Project #404 - Causes of Brush Encroachment into Crested Wheatgrass Range Pastures:						
1961-62 Funds	1,865.92	1,736.92		129.00		129.00(3)
Project #425 - Green Manure Crops to Increase Fertility and Improve Structure of Southern Nevada Soils:						
1961-62 Funds	3,742.05	3,742.05				
Project #426 - Evaluation of Agronomic Plants in Different Locations in Nevada:						
1961-62 Funds	6,356.42	5,752.10	(604.32)			
Project #427 - Factors Affecting Establishment of Forage Crops in Irrigated Lands in Nevada:						
1961-62 Funds	3,834.77	3,834.77				
Project #428 - Management and Utilization of Irrigated Forages:						
1961-62 Funds	5,040.11	4,840.11	(200.00)			
Project #429 - Soil Temperature and Moisture as They Affect The Susceptibility of Certain Brush Species to Systemic Herbicides:						
1961-62 Funds	1,974.53	2,382.33	1,007.25	599.45	$ 583.77	15.68
Project #430 - The Effects of Salt Concentration and Temperature on Vegetative Reproduction of Certain Forage Plants:						
1961-62 Funds	3,929.68	4,247.82	318.14			

(1) Shown on their records as - 0 -- $270.00 previously transferred to President's Reserve January, 1962.
(2) Shown on their records as $39.00 -- $144.00 previously transferred to President's Reserve January, 1962
(3) Shown on their records as $39.00 -- $90.00 previously transferred to President's Reserve January, 1962.

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Plant Science - (continued)						
Project #431 - The Development of Practical Methods of Utilizing Heterosis in Alfalfa Improvement by the Use of Selected Genotypes:						
1961-62 Funds	$ 1,165.36	$ 1,113.26		$ 52.10		$ 52.10
Project #432 - Alfalfa Production, Breeding, Disease and Quality Investigations:						
1961-62 Funds	1,668.76	1,649.88		18.88		18.88
Project #433 - Breeding Alfalfa for Resistance to Root-Knot Nematodes:						
1961-62 Funds	825.00	825.00				
Project #434 - Control of Russian Knapweed:						
1961-62 Funds	1,000.00	1,000.00				
Project #450 - Physiological Defects of Potato Tubers:						
1961-62 Funds		2,596.63	$ 3,666.63	1,070.00	$1,070.00	
Project #490 - Improvement and Management of the Community Pastures of the Pershing County Water Conservation District near Battle Mountain, Nevada:						
1961-62 Funds	1,624.89	1,599.25	(25.64)			
Project #491 - Production Problems in Horticulture:						
1961-62 Funds	12,508.84	10,299.92	(1,723.27)	485.65	485.65	
Project #492 - (A) Evaluation of Success in Control of Halogeton: (B) Establishment of Forage Plants on Unsuccessfully Seeded Range:						
1961-62 Funds	3,038.14	1,963.40	(984.74)	90.00		90.00[1]
Project #493 - Range Insects and Grub Control:						
1961-62 Funds	10,228.54	9,091.54	(837.00)	300.00	300.00	
Sub-total	$ 69,592.03	$ 66,547.06	$ 1,391.42	$4,436.39	$2,439.42	$1,996.97
Soil Science						
General:						
1961-62 Funds		$ 40.80	$ 40.80			
Project #500 - Soil Characteristics Related to Crop Productivity in [illegible]:						
1961-62 Funds	$ 4,064.00	4,061.42		$ 2.58		$ 2.58

(1) Item no. 8 - Super Agricult Act's records -- $90.00 transferred to President's Reserve in January 1962.

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Encumbrances	Available Balance 6/30/62
Soil Science - (continued)						
Project #501 - Evaluation of Factors Relative to Drainage of Lands Damaged by High Water Table Conditions:						
1961-62 Funds	$ 4,695.00	$ 4,695.00				
Project #502 - Fertility Status of Nevada Soil and Their Needs for Fertilizers or Other Items of Treatment or Management for The Improvement of Yields and Quality of Crops:						
1961-62 Funds	2,286.68	2,286.68				
Project #503 - Feasibility of Low Cost Sub-surface Plastic Drains for Irrigated Areas:						
1961-62 Funds	- 0 -					
Project #504 - Formation of Soil Crusts:						
1961-62 Funds	1,055.67	1,055.66		$ .01		$ .01
Project #505 - Field Measurement and Control of Soil Crusting and Associated Soil Properties in Relation to Seedling Establishment:						
1961-62 Funds	1,747.34	1,747.34				
Project #506 - Compaction by Animals and Its Effect on Soil Structure and Forage Production:						
1961-62 Funds	1,383.34	1,383.34				
Project #507 - Microenvironment and Growth of a Row Crop in Relation to Irrigation and Evaporation From Soil:						
1961-62 Funds	2,100.00	2,100.00				
Project #508 - Quality of Nevada Waters for Use in Irrigation, and Related Problems of Salt Balance:						
1961-62 Funds	1,850.00	1,850.00				
Project Soil and Water Lab:						
1961-62 Funds	6,978.00	6,976.25	$ (1.75)			
Sub-total	$ 26,160.03	$ 26,196.49	$ 39.05	$ 2.59		$ 2.59

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Veterinary Science						
General:						
1961-62 Funds		$ 43.49	$ 43.49			
Project #600 - Immunization Methods Against Anaplasmosis:						
1961-62 Funds	$ 9,518.84	9,598.31		$ (79.47)		$ (79.47)
Project #601 - The Relationship of Food Accessory Substances and Infection to White Muscle Disease of Calves and Lambs:						
1961-62 Funds	3,678.60	3,678.60				
Project #602 - Pathogensis of Nematode Infections of Sheep:						
1961-62 Funds	1,577.00	1,577.00				
Project #603 - Pathogensis and Control of Trematode Infections in Sheep or Irrigated Pastures:						
1961-62 Funds	6,939.00	6,939.00				
Sub-total	$ 21,713.44	$ 21,836.40	$ 43.49	$ (79.47)		$ (79.47)
Newlands Stations						
General:						
1961-62 Funds		$ 1,008.76	$ 1,008.76			
Project #700 - High Roughage Feeds for Dairy Stock:						
1961-62 Funds	$ 6,569.34	6,569.26		$ .08		$ .08
Project #701 - High Alfalfa Content Feeds for Turkey Hens:						
1961-62 Funds	3,209.65	3,209.65				
Project #702 - Alfalfa for Pig Feed:						
1961-62 Funds	2,335.96	2,335.92		.04		.04
Project #703 - The Economics of Raising Corral Confined Sheep:						
1961-62 Funds	1,883.16	1,883.16				
Project #704 - Beef Production on Irrigated Farms:						
1961-62 Funds	3,498.45	3,498.45				
Project #705 - Field Germination of Forage Crop Seeds:						
1961-62 Funds	1,958.88	1,958.88				
Project #706 - Spring Irrigation of Alfalfa:						
1961-62 Funds	3,906.78	3,906.78				
Sub-total	$ 23,362.22	$ 24,370.86	$ 1,008.76	$ .12		$ .12

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Southern Nevada Field Station						
General:						
1961-62 Funds		$ 460.39	$ 460.39			
Project #800 - Adaptation of Vegetable Crops in Southern Nevada:						
1961-62 Funds	$ 3,132.68	3,132.68				
Project #801 - Problems of Cotton Growing in Southern Nevada:						
1961-62 Funds	5,065.85	5,065.85				
Project #802 - Water Studies in Relation to Forage Crop Production in Southern Nevada:						
1961-62 Funds	2,949.47	2,949.39		$ .08		$ .08
Sub-total	$ 11,148.00	$ 11,608.31	$ 460.39	$ .08		$ .08
Valley Road Farm						
General:						
1961-62 Funds		$ 1,187.03	$ 1,187.03			
Grand Total	$333,868.00	$331,068.86	$ 3,908.96	$6,708.10	$2,505.39	$4,202.71

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962

EXHIBIT C

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Administration							
1960-61 Funds	$ 357.64		$ 357.64				
1961-62 Funds		$ 6,274.74	3,242.81	$(2,387.62)	$ 644.31	$ 644.31	
Sub-total	$ 357.64	$ 6,274.74	$ 3,600.45	$(2,387.62)	$ 644.31	$ 644.31	- 0 -
Agriculture Chemistry							
Project #100 - Chorionic Gonodatrophin of the Cow:							
1960-61 Funds	$ 1,000.00		$ 1,000.00				
1961-62 Funds		$ 2,300.00	1,236.99	$ (600.80)	$ 462.21	$ 462.21	
Project #101 - Chemical Factors in White Muscle Disease of Ruminant Animals:							
1960-61 Funds	1,000.00		1,000.00				
1961-62 Funds		2,775.00	3,023.98	1,964.24	1,715.26	1,715.26	
Project #102 - Chemical Studies of Range Plants, Forage Crops and Livestock Water Supplies:							
1960-61 Funds	1,000.00		1,000.00				
1961-62 Funds		6,050.00		(6,050.00)			
Project #103 - Effects of Feeding High Molybdenum Hay to Dairy Cattle:							
1960-61 Funds	1,000.00		1,000.00				
1961-62 Funds		2,125.00	650.46	(1,474.54)			
Project #104 - The Functions of Trace Elements in Plants and Animals:							
1961-62 Funds			4,429.76	5,096.89	667.13	667.13	
Sub-total	$ 4,000.00	$ 13,250.00	$ 13,341.19	$(1,064.21)	$ 2,844.60	$ 2,844.60	- 0 -
Agriculture Economics - Non-Marketing							
Project #200-W-54 - Adjusting Ranching in The Northern Nevada Livestock Area to Prospective Markets:							
1961-62 Funds		$ 1,250.00	$ 1,474.63	$ 251.88	$ 27.25	$ 27.25	
Project #201 - An Economic Study of the High Water Table Problem, Newlands Reclamation Project, Nevada:							
1961-62 Funds		950.00	159.40	(290.60)	500.00	500.00	
Project #202 - Tillage Power and Machinery Cost in Nevada:							
1961-62 Funds		400.00	100.00	(21.00)	279.00	279.00	
Project #203 - Economics of Feeding Hay and Utilizing Meadows and Pastures for Market Cattle:							
1961-62 Funds		768.47	509.27	(259.20)			

Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Agriculture Economics - Non-Marketing - (continued)							
Project #204 - Agricultural Prices and the Nevada Farm Index:							
1961-62 Funds		$ 400.00		$ 100.00	$ 500.00	$ 500.00	
Project #205-W-70 - Economics of On-Farm Use of Irrigation Water:							
1961-62 Funds		1,160.00	1,354.24	213.24	19.00	19.00	
Project #206 -W-16 - An Economic Analysis of Rehabilitating Range Seedings in Nevada:							
1961-62 Funds		900.00	639.03	(260.97)			
Project #207 - A Study of Farm Real Estate Values in Western Nevada:							
1961-62 Funds		2,903.00	1,161.79	(1,741.21)			
Project #208-W-75 - Economic Analysis of Intergrated Ground-Surface Water Resource Management:							
1961-62 Funds		1,465.00	1,393.80	(71.20)			
Sub-total		$ 10,196.47	$ 6,792.16	$(2,079.06)	$ 1,325.25	$ 1,325.25	- 0 -
Agriculture Economics - Marketing							
Project #250-WM-20 - The Economics of Marketing Hay and Feed Grains in Nevada:							
1960-61 Funds	$ 1,661.00		$ 1,661.00				
1961-62 Funds		$ 5,224.00	6,677.89	$ 3,525.27	$ 2,071.38	$ 2,071.38	
Project #251 - Controlled Experiments in Shrinkage and Body Weights of Cattle and Sheep and Economic Costs of Regain:							
1961-62 Funds		1,760.00	1,283.75	(183.29)	292.96	292.96	
Project #252-WM-37 - Transportation of Livestock and Meats in Nevada:							
1961-62 Funds		2,095.00	1,551.01	(294.65)	249.34	249.34	
Project #253-WM-39 - An Analysis of the Potential Costs and Benefits of Rancher-Owned Farm Supply Agencies in Nevada:							
1959-60 Funds	225.00		225.00				
1961-62 Funds		1,504.00	1,117.30	(92.00)	294.70	294.70	
Project #254-WM-39 - An Evaluation of Direct Marketing of Nevada Livestock Compared With Alternative Livestock:							
1961-62 Funds		5,075.00	4,211.60	(358.03)	505.37	505.37	

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Agriculture Economics - Marketing - (continued)							
Project #255 - Market Discovery and Development for Agricultural Products That Can Be Produced On Nevada Farms and Ranches:							
1959-60	$ 288.00		$ 288.00				
1961-62 Funds		$ 5,396.00	4,051.29	$(1,280.90)	$ 63.81	$ 63.81	
Project #256-WM-46 - Effect of Changing Milk Consumption and Marketing Practices on Nevada Milk Pricing:							
1961-62 Funds		1,918.00	1,544.65	(225.13)	148.22	148.22	
Project #257 - Marketing Certified Seed Produced In Nevada:							
1961-62 Funds		2,275.00	1,446.17	(447.42)	381.41	381.41	
Sub-total	$ 2,174.00	$ 25,247.00	$ 24,057.66	$ 643.85	$ 4,007.19	$ 4,007.19	- 0 -
Animal Husbandry							
Project #300-W-34 - The Nutritive Value of Range Forages and Its Relationship to Reproduction and Growth of Range Livestock as Modified By Nutrient Supplementation:							
1961-62 Funds			$ 483.40	$ 1,083.40	$ 600.00	$ 600.00	
Project #301-W-61 - Genetic and Environmental Factors Affecting Carcass Quality in Lambs:							
1961-62 Funds		$ 3,241.00	3,731.69	490.69			
Project #302 - The Development of Supplements for Wintering Range Cattle Fed Native Meadow Hay:							
1961-62 Funds		7,115.00	10,186.89	4,680.22	1,608.33	1,608.33	
Project #303-W-46 - The Effect of Water Intake on Growth and Production of Range Livestock:							
1961-62 Funds				632.91	632.91	632.91	
Project #304-W-1 - The Effect of Environment on Selection for Traits of Economic Importance; The Relative Value of Several Selection Criteria; and Reproductive Studies in Range Beef Cattle:							
1961-62 Funds		14,447.84	14,015.90	292.32	724.26	724.26	
Project #306 - The Relation of Fiber, Protein and Other Quality Factors To The Nutritive Value of Hay:							
1961-62 Funds			4,129.91	4,513.86	383.95	383.95	
Sub-total		$ 24,803.84	$ 32,547.79	$11,693.40	$ 3,949.45	$ 3,949.45	- 0 -

Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Plant Science							
Project #306							
1961-62 Funds			$ 713.09	$ 896.80	$ 183.71	$ 183.71	
Project #400 - Ecology and Management of Whitesage, Eurotia Lanata:							
1960-61 Funds	$ 1,000.00		1,000.00				
1961-62 Funds		$ 1,100.00	965.51	65.51	200.00	200.00	
Project #401 - The Ecology and Management of Indian Ricegrass, or Oryzopsis Hymenoides:							
1960-61 Funds	500.00		500.00				
1961-62 Funds		1,724.03	1,473.39	(125.64)	125.00	125.00	
Project #402 - Increased Stream Flow and Forage Production Through Eradication of Undesirable Vegetation, Seeding and Grazing Management:							
1960-61 Funds	1,446.75		1,446.75				
1961-62 Funds		3,175.00	2,588.20	(86.80)	500.00	500.00	
Project #403 - Changes in Vegetation of Spring-Fall and Winter Range Types in Nevada During Twenty Years of Protection From Grazing:							
1961-62 Funds		575.00	553.68	(21.32)			
Project #404-W-25 - Causes of Brush Encroachment Into Crested Wheatgrass Range Pastures:							
1961-62 Funds		1,600.00	1,365.84	(226.16)	8.00	8.00	
Project #425 - Green Manure Crops to Increase Fertility and Improve Structure of Southern Nevada Soils:							
1961-62 Funds		2,436.33	2,161.97	(75.56)	198.80	198.80	
Project #426 - Evaluation of Agronomic Plants in Different Locations in Nevada:							
1960-61 Funds	953.69		953.69				
1961-62 Funds		4,533.67	5,186.05	816.53	164.15	164.15	
Project #427 - Factors Affecting Establishment of Forage Crops on Irrigated Lands in Nevada:							
1960-61 Funds	750.00		750.00				
1961-62 Funds		4,369.27	2,650.78	(100.26)	1,618.23	1,618.23	
Project #428 - Management and Utilization of Irrigated Forages:							
1960-61 Funds	42.02		42.02				
1961-62 Funds		5,868.33	5,902.53	846.29	812.09	812.09	

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Plant Science - (continued)							
Project #429-W-63 - Soil Temperature and Moisture As They Affect the Susceptibility of Certain Brush Species to Systemic Herbicides:							
1960-61 Funds	$ 1,000.00		$ 1,000.00				
1961-62 Funds		$ 4,425.00	1,889.74	$(1,281.53)	$ 1,253.73	$ 1,253.73	
Project #430-W-58 - The Effects of Salt Concentration and Temperature on Vegetative Reproduction of Certain Forage Plants:							
1960-61 Funds	1,000.00		1,000.00				
1961-62 Funds		4,192.66	2,611.83	(268.43)	1,312.40	1,312.40	
Project #431-W-40 - The Development of Practical Methods of Utilizing Heterosis in Alfalfa Improvement By The Use of Selected Genotypes:							
1960-61 Funds	1,079.50		1,079.50				
1961-62 Funds		3,193.76	3,035.54	(114.09)	44.13	44.13	
Project #432 - Alfalfa Production, Breeding, Disease and Quality Investigations:							
1960-61 Funds	1,105.60		1,105.60				
1961-62 Funds		2,897.92	2,341.79	(160.33)	395.80	395.80	
Project #433-W-56 - Breeding Alfalfa for Resistance to Root-Knot Nematodes:							
1961-62 Funds		600.00	543.13	16.53	73.40	73.40	
Project #434 - Control of Russian Knapweed:							
1961-62 Funds			4,077.68	5,416.00	1,338.32	1,338.32	
Project #450 - Physiological Defect of Potato Tubers, etc.:							
1961-62 Funds			198.79	286.29	87.50	87.50	
Sub-total	$ 8,877.56	$ 40,690.97	$ 47,137.10	$ 5,883.83	$ 8,315.26	$ 8,315.26	- 0 -
Soil Science							
Project #18 - Methods of Assessing Soil Fertility Levels:							
1959-60 Funds	$ 602.78		$ 602.78				
Project #19 - Modification of Soil Structure and Related Characteristics:							
1960-61 Funds	210.50		210.50				
Project #500 - Soil Characteristics Related to Crop Productivity in Nevada:							
1961-62 Funds		$ 4,925.00	4,579.93	$ (345.07)			

Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Soil Science - (continued)							
Project #501 - Evaluation of Factors Relative to Drainage of Lands Damaged by High Water Table Conditions:							
1960-61 Funds	$ 2,665.00		$ 2,665.00				
1961-62 Funds		$ 3,715.00	2,015.80	$ (201.46)	$ 1,497.74	$ 1,497.74	
Project #502 - Fertility Status of Nevada Soils and Their Needs for Fertilizers or Other Items of Treatment or Management for The Improvement of Yields and Quality of Crops:							
1959-60 Funds	400.00		400.00				
1961-62 Funds		20,458.32	8,858.63	(10,891.37)	708.32	708.32	
Project #503 - Feasibility of Low Cost Subsurface Plastic Drains for Irrigated Areas:							
1961-62 Funds		1,000.00	1,000.00				
Project #504 -W-66 - Formation of Soil Crusts:							
1961-62 Funds		1,525.00	1,311.93		213.07	213.07	
Project #505 - Field Measurement and Control of Soil Crusting and Associated Soil Properties in Relation to Seedling Establishment:							
1961-62 Funds		3,116.66	2,503.73	(19.50)	593.43	593.43	
Project #506 - Compaction by Animals and Its Effect on Soil Structure and Forage Production:							
1960-61 Funds	964.10		964.10				
1961-62 Funds		2,980.66	3,085.70	105.04			
Project #507 - Microenvironment and Growth of a Row Crop in Relation to Irrigation and Evaporation From Soil:							
1961-62 Funds		3,100.00	2,839.20	1,547.98	1,808.78	1,808.78	
Project #508 - Quality of Nevada Waters For Use in Irrigation, and Related Problems of Salt Balance:							
1961-62 Funds		2,050.00	1,408.47	(491.53)	150.00	150.00	
Sub-total	$ 4,842.38	$42,870.64	$ 32,445.77	$(10,295.91)	$ 4,971.34	$ 4,971.34	- 0 -
Veterinary Science							
Project #73 - Control of Internal Parasites of Sheep on Irrigated Pastures:							
1960-61 Funds	$ 588.17		$ 588.17				

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Veterinary Science - (continued)							
Project #600 - Immunization Method Against Anaplasmosis:							
1960-61 Funds	$ 1,183.62		$ 1,183.62				
1961-62 Funds		$ 7,311.16	7,448.72	$ 177.46	$ 39.90	$ 39.90	
Project #601 - The Relationship of Food Accessory Substances and Infection to White Muscle Disease of Calves and Lambs:							
1960-61 Funds	104.17		104.17				
1961-62 Funds		5,509.40	5,488.18	10.78	32.00	32.00	
Project #603 - Pathogenesis and Control of Trematode Infections in Sheep on Irrigated Pastures:							
1961-62 Funds		2,712.00	2,689.09	177.95	200.86	200.86	
Sub-total	$ 1,875.96	$ 15,532.56	$ 17,501.95	$ 366.19	$ 272.76	$ 272.76	- 0 -
Newlands Field Station							
Project #700 - High Roughage Feed for Dairy Stock:							
1961-62 Funds		$ 2,800.00	$ 5,338.59	$ 3,211.52	$ 672.93	$ 672.93	
Project #701 - High Alfalfa Contest Feeds for Turkey Hens:							
1961-62 Funds		1,132.59	911.27	(221.32)			
Project #702 - Alfalfa for Pig Feed:							
1961-62 Funds		2,026.66	2,070.85	44.19			
Project #703 - The Economics of Raising Corral Confined Sheep:							
1961-62 Funds		2,000.00	1,011.91	(988.09)			
Project #704 - Beef Production on Irrigated Farms:							
1961-62 Funds		3,412.53	3,036.74	336.05	711.84	711.84	
Project #705 - Field Germination of Forage Crop Seeds:							
1960-61 Funds	$ 224.30		224.30				
1961-62 Funds		550.00	1,714.83	1,164.83			
Project #706 - Spring Irrigation of Alfalfa:							
1961-62 Funds		1,690.00	2,029.31	339.31			
Sub-total	$ 224.30	$ 13,611.78	$ 16,337.80	$ 3,886.49	$ 1,384.77	$ 1,384.77	- 0 -
Southern Nevada Field Station							
Project #800 - Adaptation of Vegetable Crops in Southern Nevada:							
1961-62 Funds		$ 2,875.00	$ 5,761.76	$ 3,332.41	$ 445.65	$ 445.65	

Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Southern Nevada Field Station - (continued)							
Project #801 - Problems of Cotton Growing in Southern Nevada:							
1961-62 Funds		$ 3,750.00	$ 5,614.98	$ 1,997.88	$ 132.90	$ 132.90	
Project #802 - Water Studies in Relation to Forage Crop Production in Southern Nevada:							
1961-62 Funds		1,730.00	3,433.65	1,825.46	121.81	121.81	
Sub-total		$ 8,355.00	$ 14,810.39	$ 7,155.75	$ 700.36	$ 700.36	- 0 -
Home Economics							
Project #105 -							
1960-61 Funds	$ 196.50				$ 196.50	$ 196.50	
Project #900-W-60 - The Effects of Exposure to Atmospheric Conditions Upon the Physical Structure of Cotton Fibers in Selected Cotton Fabrics:							
1961-62 Funds		$ 500.00	$ 90.29	$ (409.71)			
Sub-total	$ 196.50	$ 500.00	$ 90.29	$ (409.71)	$ 196.50	$ 196.50	- 0 -
Grand Total	$22,548.34	$201,333.00	$208,662.55	$13,393.00	$28,611.79	$28,611.79	

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Regional Research
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962

EXHIBIT D

REGIONAL RESEARCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Agricultural Economics - Non-Marketing							
Project #200-W-54 - Adjusting Ranching In The Northern Nevada Livestock Area to Prospective Markets:							
1961-62 Funds		$ 2,000.00	$ 2,100.00	$ 100.00			
Project #205-W-70 - Economics of On-Farm Use of Irrigation Water:							
1961-62 Funds		2,000.00	1,723.25		$ 276.75	$ 276.75	
Project #206 -W-16 - An Economic Analysis of Rehabilitating Range Seeding in Nevada:							
1961-62 Funds		2,000.00	2,000.00				
Sub-total		$ 6,000.00	$ 5,823.25	$ 100.00	$ 276.75	$ 276.75	
Agricultural Economics - Marketing							
Project #250-WM-20 - The Economics of Marketing Hay and Feed Grains in Nevada:							
1961-62 Funds		$ 2,700.00	$ 2,365.78		$ 334.22	$ 334.22	
Project #252-WM-37 - Transportation of Livestock and Meats in Nevada:							
1961-62 Funds		1,900.00	1,886.75		13.25	13.25	
Project #253-WM-38 -An Analysis of the Potential Costs and Benefits of Rancher-Owned Farm Supply Agencies in Nevada:							
1961-62 Funds		1,500.00	1,600.00	$ 100.00			
Project #254-WM-39 - An Evaluation of Direct Marketing of Nevada Livestock Compared With Alternative Livestock Marketing Procedures:							
1961-62 Funds		1,900.00	1,900.00				
Project #256-WM-46 - Effect of Changing Milk Consumption and Marketing Practices on Nevada Milk Pricing:							
1961-62 Funds		1,500.00	1,672.75	200.00	27.25	27.25	
Sub-total		$ 9,500.00	$ 9,425.28	$ 300.00	$ 374.72	$ 374.72	
Animal Husbandry							
Project #300-W-34 - The Nutritive Value of Range Forages And Its Relationship to Reproduction and Growth of Range Livestock as Modified by Nutrient Supplementation:							
1960-61 Funds	$ 3.54		$ 3.54				
1961-62 Funds		$ 5,100.00	5,100.00				

Fund No. 02 - Federal Agriculture Funds - Regional Research
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

REGIONAL RESEARCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Animal Husbandry - (continued)							
Project #301 -W-61 - Genetic and Environmental Factors Affecting Carcass Quality in Lambs:							
1960-61 Funds	$ 24.95		$ 24.95				
1961-62 Funds		$ 1,220.00	1,220.00				
Project #303-W-46 - The Effect of Water Intake On Growth and Production of Range Livestock:							
1961-62 Funds		2,400.00	2,785.23	400.00	14.77	14.77	
Project #304-W-1 - The Effect of Environment on Selection for Traits of Economic Importance; The Relative Value of Several Selection Criteria; and Reproductive Studies in Range Beef Cattle:							
1961-62 Funds		5,400.00	5,400.00				
Project #305-W-49 - Synchronization of Estrus in Post-Partum Cattle and Its Effect on Fertility:							
1961-62 Funds		2,200.00	2,200.00				
Sub-total	$ 28.49	$16,320.00	$16,733.72	$ 400.00	$ 14.77	$ 14.77	
Plant Science							
Project #404-W-25 - Causes of Brush Encroachment Into Crested Wheatgrass Range Pastures:							
1961-62 Funds		$ 3,400.00	$ 3,400.00				
Project #429-W-63 - Soil Temperature and Moisture As They Affect The Susceptibility of Certain Brush Species to Systemic Herbicides:							
1961-62 Funds		3,500.00	3,700.00	$ 200.00			
Project #430-W-58 - The Effects of Salt Concentration and Temperature on Vegetative Reproduction of Certain Forage Plants:							
1961-62 Funds		3,500.00	3,500.00				
Project #431-W-40 - The Development of Practical Methods of Utilizing Heterosis in Alfalfa Improvement By The Use of Selected Genotypes:							
1960-61 Funds	$ 240.97		240.97				
1961-62 Funds		2,500.00	4,757.58	2,500.00	$ 242.42	$ 242.42	
Sub-total	$ 240.97	$12,900.00	$15,598.55	$2,700.00	$ 242.42	$ 242.42	

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Regional Research
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

REGIONAL RESEARCH FUNDS	Cash Balance 6/30/61	Revenues	Expenditures	Transfers	Cash Balance 6/30/62	Recorded Encumbrances	Available Balance 6/30/62
Soil Science							
Project #504-W-66 - Formation of Soil Crusts:							
1960-61 Funds	$ 233.44		$ 233.44				
1961-62 Funds		$ 2,600.00	1,427.10	$ 100.00	$1,272.90	$1,272.90	
Sub-total	$ 233.44	$ 2,600.00	$ 1,660.54	$ 100.00	$1,272.90	$1,272.90	
Veterinary Science							
Project #602-W-35 - Pathogenesis of Nematode Infections of Sheep:							
1961-62 Funds		$ 4,500.00	$ 4,500.00				
Home Economics							
Project #900-W-60 - The Effects of Exposure to Atmospheric Conditions Upon the Physical Structure of Cotton Fibers in Selected Cotton Fabrics:							
1961-62 Funds		$ 1,200.00	$ 1,200.00				
Regional Research Trust Funds							
Project #W-38:							
1961-62 Funds		$ 2,100.00	$ 2,100.00				
Project #W-46:							
1961-62 Funds		2,000.00	2,000.00				
Project #W-61:							
1960-61 Funds	$ 511.11		511.11				
1961-62 Funds		2,000.00	2,000.00				
Sub-total	$ 511.11	$ 6,100.00	$ 6,611.11				
Grand Total	$1,014.01	$59,120.00	$61,552.45	$3,600.00	$2,181.56	$2,181.56	

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Federal Monies - Smith-Lever Account
For the Fiscal Year Ended June 30, 1962

EXHIBIT E

	Original Working Budget	Revision	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenue						
From Approved Budget	$174,872.00	$ (103.00)	$174,769.00	$174,769.00		$ 103.00
Expenditures						
Salaries:						
Professional	129,584.00	(23,722.00)	105,862.00	103,713.74		25,870.26
Travel:						
Out of State	3,445.00)					
In State	8,000.00) --	10,150.00	21,595.00	18,637.45	$ 205.85	(7,192.45)
Operating:						
Supplies	8,998.00)					
Printing	5,600.00)					
Repairs	2,500.00) --	11,234.00	35,332.00	27,236.29	5,085.36	(3,138.29)
Miscellaneous	7,000.00)					
Equipment:						
Instructional	500.00)					
Office and Others	9,245.00) --	2,235.00	11,980.00	7,661.81	2,802.22	2,083.19
Total Expenditures	$174,872.00	$ (103.00)	$174,769.00	$157,249.29	$8,093.43	$17,622.71
Balance, 6-30-62				17,519.71		$17,519.71
Year End Encumbrances				8,093.43		
Carry Over Balance				$ 9,426.28		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Administration - 1A
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$15,997.00	$(239.00)	$15,758.00	$15,758.00		$ 239.00
Expenditures						
Salaries	7,800.00	(500.00)	7,300.00	7,299.50		500.50
Travel	1,302.00	698.00	2,000.00	1,556.05		(254.05)
Operating:						
Miscellaneous	5,198.00)			2,628.96)		
Publications	)			92.00)		
Supplies	)	60.00	5,258.00	28.85)	108.00	1,710.71
Auto Expense	)			170.48)		
Repairs	)			18.75)		
Labor		600.00	600.00	548.25		
Equipment:						
Office and Other	1,697.00)	(1,097.00)	600.00	110.27)	8.50	1,564.23
Books	)			22.50)		
Total Expenditures	$15,997.00	$ (239.00)	$15,758.00	$12,475.61	$ 116.50	$3,521.39
Balance, 6-30-62				3,282.39		$3,282.39
Year End Encumbrances				116.50		
Carry Over Balance				$ 3,165.89		

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith Lever
Agricultural Information - 1B
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$10,750.00	$ (400.00)	$10,350.00	$10,350.00		$ 400.00
Expenditures						
Salaries	6,100.00	(3,500.00)	2,600.00	2,599.92		3,500.08
Travel	1,650.00		1,650.00	1,747.14		(97.14)
Operating:						
Publications	2,000.00)	(400.00)	1,600.00)	50.00		
Miscellaneous	)		)	608.06		
Supplies	)--		)--	1.65	$2,652.18	(1,936.98)
Printing	)		)	28.59		
Auto expense	)		)	273.07		
Labor		3,500.00	3,500.00	2,975.61		
Equipment:						
Office and Other	1,000.00		1,000.00	934.76	96.72	65.24
Total Expenditures	$10,750.00	$ (400.00)	$10,350.00	$ 9,218.80	$2,748.90	$ 1,531.20
Balance, 6-30-62				1,131.20		1,131.20
Year End Encumbrances				2,748.90		
Carry Over Balance				$(1,617.70)		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
4-H Club Leader - 2A
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$2,577.00	$3,500.00	$6,077.00	$6,077.00		$(3,500.00)
Expenditures						
Salaries	377.00	(200.00)	177.00	177.00		200.00
Travel	1,300.00	900.00	2,200.00	2,169.45		(869.45)
Operating:						
Supplies	100.00)			47.75)		
Publications	700.00)			479.27)		
Repairs	100.00) --	400.00	1,300.00	) --	$ 64.30	(258.94)
Miscellaneous	)			144.75)		
Printing	)			97.79)		
Auto expense	)			389.38)		
Equipment:						
Office and Other		2,200.00	2,200.00	2,114.26	140.00	(2,114.26)
Total Expenditures	$2,577.00	$3,500.00	$6,077.00	$5,619.65	$204.30	$(3,042.65)
Balance, 6-30-62				457.35		$ 457.35
Year End Encumbrances				204.30		
Carry Over Balance				$ 253.05		

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Home Agent Leader -2B
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$8,957.00	$(400.00)	$8,557.00	$8,557.00		$400.00
Expenditures						
Salaries	6,977.00		6,977.00	6,976.96		.04
Travel	1,000.00		1,000.00	921.21		78.79
Operating:						
Auto Expense	)			197.80)		
Supplies	250.00)			10.22)		
Publications	400.00)--	(400.00)	450.00	278.91)--	$10.88	326.92
Repairs	200.00)			)		
Miscellaneous	)			36.15)		
Equipment:						
Office and Other	100.00					100.00
Books	30.00		130.00			30.00
Total Expenditures	$8,957.00	$(400.00)	$8,557.00	$8,421.25	$10.88	$535.75
Balance, 6-30-62				135.75		$135.75
Year End Encumbrances				10.88		
Carry Over Balance				$ 124.87		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Counties - 2C
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$107,230.00	$ (7,686.00)	$99,544.00	$99,544.00		$ 7,686.00
Expenditures						
Salaries	86,479.00	(11,479.00)	75,000.00	72,852.40		13,626.60
Travel	3,895.00	1,000.00	4,895.00	4,266.90		(371.90)
Operating:						
Labor		4,930.00	4,930.00	3,846.00	$ 150.00	(3,846.00)
Supplies	4,000.00)			1,367.67)		
Printing	500.00)			28.25)		
Repairs	2,000.00) --	180.50	8,969.00	192.61) --	364.71	1,492.15
Miscellaneous	2,288.50)			1,556.27)		
Publications	)			2.20)		
Auto Expense	)			4,149.35)		
Equipment:						
Office and Other	8,067.50) --	(2,317.50)	5,750.00	3,300.74)	1,683.88	4,743.17
Books	)			23.59)		
Total Expenditures	$107,230.00	$ (7,686.00)	$99,544.00	$91,585.98	$2,198.59	$15,644.02
Balance, 6-30-62				7,958.02		$ 7,958.02
Year End Encumbrances				2,198.59		
Carry Over Balance				$ 5,759.43		

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Agronomy - 3
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$2,750.00	$(1,650.00)	$1,100.00	$1,100.00		$(1,650.00)
Expenditures						
Travel:	900.00	(250.00)	650.00	729.07		170.93
Operating:						
Supplies	300.00)			24.75)		
Publications	100.00)			7.50)		
Repairs	100.00)--	(50.00)	450.00	)--	$6.82	73.35
Miscellaneous	)			69.55)		
Auto Expense	)			324.85)		
Equipment:						
Office and Other	1,300.00)--	(1,350.00)				1,350.00
Books	50.00)					
Total Expenditures	$2,750.00	$(1,650.00)	$1,100.00	$1,155.72	$6.82	$ 1,594.28
Balance, 6-30-62				(55.72)		$ 55.72
Year End Encumbrances				6.82		
Carry Over Balance				$ (62.54)		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Animal Husbandry - 4
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$10,775.00	$(575.00)	$10,200.00	$10,200.00		$ 575.00
Expenditures						
Salaries	4,050.00		4,050.00	4,050.00		
Travel	3,250.00	(400.00)	2,850.00	2,551.45		698.55
Operating:						
Supplies	825.00)			52.71)		
Publications	900.00)			920.27)		
Repairs	500.00)	25.00	2,600.00	4.50)	$111.15	(79.78)
Miscellaneous	350.00)			435.05)		
Printing	)			57.14)		
Auto expense	)			1,185.11)		
Equipment:						
Office and Other	900.00)	(200.00)	700.00	255.11)	805.00	579.67
Books	)			65.22)		
Total Expenditures	$10,775.00	$(575.00)	$10,200.00	$ 9,576.56	$916.15	$1,198.44
Balance, 6-30-62				623.44		$ 623.44
Year End Encumbrances				916.15		
Carry Over Balance				$ (292.71)		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Range Management - 5
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$9,088.00		$9,088.00	$9,088.00		
Expenditures						
Salaries	6,313.00		6,313.00	6,312.96		$ .04
Travel	1,500.00		1,500.00	989.85	$205.85	510.15
Operating:						
Supplies	300.00)			184.88)		
Publications	600.00)	--	975.00	56.50)	-- 521.23	317.71
Repairs	75.00)			)		
Miscellaneous	)			78.05)		
Auto Expense				337.86		
Equipment:						
Instructional	50.00)			)		
Office and Other	200.00)		300.00	32.50)		204.52
Books	50.00)			62.98)		
Total Expenditures	$9,088.00		$9,088.00	$8,055.58	$727.08	$1,032.42
Balance, 6-30-62				1,032.42		
Year End Encumbrances				727.08		
Carry Over Balance				$ 305.34		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Home Economist - 6
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$2,900.00	$(500.00)	$2,400.00	$2,400.00		$500.00
Expenditures						
Travel	1,200.00	(100.00)	1,100.00	1,033.23		166.77
Operating:						
Supplies	525.00)			221.54)		
Publications	800.00)			230.86)		
Repairs	75.00)	(400.00)	1,000.00	42.88)	$327.17	372.20
Miscellaneous	)			300.26)		
Auto Expense	)			232.26)		
Equipment:						
Instructional	200.00)					
Office and Other	100.00)		300.00	95.13		204.87
Total Expenditures	$2,900.00	$(500.00)	$2,400.00	$2,156.16	$327.17	$743.84
Balance, 6-30-62				243.84		$243.84
Year End Encumbrances				327.17		
Carry Over Balance				$ (83.33)		

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Entomology - 7
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$2,400.00	$(100.00)	$2,300.00	$2,300.00		$100.00
Expenditures						
Travel	1,000.00	100.00	1,100.00	910.40		89.60
Operating:						
Auto Expense	)			230.69)		
Supplies	850.00)			354.37)		
Printing	50.00)---	(200.00)	1,000.00	)---	$198.28	412.51
Publications	150.00)			28.00)		
Repairs	150.00)			)		
Miscellaneous				174.43		
Equipment:						
Instructional	100.00)					
Office and Other	50.00)---		200.00		54.00	179.51
Books	50.00)			20.49		
Total Expenditures	$2,400.00	$(100.00)	$2,300.00	$1,718.38	$252.28	$681.62
Balance, 6-30-62				581.62		$581.62
Year End Encumbrances				252.28		
Carry Over Balance				$ 329.34		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Irrigation Engineer - 9
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$1,900.00	$50.00	$1,950.00	$1,950.00		$(50.00)
Expenditures						
Travel:	800.00	50.00	850.00	519.05		280.95
Operating:						
Supplies	250.00)			102.40)		
Auto Expense	)			338.13)		
Printing	100.00)--		700.00	)--	$ 3.95	215.81
Publications	300.00)			29.05)		
Repairs	50.00)			)		
Miscellaneous	)			14.61)		
Equipment:						
Instructional	200.00)					
Office and Other	100.00)---		400.00	283.29	14.12	116.71
Books	100.00)					
Total Expenditures	$1,900.00	$50.00	$1,950.00	$1,286.53	$18.07	$613.47
Balance, 6-30-62				663.47		$663.47
Year End Encumbrances				18.08		
Carry Over Balance				$ 645.40		

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Smith-Lever
Agricultural Economics
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$7,245.00	$ 200.00	$7,445.00	$7,445.00		$ (200.00)
Expenditures						
Salaries	3,745.00	(300.00)	3,445.00	3,445.00		300.00
Travel	1,200.00	600.00	1,800.00	1,243.65		(43.65)
Operating:						
Supplies	600.00)			81.13)		
Printing	200.00)			169.17)		
Publications	1,000.00)			310.32)		
Auto Expense	)---	(500.00)	1,500.00	176.73)	$566.69	1,050.55
Repairs	200.00)			)		
Miscellaneous	)			71.35)		
Labor	)	300.00	300.00	140.75)		
Equipment:						
Instructional	50.00)					
Office and Other	250.00) ---	100.00	400.00	317.00		(40.97)
Books				23.97		
Total Expenditures	$7,245.00	$ 200.00	$7,445.00	$5,979.07	$566.69	$1,265.93
Balance, 6-30-62				1,465.93		$1,465.93
Year End Encumbrances				566.69		
Carry Over Balance				$ 899.24		

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division, Federal Monies - Bureau of Indian Affairs Account
For the Fiscal Year Ended June 30, 1962

EXHIBIT F

	Original Working Budget	Revision	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$45,085.00	$(5,385.31)	$39,699.69	$39,699.69		$5,385.31
Expenditures						
Salaries:						
Professional	38,192.00	(3,968.31)	34,223.69	35,107.07		3,084.93
Travel:						
Out of State	400.00)					
In State	2,000.00)		2,400.00	1,753.58		646.42
Operating:						
Supplies	3,293.00)					
Repairs	500.00)	(1,117.00)	2,876.00	2,438.38		1,554.62
Miscellaneous	200.00)					
Equipment:						
Instructional	500.00	(300.00)	200.00	103.98	$256.36	396.02
Total Expenditures	$45,085.00	$(5,385.31)	$39,699.69	$39,403.01	$256.36	$5,681.99
Balance, 6-30-62				296.68		$ 296.68
Year End Encumbrances				256.36		
Carry Over Balance				$ 40.32		

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
Administration - 1-A
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$2,095.00		$2,095.00	$2,095.00		
Expenditures						
Salaries	2,095.00		2,095.00	2,978.50		$(883.50)
Total Expenditures	$2,095.00		$2,095.00	$2,978.50		$(883.50)
Balance, 6-30-62				$ (883.50)		$(883.50)

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
4-H Club Leader - 2-A

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$1,027.00		$1,027.00	$1,027.00		
Expenditures						
Salaries	1,027.00		1,027.00	1,026.96		$.04
Total Expenditures	$1,027.00		$1,027.00	$1,026.96		$.04
Balance, 6-30-62				$ .04		$.04

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
Home Economics Program - 2-B
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$972.00		$972.00	$972.00		
Expenditures						
Salaries	972.00		972.00	972.00		
Total Expenditures	$972.00		$972.00	$972.00		
Balance, 6-30-62				- 0 -		- 0 -

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
County Extension Work - 2-C
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$39,810.00	$(7,185.31)	$32,624.69	$32,624.69		$7,185.31
Expenditures						
Salaries	34,334.00	(7,185.31)	27,148.69	27,148.69		7,185.31
Travel	2,400.00		2,400.00	1,753.58		646.42
Operating:	2,876.00)		2,876.00			437.62
Miscellaneous	)			326.52		
Publications	)			10.00		
Supplies	)			314.43		
Automobile Expense	)			1,764.43		
Repairs	)			23.00		
Equipment:	200.00		200.00	103.98	$256.36	96.02
Total Expenditures	$39,810.00	$(7,185.31)	$32,624.69	$31,444.63	$256.36	
Cash Balance, 6-30-62				1,180.06		
Year End Encumbrances				256.36		
Carry Over Balance				$ 923.70		

University of Nevada

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
Animal Husbandry - 4
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$1,230.00		$1,230.00	$1,230.00		
Expenditures						
Salaries	1,230.00		1,230.00	1,229.92		$.08
Total Expenditures	$1,230.00		$1,230.00	$1,229.92		$.08
Balance, 6-30-62				$ .08		$.08

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
Range Conservation - 5
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$972.00		$972.00	$972.00		
Expenditures						
Salaries	972.00		972.00	972.00		
Total Expenditures	$972.00		$972.00	$972.00		
Balance, 6-30-62				- 0 -		- 0 -

Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
Home Economics Special - 6
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$396.00		$396.00	$396.00		
Expenditures						
Salaries	396.00		396.00	396.00		
Total Expenditures	$396.00		$396.00	$396.00		
Balance, 6-30-62				- 0 -		- 0 -

University of Nevada
Statement of Budgeted Revenues and Expenditures Compared With Actual
Fund No. 03 - Agricultural Extension Division - Bureau of Indian Affairs
Agricultural Economics - 8
For the Fiscal Year Ended June 30, 1962

	Original Working Budget	Revisions	Revised Working Budget	Actual	Year End Encumbrances	(Over) or Under Budget
Revenues						
From Approved Budget	$383.00		$383.00	$383.00		
Expenditures						
Salaries	383.00		383.00	383.00		
Total Expenditures	$383.00		$383.00	$383.00		
Balance, 6-30-62				- 0 -		- 0 -

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962

SCHEDULE I

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Administration						
1961-62 Funds	$ 36,017.43	$ 32,178.26	$2,178.05	$ 339.96	$ 1,234.38	$ 86.78
Agriculture Chemistry						
General:						
1961-62 Funds	$ 124.37			11.40	112.97	
Project #100 - Chorionic Gonodatrophin of the Cow:						
1961-62 Funds	5,459.75	$ 5,459.75				
Project #101 - Chemical Factors in White Muscle Disease of Ruminant Animals:						
1961-62 Funds	4,251.75	4,251.75				
Project #102 - Chemical Studies of Range Plants, Forage Crops and Livestock Water Supplies:						
1961-62 Funds	- 0 -					
Project #103 - Effects of Feeding High Molybdenum Hay to Dairy Cattle:						
1961-62 Funds	1,868.34	1,868.34				
Project #104 - The Functions of Trace Elements in Plants and Animals:						
1961-62 Funds	5,678.37	5,678.37				
Sub-total	$ 17,382.58	$ 17,258.21		$ 11.40	$ 112.97	
Agriculture Economics - Non-Marketing						
General:						
1961-62 Funds	$ 909.72				$ 909.72	
Project #200 - Adjusting Ranching in the Northern Nevada Livestock Area to Prospective Markets:						
1961-62 Funds	1,550.00	$ 1,550.00				
Project #201 - An Economic Study of the High Water Table Problem, Newlands Reclamation Project, Nevada:						
1961-62 Funds	500.00	500.00				
Project #202 - Tillage Power and Machinery Cost in Nevada:						
1961-62 Funds	660.00	660.00				
Project #203 - Economics of Feeding Hay and Utilizing Meadows and Pastures for Market Cattle:						
1961-62 Funds	971.53	971.53				

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Agriculture Economics - Non-Marketing - (continued)						
Project #204 - Agricultural Prices and The Nevada Farm Index:						
1961-62 Funds	$ 1,016.00	$ 1,016.00				
Project #205 - Economics of On-Farm Use of Irrigation Water:						
1961-62 Funds	1,551.00	1,551.00				
Project #206 - An Economic Analysis of Rehabilitating Range Seedings in Nevada:						
1961-62 Funds	2,000.00	2,000.00				
Project #207 - A Study of Farm Real Estate Values in Western Nevada:						
1961-62 Funds	1,703.00	1,703.00				
Project #208 - Economic Analysis of Intergrated Ground-Surface Water Resource Management:						
1961-62 Funds	750.00	750.00				
Sub-total	$ 11,611.25	$ 10,701.53			$ 909.72	
Agriculture Economics - Marketing						
Project #250 - The Economics of Marketing Hay and Feed Grains in Nevada:						
1961-62 Funds	$ 1,524.00	$ 1,524.00				
Project #251 - Controlled Experiments in Shrinkage and Body Weights of Cattle & Sheep & Economic Costs of Regain:						
1961-62 Funds	560.00	560.00				
Project #252 - Transportation of Livestock and Meats in Nevada:						
1961 -62 Funds	1,460.00	1,460.00				
Project #253 - An Analysis of the Potential Costs and Benefits of Rancher-Owned Farm Supply Agencies in Nevada:						
1961-62 Funds	857.00	857.00				
Project #254 - An Evaluation of Direct Marketing of Nevada Livestock Compared With Alternative Livestock:						
1961-62 Funds	1,530.00	1,530.00				
Project #255 - Market Discovery and Development for Agricultural Products That Can Be Produced on Nevada Farms and Ranches:						
1961-62 Funds	1,860.00	1,860.00				

Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Agriculture Economics - Marketing - (continued)						
Project #256 - Effect of Changing Milk Consumption and Marketing Practices on Nevada Milk Pricing:						
1961-62 Funds	$ 1,732.00	$ 1,732.00				
Project #257 - Marketing Certified Seed Produced in Nevada:						
1961-62 Funds	1,687.00	1,687.00				
Sub-total	$ 11,210.00	$ 11,210.00				
Agriculture Information						
General:						
1961-62 Funds	$ 9,992.01	$ 9,992.01				
Animal Husbandry						
General:						
1961-62 Funds	$ 47.72			$ 47.72		
Project #300 - The Nutritive Value of Range Forages and Its Relationship to Reproduction and Growth of Range Livestock as Modified By Nutrient Supplementation:						
1961-62 Funds	11,605.42	$ 6,445.84	$ 581.26	928.12	$ 2,990.20	$ 660.00
Project #301 - Genetic and Environmental Factors Affecting Carcass Quality in Lambs:						
1961-62 Funds	3,716.00	3,716.00				
Project #302 - The Development of Supplements For Wintering Range Cattle Fed Native Meadow Hay:						
1961-62 Funds	6,182.86	5,382.86			800.00	
Project #303 - The Effect of Water Intake on Growth and Production of Range Livestock:						
1961-62 Funds	7,809.82	7,115.00	146.33	87.16	461.33	
Project #304 - The Effect of Environment on Selection for Traits of Economic Importance; The Relative Value of Several Selection Criteria; And Reproductive Studies in Range Beef Cattle:						
1961-62 Funds	17,016.06	11,012.16		43.26	5,960.64	
Project #305 - Synchronization of Estrus in Post-Partum Cattle and Its Effect on Fertility:						
1961-62 Funds	6,871.31	5,600.00	33.42	1,077.14	160.75	

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Animal Husbandry - (continued)						
Project #306 - The Relation of Fiber, Protein and Other Quality Factors to the Nutritive Value of Hay:						
1961-62 Funds	$ 200.00	$ 200.00				
Project ARS #23 - The Effect of Genetic Environmental Interactions on Selection Responses:						
1961-62 Funds	3,562.45	2,344.00		$ 153.80	$ 1,064.65	
Project AEC #96 - The Relation of Fall-Out and Other Factors to Soil and Plant Contamination and The Assimilation of Fission Products and Other Materials By Range Cattle:						
1961-62 Funds	2,451.84	2,451.84				
Project Ladino Dairy:						
1961-62 Funds	1,200.00	1,200.00				
Project Lalor Grant:						
1961-62 Funds	822.00	822.00				
Sub-total	$ 61,485.48	$ 46,289.70	$ 761.01	$2,337.20	$11,437.57	$ 660.00
Main Station Farm						
General:						
1961-62 Funds	$ 3,168.85				$ 3,168.85	
Farm Services:						
1961-62 Funds	28,455.11	$ 28,455.11				
Sub-total	$ 31,623.96	$ 28,455.11			$ 3,168.85	
Plant Science						
General:						
1961-62 Funds	$ 574.37		$ 90.59	$ 19.69	$ 464.09	
Project #306 - The Relation of Feber, Protein and Other Quality Factors To The Nutritive Value of Hay:						
1961-62 Funds	200.00	$ 200.00				
Project #400 - Ecology and Management of Whitesage, Eurotia Lanata:						
1961-62 Funds	2,680.37	2,680.37				
Project #401 - The Ecology and Management of Indian Ricegrass, or Oryzopsis Hymenoides:						
1961-62 Funds	2,667.25	2,667.25				

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Plant Science - (continued)						
Project #402 - Increased Stream Flow and Forage Production Through Eradication of Undesirable Vegetation, Seeding and Grazing Management:						
1961-62 Funds	$ 3,217.19	$ 3,217.19				
Project #403 - Changes in Vegetation of Spring-Fall and Winter Range Types in Nevada During Twenty Years of Protection From Grazing:						
1961-62 Funds	532.90	532.90				
Project #404 - Causes of Brush Encroachment into Crested Wheatgrass Range Pastures:						
1961-62 Funds	1,736.92	1,736.92				
Project #425 - Green Manure Crops to Increase Fertility and Improve Structure of Southern Nevada Soils:						
1961-62 Funds	3,742.05	3,742.05				
Project #426 - Evaluation of Agronomic Plants in Different Locations in Nevada:						
1961-62 Funds	5,752.10	5,356.42				$ 395.68
Project #427 - Factors Affecting Establishment of Forage Crops in Irrigated Lands in Nevada:						
1961-62 Funds	3,834.77	3,834.77				
Project #428 - Management and Utilization of Irrigated Forages:						
1961-62 Funds	4,840.11	4,840.11				
Project #429 - Soil Temperature and Moisture As They Affect the Susceptibility of Certain Brush Species to Systemic Herbicides:						
1961-62 Funds	2,382.33	1,958.85			$ 423.48	
Project #430 - The Effects of Salt Concentration and Temperature on Vegetative Reproduction of Certain Forage Plants:						
1961-62 Funds	4,247.82	3,929.68		$ 150.00	168.14	
Project #431 - The Development of Practical Methods of Utilizing Heterosis in Alfalfa Improvement By the Use of Selected Genotypes:						
1961-62 Funds	1,113.26	1,113.26				
Project #432 - Alfalfa Production, Breeding, Disease and Quality Investigations:						
1961-62 Funds	1,649.88	1,649.88				

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Plant Science - (continued)						
Project #433 - Breeding Alfalfa for Resistance to Root-Knot Nematodes:						
1961-62 Funds	$ 825.00	$ 825.00				
Project #434 - Control of Russian Knapweed:						
1961-62 Funds	1,000.00	1,000.00				
Project #450 - Physiological Defects of Potato Tubers:						
1961-62 Funds	2,596.63	2,000.00		$ 437.63	$ 159.00	
Project #490 - Improvements and Management of The Community Pastures of the Pershing County Water Conservation District Near Battle Mountain, Nevada:						
1961-62 Funds	1,599.25	674.89	$ 379.17	126.62	168.57	$ 250.00
Project #491 - Production Problems in Horticulture:						
1961-62 Funds	10,299.92	5,008.84	505.62	1,158.26	2,681.88	945.32
Project #492 - (A) Evaluation of Success in Control of Halogeton: (B) Establishment of Forage Plants on Unsuccessfully Seeded Range:						
1961-62 Funds	1,963.40	1,468.14	229.35	137.52	128.39	
Project #493 - Range Insects and Grub Control:						
1961-62 Funds	9,091.54	6,578.54	622.41	337.97	49.17	1,503.45
Sub-total	$ 66,547.06	$ 55,015.06	$1,827.14	$2,367.69	$ 4,242.72	$3,094.45
Soil Science						
General:						
1961-62 Funds	$ 40.80		$ 40.80			
Project #500 - Soil Characteristics Related to Crop Productivity in Nevada:						
1961-62 Funds	4,061.42	$ 4,061.42				
Project #501 - Evaluation of Factors Relative to Drainage of Lands Damaged by High Water Table Conditions:						
1961-62 Funds	4,695.00	4,695.00				
Project #502 - Fertility Status of Nevada Soils and Their Needs for Fertilizers or Other Items of Treatment or Management for the Improvement of Yields and Quality of Crops:						
1961-62 Funds	2,286.68	2,286.68				

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Veterinary Science - (continued)						
Project #603 - Pathogenesis and Control of Trematode Infections in Sheep or Irrigated Pastures:						
1961-62 Funds	$ 6,939.00	$ 6,939.00				
Sub-total	$ 21,836.40	$ 21,792.91	$ 14.99	$ 5.20	$ 23.30	
Newlands Stations						
General:						
1961-62 Funds	$ 1,008.76			$ 57.19	$ 951.57	
Project #700 - High Roughage Feeds for Dairy Stock:						
1961-62 Funds	6,569.26	$ 6,569.26				
Project #701 - High Alfalfa Content Feeds for Turkey Hens:						
1961-62 Funds	3,209.65	3,209.65				
Project #702 - Alfalfa for Pig Feed:						
1961-62 Funds	2,335.92	2,335.92				
Project #703 - The Economics of Raising Corral Confined Sheep:						
1961-62 Funds	1,883.16	1,883.16				
Project #704 - Beef Production on Irrigated Farms:						
1961-62 Funds	3,498.45	3,498.45				
Project #705 - Field Germination of Forage Crop Seeds:						
1961-62 Funds	1,958.88	1,958.88				
Project #706 - Spring Irrigation of Alfalfa:						
1961-62 Funds	3,906.78	3,906.78				
Sub-total	$ 24,370.86	$ 23,362.10		$ 57.19	$ 951.57	
Southern Nevada Field Station						
General:						
1961-62 Funds	$ 460.39		$ 39.58	$ 87.06	$ 333.75	
Project #800 - Adaptation of Vegetable Crops in Southern Nevada:						
1961-62 Funds	3,132.68	$ 3,132.68				
Project #801 - Problems of Cotton Growing in Southern Nevada:						
1961-62 Funds	5,065.85	5,065.85				

University of Nevada
Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Soil Science - (continued)						
Project #503 - Feasibility of Low Cost Subsurface Plastic Drains for Irrigated Areas:						
1961-62 Funds	- 0 -					
Project #504 - Formation of Soil Crusts:						
1961-62 Funds	$ 1,055.66	$ 1,055.66				
Project #505 - Field Measurement and Control of Soil Crusting and Associated Soil Properties in Relation to Seedling Establishment:						
1961-62 Funds	1,747.34	1,747.34				
Project #506 - Compaction by Animals and Its Effect on Soil Structure and Forage Production:						
1961-62 Funds	1,383.34	1,383.34				
Project #507 - Microenvironment and Growth of a Row Crop in Relation to Irrigation and Evaporation from Soil:						
1961-62 Funds	2,100.00	2,100.00				
Project #508 - Quality of Nevada Waters for Use in Irrigation, and Related Problems of Salt Balance:						
1961-62 Funds	1,850.00	1,850.00				
Project Soil and Water Lab:						
1961-62 Funds	6,976.25	4,053.00	$ 138.43	$ 93.96	$2,690.86	
Sub-total	$ 26,196.49	$ 23,232.44	$ 179.23	$ 93.96	$2,690.86	
Veterinary Science						
General:						
1961-62 Funds	$ 43.49		$ 14.99	$ 5.20	$ 23.30	
Project #600 - Immunization Methods Against Anaplasmosis:						
1961-62 Funds	9,598.31	$ 9,598.31				
Project #601 - The Relationship of Food Accessory Substances and Infection to White Muscle Disease of Calves and Lambs:						
1961-62 Funds	3,678.60	3,678.60				
Project #602 - Pathogenesis of Nematode Infections of Sheep:						
1961-62 Funds	1,577.00	1,577.00				

Fund No. 01 - State Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

STATE OFFSET FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Southern Nevada Field Station - (continued)						
Project #802 - Water Studies in Relation to Forage Crop Production in Southern Nevada:						
1961-62 Funds	$ 2,949.39	$ 2,949.39				
Sub-total	$ 11,608.31	$ 11,147.92	$ 39.58	$ 87.06	$ 333.75	
Valley Road Farm						
General:						
1961-62 Funds	$ 1,187.03			$ 112.43	$ 1,074.60	
Grand Total	$331,068.86	$290,635.25	$5,000.00	$5,412.09	$26,180.29	$3,841.23

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962

SCHEDULE 2

HATCH FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Administration						
1960-61 Funds	$ 357.64					$ 357.64
1961-62 Funds	3,242.81	$ 49.50	$ 1,214.62	$ 108.46	$ 1,613.80	256.43
Sub-total	$ 3,600.45	$ 49.50	$ 1,214.62	$ 108.46	$ 1,613.80	$ 614.07
Agriculture Chemistry						
Project #100 - Chorionic Gonodotrophin of the Cow:						
1960-61 Funds	$ 1,000.00					$ 1,000.00
1961-62 Funds	1,236.99			$ 284.93	$ 841.60	110.46
Project #101 - Chemical Factors in White Muscle Disease of Ruminant Animals:						
1960-61 Funds	1,000.00					1,000.00
1961-62 Funds	3,023.98		$ 10.90	571.08	1,971.90	470.10
Project #102 - Chemical Studies of Range Plants, Forage Crops and Livestock Water Supplies:						
1960-61 Funds	1,000.00					1,000.00
1961-62 Funds	835.87		269.15	14.00	552.72	
Project #103 - Effects of Feeding High Molybdenum Hay to Dairy Cattle:						
1960-61 Funds	1,000.00					1,000.00
1961-62 Funds	650.46			354.36	296.10	
Project #104 - The Functions of Trace Elements in Plants and Animals:						
1961-62 Funds	4,429.74		24.70	716.68	3,036.54	651.82
Sub-total	$ 14,177.04		$ 304.75	$ 1,941.05	$ 6,698.86	$ 5,232.38
Agricultural Economics - Non-Marketing						
Project #200-W-54 - Adjusting Ranching in The Northern Nevada Livestock Area to Prospective Markets:						
1961-62 Funds	$ 1,474.63	$ 750.00	$ 520.20	$ 58.75	$ 145.68	
Project #201 - An Economic Study of the High Water Table Problem, Newlands Reclamation Project, Nevada:						
1961-62 Funds	159.40				159.40	
Project #202 - Tillage Power and Machinery Cost in Nevada:						
1961-62 Funds	100.00	100.00				
Project #203 - Economics of Feeding Hay and Utilizing Meadows and Pastures for Market Cattle:						
1961-62 Funds	509.27	88.47	141.90	32.60	146.30	$ 100.00

Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Agriculture Economics - Non-Marketing - (continued)						
Project #205-W-7 - Economics of On-Farm Use of Irrigation Water:						
1961-62 Funds	$ 1,354.24	$ 997.00			$ 297.74	$ 59.50
Project #206-W-16 - An Economic Analysis of Rehabilitating Range Seedings in Nevada:						
1961-62 Funds	639.03	400.00	$ 118.15	$ 47.24	73.64	
Project #207 - A Study of Farm Real Estate Values in Western Nevada:						
1961-62 Funds	1,161.79	567.82	60.15		56.39	477.43
Project #208-W-75 - Economic Analysis of Intergrated Ground-Surface Water Resource Management:						
1961-62 Funds	1,393.80	1,050.00	92.40	63.80	187.60	
Sub-total	$ 6,792.16	$ 3,953.29	$ 932.80	$ 202.39	$ 1,066.75	$ 636.93
Agriculture Economics - Marketing						
Project #250-WM-20 - The Economics of Marketing Hay and Feed Grains in Nevada:						
1960-61 Funds	$ 1,661.00					$ 1,661.00
1961-62 Funds	6,677.89	$ 924.00	$ 44.55	$ 2,290.50	$ 2,042.43	1,376.41
Project #251 - Controlled Experiments in Shrinkage and Body Weights of Cattle & Sheep & Economic Costs of Regain:						
1961-62 Funds	1,283.75	1,260.00	23.75			
Project #252-WM-37 - Transportation of Livestock and Meats in Nevada:						
1961-62 Funds	1,551.01	800.00	75.00	29.66	646.35	
Project #253-WM-39 - An Analysis of the Potential Costs and Benefits of Rancher-Owned Farm Supply Agencies in Nevada:						
1959-60 Funds	225.00				225.00	
1961-62 Funds	1,117.30	704.00	100.00	69.60	243.70	
Project #254-WM-39 - An Evaluation of Direct Marketing of Nevada Livestock Compared With Alternative Livestock Marketing Procedures:						
1961-62 Funds	4,211.60	3,729.92	342.00	64.13	75.55	
Project #255 - Market Discovery and Development for Agricultural Products That Can Be Produced on Nevada Farms and Ranches:						
1959-60 Funds	288.00				288.00	
1961-62 Funds	4,051.29	3,246.00	132.85	3.79	568.65	100.00

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Total	Salaries	Travel	Operating		Equipment
				Supplies	Miscellaneous	
Agriculture Economics - Marketing - (continued)						
Project #256-WM-46 - Effect of Changing Milk Consumption and Marketing Practices on Nevada Milk Pricing:						
1961-62 Funds	$ 1,544.65	$ 1,384.00		$ 37.77	$ 122.88	
Project #257 - Marketing Certified Seed Produced in Nevada:						
1961-62 Funds	1,446.17	1,000.00		100.00	46.17	$ 300.00
Sub-total	$ 24,057.66	$13,047.92	$ 718.15	$ 2,595.45	$ 4,258.73	$ 3,437.41
Animal Husbandry						
Project #300-W-34 - The Nutritive Value of Range Forages and Its Relationship to Reproduction and Growth of Range Livestock as Modified by Nutrient Supplementation:						
1961-62 Funds	$ 483.40					$ 483.40
Project #301-W-61 - Genetic and Environmental Factors Affecting Carcass Quality in Lambs:						
1961-62 Funds	3,731.69	$ 1,212.92	$ 31.95	$ 48.76	$ 1,479.08	958.98
Project #302 - The Development of Supplements for Wintering Range Cattle Fed Native Meadow Hay:						
1961-62 Funds	10,186.89	2,499.93	110.80	927.70	5,550.81	1,097.65
Project #304-W-1 - The Effect of Environment on Selection for Traits of Economic Importance; the Relative Value of Several Selection Criteria; and Reproductive Studies in Range Beef Cattle:						
1961-62 Funds	14,015.90	5,168.73	105.57	2,699.44	4,936.19	1,105.97
Project #306 - The Relation of Fiber, Protein and Other Quality Factors to the Nutritive Value of Hay:						
1961-62 Funds	4,129.91	925.00		1,063.13	1,350.32	791.46
Sub-total	$ 32,547.79	$ 9,806.58	$ 248.32	$ 4,739.03	$13,316.40	$ 4,437.46
Plant Science						
Project #306 - 1961-62 Funds						
Project #400 - Ecology and Management of Whitesage, Eurotia Lanata:						
1960-61 Funds	$ 1,000.00					$ 1,000.00
1961-62 Funds	965.51		$ 219.43	$ 165.30	$ 380.78	200.00

Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Total	Salaries	Travel	Operating		Equipment
				Supplies	Miscellaneous	
Plant Science - (continued)						
Project #401 - The Cology and Management of Indian Ricegrass, or Oryzopsis Hymenoides:						
1960-61 Funds	$ 500.00					$ 500.00
1961-62 Funds	1,473.39	$ 332.99	$ 188.67	$ 213.57	$ 400.87	337.29
Project #402 - Increased Stream Flow and Forage Production Through Eradication of Undesirable Vegetation, Seeding and Grazing Management:						
1960-61 Funds	1,446.75					1,446.75
1961-62 Funds	2,588.20		107.87	1,113.15	367.18	1,000.00
Project #403 - Changes in Vegetation of Spring-Fall and Winter Range Types in Nevada During Twenty Years of Protection From Grazing:						
1961-62 Funds	553.68		122.38	24.49	406.81	
Project #404-W-25 - Causes of Brush Encroachment Into Crested Wheatgrass Range Pastures:						
1961-62 Funds	1,365.84		324.49	262.71	528.64	250.00
Project #425 - Green Manure Crops to Increase Fertility and Improve Structure of Southern Nevada Soils:						
1961-62 Funds	2,161.97	161.33	212.01	250.24	988.39	550.00
Project #426 - Evaluation of Agronomic Plants in Different Locations in Nevada:						
1960-61 Funds	953.69				203.69	750.00
1961-62 Funds	5,186.05	858.63	118.30	569.84	2,434.96	1,204.32
Project #427 - Factors Affecting Establishment of Forage Crops on Irrigated Lands in Nevada:						
1960-61 Funds	750.00					750.00
1961-62 Funds	2,650.78	489.27	55.53	427.48	1,328.50	350.00
Project #428 - Management and Utilization of Irrigated Forages:						
1960-61 Funds	42.02					42.02
1961-62 Funds	5,902.53	1,593.33	132.28	1,435.96	2,498.46	242.50
Project #429-W-63 - Soil Temperature and Moisture As They Affect the Susceptibility of Certain Brush Species to Systemic Herbicides:						
1960-61 Funds	1,000.00					1,000.00
1961-62 Funds	1,889.74	39.84	224.50	392.63	1,100.27	132.50

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Total	Salaries	Travel	Operating		Equipment
				Supplies	Miscellaneous	
Plant Science - (continued)						
Project #430-W-58 - The Effects of Salt Concentration and Temperature on Vegetative Reproduction of Certain Forage Plants:						
1960-61 Funds	$ 1,000.00					$ 1,000.00
1961-62 Funds	2,611.83	$ 366.62	$ 363.83	$ 551.38	$ 947.40	382.60
Project #431-W-40 - The Development of Practical Methods of Utilizing Heterosis in Alfalfa Improvement by The Use of Selected Genotypes:						
1960-61 Funds	1,079.50					1,079.50
1961-62 Funds	3,035.54	1,343.69	222.32	635.76	833.77	
Project #432 - Alfalfa Production, Breeding, Disease and Quality Investigations:						
1960-61 Funds	1,105.60				330.60	775.00
1961-62 Funds	2,341.79	447.91	335.75	663.09	750.99	144.05
Project #433-W-56 - Breeding Alfalfa for Resistance to Root-Knot Nematodes:						
1961-62 Funds	543.13		143.13	33.46	366.54	
Project #434 - Control of Russian Knapweed:						
1961-62 Funds	4,077.68	2,100.00	240.35	398.50	423.23	915.60
Project #450 - Physiological Defect of Potato Tubers, etc.:						
1961-62 Funds	198.79		53.00	78.02	67.77	
Sub-total	$ 46,424.01	$ 7,733.61	$ 3,063.84	$ 7,215.58	$14,358.85	$14,052.13
Soil Science						
Project #18 - Methods of Assessing Soil Fertility Levels:						
1959-60 Funds	$ 602.78				$ 602.78	
Project #19 - Modification of Soil Structure and Related Characteristics:						
1960-61 Funds	210.50				210.50	
Project #500 - Soil Characteristics Related to Crop Productivity in Nevada:						
1961-62 Funds	4,579.93	$ 300.00	$ 464.42	$ 892.41	2,433.65	$ 489.45
Project #501 - Evaluation of Factors Relative to Drainage of Lands Damaged by High Water Table Conditions:						
1960-61 Funds	2,665.00				445.00	2,220.00
1961-62 Funds	2,015.80	115.00	319.75	412.19	589.05	579.81

HATCH FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Soil Science - (continued)						
Project #502 - Fertility Status of Nevada Soils and Their Needs for Fertilizers or Other Items of Treatment or Management for The Improvement of Yields and Quality of Crops:						
1959-60 Funds	$ 400.00				$ 400.00	
1961-62 Funds	8,858.63	$ 2,083.24	$ 1,628.20	$ 1,268.10	2,951.09	$ 928.00
Project #503 - Feasibility of Low Cost Subsurface Plastic Drains for Irrigated Areas:						
1961-62 Funds	1,000.00				1,000.00	
Project #504-W-66 - Formation of Soil Crusts:						
1961-62 Funds	1,311.93			357.45	606.48	348.00
Project #505 - Field Measurement and Control of Soil Crusting and Associated Soil Properties in Relation to Seedling Establishment:						
1961-62 Funds	2,503.73	116.66		968.63	856.01	562.43
Project #506 - Compaction by Animals and Its Effect on Soil Structure and Forage Production:						
1960-61 Funds	964.10					964.10
1961-62 Funds	3,085.70	637.67	52.00	542.08	1,053.95	800.00
Project #507 - Microenvironment and Growth of a Row Crop in Relation to Irrigation and Evaporation From Soil:						
1961-62 Funds	2,839.20			1,079.20	562.38	1,197.62
Project #508 - Quality of Nevada Waters for Use In Irrigation, and Related Problems of Salt Balance:						
1961-62 Funds	1,408.47			261.18	921.16	226.13
Sub-total	$ 32,445.77	$ 3,252.57	$ 2,464.37	$ 5,781.24	$12,632.05	$ 8,315.54
Veterinary Science						
Project #73 - Control of Internal Parasites of Sheep on Irrigated Pastures:						
1960-61 Funds	$ 588.17					$ 588.17
Project #600 - Immunization Methods Against Anaplasmosis:						
1960-61 Funds	1,183.62				612.11	571.51
1961-62 Funds	7,448.72	3,267.69	347.20	984.67	2,455.76	393.40

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Experiment Stations
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

HATCH FUNDS	Total	Salaries	Travel	Operating		Equipment
				Supplies	Miscellaneous	
Veterinary Science - (continued)						
Project #601 - The Relationship of Food Accessory Substances and Infection to White Muscle Disease of Calves and Lambs:						
1960-61 Funds	$ 104.17					$ 104.17
1961-62 Funds	5,488.18	$ 3,209.20	$ 121.75	$ 169.56	$ 1,686.39	301.28
Project #603 - Pathogenesis and Control of Trematode Infections in Sheep on Irrigated Pastures:						
1961-62 Funds	2,689.09	1,262.00		428.03	967.66	31.40
Sub-total	$ 17,501.95	$ 7,738.89	$ 468.95	$ 1,582.26	$ 5,721.92	$ 1,989.93
Newlands Field Station						
Project #700 - High Roughage Feeds for Dairy Stock:						
1961-62 Funds	$ 5,338.59			$ 579.61	$ 4,758.98	
Project #701 - High Alfalfa Content Feeds for Turkey Hens:						
1961-62 Funds	911.27	$ 282.59		100.64	396.09	$ 131.95
Project #702 - Alfalfa for Pig Feed:						
1961-62 Funds	2,070.85	766.62		92.76	1,211.47	
Project #703 - The Economics of Raising Corral Confined Sheep:						
1961-62 Funds	1,011.91			128.96	882.95	
Project #704 - Beef Production on Irrigated Farms:						
1961-62 Funds	3,036.74	1,162.49	$ 30.00	211.80	1,632.45	
Project #705 - Field Germination of Forage Crop Seeds:						
1960-61 Funds	224.30				224.30	
1961-62 Funds	1,714.83		50.80	756.93	907.10	
Project #706 - Spring Irrigation of Alfalfa:						
1961-62 Funds	2,029.31		47.50	552.92	1,150.89	278.00
Sub-total	$ 16,337.80	$ 2,211.70	$ 128.30	$ 2,423.62	$11,164.23	$ 409.95
Southern Nevada Field Station						
Project #800 - Adaptation of Vegetable Crops in Southern Nevada:						
1961-62 Funds	$ 5,761.76	$ 450.00	$ 200.00	$ 524.07	$ 1,328.67	$ 3,259.02

HATCH FUNDS	Total	Salaries	Travel	Operating: Supplies	Operating: Miscellaneous	Equipment
Southern Nevada Field Station - (continued)						
Project #801 - Problems of Cotton Growing in Southern Nevada:						
1961-62 Funds	$ 5,614.98		$ 238.60	$ 706.19	$ 2,208.52	$ 2,461.67
Project #802 - Water Studies in Relation to Forage Crop Production in Southern Nevada:						
1961-62 Funds	3,433.65		73.10	405.46	860.85	2,094.24
Sub-total	$ 14,810.39	$ 450.00	$ 511.70	$ 1,635.72	$ 4,398.04	$ 7,814.93
Home Economics						
Project #105 -						
1960-61 Funds						
Project #900-W-60 - The Effects of Exposure to Atmospheric Conditions Upon the Physical Structure of Cotton Fibers in Selected Cotton Fabrics:						
1960-61 Funds	$ 90.29			$ 45.37	$ 44.92	
1961-62 Funds	713.09		$ 70.44	321.19	90.00	$ 231.46
Sub-total	$ 803.38		$ 70.44	$ 366.56	$ 134.92	$ 231.46
Grand Total	$209,498.40	$48,244.06	$10,126.24	$28,591.36	$75,364.55	$47,172.19

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Regional Research
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962

SCHEDULE 3

REGIONAL RESEARCH FUNDS	Total	Salaries	Travel	Operating		Equipment
				Supplies	Miscellaneous	
Agricultural Economics - Non-Marketing						
Project #200-W-54 - Adjusting Ranching in the Northern Nevada Livestock Area to Prospective Markets:						
1961-62 Funds	$ 2,100.00	$ 1,400.00	$ 75.00	$ 109.14	$ 415.86	$ 100.00
Project #205-W-70 - Economics of On-Farm Use of Irrigation Water:						
1961-62 Funds	1,723.25	365.00	28.70	338.80	767.50	223.25
Project #206 -W-16 - An Economic Analysis of Rehabilitating Range Seeding in Nevada:						
1961-62	2,000.00	630.00	198.35	217.07	754.58	200.00
Sub-total	$ 5,823.25	$ 2,395.00	$ 302.05	$ 665.01	$ 1,937.94	$ 523.25
Agricultural Economics - Marketing						
Project #250-WM-20 - The Economics of Marketing Hay and Feed Grains in Nevada:						
1961-62 Funds	$ 2,365.78	$ 1,276.00	$ 24.85	$ 460.83	$ 604.10	
Project #252-WM-37 - Transportation of Livestock and Meats in Nevada:						
1961-62 Funds	1,886.75	595.00	52.00	112.59	740.41	$ 386.75
Project #253-WM-38 - An Analysis of the Potential Costs and Benefits of Rancher-Owned Farm Supply Agencies in Nevada:						
1961-62 Funds	1,600.00	850.00		6.68	743.32	
Project #254-WM-39 - An Evaluation of Direct Marketing of Nevada Livestock Compared With Alternative Livestock Marketing Procedures:						
1961-62 Funds	1,900.00	645.00	28.70	199.50	776.80	250.00
Project #256-WM-46 - Effect of Changing Milk Consumption and Marketing Practices on Nevada Milk Pricing:						
1961-62 Funds	1,672.75	634.00	8.65	129.69	700.41	200.00
Sub-total	$ 9,425.28	$ 4,000.00	$ 114.20	$ 909.29	$ 3,565.04	$ 836.75
Animal Husbandry						
Project #300-W-34 - The Nutritive Value of Range Forages and Its Relationship to Reproduction and Growth of Range Livestock as Modified by Nutrient Supplementation:						
1960-61 Funds	$ 3.54				$ 3.54	
1961-62 Funds	5,100.00	$ 4,580.16	$ 70.00		449.84	

REGIONAL RESEARCH FUNDS	Total	Salaries	Travel	Operating Supplies	Operating Miscellaneous	Equipment
Animal Husbandry - (continued)						
Project #301 -W-61 - Genetic and Environmental Factors Affecting Carcass Quality in Lambs:						
1960-61 Funds	$ 24.95				$ 24.95	
1961-62 Funds	1,220.00			$ 64.04	1,155.96	
Project #303-W-46 - The Effect of Water Intake on Growth and Production of Range Livestock:						
1961-62 Funds	2,785.23	$ 400.00		618.67	1,301.19	$ 465.37
Project #304-W-1 - The Effect of Environment on Selection for Traits of Economic Importance; The Relative Value of Several Selection Criteria; and Reproductive Studies in Range Beef Cattle:						
1961-62 Funds	5,400.00	4,933.22			466.78	
Project #305-W-49 - Synchronization of Estrus in Post-Partum Cattle and Its Effect on Fertility:						
1961-62 Funds	2,200.00		$ 72.70	143.47	1,583.83	400.00
Sub-total	$16,733.72	$ 9,913.38	$ 142.70	$ 826.18	$ 4,986.09	$ 865.37
Plant Science						
Project #404-W-25 - Causes of Brush Encroachment into Crested Wheatgrass Range Pastures:						
1961-62 Funds	$ 3,400.00	$ 3,200.00			$ 200.00	
Project #429-W-63 - Soil Temperature and Moisture as They Affect the Susceptibility of Certain Brush Species to Systemic Herbicides:						
1961-62 Funds	3,700.00	3,500.00				$ 200.00
Project #430-W-38 - The Effects of Salt Concentration and Temperature on Vegetative Reproduction of Certain Forage Plants:						
1961-62 Funds	3,500.00	3,500.00				
Project #431-W-40 - The Development of Practical Methods of Utilizing Hererosis in Alfalfa Improvement By The Use of Selected Genotypes:						
1960-61 Funds	240.97					240.97
1961-62 Funds	4,757.58	900.00	181.27	617.13	2,789.18	270.00
Sub-total	$15,598.55	$11,100.00	$ 181.27	$ 617.13	$ 2,989.18	$ 710.97

University of Nevada
Fund No. 02 - Federal Agriculture Funds - Regional Research
Schedule of Expenditures
For the Fiscal Year Ended June 30, 1962
(continued)

REGIONAL RESEARCH FUNDS	Total	Salaries	Travel	Operating		Equipment
				Supplies	Miscellaneous	
Soil Science						
Project #504-W-66 - Formation of Soil Crusts:						
1960-61 Funds	$ 233.44				$ 45.54	$ 187.90
1961-62 Funds	1,427.10	$ 1,003.33		$ 176.67	247.10	
Sub-total	$ 1,660.54	$ 1,003.33		$ 176.67	$ 292.64	$ 187.90
Veterinary Science						
Project #602-W-35 - Pathogenesis of Nematode Infections of Sheep:						
1961-62 Funds	$ 4,500.00	$ 1,668.00	$ 30.20	$ 348.67	$ 2,034.04	$ 419.09
Home Economics						
Project #900-W-60 - The Effects of Exposure to Atmospheric Conditions Upon the Physical Structure of Cotton Fibers in Selected Cotton Fabrics:						
1961-62 Funds	$ 1,200.00			$ 343.06	$ 681.94	$ 175.00
Regional Research Trust Funds						
Project #W-38:						
1961-62 Funds	$ 2,100.00		$2,100.00			
Project #W-46:						
1961-62 Funds	2,000.00		2,000.00			
Project #W-61:						
1960-61 Funds	511.11					$ 511.11
1961-62 Funds	2,000.00		2,000.00			
Sub-total	$ 6,611.11		$6,100.00			$ 511.11
Grand Total	$61,552.45	$30,079.71	$6,870.42	$3,886.01	$16,486.87	$4,229.44

STATE OF NEVADA

NEVADA STATE MUSEUM

AUDIT REPORT

For the Fiscal Years Ended June 30, 1961 and 1962

REPORT NO. 38

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

February 5, 1963

CHANSLOR, BARBIERI & DEWHITT
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL BUILDING
RENO, NEVADA
TELEPHONE FAIRVIEW 2-3467

OY H. CHANSLOR, C.P.A.
RED BARBIERI, C.P.A.
LMO DEWHITT, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
NEVADA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

FEBRUARY 5, 1963

NEVADA LEGISLATIVE COMMISSION
CAPITOL BUILDING
CARSON CITY, NEVADA

GENTLEMEN:

IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 218.770, NEVADA REVISED STATUTES, WE HAVE EXAMINED THE ACCOUNTS AND RECORDS OF THE NEVADA STATE MUSEUM FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962, AND HAVE PREPARED THEREFROM THE FOLLOWING EXHIBITS:

STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET FOR THE FISCAL YEAR ENDED JUNE 30, 1961	EXHIBIT A
FOR THE FISCAL YEAR ENDED JUNE 30, 1962	EXHIBIT B
TENTATIVE BALANCE SHEET - DONATED FUND - JUNE 30, 1962	EXHIBIT C
STATEMENT OF REVENUES AND EXPENDITURES - DONATED FUNDS - FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962	EXHIBIT D
STATEMENT OF REVENUES AND EXPENDITURES - MUSEUM IMPROVEMENT FUND - FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962	EXHIBIT E
STATEMENT OF REVENUES AND EXPENDITURES - FURNISH MUSEUM ANNEX FUND - FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962	EXHIBIT F

FUNCTION OF AGENCY

THE NEVADA STATE MUSEUM IS CREATED BY CHAPTER 381, NEVADA REVISED STATUTES. THE MUSEUM IS GOVERNED BY A BOARD OF TRUSTEES OF NOT LESS THAN 5 NOR MORE THAN 15 MEMBERS, EACH SERVING A 4 YEAR TERM. UPON EXPIRATION OF A TERM OF ANY TRUSTEE, HIS SUCCESSOR SHALL BE ELECTED FROM THE MEMBERSHIP

BY AN ELECTION TO BE HELD AT THE ANNUAL MEETING OF THE MEMBERS OF THE NEVADA STATE MUSEUM.

THE STATUTES PROVIDE FOR ADOPTION OF BY-LAWS FOR THE REGULATION OF THE MUSEUM AND DEFINING THE QUALIFICATIONS FOR LIFE, ANNUAL AND SUSTAINING MEMBERSHIPS AND THE VOTING POWERS THEREOF. MEMBERSHIP AT JUNE 30, 1962, CONSISTED OF THE FOLLOWING:

HONORARY MEMBERS	50
CONTRIBUTING MEMBERS	8
ANNUAL MEMBERS	9
SUSTAINING MEMBERS	4
ASSOCIATE FELLOW MEMBER	1
	72

IT IS NOTED THAT THE MEMBERSHIP CLASSIFICATIONS AND THE STATUTE DO NOT APPEAR TO BE IN CONFORMITY.

THE TRUSTEES ARE REQUIRED UNDER N.R.S. 381.070 TO SERVE WITHOUT SALARY OR COMPENSATION AS SUCH. HOWEVER, UNDER THE PROVISIONS OF N.R.S. 381.120 ONE TRUSTEE IS HIRED AS A CURATOR, AND THUS SERVES IN A DUAL CAPACITY. THERE APPEARS TO BE NEITHER APPROVAL OR PROHIBITION TO SUCH ACTION IN THE STATUTE, AND THE BOARD HAS ADMINISTRATIVELY DETERMINED THE DUAL SERVICE TO BE IN THE BEST INTEREST OF THE MUSEUM.

"FUNDS TO CARRY OUT THE PROVISIONS OF N.R.S. 381.010 TO 381.190, INCLUSIVE, SHALL BE PROVIDED BY LEGISLATIVE APPROPRIATION FROM THE GENERAL FUND" AS PROVIDED IN N.R.S. 381.090. HOWEVER, UNDER N.R.S. 381.150 THE BOARD OF TRUSTEES HAS THE POWER TO "ACCEPT AND APPLY ALL SUMS, DONATIONS AND PROPERTY SUBJECT TO THE TERMS AND CONDITIONS OF THE DONOR, AND TO APPLY AND EXPEND SUCH SUMS, DONATIONS AND PROPERTY IN ACCORDANCE WITH SUCH TERMS AND CONDITIONS". UNDER THIS AUTHORITY THE BOARD HAS ACCEPTED NUMEROUS GIFTS WHICH WILL BE COMMENTED UPON IN A LATER SECTION OF THIS REPORT.

SCOPE OF EXAMINATION

GENERAL

ALTHOUGH WE DID NOT MAKE A DETAILED EXAMINATION OF ALL RECORDED TRANSACTIONS, OUR EXAMINATION WAS MADE IN ACCORDANCE WITH GENERALLY ACCEPTED

AUDITING STANDARDS. IT INCLUDED TEST CHECKS AND ANALYSES OF THE ACCOUNTING RECORDS AND OTHER SUPPORTING DOCUMENTS TO THE EXTENT WHICH, IN OUR OPINION, WERE ADEQUATE TO SATISFY OURSELVES OF THE GENERAL ACCURACY OF THE RECORDS.

DUE TO THE SINGLE ENTRY, CASH-BASIS OF ACCOUNTING, IT HAS BEEN IMPOSSIBLE TO DETERMINE SOME VALUATIONS AS THE HISTORIC RECORDS OF COSTS HAVE NOT BEEN CUMULATIVELY MAINTAINED. IT IS FOR THIS REASON THAT WE HAVE TITLED THE BALANCE SHEET FOR THE DONATED FUNDS AS TENTATIVE. NO HISTORICAL COSTS EXIST REFLECTING COSTS OF EXHIBITS, INVESTMENTS, BUILDINGS, EQUIPMENT, ETC., NOR DO THE RECORDS REFLECT WHETHER SUCH COSTS HAVE BEEN PAID IN THE PAST FROM APPROPRIATED OR DONATED FUNDS.

INTERNAL CONTROL EVALUATION

THE INTERNAL CONTROL OF CASH RECEIPTS SHOULD BE UP-DATED TO PROVIDE FOR THE ISSUANCE OF A RECEIPT FOR EACH CASH RECEIPT TRANSACTION. PRESENTLY MEMORANDUM NOTATIONS ARE MADE ON DEPOSIT SLIPS, IN A MEMBERSHIP LEDGER, IN A DONORS' LEDGER, OR IN AN INVESTMENT LEDGER. THROUGH TEST CHECKING THESE RECORDS, IT APPEARS THAT ALL RECEIPTS HAVE BEEN ACCOUNTED FOR.

EXPENDITURES HAVE BEEN SUPPORTED BY EITHER CLAIMS DRAWN ON FUNDS DEPOSITED IN THE STATE TREASURY OR BY INVOICES AND PAYROLLS DRAWN ON THE BANK ACCOUNT FOR DONATED FUNDS.

NO GENERAL LEDGER EXISTS SO THAT HISTORICAL COSTS OF ASSETS ARE LOST. THE ABSENCE OF THIS RECORD MAKES IT DIFFICULT TO DETERMINE WHETHER ALL ASSETS, LIABILITIES, REVENUES, AND EXPENDITURES HAVE BEEN ADEQUATELY EXAMINED AND REQUIRES CONSIDERABLE DEPENDENCE UPON THE EXPLANATIONS FURNISHED BY THE STAFF AND TRUSTEES OF THE MUSEUM.

EFFICIENCY OF SUB-ORDINATE EMPLOYEES

DURING THE COURSE OF EXAMINATION, WE HAD OPPORTUNITY TO OBSERVE ONLY THOSE EMPLOYEES WHO WERE IN THE OFFICE. THOSE EMPLOYEES OBSERVED APPEARED TO KNOW THEIR DUTIES AND WORKED WELL TOGETHER. THEY WERE VERY COURTEOUS

IN THE HANDLING OF QUESTIONS BY THE PUBLIC, EVEN THOUGH SUCH QUESTIONING INTERRUPTED THEIR NORMAL WORK ACTIVITY.

Casualty Insurance and Fidelity Bonding

The Nevada State Museum carries the following casualty insurance coverage:

Motor vehicles under State fleet policy:	
Bodily injury	$50,000/100,000
Property damage	10,000
Comprehensive	Actual value
Collision - Deductible	100
Fire and lightning under State policy:	
Building	$50,000
Contents, including office furniture, records, office equipment, wall cases, show cases and exhibits (but not as collections) - Appraised value	96,000
Owner's Landlords' and Tenants Scheduled Liability:	
Bodily injury	Actual
Property damage	Actual

During the course of our examination we noted that an improvement to the building was made through the installation of an elevator costing in excess of $16,000.00. It would appear that with this increase in value the fire coverage on the building might be low. The Trustees have been working for a year upon more adequate coverage of the accessions. We suggest a review of all fire coverage.

The Museum does not carry any fidelity bonding on any of the employees. We believe consideration should be given to the possibility of fidelity bond and if found desirable, request legislative approval to provide such coverage. In our opinion, good business practice would indicate bonding.

Status and Condition of Funds

Administrative Fund (Appropriation)

In the fiscal year ended June 30, 1961, the Museum reverted to the State's general fund $4,163.32 after expending $41,991.68. This compares with a reversion of $560.79 and expenditure of $44,042.21 for the fiscal year ended June 30, 1962.

Donated Funds

This fund had an unappropriated surplus of $101,741.56 and reserves totaling $391,965.63 at June 30, 1962. Since no general ledger is maintained, it is impossible for us to make comparison of surplus and reserves at the beginning of the period. We do note that the values of security holdings as we have reflected and as reflected in the December 31, 1961 statement of the Museum, shows the effect of the stock market decline in 1962.

Museum Improvement Fund (Appropriated)

There has been no activity in this fund during the two years under examination. The amount should be reverted to the State's general fund by an act of the legislature.

Furnish Museum Annex Fund (Appropriated)

The conditions just stated for the Museum Improvement Fund also apply to this fund.

Expense of Operations

Administrative Fund

The costs of administration charged to these appropriated moneys may be summarized as follows:

	For the Fiscal Year Ended June 30, 1961	1962
Salaries	$32,830.64	$34,195.64
Travel		114.00
Operating	8,816.89	9,732.57
Equipment	344.15	
	$41,991.68	$44,042.21

In both years amounts expended were within the appropriations.

Donated Funds

The cost of operations from the donated funds is summarized:

	For the Fiscal Year Ended June 30, 1961	1962
Salaries	$31,738.41	$41,897.52
Operating	17,288.31	23,175.76
Equipment - Elevator only	16,302.42	
Total costs	65,329.14	65,073.28
Investments	28,504.49	528.00
Total disbursements	$93,833.63	$65,601.28

MOST OF THE WORK OF DEVELOPING NEW EXHIBITS, DOING ARCHEOLOGICAL SURVEY, OPERATING MOBILE UNIT IS PROVIDED THROUGH THIS FUND.

COMBINED COSTS

IF THE COSTS OF OPERATION OF BOTH FUNDS WERE COMBINED THE FOLLOWING WOULD RESULT:

	FOR THE FISCAL YEAR ENDED JUNE 30, 1961	1962
SALARIES	$ 64,569.05	$ 76,093.16
TRAVEL		114.00
OPERATING	26,105.20	32,908.33
EQUIPMENT	16,646.57	
TOTAL COSTS	107,320.82	109,115.49
INVESTMENTS	28,504.49	528.00
TOTAL DISBURSED	$135,825.31	$109,643.49

COMPARISON ON THIS BASIS IS NOT STRICTLY ACCURATE AS THE EXPENSE CLASSIFICATIONS BETWEEN THE APPROPRIATED AND DONATED FUNDS IS NOT COMPLETELY CONSISTENT. FOR INSTANCE, TRAVEL AND SOME EQUIPMENT ARE CHARGED TO OPERATING PROJECTS UNDER THE DONATED FUNDS. HOWEVER, TOTALS OF DISBURSEMENTS DO REFLECT ACTUAL TOTAL COSTS.

DUPLICATION OF WORK WITH OTHER DEPARTMENTS

DURING THE COURSE OF OUR EXAMINATION WE OBSERVED NO PROCEDURE WHICH DUPLICATED WORK OF OTHER DEPARTMENTS OR AGENCIES.

POSSIBLE NON-COMPLIANCE WITH STATUTE OR GOOD BUSINESS PRACTICE

THE AUDIT PROGRAM OF THE LEGISLATIVE COUNSEL BUREAU IS DESIGNED TO ASSIST, IN A HELPFUL MANNER, STATE OFFICERS TO OBTAIN EFFECTIVE GOVERNMENT BY INCLUDING IN AUDIT REPORTS SITUATIONS WHICH DO NOT CONFORM TO STATUTE OR GOOD BUSINESS PRACTICE. FURTHER, WE ARE CHARGED BY STATUTE WITH REPORTING ON SUCH SITUATIONS.

OUR EXAMINATION DISCLOSED THE FOLLOWING ITEMS WHICH APPEAR TO VIOLATE STATUTE OR REGULATION OR WHICH, IN OUR OPINION, ARE CONTRARY TO GOOD BUSINESS PRACTICE. WE WISH TO ALSO POINT OUT THAT THE TRUSTEES OF THE MUSEUM HAVE HAD MANY OF THESE POINTS UNDER CONSIDERATION AND HAVE TAKEN STEPS TO SECURE LEGISLATIVE CHANGES.

1. Bank accounts - Donated Fund - Nothing in Chapter 381, N.R.S., states where sums of money received from donors shall be deposited. In view of such silence it appears that N.R.S. 353.250 may apply. It appears that statutory authority should exist for the Board of Trustees to use a trustee bank account when a donor may restrict the gift to segregation of the money from other deposits in the State Treasury.

The Museum has followed the practice of placing all donated sums, membership fees, proceeds of sales of books and color slides stocked through purchases from donated funds, interest on investments in a bank savings account with transfer to a commercial bank account as needed for disbursement.

2. Investment authorization - Donated funds - The statute is silent as to the authority of the Trustees of the Museum to invest funds in securities.

In August, 1944, the Board was given a gift of securities with the instructions "for purpose of providing income which the Board may either spend or accumulate, as the Board may see fit". The Board has seen fit to accumulate the income from the gift and has built the entire portfolio of stocks and bonds from income of the original and an additional gift from the same donor.

There is no question as to the wisdom of the Board's selection of stocks and bonds as the increase in the value of the portfolio definitely reflects increased value from the growth of the stocks purchased. The Trustees have adopted a policy of no further investment of the proceeds of present investments in accordance with the wishes of the donor. However, it would appear that in the absence of specific instructions from the donor, the Board should be protected in their actions by specific statutory authority to invest in securities.

3. Purchasing - Donated funds - Several instances of purchasing equipment in excess of the Department of Purchasing's limitations were observed. It appears that these donated funds are subject to all purchasing regulations.

4. Sales of merchandise - Donated funds - The Museum has purchased, by use of donated funds or the income from such, books and color slides which are resold to the public. This has provided the public with a source of these items to satisfy their desire for more information as aroused by their visit to the Museum.

We believe the Museum should be given statutory authority for such sales to bring the statutes into agreement with actual operations.

5. Payrolls - Donated funds - Payrolls paid from the donated funds are not maintained in accordance with procedures of the Department of Personnel.

N.R.S. 381.120 provides that the Board has the power to employ and fix the duties, powers, and compensations and conditions of employment. It further states that the staff shall be in the unclassified service of the State, but the custodial, clerical and maintenance employees shall be in the classified service. The employees paid from donated funds are all in the unclassified service. Retirement deductions are not made on such employees; social security and withholding deductions are made and paid directly by the Museum to the Internal Revenue Service.

Since N.R.S. 381.120 specifically places part of the staff of the Museum in the unclassified service, it would appear that appointments to positions therein would have to be made in accordance with N.R.S. 284.145 and be subject to the rules and regulations of the Department of Personnel promulgated thereunder.

It also appears that the definition of an employee in N.R.S. 286.040 (1) (b) would bring the unclassified employees of the Museum under the Public Employees Retirement Act. Any position in which duties require 1,200 hours or more of service in any one year would be covered thereunder.

N.R.S. 287.050 through 287.240 provides the manner through which social security coverage will be maintained for state employees not covered by the Public Employees Retirement Act. Social security coverage will be provided

THROUGH A CONTRACTUAL AGREEMENT BETWEEN THE AGENCY AND THE NEVADA EMPLOYMENT SECURITY DEPARTMENT WITH A CONTRIBUTION TO BE MADE TO THE NEVADA EMPLOYMENT SECURITY DEPARTMENT. THE DEPARTMENT ACTS AS AN AGENT FOR THE FEDERAL GOVERNMENT. OBVIOUSLY PAYMENTS MADE DIRECTLY TO THE INTERNAL REVENUE SERVICE ARE NOT IN CONFORMITY WITH THIS PROVISION. THE WITHHELD INCOME TAXES FROM EMPLOYEES PAID THROUGH THE DONATED FUNDS SHOULD BE AND ARE BEING REPORTED DIRECTLY TO THE INTERNAL REVENUE SERVICE.

6. TRAVEL - EXAMINATION OF THE RECORDS REVEALS THAT SOME TRAVEL WAS PAID EMPLOYEES OF THE MUSEUM. YET WE FIND NO AUTHORIZATION FOR ANY TRAVEL IN THE STATUTES, WITH THE EXCEPTION OF ACTUAL EXPENSES OF TRUSTEES AS PROVIDED IN N.R.S. 381.070.

THE STATUTE SHOULD BE AMENDED TO PROVIDE AUTHORIZATION FOR TRAVEL EXPENSES OF EMPLOYEES AND TRUSTEES IN ACCORDANCE WITH THE GENERAL TRAVEL ACT IN N.R.S. 281.160. FURTHER, PAYMENT OF TRAVEL SHOULD THEN BE MADE IN ACCORDANCE WITH N.R.S. 281.160 AND THE TRAVEL SECTIONS OF THE STATE ADMINISTRATIVE MANUAL.

7. SUPPLEMENTAL PAY - TWO INSTANCES WERE FOUND IN WHICH EMPLOYEES REGULARLY PAID FROM APPROPRIATED FUNDS RECEIVED SEMI-MONTHLY FIXED ADDITIONAL SALARY FROM DONATED FUNDS. THE EMPLOYEES INVOLVED ARE UNCLASSIFIED AND THE TRUSTEES HAVE AUTHORITY FOR DETERMINING SALARIES. HOWEVER, THE PRACTICE HAS MADE SALARY FROM APPROPRIATED FUNDS REPORTABLE TO THE RETIREMENT SYSTEM AND THE AMOUNT PAID FROM DONATED FUNDS REPORTABLE FOR SOCIAL SECURITY, THE LATTER PRACTICE BEING IN ERROR AS COMMENTED ON UNDER ITEM 5 ABOVE.

8. PETTY CASH FUND - NO REFERENCE HAS BEEN FOUND IN THE STATUTES PROVIDING FOR THE MAINTENANCE OF A PETTY CASH FUND. THIS FUND WAS CREATED FROM DONATED MONEYS AND IS NOT OPERATED ON THE IMPREST SYSTEM. CASH FROM VARIOUS SOURCES, SUCH AS REFUNDS FROM TRAVEL ADVANCES OR OTHER SOURCES, ARE PLACED IN THE PETTY CASH. WE BELIEVE THE IMPREST SYSTEM SHOULD BE FOLLOWED TO COMPLY WITH RECOMMENDED ACCOUNTING PROCEDURES PROVIDED THE LEGISLATURE APPROVES A

PETTY CASH FUND.

9. TRAVEL ADVANCES - THE MUSEUM HAS MADE NUMEROUS ADVANCES OF DONATED FUNDS TO EMPLOYEES FOR TRAVEL PURPOSES. NO AUTHORIZATION TO MAKE SUCH ADVANCES APPEARS IN CHAPTER 381 OF N.R.S., AND IT WOULD APPEAR THAT N.R.S. 281.172 WOULD APPLY. UNDER THIS PROVISION TRAVEL ADVANCES MAY BE MADE FROM THE TREASURER'S TRAVEL REVOLVING FUND UPON AUTHORIZATION OF THE DEPARTMENT HEAD.

10. PERSONNEL LEAVE RECORDS - EXAMINATION OF PERSONNEL LEAVE RECORDS INDICATES AN ACCUMULATION OF ANNUAL LEAVE IN EXCESS OF THIRTY DAYS IN TWO INSTANCES CONTRARY TO STATUTES. HOWEVER, ANNUAL LEAVE HAS BEEN ADJUSTED TO CONFORM WITH THE DEPARTMENT OF PERSONNEL REGULATION IN THE STATE ADMINISTRATIVE MANUAL, SECTION 8.02, LIMITING ANNUAL LEAVE TO 30 DAYS AT THE END OF THE CALENDAR YEAR. IT APPEARS, HOWEVER, THAT THE STATUTE SHOULD APPLY LIMITING LEAVE ACCUMULATION TO A MAXIMUM OF 30 DAYS AT ANY POINT IN TIME.

11. CONFLICT OF INTEREST - TWO SITUATIONS WERE FOUND IN WHICH THERE MIGHT BE A CONFLICT OF INTEREST. HOWEVER, THE STATE OFFICER INVOLVED HAS DISCONTINUED ALL TRANSACTIONS WITH THE STATE ACCORDING TO INFORMATION FURNISHED US BY THE LEGISLATIVE COUNSEL BUREAU, THOUGH THIS CAN CREATE INCONVENIENCE TO STATE AGENCIES SUCH AS THE MUSEUM. WE BELIEVE THE LEGISLATURE SHOULD REVIEW THE STATUTES RELATIVE TO CONFLICT OF INTEREST TO PROVIDE A MORE REALISTIC APPROACH TO THE CURRENT ECONOMIC SITUATION.

12. AUTHORIZATION OF EXPENDITURES - DONATED FUNDS - WE NOTE THAT THE MUSEUM'S EXPENDITURES FROM DONATED FUNDS ARE NOT INCLUDED IN THE GENERAL AUTHORIZATION ACT OF THE LAST SESSION OF THE LEGISLATURE.

N.R.S. 353.210 (1) APPEARS TO REQUIRE THE MUSEUM ALONG WITH ALL OTHER AGENCIES OF THE STATE GOVERNMENT TO SUBMIT ESTIMATES OF THE ANTICIPATED EXPENDITURES OF THE NEXT TWO YEARS. THIS HAS REGULARLY BEEN DONE FOR APPROPRIATION SUPPORTED ACTIVITIES. IT APPEARS TO US THAT THIS SECTION ALSO REQUIRES SUBMISSION OF ESTIMATES FOR EXPENDITURE FROM ANY OTHER SOURCE TO-

GETHER WITH ANTICIPATED REVENUES TO COVER SUCH EXPENDITURE. TO FURTHER SUPPORT THE POSSIBILITY THAT DONATED FUND EXPENDITURES SHOULD BE AUTHORIZED BY THE LEGISLATURE, WE CALL YOUR ATTENTION TO N.R.S. 353.230 (3).

IT DOES NOT APPEAR TO US THAT THE ABOVE REQUIREMENT IS IN CONFLICT WITH N.R.S. 381.150 (2) BUT IS IN ADDITION THERETO. THIS MATTER SHOULD BE CAREFULLY REVIEWED AND LEGAL OPINION SOUGHT IF DEEMED NECESSARY TO CLEARLY DEFINE NECESSARY PROCEDURE.

Suggested Changes

ALTHOUGH RECOMMENDATIONS AND CHANGES HAVE BEEN MADE ELSEWHERE IN THIS REPORT, WE WISH TO SUMMARIZE THEM HERE AND TO MAKE ADDITIONAL ONES:

1. MEMBERSHIP - WE SUGGEST THAT STATUTE AND MEMBERSHIP LISTINGS BE BROUGHT INTO CONFORMITY BY AMENDMENT OF STATUTE IF NECESSARY.

2. FIDELITY BOND - WE SUGGEST THAT THE BOARD REVIEW THE DESIRABILITY OF FIDELITY BONDING AND SECURE LEGISLATION IF DEEMED DESIRABLE.

3. INACTIVE APPROPRIATED FUNDS - WE RECOMMEND THAT THE MUSEUM IMPROVEMENT FUND AND THE MUSEUM ANNEX FUND BE REVERTED TO THE STATE'S GENERAL FUND THROUGH LEGISLATIVE ACTION.

4. BANK ACCOUNTS - WE RECOMMEND THAT THE DONATED FUND BANK ACCOUNTS BE SPECIFICALLY AUTHORIZED BY STATUTE.

5. PETTY CASH - WE RECOMMEND THAT LEGISLATIVE AUTHORITY BE OBTAINED FOR THE OPERATION OF A PETTY CASH FUND AND THAT SUCH FUND BE OPERATED ON THE IMPREST SYSTEM.

6. INVESTMENT AUTHORIZATION - WE RECOMMEND THAT THE BOARD SEEK LEGISLATIVE AUTHORITY FOR THE INVESTMENT OF INCOME FROM DONATED FUNDS.

7. PURCHASING LIMITATIONS - WE RECOMMEND THAT ALL PURCHASING LIMITATIONS BE ADHERED TO FOR PURCHASES FROM ANY FUND.

8. SALES OF MERCHANDISE - WE RECOMMEND THAT STATUTORY AUTHORITY BE SECURED FOR SUCH SALES, THAT THE SOURCE OF FUNDS FOR PURCHASE BE SET FORTH, AND THE FUND TO WHICH PROCEEDS BE DEPOSITED BE ENUMERATED.

9. Payroll procedures - We recommend that all payroll procedures be adhered to, that all employees required to work 1,200 hours and subject to the Public Employees Retirement Act be reported thereto, that employees not subject to that act be covered for social security benefits through contract with the Nevada Employment Security Department if such coverage is desirable.

10. Travel - We recommend that legislative authority be obtained to pay travel to employees and trustees in accordance with N.R.S. 281.160.

11. Fire insurance coverage - We suggest a review of the fire insurance coverage on the building to determine adequacy.

12. Compliance with budget procedures - Donated funds - We suggest that the entire procedure of legislative authorization of expenditures for non-appropriated funds be reviewed as to its application to the Museum's donated funds.

FINANCIAL STATEMENTS

Statement of Revenues and Expenditures Compared with Budget Administrative Fund - Exhibits A and B

Exhibits A and B set forth a comparison of the actual revenues and expenditures compared with the budget for the fiscal years ended June 30, 1961 and 1962. In both years no changes were requested in the budget as approved by the Legislature and reversions of $4,163.32 and $560.79 were made.

The appropriated funds are entirely too small to carry on the program of the Museum at its present level, since the appropriation's account for only 39.13% and 40.36% of total operating costs each year.

Tentative Balance Sheet - Donated Funds - Exhibit C

The tentative balance sheet sets forth the assets, reserves and surpluses of the donated fund on a cash basis at June 30, 1962, as well as can presently be determined. The one item incomplete is the fixed assets for

WHICH ONLY NOMINAL VALUE OF $1.00 HAS BEEN REFLECTED.

CASH IN THE FIRST NATIONAL BANK OF NEVADA, CARSON CITY BRANCH, CARSON CITY, NEVADA, HAS BEEN RECONCILED TO A CERTIFICATE FURNISHED DIRECTLY TO US AS OF JUNE 30, 1962. RECONCILED BALANCES WERE:

COMMERCIAL ACCOUNT	$ 872.55
SAVINGS ACCOUNT	100,761.08
	$101,633.63

THE PETTY CASH WAS COUNTED BY OUR REPRESENTATIVE AND RECONCILED TO THE BALANCE OF $107.93 AT JUNE 30, 1962.

INVESTMENTS REPRESENT SECURITIES DONATED AND PURCHASED FROM EARNINGS OF THE DONATIONS. THE CERTIFICATES WERE EXAMINED BY OUR REPRESENTATIVE AND FOUND TO BE IN THE NAME OF THE NEVADA STATE MUSEUM. THE SECURITIES ARE KEPT IN A SAFE DEPOSIT BOX IN THE FIRST NATIONAL BANK OF NEVADA, CARSON CITY BRANCH, CARSON CITY, NEVADA, AND REQUIRES TWO AUTHORIZED PERSONS TO SECURE ACCESS TO THE BOX. SECURITIES CONSISTED OF:

	MARKET VALUE JUNE 30,1962
6,172 SHARES COMMON STOCKS	$288,565.63
1,112 SHARES PREFERRED STOCK	83,400.00
TOTAL STOCKS	$371,965.63

AND BONDS WITH A FACE VALUE OF $20,000.00. THE MARKET VALUES HAVE BEEN COMPUTED ON QUOTATIONS AS OF JUNE 30, 1962 FURNISHED US BY DEMPSEY-TEGLER & CO., INC., RENO, NEVADA.

THIS PORTFOLIO OF SECURITIES WAS ORIGINATED BY A GIFT OF 1,200 SHARES OF COMMON STOCK IN AUGUST, 1944 WITH A SUBSEQUENT GIFT OF 1,112 SHARES OF PREFERRED STOCK FROM THE SAME DONOR. THE INCREASE IN HOLDING HAS RESULTED FROM INVESTMENTS OF DIVIDENDS, REINVESTMENT OF PROCEEDS OF STOCK SALES, AND STOCK SPLITS TOGETHER WITH THE GROWTH IN VALUE OF INVESTMENTS. THE BOARD RECEIVED INSTRUCTIONS FROM THE DONOR IN JUNE, 1962 THAT NO FURTHER INVESTMENT OF INCOME WAS TO BE MADE WITH THE EXCEPTION OF UTILIZATION OF STOCK RIGHTS TO PURCHASE ADDITIONAL STOCK. INVESTMENT OF INCOME HAS BEEN MADE AFTER CONSULTATION WITH THE DONOR.

EQUIPMENT, FURNITURE AND FIXTURES HAS BEEN REFLECTED AT NOMINAL VALUE OF $1.00. THE DEPARTMENT OF PURCHASING WAS FURNISHED A COMPLETE INVENTORY AS OF JUNE 30, 1962, WITHOUT ANY VALUATION OF ITEMS. HISTORICAL COSTS AS TO PURCHASES EITHER FROM DONATED OR APPROPRIATED FUNDS HAVE BEEN LOST AND NEITHER COST VALUE NOR FUND FROM WHICH PURCHASED COULD BE DETERMINED WITHOUT CONSIDERABLE RESEARCH AND RECONSTRUCTION OF RECORDS. HOWEVER, WE NOTED THAT ALL ITEMS OF THIS CATEGORY TOGETHER WITH THE VALUE OF RECORDS AND EXHIBITS (NOT AS COLLECTION ITEMS) WERE INSURED FOR $96,000.00.

THE DEPOSIT OF $75.00 IS WITH NEVADA INDUSTRIAL COMMISSION IN CONNECTION WITH INDUSTRIAL INSURANCE COVERAGE OF EMPLOYEES PAID FROM DONATED FUNDS.

THE RESERVE FOR ENDOWMENT STOCKS REFLECTS THE MARKET VALUE AS OF JUNE 30, 1962, OF THE ORIGINAL GIFT OF THE DONOR TOGETHER WITH A STOCK SPLIT OF THE COMMON STOCK WHICH WAS RESTRICTED TO BE HELD TO PRODUCE INCOME TO BE USED OR INVESTED AT THE DISCRETION OF THE BOARD.

THE OTHER RESERVES OF STOCKS AND BONDS REPRESENT THE MARKET VALUE OF THE STOCKS AND FACE VALUE OF BONDS AT JUNE 30, 1962, WHICH WERE ACQUIRED FROM INCOME FROM THE ENDOWMENT STOCKS.

SURPLUS ARISING FROM FIXED ASSETS AND DEPOSITS AMOUNTED TO $76.00 GIVING CONSIDERATION TO VALUE OF EQUIPMENT, FURNITURE AND FIXTURES AT NOMINAL VALUE.

THE UNAPPROPRIATED SURPLUS AT JUNE 30, 1962, WAS $101,741.56 AND WAS AVAILABLE TO MEET THE OPERATING NEEDS OF THE MUSEUM.

STATEMENT OF REVENUES AND EXPENDITURES - DONATED FUNDS - EXHIBIT D

EXHIBIT D SETS FORTH IN DETAIL THE REVENUES AND EXPENDITURES OF THE DONATED FUNDS FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962.

OPERATIONS RESULTED IN AN EXCESS OF DISBURSEMENTS OVER RECEIPTS IN 1960-1961 OF $41,634.64 AND AN EXCESS OF RECEIPTS OVER DISBURSEMENTS OF $24,301.45 IN 1961-1962 FISCAL YEAR.

STATEMENTS OF REVENUES AND EXPENDITURES - EXHIBITS E AND F

THESE STATEMENTS REFLECT NO ACTIVITY IN THE TWO APPROPRIATED FUNDS.

OPINION

WE HAVE EXAMINED THE STATEMENTS OF REVENUES AND EXPENDITURES OF THE VARIOUS FUNDS FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962, AND THE TENTATIVE STATEMENT OF FINANCIAL POSITION OF THE DONATED FUNDS AS OF JUNE 30, 1962. OUR EXAMINATION WAS MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND INCLUDED SUCH TESTS OF THE ACCOUNTING RECORDS AND SUCH OTHER AUDITING PROCEDURES AS WE CONSIDERED NECESSARY IN THE CIRCUMSTANCES.

IN OUR OPINION, THE TENTATIVE STATEMENT OF FINANCIAL POSITION - DONATED FUNDS PRESENTS FAIRLY THE FINANCIAL POSITION OF THE DONATED FUNDS AT JUNE 30, 1962, WITH THE EXCEPTION OF INVESTMENTS IN FIXED ASSETS, ON A CASH BASIS. IN OUR OPINION, THE STATEMENTS OF REVENUES AND EXPENDITURES FOR THE VARIOUS FUNDS REFLECT THE RESULTS OF OPERATIONS FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962, IN CONFORMITY WITH ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A BASIS CONSISTENT WITH THAT OF THE PRIOR YEAR.

YOURS VERY TRULY,

Thurston, Barbieri & De Witt

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT A

NEVADA STATE MUSEUM
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
ADMINISTRATIVE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1961

	BUDGET				
	APPROPRIATION	WORK PROGRAM 7-1-60	TRANSFERS WITHIN FUND TO (FROM)	NET WORK PROGRAM 6-30-61	ACTUAL REVENUES AND EXPENDITURES
REVENUES					
APPROPRIATION	$46,155.00	$46,155.00		$46,155.00	$46,155.00
EXPENDITURES					
SALARIES	34,048.00	34,048.00		34,048.00	32,830.64
OPERATING:					
INDUSTRIAL INSURANCE		255.00		255.00	216.08
RETIREMENT PAYMENTS	2,123.00	1,677.00		1,677.00	1,471.24
PERSONNEL ASSESSMENTS		144.00		144.00	141.79
FREIGHT AND POSTAGE	80.00	80.00		80.00	42.98
PRINTING	500.00	500.00		500.00	126.65
OFFICE SUPPLIES	275.00	275.00		275.00	250.68
HEAT	3,330.00	3,330.00		3,330.00	1,650.07
POWER	1,723.00	1,723.00		1,723.00	1,595.20
WATER	534.00	534.00		534.00	470.25
TELEPHONE AND TELEGRAPH	350.00	350.00		350.00	285.11
TRUCK OPERATION	250.00	250.00		250.00	133.11
AUTO INSURANCE	390.00	390.00		390.00	340.54
OFFICE EQUIPMENT RENTAL					12.50
DUES AND SUBSCRIPTIONS	43.00	90.00		90.00	24.00
BUILDING MAINTENANCE	800.00	800.00		800.00	1,282.52
JANITOR SUPPLIES	1,225.00	1,225.00		1,225.00	725.17
FIRE ALARM SERVICE	100.00	100.00		100.00	49.00
TOTAL OPERATING	11,723.00	11,723.00		11,723.00	8,816.89
EQUIPMENT:					
OFFICE FURNITURE	212.00	212.00		212.00	344.15
OTHER FURNITURE AND EQUIPMENT	172.00	172.00		172.00	
TOTAL EQUIPMENT	384.00	384.00		384.00	344.15
TOTAL EXPENDITURES	$46,155.00	$46,155.00		$46,155.00	41,991.68
AMOUNT REVERTED					$ 4,163.32

EXHIBIT B

NEVADA STATE MUSEUM
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
ADMINISTRATIVE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1962

	BUDGET				
	APPROPRIATION	WORK PROGRAM 7-1-61	TRANSFERS WITHIN FUND TO (FROM)	NET WORK PROGRAM 6-30-62	ACTUAL REVENUES AND EXPENDITURES
REVENUES					
Appropriation	$44,417.00	$44,417.00		$44,417.00	$44,417.00
Salary adjustment fund		186.00		186.00	186.00
	$44,417.00	$44,603.00		$44,603.00	44,603.00
EXPENDITURES					
Salaries	34,515.00	34,701.00		34,701.00	34,195.64
Travel - In-state	140.00	140.00		140.00	114.00
Operating:					
Industrial insurance	225.00	225.00		225.00	213.41
Retirement payments	1,728.00	1,728.00		1,728.00	1,664.94
Personnel assessments	200.00	200.00		200.00	200.00
Freight and postage	100.00	100.00		100.00	121.80
Printing	520.00	520.00		520.00	115.19
Office supplies	275.00	275.00		275.00	434.31
Heat	4,134.00)	4,134.00		4,134.00	1,666.00
Power	)				1,864.31
Water	)				360.75
Telephone and telegraph	330.00	330.00		330.00	384.01
Truck operations	250.00	250.00		250.00	83.38
Auto insurance	380.00	380.00		380.00	373.63
Equipment repairs	50.00	50.00		50.00	---
Building and grounds maintenance	1,350.00	1,350.00		1,350.00	2,174.82
Fire alarm service	100.00	100.00		100.00	13.50
Dues and subscriptions	90.00	90.00		90.00	20.00
N.R.S. supplements	30.00	30.00		30.00	25.00
Motor pool					17.52
Total operating	9,762.00	9,762.00		9,762.00	9,732.57
Total expenditures	$44,417.00	$44,603.00		$44,603.00	44,042.21
Amount reverted					$ 560.79

EXHIBIT C

NEVADA STATE MUSEUM
TENTATIVE BALANCE SHEET
DONATED FUNDS
JUNE 30, 1962

ASSETS

CASH		
Cash in First National Bank of Nevada		
Commercial account	$ 872.55	
Savings account	100,761.08	
Petty cash	107.93	$101,741.56
INVESTMENTS		
Stocks - Common (6,172 shares - Market - 6-30-62)	288,565.63	
Stocks - Preferred (1,112 shares - Market - 6-30-62)	83,400.00	
Bonds (Face value)	20,000.00	391,965.63
FIXED ASSETS		
Equipment, furniture and fixtures		1.00
DEPOSITS		
Nevada Industrial Commission		75.00
		$493,783.19

LIABILITIES AND SURPLUS

RESERVES		
Endowment stocks (Market value - 6-30-62)	219,000.00	
Other reserves - Stocks and bonds (Stocks at market - 6-30-62, bonds at face value)	172,965.63	391,965.63
SURPLUS		
Arising from fixed assets and deposits	76.00	
Unappropriated	101,741.56	101,817.56
		$493,783.19

EXHIBIT D

NEVADA STATE MUSEUM
STATEMENT OF REVENUES AND EXPENDITURES
DONATED FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962

	FISCAL YEAR ENDED JUNE 30, 1961	1962
REVENUES		
Dividends from stocks owned	$ 13,266.77	$ 15,840.34
Membership fees	502.00	488.00
Donations	1,117.60	904.80
Gift - Fleischmann Foundation	35,000.00	65,385.91
Interest on savings and bonds owned	1,210.59	2,253.18
Sales - Books and postcards	823.00	1,218.26
Sales - Colored slides	190.76	204.90
Contract funds - Nevada Park Commission and Nevada Northern Gas Co.		3,038.77
Miscellaneous	88.27	568.57
Total revenues	52,198.99	89,902.73
EXPENDITURES		
Staff salaries	31,738.41	41,897.52
Dues and subscriptions	11.00	
Industrial insurance	263.13	261.08
Printing	5.13	
Maintenance and repairs - Building	6.46	
Investments	28,504.49	528.00
Trucks	40.90	
Miscellaneous	397.97	120.00
Employers social security tax	812.94	1,121.72
Elevator installation	16,302.42	
Ethnology	450.00	
Projects		
P-11 Archeology	4,646.73	11,384.53
P-12 Shop	258.86	1,399.48
P-13 Exhibits and general administration	2,961.02	3,426.05
P-14 Natural History	881.52	824.52
P-16 Douglass Room		62.92
P-16 Falcon Hill Site	1,564.88	
P-20 Indian Gallery		57.88
P-22 Mobile Unit	2,628.61	3,521.41
P-23 Equipment and supplies	1,293.72	6.72
P-25 Planning Board	403.05	
P-26 McCarron Room	110.17	
P-27 Library	46.57	
P-28 Souvenir Shop	505.65	989.45
Total expenditures	93,833.63	65,601.28
Excess of revenues over expenditures	(41,634.64)	24,301.45
Cash balance - Beginning of period	118,966.82	77,332.18
Cash balance - End of period	$ 77,332.18	$101,633.63
REPRESENTED BY:		
Cash - First National Bank of Nevada, Carson City Branch, Carson City, Nevada		
Commercial account	1,473.83	872.55
Savings account	75,858.35	100,761.08
	$ 77,332.18	$101,633.63

EXHIBIT E

NEVADA STATE MUSEUM
STATEMENT OF REVENUES AND EXPENDITURES
MUSEUM IMPROVEMENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962

	REVENUES AND EXPENDITURES YEAR ENDED JUNE 30,	
	1961	1962
BALANCE - BEGINNING OF PERIOD	$688.69	$688.69
EXPENDITURES	---	---
BALANCE - END OF PERIOD	$688.69	$688.69

EXHIBIT F

NEVADA STATE MUSEUM
STATEMENT OF REVENUES AND EXPENDITURES
FURNISH MUSEUM ANNEX FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 1961 AND 1962

	REVENUES AND EXPENDITURES YEAR ENDED JUNE 30,	
	1961	1962
SOURCE: APPROPRIATION		
BALANCE - BEGINNING OF PERIOD	$22.47	$22.47
EXPENDITURES	--	--
BALANCE - END OF PERIOD	$22.47	$22.47

STATE OF NEVADA

REAL ESTATE COMMISSION

AUDIT REPORT

For the Period July 1, 1961 to June 30, 1962

REPORT NO. 39

LEGISLATIVE COUNSEL BUREAU

A. N. Jacobson, Legislative Auditor

CARSON CITY, NEVADA

February 11, 1963

CHANSLOR, BARBIERI & DEWHITT
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL BUILDING
RENO, NEVADA
TELEPHONE FAIRVIEW 2-3467

ROY H. CHANSLOR, C.P.A.
FRED BARBIERI, C.P.A.
ELMO DEWHITT, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
NEVADA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

FEBRUARY 11, 1963

NEVADA LEGISLATIVE COMMISSION
CAPITOL BUILDING
CARSON CITY, NEVADA

GENTLEMEN:

IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 218.770, NEVADA REVISED STATUTES, WE HAVE EXAMINED THE ACCOUNTS AND RECORDS OF THE NEVADA REAL ESTATE COMMISSION FOR THE FISCAL YEAR ENDED JUNE 30, 1962, AND HAVE PREPARED THEREFROM THE FOLLOWING EXHIBITS:

STATEMENT OF FINANCIAL CONDITION	EXHIBIT A
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET - FOR THE FISCAL YEAR ENDED JUNE 30, 1962	EXHIBIT B

THE NEVADA REAL ESTATE COMMISSION IS CREATED AND ITS FUNCTIONS AUTHORIZED IN N.R.S. 645. IN GENERAL, THE COMMISSION IS REQURED TO ENFORCE THE PROVISIONS OF N.R.S. 645, WHICH PROVIDES FOR EXAMINING, LICENSING AND REGULATING PERSONS OR CORPORATIONS ENGAGED IN ACTING AS SALESMEN OR BROKERS IN ARRANGING CONTRACTS INVOLVING SALES OF REAL ESTATE.

SCOPE OF EXAMINATION

GENERAL

ALTHOUGH WE DID NOT MAKE A DETAILED EXAMINATION OF ALL RECORDED TRANSACTIONS, OUR EXAMINATION WAS MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS. IT INCLUDED TEST CHECKS AND ANALYSES OF THE ACCOUNTING RECORDS AND OTHER SUPPORTING DOCUMENTS TO THE EXTENT WHICH, IN OUR OPINION, WERE ADEQUATE TO SATISFY OURSELVES OF THE GENERAL ACCURACY OF THE RECORDS.

WE WISH TO CALL YOUR ATTENTION AGAIN TO THE PROBABLE CONFLICT BETWEEN THE LEGISLATIVE AUDITOR'S REQUIREMENT UNDER N.R.S. 218.770 (2) (12) TO AUDIT THE BOOKS ANNUALLY AND N.R.S. 645.110 (2) (B) GIVING CHOICE OF SELECTION OF AUDITOR TO THE COMMISSION. THE LEGISLATIVE AUDITOR'S REPORT FOR THE PRIOR YEAR POINTED OUT THIS PROBABLE CONFLICT, AND WE URGE THAT LEGISLATIVE ACTION BE TAKEN IN THE 1963 LEGISLATURE TO CLARIFY THIS MATTER.

INTERNAL CONTROL EVALUATION

IN OUR OPINION, METHODS AND PROCEDURES FOLLOWED DURING THE PERIOD OF OUR EXAMINATION ARE ADEQUATE TO PRODUCE AN ACCURATE RECORDING OF TRANSACTIONS ON A CHRONOLOGICAL BASIS. ALL PROCEDURES OF LICENSING AND RECORDING ARE CONSISTENT WITH THOSE OF THE PRIOR YEAR.

THE BOOKS OF ACCOUNT ARE MAINTAINED ON THE STANDARD DOUBLE-ENTRY, CASH-BASIS SYSTEM. THEY HAVE BEEN WELL KEPT WITHIN THE FRAMEWORK OF THAT SYSTEM.

THE OBJECTION RAISED IN THE PRIOR AUDIT TO THESE BEING SIGNED BLANK CHECKS ON HAND IN THE OFFICE OF THE COMMISSION HAS APPARENTLY BEEN CORRECTED. NO SUCH CHECKS WERE ON HAND AT THE TIME OF OUR EXAMINATION.

EFFICIENCY OF SUBORDINATE EMPLOYEES

DURING THE COURSE OF OUR EXAMINATION, WE OBSERVED THAT STAFF MEMBERS WERE CONDUCTING THE BUSINESS OF THE COMMISSION IN A COMPETENT, COURTEOUS MANNER. EMPLOYEES APPEARED TO KNOW THEIR DUTIES AND WORKED WELL TOGETHER TO PROMOTE THE WORK OF THE COMMISSION.

FIDELITY BOND AND CASUALTY INSURANCE

EXAMINATION OF THE FIDELITY BONDS CARRIED WITH HARTFORD ACCIDENT AND INDEMNITY COMPANY REVEALED ALL EMPLOYEES COVERED UNDER THE FOLLOWING LIMITS:

EXECUTIVE SECRETARY	$25,000.00
SECRETARY-TREASURER	2,000.00
ALL OTHER POSITIONS	1,000.00

THE EXECUTIVE SECRETARY'S BOND IS REQUIRED UNDER N.R.S. 645.120 (2) (B) AND THE SECRETARY-TREASURER'S UNDER N.R.S. 645.110 (2) (A). HOWEVER, WE

FIND NO SPCEIFIC AUTHORIZATION FOR BONDING OF OTHER POSITIONS. SUCH BONDING IS GOOD BUSINESS PRACTICE AND WE BELIEVE THE STATUTE SHOULD BE AMENDED TO SPECIFICALLY INCLUDE SUCH.

CASUALTY INSURANCE COVERAGE AT THE TIME OF OUR EXAMINATION WAS CARRIED WITH:

1. BODILY INJURY - OWNERS, LANDLORDS AND TENANTS

HARTFORD ACCIDENT AND INDEMNITY COMPANY	
SINGLE PERSON	$25,000.00
SINGLE ACCIDENT	$50,000.00

2. FIRE AND LIGHTNING - OFFICE CONTENTS

PENNSYLVANIA FIRE INSURANCE COMPANY	
CARSON CITY OFFICE	$9,500.00
LAS VEGAS OFFICE	1,500.00
RENO OFFICE	1,000.00

THIS POLICY INCLUDES AN 80% COINSURANCE CLAUSE. AMOUNTS REFLECTED ABOVE ARE HIGHER THAN AT JUNE 30, 1962, BASED UPON ADDITIONAL COVERAGES FOR THE NEW CARSON CITY OFFICE.

LEASES

THE COMMISSION LEASES ALL OF ITS OFFICE SPACE. LEASES HAVE BEEN APPROVED BY THE ATTORNEY GENERAL FOR FORM AND BY THE DEPARTMENT OF BUILDING AND GROUNDS FOR TERMS. THE FOLLOWING LEASES ARE IN EFFECT:

CARSON CITY -

LESSOR - SECURITY BANK BUILDING CORPORATION
LOCATION - SECURITY NATIONAL BANK BUILDING - SUITE 1
PERIOD - APRIL 1, 1962 TO MARCH 31, 1967
RENT - $400.00 PER MONTH

LAS VEGAS -

LESSOR - HARVEY BIGELOW CORPORATION
LOCATION - 120 SOUTH THIRD STREET
PERIOD - JULY 1, 1960 TO JUNE 30, 1965
RENT - $125.00 PER MONTH
LEASE DEPOSIT - LAST MONTH $125.00

RENO -

LESSOR - HOWARD DOYLE, JR. AND EUGENE MCKENNZ, DBA
DOYLE - MCKENNA ADVERTISING AGENCY
LOCATION - 132 - 134 VESTA STREET
PERIOD - APRIL 1, 1961 TO JUNE 30, 1965
RENT - $150.00 PER MONTH
LEASE DEPOSIT - PART OF LAST MONTH $85.00

STATUS AND CONDITION OF FUNDS

THE FINANCIAL POSITION OF THE NEVADA REAL ESTATE COMMISSION DETERIORATED DURING THE YEAR UNDER REVIEW FROM AN AVAILABLE SURPLUS OF $39,922.55 TO $18,001.11, A REDUCTION OF $21,921.44. THIS COMPARES WITH A REDUCTION OF SURPLUS OF $14,838.03 IN THE PRIOR FISCAL YEAR. THE ADDITIONAL EXPENDITURES HAVE RESULTED FROM AN INCREASE IN REVOCATION - SUSPENSION HEARINGS AND DISCIPLINARY ACTION.

SINCE THE COMMISSION MUST OPERATE SOLELY FROM ITS OWN FUNDS, WE SUGGEST A COMPREHENSIVE REVIEW OF THE LEVEL EXPENDITURES TO BRING THEM WITHIN THE ANTICIPATED RECEIPTS. ANOTHER YEAR OF EXPENDITURE AT THE SAME LEVEL OF OVER-EXPENDING RECEIPTS WILL RESULT IN WIPING OUT ALL AVAILABLE SURPLUS.

EXPENSE OF OPERATION

THE EXPENSE OF OPERATION OF THE COMMISSION MAY BE COMPARED WITH THE PRIOR YEAR AND THE BUDGET FOR THE YEAR AS FOLLOWS:

	ACTUAL YEAR ENDED JUNE 30		WORK PROGRAM	(OVER) OR UNDER
	1961	1962	1962	BUDGET
REVENUE				
LICENSE FEES				
BROKERS (NET AFTER REFUNDS)	$37,795.00	$44,230.00)		
SALESMEN (NET AFTER REFUNDS)	13,381.00	14,972.00)	$55,000.00	$(7,844.00)
TRANSFERS	3,624.00	3,642.00)		
EXAMINATIONS	12,308.00	10,671.00	10,000.00	(671.00)
PENALTIES	820.00	1,650.00	500.00	(1,150.00)
MISCELLANEOUS	428.04	1,337.62	100.00	(1,237.62)
	68,356.04	76,502.62	65,600.00	(10,902.62)
EXPENDITURES				
SALARIES	41,760.35	53,267.50	48,105.00	(5,162.50)
TRAVEL	9,631.43	9,916.28	10,000.00	83.72
OPERATING	27,606.96	32,606.97	27,000.00	(5,606.97)
CAPITAL	4,195.33	2,633.31	5,000.00	2,366.69
	83,194.07	98,424.03	90,105.00	(8,319.06)
EXCESS OF REVENUE OVER EXPENDITURES	($14,838.03)	($21,921.41)	($24,505.00)	$ 2,583.56

FROM THE ABOVE SUMMARY, IT IS EVIDENT THAT THE INCREASE IN EXPENDITURES HAS CREATED THE MAJOR CHANGE IN FINANCIAL POSITION, WITH THE INCREASE IN SALARIES ACCOUNTING FOR $11,507.13 AND OPERATING EXPENSE FOR $5,000.01.

HOWEVER, THE EXPENDITURES REFLECT A COST PER LICENSEE ON JUNE 30, 1961 AND 1962 OF $55.13 AND $59.69, BASED UPON 1,509 AND 1,649 LICENSES FOR THE RESPECTIVE YEARS.

THE ABOVE FIGURES REFLECT AN OVER-EXPENDITURE OF $8,319.06. THIS OVER-EXPENDITURE IS NOT SOLELY THE RESPONSIBILITY OF THE COMMISSION. ON JUNE 7, 1962 THE COMMISSION REQUESTED AN AUGMENTATION OF ITS BUDGET IN AMOUNTS OF $4,400.00 FOR SALARIES, $4,400.00 FOR OPERATING AND DECREASING EQUIPMENT BY $2,000.00, MAKING A NET INCREASE OF $6,400.00. THE MATTER WAS DISCUSSED BY THE COMMISSION'S EXECUTIVE-SECRETARY WITH RESPONSIBLE EMPLOYEES OF THE BUDGET OFFICE AND WAS INFORMED THAT APPROVAL WOULD BE GRANTED. ON JUNE 27, 1962, THE BUDGET OFFICE WROTE ASKING FOR MORE DETAILS AND ON JULY 16, 1962, WROTE STATING THAT THE DIRECTOR OF THE BUDGET COULD NOT RECOMMEND APPROVAL OR DISAPPROVAL OF THE REQUEST TO THE GOVERNOR. APPARENTLY NO FURTHER ACTION WAS TAKEN.

WE DO WISH TO POINT OUT THAT EVEN THOUGH THIS REQUEST FOR AUGMENTATION HAD BEEN GRANTED THE COMMISSION WOULD STILL HAVE OVER-EXPENDED ITS BUDGET BY $1,919.06.

DUPLICATION OF WORK WITH OTHER DEPARTMENTS

DURING THE COURSE OF OUR EXAMINATION WE OBSERVED NO PROCEDURES WHICH DUPLICATED WORK OF OTHER DEPARTMENTS OR AGENCIES.

POSSIBLE NON-COMPLIANCE WITH STATUTE OR GOOD BUSINESS PRACTICE

THE AUDIT PROGRAM OF THE LEGISLATIVE COUNSEL BUREAU IS DESIGNED TO ASSIST, IN A HELPFUL MANNER, STATE OFFICERS TO OBTAIN EFFECTIVE GOVERNMENT BY INCLUDING IN AUDIT REPORTS SITUATIONS WHICH DO NOT CONFORM TO STATUTE OR GOOD BUSINESS PRACTICE. FURTHER, WE ARE CHARGED BY STATUTE WITH REPORTING ON SUCH SITUATIONS.

OUR EXAMINATION DISCLOSED THE FOLLOWING ITEMS WHICH APPEAR TO VIOLATE STATUTE OR REGULATION OR WHICH IN OUR OPINION, ARE CONTRARY TO GOOD BUSINESS

PRACTICE.

1. BANK ACCOUNT - N.R.S. 645.140 ESTABLISHES THE NEVADA REAL ESTATE FUND BUT DOES NOT DESIGNATE WHERE SUCH FUND SHALL BE DEPOSITED. THE LEGISLATIVE COUNSEL BUREAU HAS HELD, THAT IN SUCH CASES OF FAILURE OF THE STATUTE TO DESIGNATE THE DEPOSITORY, THAT N.R.S. 353.250 REQUIRES DEPOSIT IN THE STATE TREASURY.

2. PETTY CASH FUNDS - NO AUTHORIZATION APPEARS IN THE STATUTES FOR THE USE OF AN IMPREST PETTY CASH FUND.

3. TRAVEL PER DIEM - N.R.S. 645.140 (2) SPECIFICALLY INCLUDES THE NEVADA REAL ESTATE COMMISSION AS AN AGENCY SUBJECT TO THE GENERAL TRAVEL ACT AND PROVISIONS OF N.R.S. 281.160. HOWEVER, THE COMMISSION HAS NOT PAID PER DIEM ON A PRORATA BASIS AS REQUIRED IN THE STATE ADMINISTRATIVE MANUAL, SECTION 0620, FOR FRACTIONAL DAY'S TRAVEL. PAYMENT HAS BEEN MADE IN SOME CASES ON THE BASIS OF $15.00 PER DAY OR FRACTION THEREOF.

THE EXECUTIVE-SECRETARY OF THE COMMISSION STATED THAT THE COMMISSION IN HIS BELIEF IS NOT SUBJECT TO S.A.M. 0620 AS THEIR FUNDS ARE NOT ON DEPOSIT IN THE STATE TREASURY NOR SUBJECT TO PRE-AUDIT BY THE BOARD OF EXAMINERS. IT WOULD APPEAR THAT SUCH CONTENTION MAY OR MAY NOT BE VALID.

4. USE OF STATE MOTOR POOL - CLERICAL EMPLOYEES OF THE COMMISSION ARE USING PERSONAL AUTOMOBILES FOR TRAVEL FROM CARSON CITY AND RENO WHERE MOTOR POOLS EXIST. IT WOULD APPEAR THAT THIS IS NOT IN ACCORDANCE WITH THE MOTOR POOL REGULATIONS IN THE STATE ADMINISTRATIVE MANUAL.

5. TRAVEL ADVANCES - TRAVEL ADVANCES HAVE BEEN MADE DIRECTLY FROM THE COMMISSION'S BANK ACCOUNT WITHOUT STATUTORY APPROVAL THEREOF. IT WOULD APPEAR THAT SUCH ADVANCES DO NOT COMPLY WITH N.R.S. 281.172 AUTHORIZING THE STATE TREASURER TO MAKE SUCH ADVANCES FROM THE TRAVEL REVOLVING FUND.

6. PURCHASE OF EQUIPMENT - PURCHASE OF EQUIPMENT FOR THE LAS VEGAS OFFICE IN EXCESS OF LIMITATION BY THE DEPARTMENT OF PURCHASING WAS NOTED.

7. Leave records - The leave record of the executive-secretary is not maintained in accordance with statute. Entries crediting leave have been made annually at September and balances of annual leave exceed statutory authority. Annual leave does not conflict with the Department of Personnel regulation in the State Administrative Manual, Section 8.02., limiting annual leave to 30 days at the end of the calendar year. It appears, however, that the statute should apply limiting leave accumulation to a maximum of 30 days at any point in time.

Attendance records were changed in calendar year 1962 and now conform to the suggested form of the State Department of Personnel.

8. Sales of copies of statutes - The Commission charges 35¢ per copy as cost of mailing of the statute issued which has been recorded as sales although is in reality a reimbursement. In view of the Commission's now preparing a handbook for use by licensees and the Commission's desire to recover its costs of printing and distribution, it appears that statutory authority for such sales would be desirable.

9. Budget over-expenditure - The amount of authorized expenditure and augmentations was exceeded which is contrary to the State Budget Act and State Administrative Manual governing expenditures.

Suggested Changes

We wish to comment on the status of recommendations made in the prior audit and to reflect new recommendations as follows:

Prior year's recommendations:

1. Correction of mileage reimbursements to employees - The Commission changed its mileage reimbursement from a flat monthly rate for intra-city travel to 10¢ per mile in accordance with statute.

2. Signing of blank checks - This practice was discontinued after being commented upon in the previous report.

3. Budget over-expenditure - The Commission made an effort to comply with the recommendation of securing approved budget changes. However, the final request for augmentation which was not approved was insufficient to cover all of the over-expenditure. We have been assured that more caution will be used in the current year.

4. Use of motor pool - No use of the motor pool has been made. We again urge that the use of the motor pool be made in accordance with the State Administrative Manual whenever investigative or enforcement situations do not require use of unidentified cars.

5. Petty cash fund - The Commission has not yet had opportunity for the Legislature to correct the statute to provide for a petty cash fund.

New recommendations:

1. Authority of Commission to retain auditor - We recommend that this probable conflict between N.R.S. 645.110 (2) (b) and the Legislative Auditor's provision in N.R.S. 218.770 (2) (12) be eliminated by legislative action.

2. Bonding of employees - We suggest that specific legislative authority be obtained for securing fidelity bonding of employees other than the secretary-treasurer and executive-secretary.

3. Review of rate of expenditure - We recommend that the budgeting of expenditures be brought within anticipated yearly income. The rate of expenditure of the past few years cannot be continued without exhausting the reserve and possible sharp curtailment of operations to remain within available cash on deposit.

4. Bank account - We recommend that the funds of the Commission be deposited in the State Treasury making claims subject to pre-audit by the Board of Examiners or authorize the Commission to deposit in a bank account.

5. Cashing in bonds - The cash requirements of the Commission prior

TO THE LICENSE RENEWAL AT JULY 1, 1963, APPEARS SUCH THAT IT WILL REQUIRE CASHING OF THE SERIES J, U. S. BONDS OWNED BY THE COMMISSION. WE SUGGEST THE BONDS BE CASHED AT A DATE WHICH WILL PROVIDE THE INTEREST PAYMENT FOR A FULL SIX MONTHS' INCREMENT.

6. TRAVEL PER DIEM - WE RECOMMEND THAT TRAVEL PER DIEM BE PAID IN ACCORDANCE WITH THE STATE ADMINISTRATIVE MANUAL, SECTION 0620, IF IT IS DETERMINED THROUGH LEGAL COUNSEL THAT THE SECTION APPLIES.

7. PURCHASES - WE RECOMMEND THAT PURCHASES OF EQUIPMENT BE MADE IN ACCORDANCE WITH THE STATUTES AND REGULATIONS GOVERNING SUCH PURCHASES.

8. BUDGET OVER-EXPENDITURE - WE SUGGEST THAT MORE CARE BE EXERCISED TO MAKE CERTAIN THAT REQUESTED BUDGET CHANGES ARE OFFICIALLY APPROVED PRIOR TO MAKING EXPENDITURES THEREUNDER.

9. LEAVE RECORDS - WE RECOMMEND THAT ALL LEAVE RECORDS BE POSTED WITH CREDITS AND CHARGES ON A MONTHLY BASIS AND THAT TOTAL LEAVE ACCUMULATION NOT EXCEED STATUTORY PROVISIONS.

10. SALES - WE RECOMMEND THAT THE COMMISSION SEEK LEGISLATIVE APPROVAL FOR SALES OF COPIES OF STATUTES AND HAND BOOKS TOGETHER WITH ANY OTHER CONTEMPLATED PUBLICATIONS.

STATEMENT OF FINANCIAL CONDITION - EXHIBIT A

FIRST NATIONAL BANK OF NEVADA - $7,669.03

THE BALANCE ON DEPOSIT IN THE FIRST NATIONAL BANK OF NEVADA, CARSON CITY BRANCH, HAS BEEN RECONCILED TO CERTIFICATE FURNISHED US BY THE DEPOSITORY AS OF JUNE 30, 1962.

PETTY CASH - $31.08

THE PETTY CASH WAS COUNTED BY OUR REPRESENTATIVE ON DECEMBER 17, 1962, IN THE CARSON CITY OFFICE OF THE COMMISSION. WE WERE ASSURED BY THE COMMISSION'S REPRESENTATIVES THAT THE CASH IN THE REGIONAL OFFICE OF $20.00 WAS FULLY ACCOUNTED FOR.

U. S. Savings Bonds - Series J - $10,300.00

The Commission held nine U. S. Savings Bonds - Series J, having a face value of $12,500.00 and a redemption value of $10,300.00 at June 30, 1962. All bonds mature in April, 1966. The bonds are in the hands of the State Treasurer for safe-keeping and were examined by our representative.

Furniture, Fixtures and Equipment - $1.00

The office furniture and equipment has been reflected at $1.00 as has been past practice. The Department of Purchasing has now taken a physical inventory of the property. We did not secure an official listing of the property and attempt to test check the inventory as their records are not tied to ledger controls.

Surplus - $18,001.11

The Commission's surplus decreased $21,921.44 during the fiscal year ended June 30, 1962. This compares with a decrease in surplus during the prior year of $14,838.03.

The Commission still had a surplus of $18,000.11 available for payment of any outstanding obligations and for future expense requirements of the Commission. A surplus of $1.00 arising from reflecting the investment in furniture, fixtures and equipment is separately set forth.

Statement of Actual Revenues and Expenditures Compared with the Budget - Exhibit B

Exhibit B sets forth in detail the revenues and expenditures for the fiscal year ended June 30, 1962. Operations for the year resulted in an excess of expenditures over revenues of $21,921.44. In addition, expenditures exceeded the approved budget by $8,319.06.

Opinion

We have examined the Statement of Financial Condition of the Nevada Real Estate Commission as of June 30, 1962, and the related Statement of Revenues and Expenditures for the year then ended. Our examination was made in

ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND INCLUDED SUCH TESTS OF THE ACCOUNTING RECORDS AND SUCH OTHER AUDITING PROCEDURES AS WE CONSIDERED NECESSARY IN THE CIRCUMSTANCES.

IN OUR OPINION, THE ACCOMPANYING STATEMENT OF FINANCIAL CONDITION AND STATEMENT OF ACTUAL REVENUES AND EXPENDITURES COMPARED WITH THE BUDGET PRESENT FAIRLY THE FINANCIAL POSITION OF THE NEVADA REAL ESTATE COMMISSION AS OF JUNE 30, 1962, AND THE RESULTS OF ITS OPERATIONS FOR THE YEAR THEN ENDED, ON A CASH BASIS, EXCEPT FOR THE FURNITURE AND EQUIPMENT INVENTORY WHICH WE DID NOT OBSERVE, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A BASIS CONSISTENT WITH THAT OF THE PRIOR YEAR.

YOURS VERY TRULY,

Chambers Barlucci & DeWitt

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT A

NEVADA REAL ESTATE COMMISSION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1962

ASSETS

First National Bank of Nevada, Carson City Branch		$ 7,669.03	
Petty cash		31.08	$ 7,700.11
U. S. Savings Bonds - Series J			10,300.00
Furniture, fixtures and equipment			1.00
			$18,001.11

LIABILITIES AND SURPLUS

SURPLUS			
Arising from property		1.00	
Unappropriated surplus			
Balance - June 30, 1961	$39,921.55		
Excess of disbursements over receipts - Fiscal year ended June 30, 1962	21,921.44		
Balance - June 30, 1962		18,000.11	$18,001.11

EXHIBIT B

NEVADA REAL ESTATE COMMISSION
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 1962

	BUDGET				
	AUTHORIZED	WORK PROGRAM 7-1-61	TRANSFERS WITHIN FUND TO (FROM)	NET WORK PROGRAM 6-30-62	ACTUAL REVENUES AND EXPENDITURES
OPENING BALANCE	$ 45,000.00	$ 45,000.00		$ 45,000.00	
REVENUES					
LICENSES AND TRANSFERS	55,000.00	55,000.00		55,000.00	$62,844.00
EXAMINATIONS	10,000.00	10,000.00		10,000.00	10,671.00
PENALTIES	500.00	500.00		500.00	1,650.00
MISCELLANEOUS	100.00	100.00		100.00	1,337.62
TOTAL	$110,600.00	$110,600.00	-0-	$110,600.00	76,502.62
EXPENDITURES					
SALARIES	46,000.00	46,000.00	$ 2,105.00	48,105.00	53,267.50
TRAVEL					
IN-STATE					8,310.31
OUT OF STATE					1,605.97
TOTAL TRAVEL	6,000.00	6,000.00	4,000.00	10,000.00	9,916.28
OPERATING					
INDUSTRIAL INSURANCE					---
RETIREMENT PAYMENTS					2,840.64
RENTALS					8,065.00
FREIGHT AND POSTAGE					1,766.24
PRINTING					2,885.78
OFFICE SUPPLIES					3,196.26
TELEPHONE AND TELEGRAPH					2,983.75
INSURANCE					178.36
REPAIRS AND MAINTENANCE					1,430.51
BUILDING MAINTENANCE					---
LEGAL AND ACCOUNTING					5,452.13
DUES AND SUBSCRIPTIONS					599.10
MISCELLANEOUS					541.75
NALLO CONFERENCE					2,667.45
TOTAL OPERATING	25,000.00	25,000.00	2,000.00	27,000.00	32,606.97
EQUIPMENT					
OFFICE EQUIPMENT	5,000.00	5,000.00		5,000.00	2,633.31
TOTAL EXPENDITURES	$ 82,000.00	$ 82,000.00	$ 8,105.00	$ 90,105.00	98,424.06
EXCESS OF EXPENDITURES OVER RECEIPTS (EXHIBIT A)					($21,921.44)