

ANNUAL REPORT

and

AUDIT REPORTS

of

DEPARTMENTS AND AGENCIES

* * *

ISSUED BY THE FISCAL ANALYST

During the Fiscal Year

JULY 1, 1964 to JUNE 30, 1965

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
July 1965
CARSON CITY, NEVADA

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
LEGISLATIVE COMMISSION

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* * * * *

RUSSELL W. McDONALD	Legislative Counsel
NORMAN H. TERRELL	Fiscal Analyst
JEFF SPRINGMEYER	Research Director

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
CARSON CITY, NEVADA

JUNE 30, 1965

HONORABLE GRANT SAWYER, Governor
THE LEGISLATIVE COMMISSION
THE NEVADA LEGISLATURE

Gentlemen:

In accordance with the provisions of NRS 218.830, I submit herewith the Annual Report of the Fiscal Analyst, including the 1964-1965 volume of "Audit Reports of Departments and Agencies" which contains audits completed by this office during the period July 1, 1964 to June 30, 1965, and audit reports submitted by independent accountants during the same period, covering audits of boards and commissions as provided in NRS 218.825.

Audit assignments are now designated by the Legislative Commission and the final report is rendered in two parts: Part one, covering the financial transactions of the Department or Agency under review, and part two, covering criticisms, recommendations and suggestions for corrective legislation. All reports are reviewed with department and/or agency heads prior to submission to the Legislative Commission in order to obtain concurrence with all recommendations and to provide where possible the implementation procedures for compliance with recommendations. All recommended corrective legislation has been extracted from the reports and transmitted to the Legal Division of the Legislative Counsel Bureau for preparation and presentation to the next regular session of the Nevada Legislature for their consideration.

In addition to the audit reports contained herein, various other studies were performed by the Fiscal Analyst at the request of the Legislative Commission or individual legislators, copies of which are available at the office of the Fiscal Analyst.

NRS 353.060 requires a quarterly money count of the State Treasury. Such counts have been performed as required and copies of these money counts are on file with the Secretary of State and the State Treasurer.

Numerous recommendations made as a result of audits performed should save the State of Nevada many dollars during coming fiscal years.

Regardless of the nature or relative significance of the accomplishments during the past year, they could not have occurred had not the members of the Legislative Commission demonstrated their confidence in the postaudit program and the work of the Fiscal and Audit Division. This acceptance is sincerely appreciated by every member of the audit staff and we will make every effort to merit your continued confidence.

The Fiscal Analyst and his staff also acknowledge and appreciate the courtesies and cooperation extended to them by the state's executive and administrative officials.

Respectfully submitted,

Norman H. Terrell,
RB,

Norman H. Terrell,
Fiscal Analyst

NHT/sb

I N D E X

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STATE OF NEVADA
DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION

AUDIT REPORT

For the Fiscal Year 1962-1963

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Welfare Division for the fiscal year ended June 30, 1963, and have prepared therefrom the following attached exhibits and related schedules:

Welfare Administration Fund--

Statement of Basis for Appropriation and Authorization
Compared with Actual Receipts and Expenditures for
the Fiscal Year ended June 30, 1963-----Schedule 1

Bureau of Services to the Blind--

Statement of Basis for Appropriation and Authorization
Compared with Actual Receipts and Expenditures for
the Fiscal Year ended June 30, 1963-----Schedule 2

State Old Age Assistance Fund--

Statement of Basis for Appropriation Compared with
Actual Receipts and Expenditures for the Fiscal
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Federal Old Age Assistance Fund--

Statement of Basis for Authorization Compared with
Actual Receipts and Expenditures for the Fiscal
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State Aid to the Blind Fund--

Statement of Basis for Appropriation Compared with
Actual Receipts and Expenditures for the Fiscal
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Federal Aid to the Blind Fund--

Statement of Basis for Authorization Compared with
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State Aid to Dependent Children Fund--

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Actual Receipts and Expenditures for the Fiscal
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Federal Aid to Dependent Children Fund--
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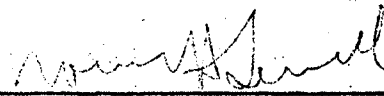
Scope of the Examination

Although a detailed examination of all recorded transactions was not made, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analysis 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.

Opinion

In our opinion, the accompanying schedules present fairly the operations of the Welfare Division for the fiscal year ended June 30, 1963, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

August 7, 1964
Carson City, Nevada


Norman H. Terrell, C.P.A.
Fiscal Analyst

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

WELFARE ADMINISTRATION

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over or (Under) Approp. or Authorization</u>
<u>Revenues</u>				
Appropriation	\$346,634.00	\$346,634.00	\$346,634.00	\$ -
Federal Subventions	248,165.00	248,165.00	270,138.60	21,973.60
Salary Adjustment	15,551.00	15,551.00	15,551.00	-
Augmentation Request	14,673.00	-0-	-0-	-0-
Total Revenues	<u>\$625,023.00</u>	<u>\$610,350.00</u>	<u>\$632,323.60</u>	<u>\$21,973.60</u>
<u>Expenditures</u>				
Salaries	<u>\$483,545.00</u>	<u>\$476,778.00</u>	<u>\$458,296.45</u>	<u>(\$18,481.55)</u>
Travel:				
Out-of-State	\$ 1,500.00	\$ 1,500.00	\$ 1,094.48	\$ (405.52)
In-State	27,250.00	23,200.00	28,029.13	4,829.13
Total Travel	<u>\$ 28,750.00</u>	<u>\$ 24,700.00</u>	<u>\$ 29,123.61</u>	<u>\$ 4,423.61</u>
Operating:				
Industrial Ins.	\$ 2,321.00	\$ 2,993.00	\$ 2,334.45	\$ (658.55)
Retirement Pmts.	23,386.00	22,630.00	21,735.82	(894.18)
Personnel Asses.	4,050.00	4,000.00	4,050.00	50.00
Building Space Rntl.	28,704.00	24,940.00	29,315.25	4,375.25
Freight & Postage	7,928.00	6,643.00	6,764.47	121.47
Printing	5,100.00	5,075.00	3,967.20	(1,107.80)
Office Supplies	9,094.00	7,437.00	6,271.57	(1,165.43)
Heat	940.00	250.00	749.72	499.72
Power	1,065.00	100.00	712.64	612.64
Water & Other Util.	90.00	150.00	341.31	191.31
Telephone & Telegraph	10,460.00	11,133.00	12,307.07	1,174.07
ADC Medical Exams	600.00	-	335.00	335.00
Office Alterations & Repairs	800.00	-	858.97	858.97
Transportation of Clients	-	--	600.75	600.75
Office Equip. Repair	2,150.00	850.00	2,773.32	1,923.32
Equip. Rental	316.00	691.00	526.17	(164.83)
Contract Services-- (Janitorial)	2,414.00	-	2,270.62	2,270.62
Advertising & Foster Home Recruitment	300.00	-	59.00	59.00
Appeals & Hearings	500.00	-	486.99	486.99
Dues & Fees	600.00	-	491.05	491.05
Educ. Leave Stipends	7,950.00	5,500.00	916.00	(4,584.00)
IBM Service(Private)	2,000.00	-	15.83	15.83
Library & Subscriptions	500.00	-	351.54	351.54

Schedule 1,
Continued

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over or (Under) Approp. or Authorization</u>
Operating Expenses, cont'd.:				
Contract Services	\$ 750.00	\$ 950.00	\$ -	\$ (950.00)
Fees	500.00	-	-	-
Buildings & Grounds	-	200.00	-	(200.00)
Attorney General	-	7,800.00	-	(7,800.00)
Misc. Expenses	-	7,320.00	-	(7,320.00)
Total Operating	<u>\$112,518.00</u>	<u>\$108,662.00</u>	<u>\$ 98,234.74</u>	<u>(\$10,427.26)</u>
Equipment	<u>\$ 210.00</u>	<u>\$ 210.00</u>	<u>\$ 1,429.99</u>	<u>\$ 1,219.99</u>
Moneys Refunded to Federal Government for Prior Years Payments			<u>\$ 2,263.16</u>	<u>\$ 2,263.16</u>
	<u>\$625,023.00</u>	<u>\$610,350.00</u>	<u>\$589,347.95</u>	<u>(\$21,002.05)</u>
Excess of Receipts over Expenditures reverted to General Fund			<u>\$ 42,975.65</u>	

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

BUREAU OF SERVICES TO THE BLIND

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over or (Under) Approp. or Authorization</u>
<u>Revenues</u>				
Appropriation	\$46,131.00	\$46,131.00	\$46,131.00	\$ -
Federal Subventions	13,177.00	13,177.00	19,572.27	6,395.27
Salary Adjustment	1,800.00	1,800.00	1,800.00	-
Total Revenues	<u>\$61,108.00</u>	<u>\$61,108.00</u>	<u>\$67,503.27</u>	<u>\$ 6,395.27</u>
<u>Expenditures</u>				
Salaries	<u>\$40,830.00</u>	<u>\$40,830.00</u>	<u>\$39,222.54</u>	<u>\$(1,607.46)</u>
Travel:				
Out-of-State	\$ 1,760.00	\$ 1,760.00	\$ 1,535.55	\$ (224.45)
In-State	3,400.00	3,400.00	3,818.84	418.84
Total Travel	<u>\$ 5,160.00</u>	<u>\$ 5,160.00</u>	<u>\$ 5,354.39</u>	<u>\$ 194.39</u>
Operating:				
Industrial Ins.	\$ 194.00	\$ 254.00	\$ 199.20	\$ (54.80)
Retirement Pmts.	1,997.00	1,854.00	1,902.15	48.15
Personnel Assess.	350.00	337.00	350.00	13.00
Rental	3,240.00	2,459.00	3,420.00	961.00
Freight & Postage	460.00	600.00	321.41	(278.59)
Printing	100.00	53.00	19.73	(33.27)
Office Supplies	1,200.00	500.00	1,040.53	540.53
Telephone & Telegraph	1,400.00	647.00	1,530.77	883.77
Equip. Repair	400.00	559.00	261.40	(297.60)
Contract Service-				
Drivers	4,374.00	3,750.00	3,773.01	23.01
Trans. Patients	200.00	-	-	-
Janitor Service	687.00	-	-	-
Equip. Rental	72.00	67.00	90.00	23.00
Information Pamphlet	-	150.00	-	(150.00)
Dues & Subscrip.	30.00	28.00	36.00	8.00
Public Infor. Material	135.00	135.00	-	(135.00)
Medical Consul.	300.00	600.00	-	(600.00)
Optical Aids	-	2,400.00	-	(2,400.00)
Consumable Supplies	-	300.00	-	(300.00)
Unallocated	(446.00)	-	-	-
Office Alterations	-	-	389.79	389.79
Total Operating	<u>\$14,693.00</u>	<u>\$14,693.00</u>	<u>\$13,333.99</u>	<u>\$(1,359.01)</u>
Equipment	<u>\$ 425.00</u>	<u>\$ 425.00</u>	<u>\$ 660.33</u>	<u>\$ 235.33</u>
Total Expenditures	<u>\$61,108.00</u>	<u>\$61,108.00</u>	<u>\$58,571.25</u>	<u>\$(2,536.75)</u>
Excess of Receipts over Expenditures Reverted to General Fund			<u>\$ 8,932.02</u>	

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION COMPARED WITH
ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

STATE OLD AGE ASSISTANCE

	<u>Work Program</u>	<u>Basis for Appropriation</u>	<u>Actual Receipts or Expenditures</u>	<u>Over or (Under) Appropriation</u>
<u>Revenues</u>				
Appropriation	\$1,159,680.00	\$1,159,680.00	\$1,159,680.00	\$
Refunds & Install- ments on Refunds			2,326.58	2,326.58
Total Revenues	<u>\$1,159,680.00</u>	<u>\$1,159,680.00</u>	<u>\$1,162,006.58</u>	<u>\$ 2,326.58</u>
<u>Expenditures</u>				
Money Grants	\$ 775,680.00	\$ 775,680.00	\$ 680,403.70	\$(95,276.30)
Medical & Remedial Care Payments	384,000.00	384,000.00	404,601.43	20,601.43
Total Expenditures	<u>\$1,159,680.00</u>	<u>\$1,159,680.00</u>	<u>\$1,085,005.13</u>	<u>\$(74,674.87)</u>
Excess of Receipts over Expenditures Reverted to General Fund			<u>\$ 77,001.45</u>	

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

FEDERAL OLD AGE ASSISTANCE

	<u>Work Program</u>	<u>Basis for Authorization</u>	<u>Actual Receipts or Expenditures</u>	<u>Over or (Under) Authorization</u>
Revenues				
Authorization	\$1,474,600.00	\$1,474,600.00	\$1,707,051.82	\$232,451.82
Augmentation	30,680.00			
Refunds & Installments on Refunds			954.73	954.73
State Funds Transferred from Welfare Admin. Fund (Note 1)			721.00	721.00
Prior Years Adjustment of Medical & Remedial Care Funds			1,081.85	1,081.85
NIC Rebate			63.28	63.28
Total Revenues	<u>\$1,505,280.00</u>	<u>\$1,474,600.00</u>	<u>\$1,709,872.68</u>	<u>\$235,272.68</u>
Expenditures				
Money Grants	\$1,505,280.00	\$1,474,600.00	\$1,373,613.30	(\$100,986.70)
Medical & Remedial Care Payments			230,577.26	230,577.26
Welfare Admin. Costs			84,075.48	84,075.48
District VII Rent			793.66	793.66
Check Writing Costs			557.69	557.69
Prior Years Admin. Costs			2,221.16	2,221.16
Total Expenditures	<u>\$1,505,280.00</u>	<u>\$1,474,600.00</u>	<u>\$1,691,838.55</u>	<u>\$217,238.55</u>
Excess of Revenues over Expenditures			\$ 18,034.13	
Balance - July 1, 1962			<u>136,128.76</u>	
Balance - June 30, 1963			<u>\$ 154,162.89</u>	

Note 1: Funds transferred to Federal
Fund include Attorney General
salary disallowed per Federal
audit \$ 691.79
Refunds for cost allocation
errors during the year 29.21
\$ 721.00

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION COMPARED WITH
ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

STATE AID TO THE BLIND

	<u>Work Program</u>	<u>Basis for Appropriation</u>	<u>Actual Revenues or Expenditures</u>	<u>Over or (Under) Appropriation</u>
Revenues				
Appropriation	\$179,500.00	\$179,500.00	\$179,500.00	\$
Refunds & Install- ments on Refunds			222.70	222.70
Total Revenues	<u>\$179,500.00</u>	<u>\$179,500.00</u>	<u>\$179,722.70</u>	<u>\$ 222.70</u>
Expenditures				
Money Payments	\$147,600.00	\$147,600.00	\$ 91,112.30	\$(56,487.70)
Medical & Remedial Care Payments	31,900.00	31,900.00	43,331.64	11,431.64
Total Expenditures	<u>\$179,500.00</u>	<u>\$179,500.00</u>	<u>\$134,443.94</u>	<u>\$(45,056.06)</u>
Excess of Receipts over Expenditures Reverted to General Fund			<u>\$ 45,278.76</u>	

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

FEDERAL AID TO THE BLIND

	<u>Work Program</u>	<u>Basis for Authorization</u>	<u>Actual Receipts or Expenditures</u>	<u>Over or (Under) Authorization</u>
Revenues				
Authorization	\$107,100.00	\$107,100.00	\$107,845.23	\$ 745.23
Refunds & Installments on Refunds			135.30	135.30
State Funds Transferred from Welfare Administration Fund (Note 1)			142.59	142.59
NIC Rebate			6.46	6.46
Funds Transferred from State AB Medical & Remedial Care Fund			15.48	15.48
Total Revenues	<u>\$107,100.00</u>	<u>\$107,100.00</u>	<u>\$108,145.06</u>	<u>\$ 1,045.06</u>
Expenditures				
Money Payments	\$107,100.00	\$107,100.00	\$ 90,629.70	\$(16,470.30)
Medical & Remedial Care Payments			857.85	857.85
Welfare Administration Costs			7,848.68	7,848.68
District VII Office Rent			74.61	74.61
Check Writing Costs			34.85	34.85
Prior Year Administration Costs			707.70	707.70
Total Expenditures	<u>\$107,100.00</u>	<u>\$107,100.00</u>	<u>\$100,153.39</u>	<u>\$ (6,946.61)</u>
Excess of Receipts over Expenditures			\$ 7,991.67	
Funds Transferred to Services for the Blind			(8,287.15)	
Funds Transferred to Case Services Concerning Sight			(367.70)	
			(663.18)	
Balance on Hand - July 1, 1962			<u>9,996.85</u>	
Balance on Hand - June 30, 1963			<u>\$ 9,333.67</u>	

Note 1: Federal share of Attorney General's salary disallowed per federal audit.

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION COMPARED WITH
ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

STATE AID TO DEPENDENT CHILDREN

	<u>Work Program</u>	<u>Basis for Appropriation</u>	<u>Actual Receipts or Expenditures</u>	<u>Over or (Under) Appropriation</u>
Revenues				
Appropriation	\$570,000.00	\$570,000.00	\$570,000.00	\$ -0-
Refunds & Installments on Refunds			2,924.38	2,924.38
Total Revenues	<u>\$570,000.00</u>	<u>\$570,000.00</u>	<u>\$572,924.38</u>	<u>\$ 2,924.38</u>
Expenditures				
Money Payments	\$570,000.00	\$570,000.00	\$520,032.50	\$(49,967.50)
Prior Years Money Payment Adjustment			5.00	5.00
State Funds Transferred to Federal ADC Fund (Note 1)			10,260.46	10,260.46
Total Expenditures	<u>\$570,000.00</u>	<u>\$570,000.00</u>	<u>\$530,297.96</u>	<u>\$(39,702.04)</u>
Excess of Revenues over Expenditures Reverted to General Fund			<u>\$ 42,626.42</u>	

Note 1: Federal share of ADC money payments refunded to the Federal Government due to ineligible recipients found by the AFDC-ER study. The state had to pay total amount of these grants.

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED WITH
ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

FEDERAL AID TO DEPENDENT CHILDREN

	<u>Work Program</u>	<u>Basis for Authorization</u>	<u>Actual Receipts or Expenditures</u>	<u>Over or (Under) Authorization</u>
Revenues				
Authorization	\$1,230,000.00	\$1,230,000.00	\$1,244,564.84	\$ 14,564.84
Refunds & Installments on Refunds			4,054.81	4,054.81
State Funds Transferred from Welfare Administrative Fund (Note 1)			1,234.90	1,234.90
State Funds Transferred from State ADC Fund (Note 2)			10,265.46	10,265.46
NIQ Rebate			94.93	94.93
Total Revenues	<u>\$1,230,000.00</u>	<u>\$1,230,000.00</u>	<u>\$1,260,214.94</u>	<u>\$ 30,214.94</u>
Expenditures				
Money Payments	\$1,230,000.00	\$1,230,000.00	\$1,136,207.50	\$(93,792.50)
Welfare Adminis. Costs			134,364.44	134,364.44
District VII Rent			1,218.77	1,218.77
Check Writing Costs			483.70	483.70
Prior Year Adminis. Costs			9,469.43	9,469.43
Total Expenditures	<u>\$1,230,000.00</u>	<u>\$1,230,000.00</u>	<u>\$1,281,743.84</u>	<u>\$ 51,743.84</u>
Excess of Expenditures over Revenues			\$ (21,528.90)	
Balance on Hand - July 1, 1962			<u>136,946.35</u>	
Balance on Hand - June 30, 1963			<u>\$ 115,417.45</u>	
Note 1: Federal share of Attorney General's salary disallowed per Federal Audit				
Cost allocation error for quarters ending 5/31/62, 8/31/62 and 11/30/62			\$ 1,065.50	
			169.40	
			<u>\$ 1,234.90</u>	
Note 2: Federal share of ADC money payments refunded to the Federal Government due to ineligible recipients found by the AFDC-ER study. The state had to pay the total amount of these grants.				

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

STATE OLD AGE ASSISTANCE - MEDICAL AND REMEDIAL CARE

Balance - July 1, 1962		\$ 924.57
<u>Receipts</u>		
State Old Age Assistance Fund	\$404,601.43	
Federal Old Age Assistance Fund	<u>230,577.26</u>	<u>635,178.69</u>
TOTAL		\$636,103.26
<u>Expenditures</u>		
OAA Medical and Remedial Care Payments	\$612,803.32	
Prior Years Adjustment to Federal OAA Fund	<u>1,081.85</u>	<u>613,885.17</u>
Balance - June 30, 1963		<u>\$ 22,218.09</u>

DEPARTMENT OF HEALTH AND WELFARE
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

STATE AID TO THE BLIND-MEDICAL AND REMEDIAL CARE

Balance - July 1, 1962 \$ 368.36

Receipts

State Aid to the Blind Fund	\$43,331.64	
Federal Aid to the Blind Fund	<u>857.85</u>	<u>44,189.49</u>

TOTAL		\$44,557.85
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Expenditures

AB Medical and Remedial Care	\$42,138.05	
To Federal AB Fund	<u>15.48</u>	<u>42,153.53</u>

Balance on Hand - June 30, 1963		<u>\$ 2,404.32</u>
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DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

CHILD WELFARE SERVICES

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over/(Under) Approp. or Authorization</u>
<u>Revenues</u>				
Appropriation	\$54,265.00	\$54,265.00	\$ 54,265.00	\$ -
Authorization	4,020.00	4,020.00	57,226.00	53,206.00
Augmentation	18,706.00	-	-	-
Refunds & Installments on Refunds			667.50	667.50
Total Revenues	<u>\$76,991.00</u>	<u>\$58,285.00</u>	<u>\$112,158.50</u>	<u>\$53,873.50</u>
<u>Expenditures</u>				
Care of Unwed Mothers		\$28,847.00	\$ -	(\$28,847.00)
Care of Children		29,438.00	-	(29,438.00)
Maintenance Payments			48,801.48	48,801.48
Special Service Payments			59,656.68	59,656.68
State CWS Payments (No work program)				
Total Expenditures		<u>\$58,285.00</u>	<u>\$108,458.16</u>	<u>\$50,173.16</u>
Excess of Receipts over Expenditures Reverted to General Fund			<u>\$ 3,700.34</u>	

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

FEDERAL CHILD WELFARE SERVICES

Receipts

Federal CWS Advances

\$93,876.00

Expenditures

Federal CWS Share of Welfare

Administration Costs

\$36,650.00

Payments on Behalf of Children-

Unwed Mothers

57,226.00

93,876.00

Balance - June 30, 1963

\$ -0-

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
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FOSTER HOME CARE FOR CHILDREN

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over/(Under) Approp. or Authorization</u>
Revenues				
Appropriation	\$153,730.00	\$153,730.00	\$153,730.00	\$ -0-
Authorization	56,727.00	56,727.00	44,147.59	(12,579.41)
Refunds & Installments on Refunds			5,661.89	5,661.89
Total Revenues	<u>\$210,457.00</u>	<u>\$210,457.00</u>	<u>\$203,539.48</u>	<u>\$ (6,917.52)</u>
Expenditures				
Foster Home Care Pmts.	\$174,727.00	\$174,727.00	\$ -	(\$174,727.00)
Subsidized Foster Homes	16,920.00	16,920.00	-	(16,920.00)
Initial Clothing Allow.	18,810.00	18,810.00		(18,810.00)
Foster Home Care Pmts--				
State Maint. Pmts.			132,029.65	132,029.65
County Maint. Pmts.			43,764.88	43,764.88
State Spec. Serv. Pmts.			19,204.03	19,204.03
Total Expenditures	<u>\$210,457.00</u>	<u>\$210,457.00</u>	<u>\$194,998.56</u>	<u>\$(15,458.44)</u>
Excess of Receipts over Expenditures Reverted to the General Fund			<u>\$ 8,540.92</u>	

DEPARTMENT OF HEALTH AND WELFARE
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STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
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For the Fiscal Year 1962-1963

HANDICAPPED CHILDREN SERVICE

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over/(Under) Approp. or Authorization</u>
<u>Revenues</u>				
Appropriation	\$26,154.00	\$26,154.00	\$26,154.00	\$
Authorization	2,910.00	2,910.00	-	(2,910.00)
Refunds and Installments on Refunds			468.85	468.85
Total Revenues	<u>\$29,064.00</u>	<u>\$29,064.00</u>	<u>\$26,622.85</u>	<u>\$(2,441.15)</u>
<u>Expenditures</u>				
Special Educ.-In-State	\$12,264.00	\$12,264.00	\$13,891.67	\$ 1,627.67
Residential Treatment Center	16,800.00	16,800.00	3,523.26	(13,276.74)
Special Services			218.90	218.90
Total Expenditures	<u>\$29,064.00</u>	<u>\$29,064.00</u>	<u>\$17,633.83</u>	<u>(\$11,430.17)</u>
Excess of Receipts over Expenditures Reverted to the General Fund			<u>\$ 8,989.02</u>	

DEPARTMENT OF HEALTH AND WELFARE
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STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
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CASE SERVICES CONCERNING SIGHT

	<u>Work Program</u>	<u>Basis for Approp. or Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over/(Under) Approp. or Authorization</u>
Revenues				
Appropriation	\$50,314.00	\$50,314.00	\$50,314.00	\$ -
Authorization	8,341.00	8,341.00	17,862.26	9,521.26
Augmentation	3,988.00			
Total Revenues	<u>\$62,643.00</u>	<u>\$58,655.00</u>	<u>\$68,176.26</u>	<u>\$9,521.26</u>
Expenditures				
Blind Vocational Rehabilitation		\$29,735.00	\$28,936.61	\$ (798.39)
Eye Examinations		1,350.00	735.40	(614.60)
Social Services		10,770.00	15,483.73	4,713.73
Eye Treatments		16,800.00	10,661.37	(6,138.63)
Optical Aids Clinic			3,142.64	3,142.64
Transferred to Federal VRB Fund			9.30	9.30
Total Expenditures		<u>\$58,655.00</u>	<u>\$58,969.05</u>	<u>\$ 314.05</u>
Excess of Receipts over Expenditures			\$ 9,207.21	
Refunded to Federal VRB			<u>(1,087.67)</u>	
Reverted to General Fund			<u>\$ 8,119.54</u>	

DEPARTMENT OF HEALTH AND WELFARE
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STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

FEDERAL VOCATIONAL REHABILITATION OF THE BLIND FUND

Balance - July 1, 1962 \$ 3,099.38

Receipts

Federal VRB Advances

\$25,671.00

Transfer from Case Services Concerning Sight

9.30

25,680.30

TOTAL

\$28,779.68

Expenditures

Federal VRB Case Service Payments

\$17,494.56

Bureau of Services to the Blind Administrative
Payments

11,285.12

28,779.68

Balance - June 30, 1963

\$ -0-

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED WITH
ACTUAL RECEIPTS AND EXPENDITURES
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U.S. INDIAN SERVICE FOSTER CARE

	<u>Work Program</u>	<u>Basis for Authorization</u>	<u>Actual Revenues or Expenditures</u>	<u>Over or (Under) Authorization</u>
<u>Revenues</u>				
Authorization	\$45,979.00	\$45,979.00	\$73,200.00	\$27,221.00
Refunds & Reimbursements			717.16	717.16
Total Revenues	<u>\$45,979.00</u>	<u>\$45,979.00</u>	<u>\$73,917.16</u>	<u>\$27,938.16</u>
<u>Expenditures</u>				
Foster Home Care	\$45,979.00	\$45,979.00	\$66,363.62	\$20,384.62
Welfare Admin. Costs			7,200.00	7,200.00
Total Expenditures	<u>\$45,979.00</u>	<u>\$45,979.00</u>	<u>\$73,563.62</u>	<u>\$27,584.62</u>
Excess of Receipts over Expenditures			\$ 353.54	
Balance on Hand - July 1, 1962			5,644.40	
			<u>\$ 5,997.94</u>	
Amount Reverted to Federal Government per Agreement			<u>5,997.94</u>	
Balance - June 30, 1963			<u>\$ -0-</u>	

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Fiscal Year 1962-1963

SMALL BUSINESS ENTERPRISES CONTINGENT FUND FOR THE BLIND

Balance - July 1, 1962 : \$ 299.79

Receipts

Income Received from Vending Stands 714.11
TOTAL \$1,013.90

Expenditures

Repairs to Boulder Dam Vending Stand 164.59

Balance - June 30, 1963 \$ 849.31

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
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WELFARE GIFT FUND

Balance on Hand - July 1, 1962 \$ 1,704.89

Receipts

Donations	\$ 373.00
Social Security Benefits and Trust Funds	15,580.62
Controller Reimbursement from A/C 35831--	
Foster Home Care for Children	135.48
Refugees	<u>2,132.46</u>

Total Receipts 18,221.56

Total to Account For \$19,926.45

Disbursements

Care for Mothers and/or Children 11,872.70

Balance on Hand - June 30, 1963 \$ 8,053.75

DEPARTMENT OF HEALTH AND WELFARE
WELFARE DIVISION

SUPPLEMENTAL LETTER

1. Records of Compensatory Time

During the course of our examination, time records of all employees were audited. One employee's records had no entries showing hours or dates worked, merely one entry of 76 hours compensatory time accrued was entered, showing no detail of how such time was accrued.

It is recommended that the agency keep detailed accurate and up-to-date time records on every employee regardless of the position of such employee.

During our review of the time records it was noted that a number of employees had accrued compensatory time as of December 31, 1963. Section 5520.6 of the State Administrative Manual states that all compensatory time accrued during the calendar year must be used in the year accrued. This presumably means that all persons carrying forward any unused compensatory time into the following calendar year would lose same.

It is suggested that the division inform all its employees of their accrued leave and compensatory time in sufficient time prior to the end of the calendar year in order that they might take such time off, minimizing the possibility of losing such time.

2. Purchase of Office Supplies

An analysis of office supplies purchased by the Welfare Division indicated that of \$6,271.57 expended, only \$1,540.69 or 24.57% was purchased through the Purchasing Division of the Department of Administration.

All purchases of any nature should be purchased through the Purchasing Division wherever possible for greater economy and as a means of saving time, thus enabling the Purchasing Division to purchase in large quantities and at sizeable discounts. The acting Administrator feels it is extremely difficult to make all purchases through the Purchasing Division until the Purchasing Division's procedures are more in line with agency needs.

3. Welfare Administrator's Duties

NRS 422.230 states that the Administrator shall have certain duties, among which are the following:

- "5. To inform the public in regard to the activities and operation of the welfare division, and to give other information which will acquaint the public with welfare problems.
6. To conduct studies into the causes of the social problems with which the welfare division is concerned."

Our audit reveals that few steps have been taken in the past to keep the public informed on matters relating to public welfare by the Division or the Administrator, except for a relatively few news releases made by Mr. Cahill, and three studies now underway. Certain studies conducted have been at the insistence of the Federal Government, and such studies have been mainly concerned with eligibility, correct budgets and other financial areas only.

Public relations should be used as extensively as possible to help the general public to become fully acquainted with the many benefits and services offered by Welfare.

Studies of social problems should not only be conducted but should be

conducted continuously as a means of aiding the Health and Welfare Department. These studies could lead to eventual alleviation or elimination of some particular present-day welfare problems as well as serve as a guide for rehabilitation of welfare recipients.

It is recommended that steps be taken to increase the public relations campaign which would lead to the dissemination of information to the general public.

It is recommended that additional studies of the various social welfare problems of Nevada be undertaken as soon as possible.

4. Gift Fund

The Welfare Division is entitled to receive gifts and bequests under the provisions of NRS 422.250. An analysis of such fund for the fiscal year ended June 30, 1963 disclosed that of the \$18,221.56 in receipts deposited to such fund, only \$373.00 were actual gifts or donations. The balance of the deposits represented Social Security benefits, Veteran's pension payments and payments from guardians, parents or trusts. As such receipts are deposited each month, they are almost immediately disbursed to the recipient for whom intended. The gift fund is therefore being used essentially as a clearing account or a trust account rather than the gift fund as stipulated by statute.

Our analysis also disclosed that payments were made to some of the recipients before the receipts necessary for such payment had been received by the Division. In some such instances, after an advance payment of this nature had been made, it was noted that no more receipts were forthcoming and the agency then had to take receipts from the actual gift funds to make up for such advance payments. It is very poor policy to make any advance payments when the receipts for such payments could be terminated

for a multitude of reasons. As of June 30, 1964, \$869.82 had been paid out without having received the revenue for such disbursements. Since the actual gift receipts balance is fairly small, only \$1,070.19, it is conceivable that if revenues for such advance payments were not forthcoming the entire fund would be in a deficit balance. In any event, when payments are made and no revenue therefore is received, the true or actual gift funds are then necessarily reduced for an individual's obligation and not for the purpose of rendering aid to the person or persons as provided by the gift.

It is recommended that the gift fund be used strictly as a fund for true gifts and donations. All moneys received from Social Security benefits, Veteran's pensions, trust funds, etc., should be recorded in a separate trust fund. Disbursements from such trust fund should never be made in excess of the individual account balances in such trust account. In other words, money should not be "borrowed" from one individual trust account for payment to another individual trust account which might "temporarily" have a deficit balance. This can be done entirely by book-keeping methods. Separate bank accounts are not necessary.

5. Equipment Inventory Control

As part of our audit procedure, a physical inventory of office equipment was taken at the Reno district office. Each district office had no card file nor a listing of its equipment on hand. However, the central office at Carson City keeps a card file of all equipment held by the entire Division. For the most part, the card file at central office reconciled with our physical inventory. The IBM inventory runs prepared by the Purchasing Division were considerably dissimilar from our physical inventory.

As a result of the physical inventory, it was noted that one manual typewriter was missing. No one could account for the typewriter. The agency personnel stated they thought that particular typewriter had been traded in on a new one. No substantiating evidence to this could be found.

It is recommended that each district office set up a ledger or card file of all equipment charged to such district. When a piece of equipment is moved from one district to another, central office should be notified of such transfer immediately. Central office should continue to maintain its card file on all equipment belonging to the agency noting on each card the location of the equipment and the individual to whom it is charged. Physical inventories should be taken once each year and such physical inventory reconciled to the district office card files and the central office files.

6. Overpayments Caused by Administrative Errors

The central office accounting department does not have authority to change the amount of any grant or aid payment prepared and submitted by the various district offices. The responsibility for such changes is that of the supervisor and the caseworker, and this affords a good internal control procedure. It was noted that a number of cases have incorrect grants due simply to arithmetical errors. There is no procedure or policy established where all budgets are automatically checked as to correct amounts per allowance schedules in the manual, nor is the addition verified. Such errors have resulted in the overpayment of considerable amounts of money. Since such overpayments are considered by Welfare as "administrative errors", no recipient is ever requested to repay such overallowances paid.

We attempted to determine the extent of such overpayments but were

unable to do so since accounting does not keep a complete record of all overpayments.

We recommend that a procedure be established that requires all budgets submitted by a caseworker to be checked against the Division's current payment schedule by some person other than the person preparing such budget; and that all budgets be verified by some person other than the caseworker as to the arithmetical correctness. No payments should be made until the above procedure has been completed. There should seldom, if ever, be any overpayments or underpayments due to "administrative errors."

We recommend that the accounting department keep a memo ledger indicating the exact amount of any overpayments and to whom they were made. We further feel that such overpayments should be repaid. The recipient should be afforded the most convenient method possible to repay the amount.

7. Payroll Warrants

It was noted that the persons preparing the recipient payrolls also handle and mail the final warrants. We do not feel that this is a good internal control procedure.

Steps should be taken to transfer the responsibility of mailing these warrants to persons other than the personnel preparing the claims. The person or persons who are responsible for mailing out the warrants should pick up the same at the Treasurer's office and run tapes on such warrants to insure that the total amount is in agreement with the print-out furnished by the Controller's office.

8. Overpayment Deposits

During our examination it was noted that the accounting section deposits rather infrequently the checks received from clients remitting

overpayments, etc. An analysis of the deposits made indicates that checks received in April and May of 1962 were not deposited until October of 1962. The deposit totaled \$1,229.00.

Such checks are kept in a file drawer in the office. The file is kept locked. The checks are always made payable to the State Treasurer. If checks are not made payable to the Treasurer they are immediately returned to the sender.

Regardless of the steps outlined above to safeguard these receipts, we feel that it is poor procedure to keep these checks on hand for such a lengthy period of time. Further, it is certainly a poor practice to deposit funds received in one fiscal period in another fiscal period.

We recommend that a procedure be established whereby all funds are deposited at least weekly. All receipts should be deposited before or at the end of each fiscal year. The accounting connected with the distribution of such receipts as between federal funds and state funds may be conducted at periods in excess of the weekly deposit dates as outlined above, as the accounting section deems necessary.

9. Quality Control

It was noted that no procedure has been established to cross-check the various recipient payrolls of the several aid programs to determine if there is a duplication of aid to the recipients. Such test-checks have been left entirely to the discretion of the caseworker in the past. Such test-checks would have to be made at the time of the caseworkers investigation since no instructions relative thereto were disseminated from the central office.

Recently, due to the Federal Government's requirements, one position

was created in Nevada Welfare known as Quality Control. This person does make the above mentioned check on occasion but this position principally calls for reviewing randomly selected cases from throughout the state.

At the present time, quality control is the only means whereby a client is recontacted, and the entire case is reviewed independently as to sources of revenue, basic need, verification of monthly expenditures, etc.

Supervisors, because of handling caseloads themselves sometimes do no more than read over some of the cases submitted by their caseworkers and in some instances even this is not done. It was noted that supervisors had signed the case files in which there were obvious errors, thus indicating that the supervisor did no more than sign the file and pass it on.

Since there are many hundreds of welfare cases, the quality control investigator cannot cover a very large percentage of such cases. In view of this fact, we vigorously recommend that the present quality control program be expanded.

We further recommend that whether the quality control program is expanded or not, the supervisors, and the field representatives should select cases at random, make personal contact with the recipient and then completely substantiate all data in the file and even independently recheck sources of revenue of the recipient. If cases in the past had been subjected to this type of review, there would be considerably fewer cases of fraud than are now evident. Further, with merely proper supervision by qualified personnel, aid payments would not have been set up for ineligible recipients. One of the studies conducted by the Welfare Division (at the

discretion of the Federal Government) disclosed that in excess of \$10,000 had been paid to ineligible recipients, the federal share of which had to be refunded out of state moneys. This can be eliminated or reduced to the barest minimum by good review, verification of all data submitted by the recipient, by both the caseworker and the supervisor, and frequent independent random checks.

A procedure should also be instituted whereby all recipient payrolls are compared periodically to determine if more than one check is being remitted illegally to a recipient; several checks being sent to the same address, etc.

10. Possible Loss of Federal Subventions

With the increased Federal emphasis on rehabilitative and preventive services for clients and the promoting of a program to help recipients deal constructively with their economic, health and social needs, Federal regulations have been amended to provide for the following conditions which must be met by July 1, 1967:

(a) All caseworkers must have a case load which cannot exceed 60 service cases or its equivalent. For example, if a worker has 20 service cases, then he must spend 1/3 of his time on the service case load.

(b) In order to provide better service for clients, the ratio of supervisors to workers may not exceed one supervisor per five workers.

(c) In order to know the family better and to keep current with the clients problems, visits with the client must be made at least every three months for clients on the Aid to Dependent Children

program and every six months for clients on Old Age Assistance and Aid to the Blind programs. These provisions apply only to cases which have been classified as service cases.

None of these above conditions are currently being met by the Welfare Division due to insufficient personnel.

After July 1, 1967, if the state does not comply with the provisions noted above, the 75% federal participation funds may be withheld and the state will be obligated to pay the total amount of public assistance grants.

Cases should have been classified as regular or special service cases by July 1, 1964. This was not completed but is expected to be completed in September 1964.

With the turnover of personnel which the Division experiences in certain areas and the difficulty which the Division has in recruiting, it seems possible that the state may start losing federal funds after the July 1, 1967 deadline unless some very positive measures are taken immediately.

11. Personnel Educational Stipends

During the fiscal year ended June 30, 1963, the Welfare Division realized a salary savings of \$18,481.55. Mainly this was because the salaries of caseworkers and some other positions are too low to attract and keep qualified personnel. The majority of new caseworkers employed use Nevada primarily as a training aid, then go on to jobs in other states paying higher salaries.

Included in the 1962-1963 appropriation was \$5,500 to be used for educational stipends. Only \$916.00 of this was used by only one person. For the 1963-1964 fiscal year that same person also used part of the educational stipend appropriation.

In view of the fact that most of the Welfare Division's problems are due to inadequate supervision and improperly trained caseworkers, it would appear that the Division should make additional requests of the Legislature for increased educational program and the state should share in funds provided.

It is recommended that the Division use every means to interest its personnel in using these educational stipends.

It is also recommended that the agency have the Personnel Division make a study of caseworker, caseworker-supervisor positions and up, in order to bring such positions to the standards and salaries of like positions in Nevada counties and in nearby states so that Nevada may successfully compete against such other units for fully qualified and adequately trained personnel.

12. Licensing of Adoption Agencies

By authority of NRS ch. 127, amended, the Welfare Division is authorized to license and investigate any child-placing agency within the state. Under NRS 127.260, any child-placing agency in existence before July 1, 1963 may operate under a temporary license which must be renewed every 6 months if the agency is actively engaged in improving its personnel and operation standards.

The Welfare Board adopted standards and rules for child-placing agencies on January 24, 1964. At the present time only one licensed agency is authorized to place children under the provisions of chapter 127. The Catholic Welfare Bureau is the only temporary licensee. No permanent licenses, good for one year, have been issued.

The standards adopted by the Welfare Division stipulate that a representative of the Division will call upon the child-placing agency to appraise the plant, policies, qualifications of present staff, and plan of operation in relation to standards and regulations established for child-placing agencies. This has not been done due to lack of trained personnel in this field. It must be pointed out that the Welfare Division itself puts forth a considerable number of children for adoption each year. These adoptions are handled by personnel of the Welfare Division.

We therefore recommend that some person currently working with adoptions in the Welfare Division be assigned to make the periodic review called for by NRS 127.260. If the agency does eventually train someone in this field, then such person may take over the responsibility of the necessary reviews. However, it is recommended that some representative of Welfare be assigned this job immediately until such trained person is available. Steps are currently underway to provide the person required.

13. Revision of Manual

During the course of our examination, a test-sample of Old Age Assistance, Aid to the Blind, Aid to Dependent Children, Foster Home Care and Child Welfare Services cases were reviewed in order to determine correct compliance with policies and procedures in accordance with the manual presently used by the Division.

It was found that the present manual has grown into a maze of tables and special rules and regulations which has made it most difficult for caseworkers to comprehend. Some instances were found where rules have been promulgated but were not included in the manual. Other instances were found where, due to the ambiguity of certain areas in the manual,

caseworkers could interpret the manual differently and all be correct in their interpretation.

It is recommended that basic instructions and policies be clarified and household operations standards be further combined, simplified, and revised to enable workers to use the same standards for all recipients.

It is further recommended that NRS be amended to provide for identical standards similar to the procedure as outlined in Title 16 of the Social Security Act.

14. Caseworker Program Training

Two auditors from our staff made home visits with caseworkers to observe how workers operated in the field. Although the workers were relatively new, approximately one year with the Division, most of them handled themselves very well in interviewing clients. However, the auditors found that most of the workers were not sufficiently familiar with the other programs in the Division to counsel clients or note that some other program in the Division might be able to help a client. Instances were noted where the auditors asked the caseworkers about the different programs and they stated that they were not familiar with programs other than the one they were working in.

It is recommended that a program be instituted by the Division in order to acquaint workers with other programs. This could be done by workshops conducted in the district offices by supervisors in charge of the various programs.

15. Investigation of Recipients' Resources

The investigation of resources of a recipient has been extremely poor by the entire Welfare Division.

Case after case was read by the auditors where lack of investigation by caseworkers could very well and in many cases have, resulted in overpayments.

It should be stated that in reading cases, the auditors took the worker's word that a check had been made of all possible sources of revenue.

However, it would be almost impossible to correctly verify a client's income by just reading the case file. Conceivably, a caseworker with a very heavy case load would not check all resources but might state that he had done so because his case load was such that with a proper check he would never be able to complete his case load.

In one district office the worker stated that resources had been verified. However, a new worker assigned to the case found that either no verification had been made or the worker took the client's word. Verification was made showing that an overpayment was made of \$4,997.70.

As part of our audit procedures, a 10% sample, (250 cases), by counties, of Old Age Assistance recipients were chosen at random to have OASI benefits checked. The results were then checked against the Division's files to insure that both the Social Security Administration's file and Welfare Division's files coincided. This sample test produced the following fraud cases among other discrepancies:

One case was found where the recipient had been on Old Age Assistance since March 1956. He repeatedly told the caseworker that he was not receiving Social Security benefits. The caseworker apparently took his word for it and never sent a confirmation form to verify that the client was or was not receiving benefits. In fact, when the auditors sent the confirmation forms to the Welfare district office for the recipient's

Social Security number, the form was sent back stating that the client had no number.

With receipt of the confirmation from Social Security Administration it was found that this recipient had been receiving benefits since April 1956 to the present. He received a total of \$4,997.70 during the eight-year period which was the amount he defrauded the taxpayers of Nevada by his actions. The client admitted having received this money when confronted with the confirmation form.

A case in another district was found where the client had been understating the amounts received from Social Security. She was adamant in her refusal to admit that her payments were larger than she had stated to the worker. Only when the worker showed her confirmation from Social Security Administration did she concede that she had received the greater amount. Repayment has been arranged by the client's daughter for all money owed the state.

Other cases were found where the clients had been understating their Social Security benefits. When the confirmations were received by the auditors they were referred to the Welfare Division for proper action.

Up to the date of this report, 5 cases of fraud totaling \$8,237.40 have been referred to the Director of the Legislative Counsel Bureau in compliance with subsection 2 of NRS 218.880, whereby such illegal transactions shall be reported to the Governor, the Legislative Counsel Bureau and the Attorney General. In addition, 5 other cases totaling \$5,964.00 are being handled by the Welfare Division at district level. Other cases still being investigated may result in additional fraud charges. Attention is directed to the fact that these cases were developed through

investigation of only one revenue source of only one grant in aid program of the Welfare Division.

Other recipients in the sample were found to qualify for Social Security but had never applied for benefits. In view of the changes in the Social Security laws which now grant benefits for only six quarters of covered employment and because military service between September 15, 1940 to December 31, 1956 can now be credited towards covered employment, but only when needed to make the applicant eligible, it is recommended that all recipients benefits be confirmed as a standard policy by the Division.

Because of the fraud cases noted above, it is strongly recommended that all cases currently active be confirmed through the Social Security Administration for possible understatements of benefits.

16. Verification of Recipients' Resources

During the audit, it was noted that some caseworkers did not know just what other sources of income a client might be eligible for. For example, Veteran's Benefits are almost never investigated either as a potential or current resource.

One case was reviewed where the worker did not advise the client that there might have been possibility of unemployment insurance. The client had been terminated from employment prior to applying for aid.

In blind cases, workers did not investigate the possibility of disability Social Security benefits for their clients.

It is recommended that workers be informed of all possible sources of revenue available to clients and supervisors should make sure that caseworkers investigate these sources fully for each client.

During the course of our examination, another area dealing with resources which was found inadequate was bank confirmations.

At present, the Division uses a form, PA-22, to confirm funds held in banks, savings institutions and postal savings accounts. The auditors feel that this form should be revised.

The PA-22 is only sent to banks in the area where the client resides. One case was found (now closed) where the client had a bank account in another city. This would be very hard to trace with the present form. With the tremendous growth of the state's two large cities, the present form is getting too cumbersome to use effectively.

It is recommended that PA-22 be revised and made into a legal affidavit, notarized, and provide for penalties of perjury for not disclosing financial information to the Division. The bank confirmation form should be used whenever a client states that he does have funds in financial institutions or whenever evidence comes to the workers attention that the recipient is living in a manner which is inconsistent with the income which he reported and is receiving from the Division.

In this respect, there is no substitute for an inquisitive caseworker. Cases were found where new furniture was found in houses, but workers did not question the source of funds used to purchase it. Other cases were found where rent payments were over \$100 per month or approximately more than 50% of the grant and the workers again did not question how they managed on the grant. Supervisors never seem to question figures shown on workers budgets or analyze budgets to determine that percentages used for food and other living expenses appear too low in relation to rent, etc. This should be a major part of supervisors' review of case records in order to spot inconsistencies and possible outside sources of unreported income.

Verifications of possible outside employment is another neglected area of resources. With the low monetary standards set up for the Aid to Dependent Children program, it is possible that many mothers work and get paid in cash. This is a very hard area to verify since Employment Security will not divulge any information, but again, an inquisitive caseworker who knew his clients, and had the time, might be able to spot any extra income.

In cases where a client or a client's spouse is working, caseworker's should verify with the employer the exact amount earned.

One case was found where the client stated that her husband was a construction worker at a military installation and only made \$50.00 per week. The worker never verified his employment with the employer, but took the client's word for it.

Again it is recommended that verification of employment be made with the employer. Supervisors should also be alert to spot cases where no verification had been made and bring them to the worker's attention.

Sales of real property are checked fairly well by workers. Although one case was found where the worker did not verify the sale or neglected to mention it if verified. There was an overpayment of \$210.00 since the client was receiving a monthly amount from the sale. In this case, no bank confirmation was sent out.

It is urged that a comprehensive instructional program be instituted by the Division to acquaint all caseworkers, supervisors, district administrators, field representatives and others with all of the possible sources of income and possible sources of other types of federal and state aid which can be available to recipients.

It is further urged that the State of Nevada or the Welfare Division itself enter into an agreement with the Internal Revenue Service whereby confidential information is exchanged, in order that there be correlations between income actually received and reported on the tax return as opposed to information given to the caseworker by the recipient.

We wish to particularly stress the fact that we only made a 10% sample of cases in one program. Our sample also was only one source of revenue. In view of the fact that our small sample did bring to light several fraud cases as a result of checking the one most obvious possible source of resources, we strongly recommend that all existing cases be reviewed and all possible sources of resources verified again. Such reviews should be conducted independently and by some person other than the caseworker who originally computed the resources.

It also should be mentioned that Social Security benefits will be increased in the near future, and all recipients should again be interviewed and the correct amount of their benefits ascertained in order to prevent the occurrence of overpayment as hereinbefore mentioned.

17. Responsible Relatives Contributions

NRS 422.310 states that the husband, wife, father, mother, including adoptive parents, and children of an applicant for public assistance are liable for the applicant's support if financially able to do so within the Relatives Contribution Scale as set forth by statute.

During the course of our examination, it was found that this area was neglected as a possible source of revenue for aid recipients. Many instances were found where a relative responsibility form was sent to a responsible relative and was either not completed, or in some instances, was not returned to the Division.

Many instances were also found where no follow-up letters were sent or further attempts made to contact the relatives. Information, when given is taken at face value by the Division and no attempt is made to verify the actual income of a responsible relative.

Under the provisions of NRS 422.340 the Welfare Division is required to notify the Attorney General of the failure of a responsible relative to contribute to the support of a recipient. Because of the Attorney General's apparent failure to investigate or prosecute the majority of these cases the Division has ceased remitting such notices.

Under the provisions of NRS 425.150, whenever a grant is made on behalf of a minor who has been deserted or abandoned by a parent, the Welfare Division shall immediately notify the District Attorney of the county that such assistance has been granted. It is then up to the District Attorney to prosecute the parents. However, the District Attorneys in this state have done very little in this regard, possibly because their own county work is already a burden and time is not available.

The agency has established the policy where, if the District Attorney has taken no action within 60 days, then the Attorney General is notified to take appropriate action. In recent months the agency has not complied with this policy since it feels that the Attorney General is now following through with an investigation.

It is recommended that in each instance where there appears to be a financially responsible relative that a thorough and complete investigation be made. Possibly one or more full-time persons should be assigned this task.

Where forms are not returned, steps should be taken to find out why. Where forms are returned partially completed or obvious erroneous information thereon then a full investigation should be made to determine the full and correct information. Even where the information does appear to be complete it should be verified and not merely accepted at face value.

The present statement of responsible relative form should be expanded to insert legal language whereby the agency would have permission to look at the relative's Federal tax return with the signed approval of such relative.

It is also recommended that the Attorney General undertake a more vigorous policy of prosecuting nonsupporting relatives insofar as practicable. Further, he should take steps to insure that the various District Attorneys prosecute these cases referred to them.

18. Old Age Assistance Program - Home Visits

In our test-sample of Old Age Assistance cases, certain cases were read where no home visits had been made for years. One case was read where the recipient had never been visited at home since assistance was granted in 1951. In another case, no home visit had been made in six years, this recipient came into the office each year just before the re-visit was due. The manual plainly states that home visits should be made at least once a year.

The majority of errors found in the Old Age Assistance program were due to poor confirmation of OASDI and other possible sources of resources, complete lack of follow-up or in many instances, no action being taken relative to forcing relatives to contribute. Budget errors were noted throughout the test-sample due mainly to the poor way in which the manual

is written and maintained and due to inadequate review and supervision.

We recommend that the manual be rewritten with an eye towards simplification using concise, meaningful language, in order to prevent the possibility of any dual meaning in interpretation. The various manuals maintained by the workers or the district offices should be kept up-to-date at all times.

We recommend that the home visitations provided for in the manual be continued and expanded and that supervisors, field representatives and others make periodic reviews to insure that such home visitations have been made.

There should be established a policy where recipients budgets are compared, analysed and recomputed. Supervisors should carefully review every case of each caseworker under him before such case is approved for a grant in aid.

19. Aid to Dependent Children Program

During our examination of the Aid to Dependent Children program, the following deficiencies were noted from the test-sample of cases reviewed:

Birth certificates, marriage licenses and divorce decrees should all be verified by the worker. One case was read where a mother gave birth (according to the case file) to two children within a three month period. In many cases questionable marriages and divorces were never verified by the caseworker. Ages of children approaching sixteen (age of termination of aid unless they are attending school and receiving passing grades) were not verified in all cases.

In trying to trace deserting fathers, Social Security has not been used except as a last resort after six months have lapsed.

Cases were read of children living in homes of relatives for the convenience of the parents. The manual very clearly states the procedure to be followed in these cases but some workers do not follow the manual.

Narratives were found to be incomplete. We feel that all actions which have a bearing on the case should be made a part of the case file. The narrative in some cases was obviously brought up-to-date only because the auditors requested those particular cases. For instance, in all cases requested from one area where the program calls for home visitations each three months, there were no narratives; simply a typed statement that a "visitation made every three months." These statements were dated after the date of our request.

It was noted that not all workers were familiar with the various county services available to recipients, or for that matter, with the different services available from the Division. In some instances, right of appeal was not explained by the worker. The manual states that this is a very important procedure, but some workers again do not seem to utilize the manual properly.

Several cases were read where the children included in the grant were not living in the home of the needy caretaker responsible for their wellbeing. Warrants were being mailed to the needy caretaker and not the place where the children actually resided.

Timely revisits were not being made in accordance with Federal regulations and Division policy.

We recommend that supervisors check all cases of workers under them carefully and take appropriate action, to correct some of the errors listed above. Even though there are ambiguous statements in the manual, we feel that if workers used the manual more carefully, many of these errors could be averted.

We recommend that the Division prepare an outline that should be distributed to all employees showing the exact procedure to be followed in each particular type of case. Such outline should indicate what to verify, how to go about such verification and even cite some graphic examples. The supervisors should carefully review all cases and occasionally independently verify some of the facts in the case file. The field representatives should review a certain number of cases and also verify pertinent facts independently. Some of the obvious errors as noted herein would never have been made or certainly would have been corrected if the case files were being properly reviewed.

20. Bureau of Services to the Blind

NRS 426.640 gives the Welfare Division authority for licensing blind persons to operate vending stands in any public buildings where, at the discretion of the official in charge of such buildings, such vending stands may operate properly and satisfactorily. At the present time, only 9 vending stands operated by blind persons are in operation in the entire state.

NRS 426.650 states in part that each agency head shall:

- "2. Not less than 30 days prior to the reactivation, leasing, re-leasing, licensing or issuance of permit for operation of any vending stand, inform the welfare division of such contemplated action.
3. Inform the welfare division of any locations where such vending stands are planned or might properly and satisfactorily be operated in or about other public buildings or properties as may now or thereafter come under the jurisdiction of the department or agency for maintenance, such information to be given not less than 30 days prior to leasing, releasing, licensing or issuance

of permit for operation of any vending stand in such public building or on such property."

Our audit has disclosed that only two agency heads have complied with the above statute. Although the various agency heads may be remiss in not strictly adhering to the above statute, the fault is more the Welfare agency's. Since this particular statute is written in the welfare law and concerns the welfare of the blind, the initiative of acquainting the agency heads of the provisions of this law is clearly that of the Welfare Division.

It was noted in our various audits of the divisions of Health and Welfare that of the buildings in which the divisions were operating, only one had vending stands or vending machines operated by blind persons.

In only one instance did the Welfare Division request permission in writing to install a vending stand. The department head in this instance indicated he did not contemplate installing a vending stand and the matter was left unresolved. The law is quite specific on what action should be taken in situations as outlined above. NRS 426.680 provides for the Administrator to present the facts first to the head of the agency concerned and then to the Governor if the Administrator is not satisfied with the agency's decision. The Welfare Agency has never taken such action.

The Bureau of Services to the Blind is also responsible under NRS 426.670 for making surveys of all public buildings where vending stands might operate properly and satisfactorily. Such surveys have been made in the past, but are not currently made because the agency maintains that since they do not have a Small Business Enterprises counselor, they cannot fulfill the requirements of this provision of law.

The Bureau presently has three counselors who are responsible for all blind persons in the state. As of July 1, 1964, another counselor was

to be employed but due to improper budgeting of estimated Federal funds, it was discovered that there would not be sufficient funds for this position.

It is evident that throughout the state there are many buildings which could be and should be used for placing vending stands and vending machines to be operated by the blind. There are a great number of blind persons who are available for training for this type of operation.

It is therefore recommended that a vigorous program be initiated to acquaint all state agencies with the statutory provisions pertaining to the vending stands. Surveys should be made of all state and public buildings to determine where vending stands and machines might be placed. Where vending machines are now operated by vending machine companies, steps should be taken to convert these machines to those operated by blind persons.

Once again, the problem appears to be lack of Administrative personnel. The Federal Government provides funds for acquisition and stocking of vending stands and machines, however, the state must provide funds for training and administration.

21. Business Enterprise Contingent Fund

In analyzing the Business Enterprises Contingent Fund, it was noted that in some cases two payments were made in one month by one operator. In the rules adopted by the Bureau for the fund, it states that reports will be submitted by the operators not less than 10 days following the end of the month. This obviously has not been done in the past. It was also noted that one operator was rounding off his gross income figures to the nearest \$5.00. This is contrary to the rules of the Bureau and also shows that no one apparently checks the figures sent in by the operators.

The regulations set up by the Bureau state that the books and records of the operators be inspected at least every six months. This has not been done as evidenced by the fact that the rounding off of income figures had not been caught by the Bureau.

It is recommended that all monthly returns be reviewed and recomputed for any possible errors. This review should also entail a check to determine if all vendors are properly remitting their returns and if such returns are remitted timely. It is further recommended that the six month visitation rule be strictly adhered to. Most states provide for a vending machine supervisor for each six to twelve stands. Nevada has not provided funds for such supervision.

22. Aid to the Blind Program

In reviewing Aid to the Blind cases, the following errors were noted:

Residence verification was not made or was incomplete in many cases read. A case was reviewed where the worker verified a client's residence by affidavits from her son and daughter-in-law. The Division's manual clearly states that this is not proper verification of residence. Although there might have been other sources used for verifying residence, no mention of them was made in the case file. Other cases were reviewed where no mention of residence verification was made at all in the file.

Whenever there is any doubt as to the legal blindness of a recipient, the Division must withhold payment of the grant until the client is declared legally blind. If the client is not legally blind, the grant must then be terminated whenever this evidence comes to light.

A case was reviewed where the recipient refused to have an eye examination as required by the Supervising Ophthalmologist as a requisite to

continuing the grant. According to the case file an eye examination should have been performed in September 1958. The caseworker did not request such examination, nor did her supervisor. The eye examination was not given until May 19, 1959, at which time the doctor stated that the client was not legally blind. The Supervising Ophthalmologist did not agree with this examination and another eye examination was scheduled for August 6, 1959. At this examination the client was so abusive to the doctor that he refused to examine her. The client then refused to have another doctor examine her. An examination was finally performed on March 29, 1960 at which time the client was again found eligible for aid. Thus, because of carelessness by the worker and no review whatsoever by the supervisor, this client received aid illegally from May 1959 until March 1960. Proper review by the supervisor should have revealed when the eye examination should have been scheduled.

Another case was found where an eye examination, normally due three months after surgery, was not performed until 14 months after such surgery. This was due primarily to complete lack of communication between the Aid to the Blind public assistance worker, and the counselor of the Bureau of Services to the Blind. This came about because the Blind counselor apparently didn't know the client was on the Aid to the Blind program and the caseworker handling Aid to the Blind didn't know that surgery, which was paid by the Bureau of Services to the Blind, had been performed and a re-examination of the client's eyes was necessary to continue the grant. There was no evidence in the case files of either the counselor or the caseworker having any knowledge of what each one was doing for this client. Although the client was eligible for aid when the eye examination was done,

an overpayment resulted due to the fact that not all qualifications for Aid had been complied with prior to the eye examination after surgery and payments were made regardless.

In another case, due to the fact that a caseworker did not read prior entries in the case files as required, a recipient was found to have been paid approximately \$1,848.00 illegally. Again, lack of correspondence between Aid to the Blind worker and Bureau of Services to the Blind counselor was instrumental in causing the overpayment. The client underwent eye surgery and an eye examination three months after surgery was given as directed by the Supervising Ophthalmologist. This examination was paid for by the Bureau of Services to the Blind but no copies of the report were sent to the caseworker responsible for the case. The client was declared eligible for aid. Five months later upon annual reinvestigation the case worker had an eye examination scheduled for the client. The doctor did not examine the client's eyes but used the report from three months after surgery. The client had glasses prescribed during this period, (case file failed to disclose from whom), which gave him sufficient vision to be ineligible for Aid to the Blind which the doctor so stated in his report. The Supervising Ophthalmologist then declared recipient ineligible. One month later, the client requested another eye examination which showed substantially the same findings the previous report did. On this report, however, the Supervising Ophthalmologist declared the client eligible for aid.

Again, as in all other programs, it was seen that case files were incomplete, narratives seem to have been dictated verbatim from previous narratives and reinvestigations were not being done on time as required

by Division policy. Budget errors were not as prevalent as in other programs but this was due to simplicity of the budgets in effect for a single recipient. Whenever a multiple budget was prepared for two or more recipients of different programs living in the same household, it was noted that errors were abundant in the cases read. These errors were also caused by the multitude of conflicting rules and regulations found in the manual in addition to poor supervision of the workers by their supervisors. It appears that supervisors do not know the basic aims, policies and objectives of the Division, not only for the Blind program, but all other aspects of the Division's responsibilities. It is hard to understand how they can supervise workers when they themselves apparently do not know what the manual states or what the agency policy is.

Again it is strongly suggested that supervisors learn just what is required for each program and steps be taken to insure that caseworker's case files be read and analyzed in order to prevent these multitude of errors.

It was noted that whenever a client applies for Aid to the Blind, there is a provision allowing retroactive payments, if eligible, from the first day of the month in which application was made. In many cases these retroactive payments are made for two months due to the fact that eye examinations and approval of same by the Supervising Ophthalmologist takes considerable time. Since no matching Federal funds are allowed for retroactive payments, it is suggested that priority be given to Aid to the Blind applicants in order to eliminate this loss of Federal matching funds.

One very basic wrong in the overall Aid to the Blind program is that separate case files are maintained by the two departments aiding the blind.

The many errors noted above would not have occurred if the two departments would freely interchange information.

It is recommended that Aid to the Blind and Services to the Blind be combined under one central administrative office to eliminate duplication outlined above.

23. Foster Home Care of Children

Under NRS ch. 424, the Division is responsible for licensing foster homes at least once a year. This is not being done by the Division. The auditors reviewed cases where no visitations within a two-year period were indicated by the case file.

The Division has adopted the policy that to license or relicense a home, a home visit should be made by the worker. The manual also states that visits should be made at least every three months to insure that the standards set up by the Division are being complied with. Evidence was found, in the cases read by the auditors, that no home was visited more than twice during the year and generally the only visit made during the year was at the time of relicensing.

In certain cases, no summary of information or narrative of children placed in the home was included in the case record.

The instructions in the manual call for a memo to be sent to Central Office of all terminated or discontinued foster home licenses. That this was not being done was evident from the fact that seven out of ten cases requested from District VII were terminated and Central Office had no knowledge of the fact. Some of the homes had been closed for two years.

Some homes in the sample were found to be operating without a proper license. Many cases were found in which no home study had been performed, or if done, not recorded in the case file.

One case was read where the foster mother telephoned the worker to request a relicense investigation. The license was reissued as a result of the telephone call only; there was no record of a home visit ever being made in this case.

One case was read where the narrative stated that "this home will have to be closely supervised." However, there was no record in the foster home file of a home visit since November, 1963.

In another case, a 71-year old woman requested and received a foster home license. Without conducting a home study, a child was placed in this home. Two days later the foster mother requested that the child be withdrawn since she had changed her mind. A proper home visit might have prevented this incident.

During the audit of the Children's Home, a division of Health and Welfare, it was noted that one particular 17-year old resident had many emotional problems which primarily could be attributed to the fact that he had been in twenty-one foster homes during his lifetime. A visit to the home after child placement and a discussion with the prospective foster parents could give an insight to the caseworker of whether or not the child would receive the needed attention and if the foster parents would be able to intelligently cope with the problems the child would quite likely present.

A case was also read where the worker stated that due to emotional problems which the child had, it was recommended that no other children be placed in this home. It was found that two children had been in this home for approximately four months when the case was read.

It is evident from the cases mentioned above, that the Welfare Division is not complying with the standards set down in the manual. It is

recommended that the supervisors read each case submitted by the caseworkers and deficiencies be brought to the worker's attention. It is suggested that supervisors review the manual sufficiently to recognize and correct errors made by the workers.

It is recommended that steps be taken to acquaint all caseworkers thoroughly with the contents of the agency manual. Supervisors should be thoroughly familiar with every facet of the manual and should insure that every provision thereof is meticulously complied with by each of his caseworkers.

It is recommended that under no circumstances should a home be licensed or relicensed without a home visitation which includes a thorough discussion of the child's background and particular problems. A complete narrative of every visitation, and all problems discussed should be reflected in the case file.

It is recommended that the Central Office keep a record of all foster homes licensed or previously licensed in the state. This file should be kept up-to-date at all times. Field representatives should use this file in determining if the caseworkers or the districts are properly following the provisions of the manual at relicensing periods.

24. Time Study Analysis

During the course of our examination, it was noted that the Division is using the Weighted Work Unit for cost allocations of federally subvented programs.

Under this allocation, approved by the Federal Government, a time study was conducted in 1955 and 1956 at which time each work unit was analyzed to determine the amount of time needed to complete the unit. Each

operation of the agency under Public Assistance and Child Welfare Services such as reinvestigations, applications disposed of for any reason, and cases closed plus others were assigned a weighted work unit for purposes of cost allocations. From the figures thus obtained, it is determined each quarter by the statistical department the number of work units of specified type actually accomplished during the quarter. These are then used to prorate the allocation of funds subject to federal matching participation.

Since work units actually completed are being used for cost allocations instead of actual time spent on specific cases, the auditors suggest that a new time study be done for the month of May, 1964. In this study the actual time spent on specific programs was broken down by program and the function performed in the program.

While the results have not been completely analyzed, the Division statistician has indicated that approximately 13% more time was spent on federally matched programs than was indicated by the previous weighted work unit method.

We therefore recommend that the Welfare agency immediately request permission from the Federal Government to change from the weighted work unit to the gross time method of payment.

It is also recommended that the Division require all employees to maintain daily time records which would indicate work performed on federal programs and work performed on state programs. Thus, at any given time a study could be made to determine the correct percentage of work time applicable for matching federal funds.

Such studies should be conducted at frequent intervals to determine

just which optional method of payment would most benefit the State of Nevada. Because of the agency's failure to conduct such studies in the past eight or nine years, the state has lost benefit of considerable federal subventions.

25. Division Communications

It became apparent during the audit engagement that lack of communication among the different sections of the Division were in part responsible for the multitude of errors noted in the cases read. This lack of communications started between the client and the caseworker as evidenced by the many cases of overpayments because the worker had not bothered to confirm resources, etc. In many cases the clients word was taken when a few minutes more time would have uncovered the true situation to the worker.

There is a definite lack of communication between the caseworker and the supervisor. While it is true that the supervisor must review all pertinent actions taken in a case, it appears that this was and is done only to the extent of reading the case file after the worker has finished with it. It appears that supervisors never question any entries made by workers in the case files since many of the errors noted were never corrected.

While the auditors were in the district offices, cases pulled from the office files were shown to the responsible worker. In many cases, the workers were surprised to learn that errors had been made in their cases. In other words, they were not aware of what was correct or incorrect. Had there been proper supervision of the caseworker by the supervisor, this would not have happened.

Of the six people acting as supervisors, only three have the qualifications set up for the position by the personnel division. The other three are acting supervisors because qualified people cannot be hired at the current pay schedule.

The lack of communications extends from supervisors to district administrators. For example, a case was found where the supervisor had decided to terminate a Las Vegas employee because her quality of work was good but her quantity was not up to Division standards. One day before the worker was to come to Carson City for her second phase of orientation, she was informed that she would be terminated or allowed to resign before her one years probationary status was up. The auditors feel that due to poor supervisor action and a complete lack of communication, this worker was allowed to come to Carson City even after it was known that her services were to be terminated. Thus, the state had to pay for transportation to and from the district in addition to per diem allowances for the days she was in Carson City.

The lack of communication extends from district administrators to field representatives. District administrators are directly responsible to field representatives who are to review actions taken by the districts. However, it appears that field representatives haven't been doing their jobs and again, failure to communicate has cost the taxpayers money. A district was visited where a district administrator was allowed to stay on the job even after it was apparent that the worker was not capable of keeping up with policy decisions and manual changes necessitated by the increasing complexity of the Division's aid programs. It is apparent that if the field representatives in charge of this district had been doing their jobs properly over a period of years, and had they communicated with the district administrator about the poor quality of work being done, the office would not have reached the point where approximately 50% of the cases are erroneous in one respect or another.

In central office, the lack of communications extends throughout all sections of the Division. It appears that each section does not attempt to communicate information affecting the Division as a whole. An example of this is the different interpretation which the field representatives section of the Bureau of Services to the Blind, Old Age Assistance, Family and Children Services and Aid to the Blind Services sections had regarding regular income from the Bureau for a client who was also on the Aid to the Blind program. A client was receiving aid from the Bureau for supplemental expenses while attending a university under the Bureau's vocational rehabilitation program. Due to lack of communications between the Bureau's counselor and the Aid to the Blind workers, and more important, between these sections in central office, the client received this money from the Bureau and it was never reflected as income against the Aid to the Blind grant. When this was brought to the attention of the above mentioned sections, it was found that each section had different opinions regarding the classification of this income although the manual very clearly states what is to be considered income to aid recipients.

All of the instances mentioned above are indicative of a Division-wide lack of communications which was in many instances caused by the Administrator not taking the initiative in seeing that basic Division policies were adhered to.

It is recommended the Division take the proper steps necessary to insure that the flow of communications among all personnel in the Division be re-established.

26. Summary

It would appear from the foregoing comments that an audit of the

Welfare Division was long overdue. Much of the criticism contained in this report resolves itself to the fact that the Welfare Division is understaffed and has been forced to employ unqualified personnel in many positions because of the pay scale available. This understaffing along with unqualified people has cost the state many thousands of dollars through a multitude of errors caused by pressure of trying to maintain a level of service not possible with the money and people made available. Many of the problems are a direct result of policies established in prior years, by previous administrators. The Welfare Division had been without a full-time administrator for over a year. An apparently competent person was hired for the job, but due to health was forced to resign shortly after taking office.

The present Director of the Health and Welfare Department has made several attempts during the past year to strengthen policies and procedures of the Welfare Division; however, he has found that due to the lack of, and reluctance of the staff, it has been practically impossible to instigate changes or provide expanded services.

We wish to state that the Division personnel were most cooperative and whenever we had suggestions for improvement, they were most eager to install changes to correct deficiencies.

It is felt with a strong administrator, proper funds and personnel, the Welfare Division can maintain a high level of service to the needy of the State of Nevada at a cost which the taxpayers can and should afford.

August 20, 1964
Carson City, Nevada


Norman H. Terrell, C.P.A.
Fiscal Analyst

NOTE: At a meeting held September 8th and 9th, 1964, attended by the Fiscal Analyst, Acting Welfare Administrator and the Director of Health and Welfare, agreement was reached on the implementation of all foregoing recommendations where possible with existing staff and funds.

NEVADA GIRL'S TRAINING CENTER

AUDIT REPORT

For the Fiscal Year 1963-1964

**LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada**

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada Girl's Training Center for the fiscal year ended June 30, 1964, and have prepared therefrom the following attached exhibits and related schedules:

Statement of Basis for Appropriation Compared to
Actual Revenues and Expenditures for the Fiscal
Year ended June 30, 1964-----Exhibit A

Statement of Cash Receipts and Disbursements--
Girl's Fund for Fiscal Year ended June 30,
1964-----Schedule 1


Scope of 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 to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Opinion

In our opinion, the accompanying exhibits present fairly the operations of the Nevada Girl's Training Center for the fiscal year ended June 30, 1964, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
September 2, 1964


Norman H. Terrell, C.P.A.
Fiscal Analyst

NEVADA GIRL'S TRAINING CENTER
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year 1963-1964

	<u>Agency Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenues or Expend.</u>	<u>Over or (Under) Approp.</u>
Revenues				
G.F. Appropriation	\$494,641.00	\$494,641.00	\$494,641.00	\$ -
Salary Adj. Fund	10,897.00	10,897.00	10,897.00	-
Group Ins. Fund	1,080.00	1,080.00	1,080.00	-
Total Revenues	<u>\$506,618.00</u>	<u>\$506,618.00</u>	<u>\$506,618.00</u>	<u>\$ -0-</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$270,530.00	*\$270,530.00	\$244,412.32	\$(26,117.68)
Indust. Ins.	1,695.00	1,695.00	1,689.33	(5.67)
Retirement	14,972.00	14,972.00	14,160.70	(811.30)
Personnel Assess.	2,700.00	2,700.00	2,100.00	(600.00)
Group Ins.	1,080.00	1,080.00	972.00	(108.00)
Total	<u>\$290,977.00</u>	<u>\$290,977.00</u>	<u>\$263,334.35</u>	<u>\$(27,642.65)</u>
Travel:				
Out-of-State	\$ 334.00	\$ 332.00	\$ 192.95	\$(139.05)
In-State	6,852.00	6,854.00	7,058.19	204.19
Total	<u>\$ 7,186.00</u>	<u>\$ 7,186.00</u>	<u>\$ 7,251.14</u>	<u>\$ 65.14</u>
Operating:				
Build. Space Rent	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -
Equip. Rent	515.00	515.00	-	(515.00)
Freight & Postage	900.00	* 900.00	1,243.44	343.44
Printing-Forms	500.00	500.00	-	(500.00)
Printing-Other	250.00	250.00	76.49	(173.51)
Office Supplies	996.00	996.00	1,184.63	188.63
Power & Heat	13,500.00	* 13,500.00	18,622.71	5,122.71
Office Equip. Repair	50.00	50.00	37.08	(12.92)
Water	1,300.00	* 1,300.00	684.01	(615.99)
Other Utilities	1,900.00	* 1,900.00	881.75	(1,018.25)
Telephone Rental	2,910.00	* 2,910.00	3,301.97	391.97
Tolls & Telegraph	1,880.00	* 1,880.00	3,117.65	1,237.65
Truck Operation	1,500.00	1,500.00	659.60	(840.40)
Auto Insurance	400.00	400.00	-	(400.00)
Other Insurance	50.00	50.00	49.74	(.26)
Other Equip. Repair	500.00	500.00	9,368.90	8,868.90
Contract Services	12,620.00	* 12,620.00	8,711.00	(3,909.00)
Foodstuffs	33,422.00	* 33,422.00	30,634.74	(2,787.26)
Kitchen & Dining Room	972.00	972.00	1,734.62	762.62
Dormitory & Household	806.00	806.00	2,872.43	2,066.43
Clothing	12,558.00	12,558.00	8,397.06	(4,160.94)
Laundry	700.00	700.00	400.79	(299.21)

	<u>Agency Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenues or Expend.</u>	<u>Over or (Under) Approp.</u>
Operating, cont'd.				
Medical & Dental Supp.				
Supplies	\$ 440.00	\$ 440.00	\$ 5,435.52	\$ 4,995.52
Instruc. Supp.	2,026.00	2,026.00	2,492.69	466.69
Patient or Inmate Subsistence	5,554.00	5,554.00	-	(5,554.00)
Recreational Supp.	1,580.00	1,580.00	3,189.90	1,609.90
Sp. Care of Patients & Inmates	10,000.00	* 10,000.00	* 10,793.52	793.52
Tran. of Patients & Inmates	5,500.00	* 5,500.00	3,677.48	(1,822.52)
Janitorial Supplies	3,900.00	* 3,900.00	2,006.16	(1,893.84)
Building Maint.	2,214.00	* 2,214.00	5,688.11	3,474.11
Grounds Maint.	600.00	600.00	-0-	(600.00)
Dues & Subscrip.	100.00	100.00	13.00	(87.00)
Improvements & Betterments		--	365.20	365.20
Licenses & Fees		--	12.00	12.00
Advertising		--	15.00	15.00
Professional Serv.		--	900.00	900.00
Total	<u>\$121,643.00</u>	<u>\$121,643.00</u>	<u>\$128,067.19</u>	<u>\$ 6,424.19</u>
Equipment:				
Automobiles	\$ 6,750.00	\$ 6,750.00	\$ 6,867.88	\$ 117.88
Trucks	410.00	410.00	175.00	(235.00)
Office Furniture	1,895.00	1,895.00	2,148.38	253.38
Office Equip.	2,554.00	2,554.00	4,095.73	1,541.73
Other Equip.	15,203.00	15,203.00	9,428.68	(5,774.32)
Total	<u>\$ 26,812.00</u>	<u>\$ 26,812.00</u>	<u>\$ 22,715.67</u>	<u>\$ (4,096.33)</u>
Outside Agency Care	<u>\$ 60,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 41,204.03</u>	<u>\$ (18,795.97)</u>
Total Expenditures	<u>\$506,618.00</u>	<u>\$506,618.00</u>	<u>\$462,572.38</u>	<u>\$ (44,045.62)</u>
Excess of Revenues over Expenditures		\$ 44,045.62		
Amount Reverted		<u>(44,045.62)</u>		
		<u>\$ -0-</u>		

*Increased by amount budgeted in 5th category and not accounted for separately.

**NEVADA GIRL'S TRAINING CENTER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GIRLS FUND**

Balance - July 1, 1963 \$ 4,991.35

Receipts 9,754.51

Total to Account For \$14,745.86

LESS: Disbursements 7,883.01

Balance - June 30, 1964 \$ 6,862.85

NEVADA GIRL'S TRAINING CENTER

SUPPLEMENTAL LETTER

For the Fiscal Year 1963 - 1964

1. Minutes of Advisory Board Meetings

NRS 210.430 provides in part that the advisory board shall keep minutes of the transactions of each board meeting whether regular or special and such minutes shall be filed with the school.

The official minutes of the board were not on file at the school. Copies of some of the minutes were on file but the file was not in order nor was it complete. It is recommended that all the official minutes of the board be maintained in a permanent, bound volume, and kept on file at the school at all times as required by statute.

2. Late Payment of Trailer Space Rental

Some of the employees of the Girl's School reside on the grounds in their personal trailers. A nominal fee of \$10.00 per month is charged for parking and utilities. In checking receipts it was noted that these payments were not made promptly and at times were as much as three months in arrears. The Superintendent should insure that these rental payments are made monthly, in advance, to avoid loss to the state should these employees terminate.

3. Books and Records - Girl's Fund

The girl's fund consists of girl's personal funds deposited with the school. A ledger is maintained indicating the funds each girl has on deposit. Funds are deposited in the Nevada Bank of Commerce in Pioche. A cash book is maintained where all receipts and checks are posted.

Individual ledger cards are maintained for each girl. The following are recommendations and comments relative to this fund:

- (a) Deposits are not made as often as is desirable. In one instance, receipts were accumulated for 5 weeks before depositing. Since the nearest bank is 25 miles distant, banking by mail would solve part of the problem. Currency could be exchanged for postal money orders for inclusion in deposits made by mail.
- (b) When girl's are discharged, their ledger cards are closed and filed in an alphabetical file. It is recommended that closed accounts be filed alphabetically by fiscal year rather than the present system in order that account transactions can be verified for a given fiscal period.
- (c) The girls fund maintained an average balance of \$5,704.00 during 1963-1964 and has increased steadily since the school opened. It is recommended that NRS be amended to allow deposit of a portion of these funds in an insured savings account and further provide that any interest earned thereon be credited to a recreation fund to buy supplies and equipment for all girls.
- (d) NRS 210.560 authorized the Superintendent to deposit the girl's fund in a bank account and states that the deposit must be secured by a depository bond satisfactory to the Board of Examiners. It would appear that the FDIC insurance (up to \$10,000) on the present account would satisfy the bond requirement; however official approval by the Board of Examiners should be obtained and kept on file.

4. Food, Commodity and Supplies Inventories

Records pertaining to goods received, donated or purchased and requisitions for drawing of such items are maintained by the supervising cook in her office in the multi-purpose building. The inventory cards should be maintained by the business office and a periodic physical inventory should be taken to insure accuracy of the records and serve as an additional internal control measure.

5. Drug and Medicine Inventories

A small infirmary, staffed by a full-time nurse, is maintained on the grounds of the school. A stock of drugs and medical supplies is maintained in the infirmary; these drugs are dispensed on orders of the contract physician and by the nurse.

We feel that adequate inventory records on these supplies are not maintained. Good control over these supplies is mandatory due to their relatively small size and high value. An inventory system similar to that described in paragraph 4 above, relating to foodstuffs, should be used for drugs and medical supplies.

6. Drug Purchases

In reviewing claims of the Nevada Girl's Training Center, it was noted that most drugs and medicines used at the center are purchased at a local drugstore. The school receives a 10% discount on these purchases. In our opinion, substantial savings could be realized by purchasing these supplies through the Purchasing Division of the Department of Administration or on open-end contract basis with a pharmaceutical house.

The superintendent stated that from an administrative standpoint, he concurs with this recommendation, however, since the opening of the Girl's School in Caliente in 1962, he has attempted to keep as much of the moneys in the community as is possible since it is an "economically starved" area. Also, due to the isolation of the school, a necessity exists for the

immediate availability of medicines and drugs for the proper care and welfare of the children in residence.

7. Accounting Manual

As a part of the present manual of operations for the school a section on accounting and business procedures should be included in order that each employee would have a consistent and handy reference.


This would also serve as an excellent aid in cross-training the office staff so that accounting work would not accumulate while the business manager or superintendent are on leave.

8. Subsistence Payments

In some instances when girls are committed to the school, the court orders parents to pay a certain amount towards the care of the girl. In reviewing these cases it was noted that some are delinquent by several months. The school notifies the court when payments are not made as ordered but takes no other action. It is felt that more favorable results could be obtained by sending a reminder to the parent and follow-up letters to the court.

The procedure of notifying the court through the Chief Probation Officer in the county where delinquent parents reside was set up a year ago by the Director of Health and Welfare, Mr. O'Callaghan. He maintains better relations are maintained with the parents and the school by this method. Until such time as the Director of Health and Welfare feels a change is warranted, we recommend that a more vigorous effort be made by the school through the Probation Officer to collect payments stipulated by the courts.

Carson City, Nevada
September 2, 1964


Norman H. Terrell, C.P.A.
Fiscal Analyst

NOTE: The Superintendent of the Girl's School indicated by letter dated September 10, 1964, that all the foregoing recommendations would be placed in effect within the next 60 days.

**STATE OF NEVADA
LABOR COMMISSIONER**

Audit Report

For the Fiscal Year 1963-1964

**LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada**

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Labor Commissioner for the fiscal year ended June 30, 1964, and have prepared therefrom the following attached exhibits and related schedules:

Statement of Comparison of Actual Revenues and
Expenditures with Basis for Appropriation--
Labor Commissioners Fund for the Fiscal Year
ended June 30, 1964-----Exhibit A

Statement of Receipts and Expenditures--
Wage Claim Fund, Carson City Office, for the
Fiscal Year ended June 30, 1964-----Schedule 1

Statement of Receipts and Expenditures--
Wage Claim Fund, Las Vegas Office, for the
Fiscal Year ended June 30, 1964-----Schedule 2

Statement of Financial Condition--
Wage Claim Fund, Las Vegas Office, as of
June 30, 1964-----Schedule 2-A

Statement of Receipts and Expenditures--
Private Employment Agencies Fund for the
Fiscal Year ended June 30, 1964-----Schedule 3

Functions of the Agency

The Labor Commissioner is charged with administering chapters 607, 608, 609, 610, 611, 613 and 614 of the Nevada Revised Statutes. The department is required to intercede in wage claim disputes, investigate and issue private employment agency licenses, serve as the state director of the Apprenticeship Council and in general, be familiar with all laws which may concern labor. The Labor Commission maintains its headquarters in Carson City, Nevada, with a branch office in Las Vegas, Nevada.

Scope of Examination

Although we did not make a detailed examination of all records and 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 except those records pertaining to current wage claims which we were denied access to by the Labor Commissioner on the basis that he claimed they were confidential.

Opinion

In our opinion, subject to the qualification stated above regarding confidential records, the accompanying exhibit and schedules present fairly the operations of the Labor Commissioner for the fiscal year ended June 30, 1964, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
September 3, 1964


Norman H. Terrell, C.P.A.
Fiscal Analyst

STATE OF NEVADA
LABOR COMMISSIONER
COMPARISON OF ACTUAL REVENUES AND EXPENDITURES
WITH BASIS FOR APPROPRIATION
For the Fiscal Year 1963-1964

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenues or Expend.</u>	<u>Over or (Under) Approp.</u>
Revenues				
Appropriation	\$37,841.00	\$37,841.00	\$37,841.00	\$ -
Employment Agency Fund				
AB 370	7,990.00	7,990.00	7,990.00	-
Salary Adj.	550.00	550.00	550.00	-
Board of Examiners				
Emergency Fund	-	-	292.60	292.60
Insurance Fund	180.00	180.00	180.00	-
Total	<u>\$46,561.00</u>	<u>\$46,561.00</u>	<u>\$46,853.60</u>	<u>\$ 292.60</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$34,378.00	\$34,378.00	\$33,870.60	\$ (507.40)
Indus. Ins.	227.00	219.00	355.38	136.38
Retirement Pmts.	1,964.00	1,945.00	1,928.96	(16.04)
Personnel Asses.	159.00	159.00	159.00	-
Group Ins.	180.00	180.00	132.00	(48.00)
Total	<u>\$36,908.00</u>	<u>\$36,881.00</u>	<u>\$36,445.94</u>	<u>\$ (435.06)</u>
Travel:				
Out-State	\$ 300.00	\$ 300.00	\$ 299.88	\$ (.12)
In-State	3,400.00	3,400.00	3,365.38	(34.62)
Apprenticeship Cnsl.	1,200.00	1,200.00	1,198.90	(1.10)
Total	<u>\$ 4,900.00</u>	<u>\$ 4,900.00</u>	<u>\$ 4,864.16</u>	<u>\$ (35.84)</u>
Operating:				
Office Supplies	\$ 600.00	\$ 600.00	\$ 438.12	\$ (161.88)
Postage & Freight	300.00	300.00	418.75	118.75
Telephone Rental	500.00	500.00	636.00	136.00
Tolls	800.00	800.00	382.60	(417.40)
Printing-Operational	400.00	400.00	619.17	219.17
Printing-Compiled Laws	1,273.00	300.00	1,760.00	1,460.00
Subscriptions			123.50	123.50
Dies & Regis.	168.00	168.00	90.00	(78.00)
Ins. & Bond Prem.	125.00	125.00	98.55	(26.45)
Office Equip. Rpr.	100.00	100.00	43.40	(56.60)
NRS Supplement	60.00	60.00	64.00	4.00
Employment Agency Fund	-	1,000.00	-	(1,000.00)
Total	<u>\$ 4,326.00</u>	<u>\$ 4,353.00</u>	<u>\$ 4,674.09</u>	<u>\$ 321.09</u>

Exhibit A,
continued

Equipment:				
Office Furniture	\$ -	\$ -	\$ 23.78	\$ 23.78
Office Equip.	427.00	427.00	397.98	(29.02)
Total	<u>\$ 427.00</u>	<u>\$ 427.00</u>	<u>\$ 421.76</u>	<u>\$ (5.24)</u>
Total Expenditures	<u>\$46,561.00</u>	<u>\$46,561.00</u>	<u>\$46,405.95</u>	<u>\$ (155.05)</u>
Total Revenues			\$46,853.60	
LESS: Total Expenditures			<u>46,405.95</u>	
Total Reverted to General Fund - June 30, 1964			<u>\$ 447.65</u>	

STATE OF NEVADA
LABOR COMMISSIONER
STATEMENT OF RECEIPTS AND EXPENDITURES
WAGE CLAIM FUND, CARSON CITY OFFICE
For the Fiscal Year ended June 30, 1964

FIRST NATIONAL BANK, CARSON CITY

Balance in Fund - July 1, 1963	\$ 562.51
<u>Receipts</u>	
Employers Remittance	<u>9,031.91</u>
Total to Account for	\$9,594.42
<u>Expenditures</u>	
Claimant Payments	<u>7,166.38</u>
Balance in Fund - June 30, 1963 (See Note)	<u>\$2,428.04</u>

Note: The full amount of \$2,428.04 was accounted for as due to various claimants.

STATE OF NEVADA
LABOR COMMISSIONER
STATEMENT OF RECEIPTS AND EXPENDITURES
WAGE CLAIM FUND, LAS VEGAS OFFICE
For the Fiscal Year ended June 30, 1964

Balance - July 1, 1963	\$ 354.97
Receipts	<u>16,865.05</u>
Total to Account for	\$17,220.02
LESS: Disbursements	<u>16,548.53</u>
(1) Balance - June 30, 1964	<u><u>\$ 671.49</u></u>

(1) Refer to schedule 2-A.

STATE OF NEVADA
LABOR COMMISSIONER
STATEMENT OF FINANCIAL CONDITION
WAGE CLAIM FUND, LAS VEGAS OFFICE
As of June 30, 1964

<u>Assets</u>	
Cash in Bank	\$532.97
*Shortage	<u>138.52</u>
TOTAL	<u>\$671.49</u>
<u>Liabilities</u>	
Owed to Claimants	<u>\$671.49</u>

STATE OF NEVADA
LABOR COMMISSIONER
STATEMENT OF RECEIPTS AND EXPENDITURES
PRIVATE EMPLOYMENT AGENCIES FUND
For the Fiscal Year ended June 30, 1964

Balance - July 1, 1963		\$8,065.95
<u>Receipts</u>		
License Receipts		<u>1,200.00</u>
Total to Account for		\$9,265.95
<u>Expenditures & Transfers</u>		
Printing - Receipts	\$ 44.51	
Transfer to Labor		
Commissioner's Admin. Fund		<u>7,990.00</u>
Total Expenditures & Transfers		<u>8,034.51</u>
Balance in Fund - June 30, 1964		<u><u>\$1,231.44</u></u>

STATE OF NEVADA
LABOR COMMISSIONER

SUPPLEMENTAL LETTER

For the Fiscal Year 1963-1964

1. Publication of Bulletin

Nevada Revised Statutes section 607.100 states, "With the approval of the state board of examiners, the labor commissioner is authorized to compile and issue such bulletins pertaining to labor and industries of the state as he may deem necessary. When approved for printing and distribution, such bulletins shall be printed at the state printing office."

At the present time there is no bulletin being issued. Although it is not specifically required by statute, this bulletin could serve a very useful purpose in the education of labor and industry. As noted in the biennial report, there are more and more questions being asked the Labor Commissioner and also more labor claims being filed each year. People requesting information by telephone and appointments are taking up much of the time of the office staff, the Commissioner and deputy Commissioner.

It is recommended that a bulletin or newsletter be issued covering the current problems of labor and industry. This could relieve the staff for a more complete coverage of the laws they are responsible for. The publication should be prepared at least five times per year in order to economize on the cost of mailing by use of bulk mail rate charges. A copy of this publication should be sent to each District Attorney of the state, law enforcement agencies requesting information of this type, and unions involved with industry within this state.

2. Inspection of Places of Employment

Nevada Revised Statutes section 607.150 states in part, "The labor commissioner shall have the power to enter any store, foundry, mill, office, workshop, mine or public or private works at any reasonable time for the purpose of:

- (a) Gathering facts and statistics contemplated by this chapter; and
- (b) Examining safeguards and methods of protection from danger to employees, the sanitary conditions of the buildings and surroundings, and make a record thereof."

There are no records maintained indicating that the above mentioned inspections have been made.

It is recommended that such inspections be made periodically to determine that employers are complying with the law. These investigations should be substantiated by some form of written record maintained permanently in the office files.

Subsection (b) of the above mentioned law is also covered by the NIC and Health Departments, but it is a definite function of the Labor Commissioner's office. Inspections made by either of the above named agencies could be used by the Labor Commissioner if proper records were maintained by such agencies giving the Labor Commissioner all necessary details. These records are made available to the Labor Commissioner upon request.

3. Minimum Wage and Maximum Hour Law

Nevada Revised Statutes section 608.160 states, "Every employer shall post and keep conspicuously posted in or about the premises wherein any female is employed a printed abstract of NRS 609.010 to 608.180, inclusive,

to be furnished by the labor commissioner."

The Labor Commissioner does supply this abstract, but there is no formal record maintained of whom he supplies these to or if inspections have been made to determine if they are posted as the law requires.

It is recommended that inspections be made and formal records be maintained. Such inspections and corresponding record could be in conjunction with other inspections that are required by law. Firms requesting these abstracts should continue to be listed to insure inspections at a future date.

4. Inspection of Employment Agency Records

Nevada Revised Statutes section 611.170 states, "1. All registers, books records and other papers kept by the licensee pursuant to NRS 611.-020 to 611.320, inclusive, shall be open at all reasonable hours to inspection of the labor commissioner.

2. Every licensee shall furnish to the labor commissioner on request a true copy of such registers, books, records and papers, or any portion thereof, and shall make such reports as the labor commissioner may prescribe."

There are no written records maintained of inspections made by the Labor Commissioner. Inspections to date have been informal. Employment agencies send a monthly report to the Labor Commissioner, but this report states only the daily amount of fees collected.

It is recommended that written records be maintained of any and all inspections made and also that inspections be made at frequent intervals of time to insure that the law is being complied with. It is also recommended that the reports sent in by the employment agencies be changed to reflect the amount charged each person employed. Such form could then be audited in the office by office personnel in conjunction with field inspections conducted by the Commissioner and his deputies.

5. Employment Fees

Nevada Revised Statutes section 611.220 states, "No person licensed pursuant to the terms of NRS 611.020 to 611.320, inclusive, shall charge, accept or collect from any applicant for employment as a fee for securing such employment any sum or sums of money in excess of 15 percent of the first month's salary or compensation received or paid for such employment."

There are no records maintained by the Labor Commissioner which indicate that inspections were made to determine if this law is being complied with.

It is recommended that inspections of these agencies be made and that written records of these inspections be made, and kept on file at the Carson City office.

6. Notice of Limitation of Employment Fee

Nevada Revised Statutes section 611.230 states, "Every employment agency shall keep posted in a conspicuous place in its office or place of business a card or cards, furnished by the labor commissioner, upon which shall be printed in large blackface type the following: 'No fee shall be charged an applicant for employment which shall exceed 15 percent of the first months salary or compensation.' "

There are no records maintained in the Labor Commissioner's office indicating that this portion of the law is being complied with. However, the card is mailed with each employment agency license issued.

It is recommended that formal records of inspections made be maintained as permanent records. Inspections should be made at intervals of time which would insure compliance. This again could be done in conjunction with other recommended inspections.

7. Repayment of Fees

Nevada Revised Statutes section 611.250 states, "If the applicant

paying a fee fails to obtain employment, the employment agency shall repay the amount of the fee to the applicant upon demand being made therefore."

Formal inspections as mentioned in paragraph 4, 5 and 6 of this supplemental letter would insure that repayment of these fees is being done as required by law. At the present time, the only way that this information has come to the attention of the Labor Commissioner is by formal complaint.

It is recommended that inspections of the above be handled in conjunction with those mentioned in paragraphs 4, 5 and 6 of this supplemental letter.

8. Expense Reimbursement

Nevada Revised Statutes section 611.260 states, "1. In cases where the applicant paying a fee is sent beyond the limits of the city in which the employment agency is located, the employment agency shall, in addition to repaying any fee paid, reimburse the applicant for any actual expenses incurred in going to and returning from any place where the applicant has been sent.

2. Where the applicant is employed and the employment lasts less than 7 days by reason of the discharge of the applicant, the employment agency shall return to the applicant the fee paid by him to the employment agency."

At present there is no formal record maintained of inspections made to insure that this portion of the law is being complied with. Formal complaint from the person injured would be the only way of knowing if this is happening.

It is recommended that this inspection be included with inspections recommended in paragraphs 4, 5, 6 and 7 of this supplemental letter, and that formal records of these be maintained.

9. Enforcement of Wage Claims

NRS 607.160 states that the Labor Commissioner shall enforce all labor laws. It further states that the Commissioner shall present the facts to the various District Attorneys where a wage claim accrues and the claimant is financially unable to employ counsel.

During the course of our audit it was noted that these claims have been forwarded to the various District Attorneys, where action has been initiated but few have been prosecuted to completion. The Labor Commissioner stated that he checks with the District Attorneys verbally by telephone or in person and quarterly sends a listing of pending claims requesting information as to their status. If no action is forthcoming from a District Attorney, then the Labor Commissioner personally follows through to completion.

From the limited examination the auditors were permitted in this regard, the auditors found no such lists in the files. However, such lists may have been part of the records withheld from the auditors. The Labor Commissioner refused the auditors access to all records pertaining to current claims pending before his office on the basis that such records were "Confidential." Further comments relative to such "confidentiality" are made in a subsequent paragraph in this report.

10. Reports of Apprenticeship Council

NRS 610.100 states, "Not less than once a year, the state apprenticeship council shall make a report of its activities and findings, through the labor commissioner, to the legislature and to the public."

During our audit it was noted that no annual reports were submitted to the Legislature.

The Labor Commissioner does submit a biennial report as required under NRS 607.080 in which he includes a section pertaining to the apprenticeship council. The statistics presented therein are arranged on an annual basis.

Since the Legislature currently convenes on a biennial basis and the Labor Commissioner's law requires only a biennial report, it is recommended that NRS 610.100 be amended to conform with the statutory language of NRS 607.080.

11. Involuntary Apprenticeship

The Nevada Revised Statutes sections 610.200 to 610.280, inclusive, deals with involuntary apprenticeship of minors. Any male person under the age of 18 years, or any female person under the age of 15 years may be bound until the male becomes 18 and the female becomes 15 years old. The boards of county commissioners in the several counties are empowered to bind out:

- (a) Any orphan not otherwise provided for by law.
- (b) Any destitute child.
- (c) The child of any person who shall not provide for the support and tuition of such child.

Children who are under age and could become involved in the involuntary apprenticeship program are covered under laws regulated by the Welfare agency and the state courts.

It is recommended that this law as covered under NRS 610.200 to 610.280, be repealed. These sections were added to the statutes in 1879.

12. License and Renewal Fees

Nevada Revised Statutes 611.060 states, "Every person licensed under

the provisions of NRS 611.020 to 611.320, inclusive, to carry on the business of an employment agency shall pay to the labor commissioner a fee of \$50.00 before the license is issued, and thereafter he shall pay an annual fee of \$50.00 on or before the 1st day of each calendar year."

Fees for licenses and renewals are deposited with the State Treasurer. There is no receipt issued to the licensee.

It is recommended that serially numbered duplicate receipts be printed and used. Everyone paying a license or renewal fee shall be given a receipt whether he pays by cash or check. Receipts should be cross-referenced to the licenses issued, and maintained as a permanent record.

13. Bonds

Nevada Revised Statutes section 611.070 states, "Before a license is issued, the applicant shall deposit with the city clerk, if there is one, or with the county clerk, a bond in the penal sum of \$1,000 with two or more sureties of a duly authorized surety company as surety, which bond shall be first approved by the labor commissioner."

The Labor Commissioner does not receive copies of the bonds. This has created extra work on both the city or county clerks and the labor commission office.

It is recommended that the laws be amended to read, "Before a license is issued, the applicant shall deposit with the labor commissioner, a bond in the penal sum of \$1,000 with two or more sureties or a duly authorized surety company as surety, which bond shall be first approved by the labor commissioner. A notice of 30 days shall be given the labor commissioner before cancellation of said bond."

14. Disposition of Employment Agency License Money

Nevada Revised Statutes section 611.100 states, "1. At the end of

each month the labor commissioner shall make an itemized account of all moneys received by him as license fees under the provisions of NRS 611.020 to 611.320, inclusive, and shall pay the moneys to the State Treasurer. Such moneys shall be held in a separate fund to be known as the Employment Agency fund.

2. Subject to the provisions of NRS 353.210 to 353.220, inclusive, the labor commission may use the moneys in such fund:

- (a) To print blanks, books and receipts to be furnished to licensed employment agencies by the labor commissioner.
- (b) To cover the costs of investigating applicants for licenses required under NRS 611.030.
- (c) To defray the costs of the administration of the office of labor commissioner, to the extent that any excess remains in such fund after payment of the expenses enumerated in paragraphs (a) and (b)."

The moneys received by the Labor Commissioner for licenses is deposited with the State Treasurer immediately upon receipt. The beginning balance of this fund as of July 1, 1963 was \$8,065.95. On August 18, 1963, \$7,990.00 was transferred out of this fund and deposited with the Labor Commissioner's appropriation. On October 18, 1963 an expenditure of \$44.51 was made for the purchase of 5,000 receipts from the Nevada State Printing Office. This was the only expenditure made during the fiscal year.

It is recommended that subsection 2 of NRS 611.100 be repealed, and NRS amended to provide for the funds to accrue to the General Fund. The Labor Commissioner should receive sufficient appropriation to defray these costs.

15. NRS 611.030 states in part "No person shall open, keep, operate or maintain

an employment agency in this state without first obtaining a license therefore, as provided in NRS 611.020 to 611.320, inclusive, from the state commissioner . . ."

During our review of licenses it was noted that there were a number of employment agencies or theatrical booking agencies listed in the telephone books which were not licensed through the Labor Commissioner's office. Neither the Labor Commissioner nor his deputy make an investigation to insure that all employment agencies in this state are holders of a valid license. Much of this type of investigation could be done by the office staff by telephone. All newspapers, telephone directories or other methods of advertising should be checked for new agencies or agencies which are not listed as holding a valid license with the Labor Commissioner.

We recommend that the Labor Commissioner's office start investigating through the advertising media immediately to insure that all employment agencies or booking agencies are properly licensed. City and county clerks should also be contacted as an excellent source of information.

16. Office Supplies

In the fiscal year 1963-1964, the Labor Commissioner purchased supplies in the amount of \$438.12. Of this amount, only \$48.57 was purchased from the Purchasing Division of the Department of Administration. Approximately 89.91% were purchased from outside sources. In the fiscal year 1962-1963 they purchased \$531.30 of which only \$17.25 was purchased from the Purchasing Division. This represented 96.75% of the supplies purchased from outside sources.

It is recommended that all supplies be purchased from the State Purchasing Division, where possible, which could result in considerable savings to the state.

17. Books and Records - Las Vegas Office

The Las Vegas office maintains a bank account to process payment of wage claims.

The bank account's source of funds is from employers paying wage claims due employees or former employees. Such payments are normally paid through the Commission. The Commission in turn remits payment to the claimants. In theory, all funds on deposit are held in trust for individual claimants.

It appears that receipts are written for all moneys collected, however it cannot be determined from the receipt copy whether the funds received were to be deposited to the bank account or remitted directly to the claimant.

Also, in the same receipt book are receipts taken from claimants for cash and checks turned directly over to the claimants without being deposited in the bank. Quite often, employers make checks payable to claimants rather than the Commission and these are turned over to the claimants without going through the bank account.

It was established that as of June 30, 1964, the fund balance to account for was \$682.43. The actual cash in bank was short of this amount by \$138.52. This shortage is detailed as follows:

- (1) In April 1963 a check in the amount of \$95.74 from an employer was deposited and a check written to the claimant for the same amount. The employers check was returned unpaid by the bank and collection was not made from the claimant nor the employer.

(2) In July 1963 the bank charged the account \$6.32 for imprinting checks. This should have been billed and paid from appropriated funds.

(3) Also in July 1963, another check for \$31.39 was received from an employer and deposited. A check was written to the claimant and again, the employers check was returned unpaid and no collection was made.

(4) In February 1964, the bank again charged the account for \$5.07 for imprinting checks. All of the above items have been credited to the account by the bank in September 1964.

The following are other discrepancies noted during the course of our examination:

(1) Several bank statements and corresponding cancelled checks were missing and could not be found. These items have been located since our audit.

(2) In one checkbook used, checks were not prenumbered. Checks are now prenumbered.

(3) In several instances, employers paid claims in cash and cash was turned over to claimants rather than depositing the cash and writing a check.

(4) There is no statutory authority for the private bank accounts maintained by the Commissioner's office.

The following recommendations are made to correct the present procedures:

- (1) A separate receipt book, with prenumbered receipts be used for all funds collected by the office. A notation should be made thereon if the money received was deposited or directly transmitted to the claimant.
- (2) Receipts should indicate both from whom the money was received and to whom it is to be paid.
- (3) Duplicate deposit slips should indicate receipt numbers covered so that deposits can be checked against receipts.
- (4) When checks are issued to claimants, the check number should be entered on the original receipt so that payments can be verified.
- (5) The bank should be notified to bill for imprinting checks, not charge the bank account. These charges should be paid from appropriated funds.
- (6) Balances of claimants, held in excess of five years, due to their unknown location should be transferred to the General Fund. If the claimant is subsequently located then a claim can be drawn against the state. Sufficient records should be maintained by the office indicating the amount due each claimant unlocated. These records should be reconcilable to the amounts transferred to the General Fund.
- (7) The Labor Commissioner should not pay any claimant until the check given by the employer has cleared and been paid. This would preclude the type of shortage which did exist as noted during our audit.

(3) NRS should be amended to provide statutory authority for the bank accounts.

18. Wage Claim Account - Carson City Office

A separate bank account is maintained with the First National Bank of Nevada, Carson City, wherein wage claims are deposited when received from employers. This account as of June 30, 1964 had a balance of \$2,428.04. Of this balance, \$330.69 represents payments due claimants whose addresses are unknown. This amount has been accumulated from 1940 through 1962.

We recommend that any balance held more than five years be transferred to the General Fund and all subsequent balances likewise transferred where the claimants have not been located within a five-year period.

The books and records maintained by the Carson City office were in good order. However, the recommended procedures suggested in number 18 above, which are not currently being followed by the Carson City office (Notably paragraphs 1, 2, 4, 6 and 8), should be implemented as soon as possible.

19. Internal Control - Carson City

Due to the small office staff of the Commissioner's office, internal control necessarily is not as tight as desirable. However, there are areas where we believe the present control may be improved.

At present one person receives all funds, writes receipts for such funds, deposits the funds in the bank account, is authorized to sign checks from the bank account, and reconciles the bank account.

There are two office staff available in the Carson City office and some of the above functions should be delegated to the other person.

We recommend that one person receives the cash and writes receipts therefore as recommended elsewhere in this report, then another person should make the deposits. The bank account may be reconciled by either person. The deposits should also be reconciled to the written receipts. Only the Commissioner, or deputy Commissioner should sign any checks.

20. Need for Additional Personnel

The statutes pertaining to the Labor Commissioner's office require a great deal of investigative work. With increasing state population and business growth in general, the Commissioner has had less and less time to devote to such investigations and prepare reports thereon. It is recommended that the feasibility of employing an investigating officer for the northern part of the state be investigated in order to assist the Commissioner and provide him with sufficient time to take action on some of the recommendations made in this report.

21. Files Withheld from Legislative Auditors


During the course of this audit, we were refused access to all files and correspondence involving current pending wage claims.

NRS 218.780 states, "Upon the request of the fiscal analyst or his duly authorized representatives, all officers and employees of the state departments shall make available and accessible to the fiscal analyst 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 fiscal analyst."

The Labor Commissioner, in refusing access to the records, indicated that he was relying on NRS 207.070 wherein it states, "Officers and employees in the office of the labor commissioner shall give to all persons requesting it all necessary information which they may possess, but no information that is of such a nature that it would be against public policy and against the best interest of the office of labor commissioner will be given to anyone."

No audit can be complete nor can an unqualified opinion be given in any instance where books and records have not been audited. If this issue of confidentiality of records is not resolved, any agency in state government could refuse the Fiscal Analyst access to any and all records and no audits of any usefulness will be possible.

September 21, 1964
Carson City, Nevada


Norman H. Terrell, C.P.A. *pt*
Fiscal Analyst

NOTE: At a meeting of the Labor Commissioner and the Fiscal Analyst on September 23, 1964, agreement was reached on the implementation of procedures to comply with the foregoing recommendations.

STATE OF NEVADA
PUBLIC EMPLOYEES RETIREMENT BOARD
AUDIT REPORT
For the Fiscal Year ended June 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Public Employees Retirement Board for the fiscal year ended June 30, 1964, and have prepared therefrom the following exhibits:

Public Employees Retirement Fund--
Statement of Financial Condition for the
Fiscal Year ended June 30, 1964-----Exhibit A

Public Employees Retirement Fund--
Schedule of Investments at Book Value as
of June 30, 1964-----Exhibit A-1

Public Employees Retirement Revolving Fund--
Statement of Financial Condition for the
Fiscal Year ended June 30, 1964-----Exhibit B

Administrative Fund--
Statement of Basis for Authorization
Compared to Actual Revenues and
Expenditures for the Fiscal Year
ended June 30, 1964-----Exhibit C

Public Employees Retirement Fund--
Statement of Income and Expense for the
Fiscal Year ended June 30, 1964-----Exhibit D

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 to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Opinion

We have examined the statement of financial condition of the retirement fund and the revolving fund of the Public Employees Retirement Board as of

June 30, 1964, 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 statement of revenues and expenditures present fairly the financial position of the Public Employees Retirement Board as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
October 6, 1964



Norman H. Terrell, C.P.A.
Fiscal Analyst

PUBLIC EMPLOYEES RETIREMENT BOARD
PUBLIC EMPLOYEES RETIREMENT FUND
STATEMENT OF FINANCIAL CONDITION
For the Fiscal Year ended June 30, 1964

Assets

Cash		\$ 105,382.69
Advance to Revolving Fund		175,000.00
Investments at Book Value: (See Exhibit A-1)		
Bonds	\$24,420,984.93	
Notes	901,500.00	
U.S. Govt. Obligations	17,164,855.77	
U.S. Govt. Insured Mort.	<u>2,011,942.00</u>	
		<u>44,499,282.70</u>
TOTAL ASSETS		<u><u>\$44,779,665.39</u></u>

Liabilities

Active Employees Accum. Contrib.	\$17,626,341.13
Inactive Employees Accum. Contrib.	326,370.38
Withdrawn Contrib. Partially Repaid	22,923.95
Reserve for Payments to Retired Members	15,107,102.83
Reserve for Post Retirement Increases	1,774,150.41
Employers Equivalent Contrib.	17,975,635.46
Current Actuarial Deficit (Note 1)	<u>(8,052,858.77)</u>
TOTAL LIABILITIES	<u><u>\$44,779,665.39</u></u>

Note 1: This figure represents the amount that would be needed in excess of present assets to pay the liabilities of the system should it have terminated June 30, 1964, based on actuarial studies.

PUBLIC EMPLOYEES RETIREMENT BOARD
PUBLIC EMPLOYEES RETIREMENT FUND
SCHEDULE OF INVESTMENTS AT BOOK VALUE
As of June 30, 1964

<u>BONDS</u>	<u>Amount</u>
American Can Co., Debentures, 4-3/4% of 4.70% basis, due 7/15/90	\$ 200,000.00
American Smelting & Refining Co., Sub. Debentures, 4-5/8% to yield 4.05%, due 10/15/88	600,000.00
American Tel. & Tel. Co., Debentures, 4-3/4% on 4.65% basis, due 11/1/92	1,200,000.00
Armco Steel Corp., Debentures, 4½%, on 4.65% basis, due 6/1/86	600,000.00
Associates Investment Co., Debentures, 4-1/8%, due 8/1/79	200,000.00
Atlantic Coastline R.R., Equip. Trust Cert., Series "L", 4-5/8%, on 4.80% due 7/15/72	200,000.00
Beneficial Finance Co., Debentures, 4-7/8% on 4.95% basis, due 6/1/81	400,000.00
B.F. Goodrich Co., Sinking Fund Debentures, 4-5/8% to yield 4.62%, due 11/15/85	500,000.00
Caterpillar Tractor Co., Sinking Fund Debentures, 4-5/8% on 4.66% basis, due 6/15/86	500,000.00
Chicago, Milwaukee, St. Paul & Pacific R.R., Equip. Trust Cert., 4-3/4% to yield 4.90%, 2/1/68 - 8/1/68	200,000.00
Churchill County Hospital Bonds, 3%, dated 6/1/53	45,000.00
C.I.T. Financial Corporation Debentures, 5-1/8% to yield 5.25%, due 1/15/80	995,779.35
C.I.T. Financial Corporation Debentures, 4½% on 4.55% basis, due 9/1/84	400,000.00
City of Carson Maint. & Equip. Bonds, 3½%, dated 7/15/58	13,000.00
City of Carson St. Imp. Bonds, 3½%, dated 6/14/55	26,000.00
City of Carson Swimming Pool Bonds, 3½%, dated 12/15/55	26,000.00
Clark County Airport Bonds, 3½%, dated 6/14/54	5,500.00
Clark County Enterprise School Dist. Bonds, 3½%	53,000.00
Clark County Las Vegas Grammar School District #12 Bonds, 3%, dated 9/1/51	736,000.00
Clark County Paradise School Dist. Bonds, 3%, dated 6/23/53	20,000.00
Commonwealth Edison Sinking Fund Debentures, 4-3/4%, due 12/1/2011	397,000.00
Consolidated Edison Co. of N.Y., 1st & Refund Mort. Bonds, 5½%, 12/1/89	1,100,000.00
Continental Can Co., Debentures, 4-5/8%, due 10/1/85	200,000.00
Continental Oil Co., Debentures, 4½% on 4.55% basis, due 5/1/91	800,000.00
Dequesne Light Co., Sinking Fund Debentures, 5%, due 3/1/2010	188,000.00
East Ely School Gen. Obligation Bldg. Bonds, 3%, dated 6/16/54	64,000.00

Exhibit A-1, cont'd.

Amount
\$ 200,000.00
240,000.00
1,100,000.00
400,000.00
64,500.00
500.00
72,000.00
800,000.00
1,095,000.00
125,420.68
4,000.00
33,600.00
66,400.00
8,500.00
2,800.00
19,000.00
50,000.00
40,252.65
5,000.00
4,000.00
300,000.00
20,000.00
48,750.00
2,400.00
189,000.00
500,000.00
501,150.00
200,000.00
600,000.00
300,000.00
400,000.00
350,000.00
2,000.00
500,000.00
200,000.00

Federal Land Bank Bonds, 5-1/8%, due 7/21/70
 Federal Land Bank Cons. Federal Farm Loan Bonds, 4 1/2% on 4.46%, due 2/20/74
 Federal National Mortgage Assoc., Debentures, Average 5%
 General Telephone Co. of Florida, 1st Mort. Bonds, 4-5/8% on 4.60% basis,
 11/1/91
 City of Hawthorne Paving Bonds, 3 1/2%, dated 7/6/53
 City of Hawthorne Sewer Bonds, 3%, dated 1/13/53
 City of Henderson Gen. Obligation Water Imp. Bonds, 3 1/2%, dated 2/1/56
 Household Finance Co., Debentures, 4-7/8% & 4 1/2%, due 1/1/81 & 7/1/91
 International Harvester Cr. Corp., Debentures, 4-3/4% on 4.73% basis, due 8/1/81
 Lander Co. Unincorporated Town of Battle Mountain St. Imp. Asses. Dist., 4 1/2%
 City of Las Vegas Asses. Dist. #20-18 Sanit. Sewer Imp. Bonds, 3-3/4%
 City of Las Vegas Asses. Dist. #100-35 St. Imp. Bonds, 3-3/4%, dated 6/4/58
 City of Las Vegas Asses. Dist. #100-36 St. Imp. Bonds, 3-3/4%, dated 4/1/56
 City of Las Vegas Asses. Dist. #100-47, St. Imp. Bonds, 4.50%, dated 5/1/61
 City of Las Vegas Asses. Dist. #100-49, St. Imp. Bonds, 4.75%, dated 2/1/61
 City of Las Vegas Grammar School Dist. #12 Bonds, 2-3/8% on 2 1/2% basis, dated
 7/1/46
 Lincoln County High School Gen. Obligation Bonds, 2 1/2%, dated 4/15/50
 Lincoln County Unincorp. Town of Panaca, Gen. Obligation Bonds, 4.35%
 Lincoln County Panaca School Bonds, 4%, dated 9/1/48
 Lincoln County Pioche School Bonds, 3 1/2%, on 3% basis, dated 5/1/48
 Louisville & Nashville R.R. Equip. Trust Cert., 4 1/2%, due 4/1/71
 Lovelock Sewer Bonds, 3 1/2%, dated 3/27/53
 Lyon County Mason Valley Swimming Pool Bonds, Gen. Obligation Bonds, 3 1/2%, dated
 5/1/58
 Lyon County (No.) Fire Protection Dist. Gen. Obligation Bonds, 3 1/2%, dated 1/2/56
 Milwaukee Gas Light Co., 1st Mort. Bonds, 4-5/8% to yield 5.45%, due 5/15/85
 Minneapolis Honeywell Reg. Co., S.F. Debentures, 4 1/2% on 4.46% basis, 4/15/86
 Mountain Fuel Supply Co., Debentures, 4.6%, due 6/1/89
 Mountain States Tel. & Tel. Debentures, 5% to yield 4.87%, due 4/1/2000
 National Bisquit Co., Sub. Debentures, 4-3/4%, due 4/1/87
 National Cash Register Bonds, 4 3/4% on 4.40% basis, due 6/1/85
 New England Tel. & Tel. Debentures, 4-3/4% to yield 5.625%, due 9/1/94
 New York Telephone Co. Mort. Bonds, 4-5/8% to yield 4 1/2%, 10/1/97
 Nye County, Beatty Sch. Dist. Bonds, 4%, Coupon yield 3%, dated 1/1/48
 Pacific Gas & Electric Co., 1st Refund Mort. Bonds, 5%, due 7/15/84
 Quebec Hydro Elec. Commission, Series "X" Bonds, 5%, due 7/15/84

Exhibit A-1, cont'd.

	<u>Amount</u>
City of Reno, Sterling Village Imp. Dist. Bonds, 2½%, dated 12/1/49	\$ 26,400.00
City of Reno, 1956 Sanitary Sewer Imp. Dist. #2 Bonds, 4%, dated 3/1/57	81,600.00
City of Reno, 1956 Sanitary Sewer Imp. Dist. #3 Bonds, 4%, dated 3/1/57	4,500.00
Rose School Dist. Bonds, 3%, dated 1/1/55	27,500.00
Shamrock Oil & Gas Corp., Debentures, 4-5/8% to yield 4.70%, 1987	350,000.00
Shell Oil Co., Sinking Fund Debentures, 4-5/8% on 4.64% basis, due 8/1/86	500,000.00
Sinclair Oil Co. Convertible Sub. Debentures, 4-3/8%, due 12/1/86	450,000.00
Southern Bell Tel. & Tel. Debentures, various due dates	700,000.00
Southern Bell Tel. & Tel. Debentures, 4.55%, due 8/1/95	200,000.00
City of Sparks, Spec. Asses. Dist. #21, 3½%, dated 11/57	28,000.00
City of Sparks, Spec. Asses. Dist. #20, 3½%, dated 9/1/56	12,000.00
City of Sparks, Spec. Asses. Dist. #18, 3½%, dated 1/6/55	4,000.00
City of Sparks, Spec. Asses. Dist. #19, 3½%, dated 1/6/55	16,000.00
State of Nevada Manzanita Hall Remodeling Bonds, 3%, dated 6/14/55	110,000.00
State of Nevada, Prison Building Bonds, 3%, dated 9/3/48	50,000.00
State of Nevada, Prison Building Bonds, 3%, dated 6/1/49	45,000.00
State of Nevada, Prison Heating Plant, 3%, dated 8/22/55	41,000.00
State of Nevada, State Hospital Bonds, 3%, dated 12/9/53	115,000.00
State of Nevada, State Office Bldg. Bonds, 3%, dated 3/5/54	144,000.00
State of Nevada, State Office Bldg. Bonds, 3%, dated 9/10/57	185,000.00
State of Nevada, State Office Bldg. Bonds, 3%, dated 3/29/49	5,000.00
State of Nevada, University of Nev., So. Br., 3%, dated 10/15/56	115,000.00
Union Electric Co. of Missouri, 4½% on 4.47% basis, due 11/1/93	400,000.00
Union Oil Co. of California, Debentures, 4-7/8%, due 6/1/86	300,000.00
U.S. Steel Corp., Sinking Fund Debentures, 4½% on 4.42% basis, due 4/1/93	700,000.00
Utah Power & Light Co., 1st Mort. Bonds, 4½% on 4.42% basis, due 4/1/93	500,000.00
Washoe County School Dist. Bonds, 3.125%, Series of 6/1/56	188,000.00
Washoe County, Washoe Medical Center Imp. Bonds, 3.25%, dated 11/14/57	65,000.00
Washoe County, Cons. School Dist. #27 Gen. Obligation Bonds, 3%, dated 7/15/54	88,000.00
Washoe County, Huffaker Sch. Dist. #9 Gen. Obligation Bonds, 2½%, dated 5/1/50	38,000.00
Washoe County, Huffaker School Dist. #9 Gen. Obligation Bonds, 3%, dated 7/15/54	22,000.00
Washoe County, Spanish Springs School Dist. #18, 2½%, dated 6/30/51	11,000.00
Washoe County, Sparks School Dist. #29 Bonds, 2.95%, dated 8/31/94	42,000.00
Washoe County, Sparks School Dist. 3% Bonds, due before 9/15/67	18,000.00
Wadsworth School Dist. #11, Utility Bonds, 2½%, dated 12/24/51	6,000.00
White Pine County High School Bonds, 2-3/4% to yield 3%, dated 4/1/54	120,000.00
White Pine County, Gen. Obligation Swimming Pool Bonds, 3%, dated 5/1/56	33,000.00
City of Winnemucca St. Imp. Dist. #10 Bonds, 3½%, due 6/1/60-69	13,457.25

Exhibit A-1, cont'd.

<u>Amount</u>	
	Youngstown Sheet & Tube, 1st Mort. Sinking Fund Bonds, Series "H", 4½% on 4.60% basis, 10/1/90
\$ 401,975.00	Zephyr Heights Gen. Imp. Dist. #1 Bonds, 4½%, Series 7/1/61
<u>111,000.00</u>	
	\$24,420,984.93
<u>NOTES</u>	
\$ 501,500.00	Bankers Trust Co., Capital Notes, 4½%, due 12/15/88
<u>400,000.00</u>	Commercial Credit Co. Notes, 5½% to yield 5.25%, due 1/1/80
	901,500.00
<u>U.S. GOVERNMENT OBLIGATIONS</u>	
\$ 903,470.79	U.S. Treasury Bonds, 4½%, due 5/15/85
850,000.00	U.S. Treasury Bonds, 4-1/8%, due 5/15/94-89
3,550,000.00	U.S. Treasury Bonds, 4½%, to yield 4.19%, due 1992
600,000.00	U.S. Treasury Bonds, 3½%, due 2/15/90
600,000.00	U.S. Treasury Bonds, 3-7/8%, due 11/15/74
3,600,000.00	U.S. Treasury Bonds, 4%, due 2/15/80
1,500,000.00	U.S. Treasury Bonds, 4%, due 2/15/72
2,500,000.00	U.S. Treasury Bonds, 4% to yield 4.05%, due 8/15/72
680,000.00	U.S. Treasury Bonds, 3½%, dated 11/15/98
130,000.00	U.S. Treasury Bonds, 2½%, due 1966-71
451,384.98	U.S. Treasury Bonds, 2½%, due 11/15/98
600,000.00	U.S. Treasury Bonds, 4½%, due 5/15/74
700,000.00	U.S. Treasury Notes, 4-5/8% to yield 3.80%, due 5/15/65
<u>500,000.00</u>	U.S. Treasury Notes, 3-7/8%, due 5/15/65
	17,164,855.77
<u>U.S. GOVERNMENT INSURED MORTGAGES</u>	
\$ 2,939.75	Alamo Farmstead Water Assoc., 3½%, dated 6/12/58
27,506.79	Bunkerville Irrig. Co., 3½%, dated 5/24/57
954,364.30	FHA & VA Guaranteed Mortgages, 5½%
<u>1,027,131.16</u>	VA Vendee Loans
	2,011,942.00
TOTAL INVESTMENTS AT BOOK VALUE	
	<u>\$44,499,282.70</u>
Investments held by Trust Department, First National Bank of Nevada	
Investments held by State Treasurer	
	\$37,902,875.14
	<u>6,596,407.56</u>
	<u>\$44,499,282.70</u>

PUBLIC EMPLOYEES RETIREMENT BOARD
PUBLIC EMPLOYEES RETIREMENT REVOLVING FUND
STATEMENT OF FINANCIAL CONDITION
For the Fiscal Year ended June 30, 1964

<u>Assets</u>	
Cash	\$ 95,287.48
Receivable from Retirement Fund	<u>79,712.52</u>
TOTAL ASSETS	<u>\$175,000.00</u>
<u>Liabilities</u>	
Due to Retirement Fund	<u>\$175,000.00</u>
TOTAL LIABILITIES	<u>\$175,000.00</u>

PUBLIC EMPLOYEES RETIREMENT BOARD
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUES & EXPENDITURES

For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenues or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
Employer & Employee Contributions	\$89,926.00	\$89,926.00	\$105,494.78	\$15,568.78
	<u>\$89,926.00</u>	<u>\$89,926.00</u>	<u>\$105,494.78</u>	<u>\$15,568.78</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries	\$55,464.00	\$55,464.00	\$57,609.08	\$ 2,145.08
Ind. Ins.	390.00	390.00	460.02	70.02
Retirement	3,220.00	3,220.00	3,340.08	120.08
Personnel Asses.	388.00	388.00	338.00	(50.00)
Group Ins.	--	--	222.00	222.00
Total	<u>\$59,462.00</u>	<u>\$59,462.00</u>	<u>\$61,969.18</u>	<u>\$ 2,507.18</u>
Travel:				
Out-of-State	\$ 750.00	\$ 750.00	\$ 365.85	\$ (384.15)
In-State	2,100.00	2,100.00	1,582.00	(518.00)
Total	<u>\$ 2,850.00</u>	<u>\$ 2,850.00</u>	<u>\$ 1,947.85</u>	<u>\$ (902.15)</u>
Operating:				
Building Space Rent.	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ --
Freight & Postage	2,200.00	2,200.00	1,425.78	(774.22)
Printing	3,750.00	3,750.00	4,937.29	1,187.29
Ofc. Supplies	1,500.00	1,500.00	2,074.04	574.04
Heat	200.00	200.00	139.69	(60.31)
Power	240.00	240.00	265.33	25.33
Water	60.00	60.00	51.60	(8.40)
Other Util.	25.00	25.00	48.00	23.00
Telephone & Telegraph	375.00	375.00	425.02	50.02
Insurance	175.00	175.00	--	(175.00)
Ofc. Equip. Repair	500.00	500.00	46.93	(453.07)
Janitorial Supplies	100.00	100.00	68.59	(31.41)
Bldg. Maint.	125.00	125.00	128.55	3.55
Actuary Fees	4,200.00	4,200.00	8,400.00	4,200.00
Medical Exam.	500.00	500.00	337.00	(163.00)
Bonding Costs	125.00	125.00	125.00	--
Dues & Subscrip.	125.00	125.00	107.00	(18.00)
Microfilming	1,500.00	1,500.00	1,532.07	32.07
Equip. Repair-Other	--	--	7.00	7.00
Refunds-Canc. Warr. & Overpayments	--	--	76.53	76.53
Total	<u>\$18,100.00</u>	<u>\$18,100.00</u>	<u>\$22,595.42</u>	<u>\$ 4,495.42</u>

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenues or Expend.</u>	<u>Over or (Under) Author.</u>
Equipment:				
Office Furniture	\$	\$	\$ 52.55	\$ 52.55
Office Equipment	<u>9,514.00</u>	<u>9,514.00</u>	<u>22,209.51</u>	<u>12,695.51</u>
Total	<u>\$ 9,514.00</u>	<u>\$ 9,514.00</u>	<u>\$ 22,262.06</u>	<u>\$12,748.06</u>
Total Expenditures	<u>\$89,926.00</u>	<u>\$89,926.00</u>	<u>\$108,774.51</u>	<u>\$18,848.51</u>
Balance - July 1, 1963			\$ 25,397.78	
Less - Excess of Expenditures over Revenues			<u>(3,279.73)</u>	
Balance - June 30, 1964		q	<u>\$ 22,118.05</u>	

PUBLIC EMPLOYEES RETIREMENT BOARD
PUBLIC EMPLOYEES RETIREMENT FUND
STATEMENT OF INCOME & EXPENSE
For the Fiscal Year ended June 30, 1964

Balance - July 1, 1963		\$ 419,185.94	
<u>Receipts</u>			
Contributions:			
Employer	\$4,979,813.53		
Employee	4,798,319.14		
Withdrawn Contrib. Repaid	<u>59,599.92</u>	9,837,732.59	
Redemption of Bonds & Notes		1,782,906.09	
Interest Income		<u>1,779,485.63</u>	
TOTAL TO ACCOUNT FOR			\$13,819,310.25
<u>Disbursements</u>			
Refunds:			
To Terminated Employees	\$1,256,710.47		
To Employers	1,554.32		
Because of Death	<u>44,893.94</u>	\$1,303,158.73	
Retirement Allowances		1,837,795.08	
Survivors Benefits		18,848.02	
Post Retirement Benefits		21,805.92	
Purchase of Bonds & Notes		10,316,496.44	
Investment Counsel Fees & Exp.		<u>40,823.37</u>	
TOTAL DISBURSEMENTS			<u>13,538,927.56</u>
Balance - June 30, 1964			<u>\$ 280,382.69</u>

PUBLIC EMPLOYEES RETIREMENT BOARD
SUPPLEMENTAL LETTER
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

PUBLIC EMPLOYEES RETIREMENT BOARD

SUPPLEMENTAL LETTER

For the Fiscal Year ended June 30, 1964

1. Books and Records

During 1963-1964 the Public Employees Retirement Board purchased a Burroughs Sensatronic Accounting Machine at a cost of approximately \$13,000.00. This machine is used exclusively to post individual members accounts. Previously, members accounts were posted by hand.

Payments to retired members were, and are made using an older Burroughs bookkeeping machine. A number of control accounts for various purposes are maintained and these are all hand-posted. The bookkeeping system for the retirement fund is basically a single entry system. Hand-posted records are also maintained on the administration and revolving funds.

Members accounts for employees of Washoe Medical Center and Southern Nevada Memorial Hospital are not posted by the machine because of reporting procedures of these agencies.

The accounting records of the Retirement Board appear to be accurate and provide adequate information; however, in our opinion, the uses of the new accounting machine to post members accounts only is not the most economical and practical use of a machine costing \$13,000.00.

If the present rate of growth of the retirement system continues, hand-posting records will soon become quite cumbersome and a single-entry system of accounting will not provide the control necessary for good management. We recommend that a double-entry system of accounting be

established as soon as possible and that all hand operations be mechanized. The present growth of the Retirement system indicates additional machines will be necessary in the near future and these suggestions should be implemented prior to acquisition.

2. Internal Control

Internal control in the operation of the Public Employees Retirement Board appears to be adequate except the function of signing checks.

A Burroughs Check Protector is used which imprints the amount of the check and inserts the required two signatures from a signature plate. This machine has two keys which remain in the machine all during working hours and is accessible to all employees. The keys are removed and locked in the vault at night.

We recommend the following:

- (1) One key should remain in the custody of the executive secretary or his assistant at all times during the day except when checks are actually being signed. Both keys should not be accessible to any one person without proper supervision.
- (2) A log should be maintained at the machine that will account for all check numbers processed through the machine.

3. Surety Bonds

The executive secretary of the Retirement Board is bonded in the amount of \$25,000.00, and is the only employee that is bonded. Since the accountant also signs checks and the assistant secretary approves disbursements in the absence of the executive secretary, it is recommended that these two employees also be bonded. It is also recommended that the bond of the executive secretary be increased to at least the amount of the revolving fund which is currently \$175,000.00.

4. Administrative Fund

In accounting for expenditures from the Administrative Fund, the Retirement Board does not use the expenditure classifications shown in their budget nor do they use the classification prescribed by the State Administrative Manual. It is recommended that the proper expenditure classifications be used in the future.

5. Office Supplies

In reviewing the purchase of office supplies by the Retirement Board, it was noted that 47% of office supply purchases were made from vendors other than the State Purchasing Division. It is recommended that office supplies, where possible, be purchased through the State Purchasing Division as required by the State Administrative Manual and the Nevada Revised Statutes. Since the issuance of a catalog by the Purchasing Division, the Retirement Board has made every attempt to buy items listed therein from the Purchasing Division.

6. Calculation of Retirement Benefits

Benefits to be paid retiring members of the system are calculated by the executive secretary and checked by the assistant secretary for accuracy or vice-versa. Under the optional retirement plans where the age, occupation, etc. of the beneficiaries of the retirees are a factor in the calculation, the basic benefit is calculated by the secretary and sent to the actuaries who calculate the adjusted benefits. In reviewing a sample of these calculations, no errors were found; however, calculations are done on scratch papers and are difficult to follow. We recommend that a standard form be devised, showing all calculations and other pertinent information, which should be made part of the permanent records.

7. Accounting and Procedures Manual

The Retirement Board does not have an accounting and procedures manual. Such a manual can be an excellent training aid and management tool for Board Employees, as well as to serve as a guide to interested outside parties such as legislators, auditors, participating members and agencies and the general public. A manual can also be a valuable cross-training device in a small agency such as the Retirement Board where the absence of key personnel can materially affect its operation. We recommend that a manual be developed and printed as soon as possible.

8. Investment Counsel

It is recommended that NRS 286.680 pertaining to employment of investment counsel be amended to provide that such counsel must have a minimum of 10 years experience in the investment counseling field and be a member of the Investment Counsel Association of America, Inc.

9. Election to Participate

An analysis was made of members electing to participate during the period July 1, 1963 to October 15, 1964. During this period, approximately 7,600 new members were enrolled and 3,950 withdrew and received refunds.

The refunds were as follows:

<u>Period Worked</u>	<u>No. Members</u>	<u>Dollar Refunds</u>
0-60 Days	428	\$ 9,500.00
60-90 Days	442	17,500.00
90-120 Days	341	19,000.00
120-150 Days	219	15,500.00
150-180 Days	201	17,600.00
Over 180 Days	<u>2,319</u>	<u>1,120,300.00</u>
TOTALS	3,950	\$1,199,400.00

From the above analysis, 21.5% of all members electing to participate in the first 6 months are terminated and take refunds; also, 24.2% of all refunds made during the period were to members participating less than 6 months.


The processing of applications for membership and subsequent processing of refunds creates additional paper work on the agency-employer staff as it does on Retirement Board employees.

A survey of private retirement plans indicates that very few allow participation prior to a 6 month period of employment, and the majority of plans required 1 year continuous employment.

It is recommended that NRS 286.420 be amended to provide that participation in the retirement plan not be allowed until after at least 120 days employment and preferably not until after 6 months employment.

According to the executive secretary, the retention of employer contributions is a major factor in payment of present benefits and that close study must be given to any proposal increasing exempt periods. Further, it is the belief of the executive secretary that employees should be permitted at their discretion, to elect participation from the first day of employment

Carson City, Nevada
October 15, 1964


Norman H. Terrell, C.P.A.
Fiscal Analyst

Note: At a meeting held November 4, 1964, between the Fiscal Analyst and the Executive Secretary of the Retirement Board, agreement was reached on all of the foregoing recommendations, excepting Item 9 above as qualified.

STATE OF NEVADA

DEPARTMENT OF EDUCATION

For the Fiscal Year 1963-1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Department of Education for the fiscal year ended June 30, 1964, and have prepared therefrom the following schedules:

Administration--

Statement of Basis for Appropriation and
Authorization Compared to Actual Revenues
and Expenditures for the Fiscal Year ended
June 30, 1964-----Schedule 1

Distributive School Fund--

Statement of Basis for Appropriation and
Authorization Compared to Actual Revenues
and Expenditures for the Fiscal Year ended
June 30, 1964-----Schedule 2

National Defense Education Act--

Statement of Basis for Authorization
Compared to Actual Revenues and Expenditures
for the Fiscal Year ended June 30, 1964-----Schedule 3

Federal Subvention Program--

Statement of Basis for Authorization
Compared to Actual Revenues and Expenditures
for the Fiscal Year ended June 30, 1964-----Schedule 4

Vocational Education--

Statement of Basis for Appropriation and
Authorization Compared to Actual Revenues
and Expenditures for the Fiscal Year ended
June 30, 1964-----Schedule 5

Vocational Rehabilitation--

Statement of Basis for Appropriation and
Authorization Compared to Actual Revenues
and Expenditures for the Fiscal Year ended
June 30, 1964-----Schedule 6

Ford Small School Study--

Statement of Basis for Authorization
Compared to Actual Revenues and Expenditures
for the Fiscal Year ended June 30, 1964-----Schedule 7

Care of Deaf and Blind--
 Statement of Basis for Appropriation
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 8

Public School Teachers Retirement--
 Statement of Basis for Appropriation
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 9

Graduate Fellowships Mentally Retarded Education--
 Statement of Basis for Authorization
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 10

Fleischmann Scholarships--
 Statement of Basis for Authorization
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 11

Manpower Development and Training Act--
 Statement of Basis for Authorization
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 12

Area Redevelopment Act--
 Statement of Basis for Authorization
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 13

OASI Disability Determination--
 Statement of Basis for Authorization
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 14

Emergency Distributive School Fund--
 Statement of Basis for Appropriation
 Compared to Actual Revenues and Expenditures
 for the Fiscal Year ended June 30, 1964-----Schedule 15

Indian Education Scholarships--
 Statement of Receipts and Disbursements
 for the Fiscal Year ended June 30, 1964-----Schedule 16

Permanent School Fund--
 Statement of Receipts and Disbursements
 for the Fiscal Year ended June 30, 1964-----Schedule 17

Scope of the Examination

Although a detailed examination of all recorded transactions was not made, 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.

Opinion

In our opinion, the accompanying schedules present fairly the operations of the Department of Education for the fiscal year ended June 30, 1964, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

October 2, 1964
Carson City, Nevada



Norman H. Terrell, C.P.A.
Fiscal Analyst

DEPARTMENT OF EDUCATION
ADMINISTRATION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED TO ACTUAL REVENUE OR EXPENSE

For the Fiscal Year ended June 30, 1964

	Work Program	Basis for Approp. & Author.	Actual Revenue or Expend.	Over/(Under) Approp. & Author.
Revenues				
G.F. Appropriation	\$281,665.00	\$281,665.00	\$281,665.00	\$
Salary Adj. Fund	15,419.00	15,419.00	15,919.00	500.00
GED Tests, Directories, Pamphlets	1,000.00	1,000.00	1,840.27	840.27
Group Ins. Fund	1,188.00	1,188.00	1,188.00	-
Federal Subventions	20,000.00	20,000.00	18,276.06	(1,723.94)
Accounting Services	760.00	760.00	-	(760.00)
Total Revenues	<u>\$320,032.00</u>	<u>\$320,032.00</u>	<u>\$318,888.33</u>	<u>(\$1,143.67)</u>
Expenditures				
Salaries & Payroll Costs:				
Salary	\$242,696.00	\$242,696.00	\$236,293.90	(\$6,402.10)
Ind. Ins.	1,914.00	1,480.00	1,533.04	53.04
Retirement	14,161.00	13,185.00	13,607.01	422.01
Personnel Assess.	1,575.00	1,575.00	1,573.00	(2.00)
Group Ins.	1,188.00	1,188.00	816.00	(372.00)
Total	<u>\$261,534.00</u>	<u>\$260,124.00</u>	<u>\$253,822.95</u>	<u>(\$6,301.05)</u>
Travel:				
Out-of-State	\$ 2,000.00	\$ 2,000.00	\$ 1,974.80	\$ (25.20)
In-State	25,000.00	25,000.00	21,636.38	(3,363.62)
Total	<u>\$ 27,000.00</u>	<u>\$ 27,000.00</u>	<u>\$ 23,611.18</u>	<u>(\$3,388.82)</u>
Operating:				
Freight & Postage	\$ 2,500.00	\$ 2,500.00	\$ 3,820.01	\$1,320.01
Printing	8,768.00	9,200.00	11,257.25	2,057.25
Office Supplies	6,768.00	7,000.00	5,999.35	(1,000.65)
Telephone & Telegraph	4,743.00	5,175.00	6,031.06	856.06
Office Equip. Repair	2,500.00	2,500.00	1,952.92	(547.08)
Contract Services	3,000.00	3,000.00	2,737.72	(262.28)
Dues & Subscrip.	1,080.00	1,025.00	698.75	(326.25)
GED Tests & Misc.	81.00	450.00	45.05	(404.95)
Total	<u>\$ 29,440.00</u>	<u>\$ 30,850.00</u>	<u>\$ 32,542.11</u>	<u>\$1,692.11</u>
Equipment:				
Office Equip.	\$ 1,495.00	\$ 1,414.00	\$ 1,788.37	\$ 374.37
Other Equip.	453.00	135.00	-	(135.00)
Office Furniture	110.00	509.00	408.76	(100.24)
Total	<u>\$ 2,058.00</u>	<u>\$ 2,058.00</u>	<u>\$ 2,197.13</u>	<u>\$ 139.13</u>
Total Expenditures	<u>\$320,032.00</u>	<u>\$320,032.00</u>	<u>\$312,173.37</u>	<u>(\$7,858.63)</u>
Reversion			<u>\$ 6,714.96</u>	

DEPARTMENT OF EDUCATION
DISTRIBUTIVE SCHOOL FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES

For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp. & Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over/(Under) Approp. & Author.</u>
<u>Revenues</u>				
G.F. Appropriation	\$23,007,380.00	\$23,007,380.00	\$23,007,380.00	\$
Bond Interest	170,000.00	170,000.00	132,671.80	(37,328.20)
Land Interest	5,000.00	5,000.00	5,024.06	24.06
Mineral Land Lease	200,000.00	200,000.00	178,520.69	(21,479.31)
Advance from 1964-1965				
Appropriation	1,307,634.00	1,307,634.00	1,307,634.00	-
Transfer from Emer. Dist.	26,025.00	26,025.00	26,025.00	-
Total	<u>\$24,716,039.00</u>	<u>\$24,716,039.00</u>	<u>\$24,657,255.55</u>	<u>\$(58,783.45)</u>
<u>Expenditures</u>				
Institute Expense	\$ 4,200.00	\$ 4,200.00	\$ 410.60	\$ (3,789.40)
Aid to Schools	24,711,839.00	24,711,839.00	24,658,441.50	(53,397.50)
Total	<u>\$24,716,039.00</u>	<u>\$24,716,039.00</u>	<u>\$24,658,852.10</u>	<u>\$(57,186.90)</u>
Balance, July 1, 1963			\$ 34,498.65	
Less - Excess of Expenditures over Revenues			<u>(1,596.55)</u>	
Balance - June 30, 1964			<u>\$ 32,902.10</u>	

DEPARTMENT OF EDUCATION
NATIONAL DEFENSE EDUCATION ACT
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES

For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
Federal Subvention	<u>\$130,997.97</u>	<u>\$101,195.00</u>	<u>\$151,030.78</u>	<u>\$49,835.78</u>
<u>Expenditures</u>				
Aid to Schools:				
Title III	\$ 99,111.97	\$ 80,000.00	\$ 79,932.31	\$ (67.69)
Title V	<u>31,886.00</u>	<u>21,195.00</u>	<u>24,917.56</u>	<u>3,722.56</u>
Total	<u>\$130,997.97</u>	<u>\$101,195.00</u>	<u>\$104,849.87</u>	<u>\$ 3,654.87</u>
Excess of Revenues over Estimate			\$ 49,835.78	
Less - Excess of Expenditures over Budget			<u>3,654.87</u>	
Balance - June 30, 1964			<u>\$ 46,180.91</u>	

DEPARTMENT OF EDUCATION
FEDERAL SUBVENTION PROGRAM
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES

For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
Federal Subventions	<u>\$64,809.78</u>	<u>\$56,000.00</u>	<u>\$60,052.53</u>	<u>\$4,052.53</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries	\$13,225.00	\$12,329.00	\$13,216.00	\$ 887.00
Ind. Ins.	89.00	89.00	84.53	(4.47)
Retirement	768.00	576.00	764.06	188.06
Personnel Asses.	100.00	100.00	100.00	-
Group Ins.	72.00	-	36.00	36.00
Total	<u>\$14,254.00</u>	<u>\$13,094.00</u>	<u>\$14,200.59</u>	<u>\$1,106.59</u>
Travel:				
Out-of-State	\$ 600.00	\$ 600.00	\$ 600.00	\$ -
In-State	2,600.00	1,950.00	2,239.86	289.86
Total	<u>\$ 3,200.00</u>	<u>\$ 2,550.00</u>	<u>\$ 2,839.86</u>	<u>\$ 289.86</u>
Operating:				
Freight & Postage	\$ 60.00	\$ 60.00	\$ 26.40	\$ (33.60)
Printing	100.00	100.00	43.84	(56.16)
Office Supplies	250.00	250.00	367.23	117.23
Telephone & Telegraph	250.00	250.00	209.60	(40.40)
Office Equip. Repair	50.00	50.00	-	(50.00)
Misc.	10.00	10.00	-	(10.00)
Total	<u>\$ 720.00</u>	<u>\$ 720.00</u>	<u>\$ 647.07</u>	<u>\$ (72.93)</u>
Equipment	<u>\$ 450.00</u>	<u>\$ 450.00</u>	<u>\$ 430.64</u>	<u>\$ (19.36)</u>
Aid to Schools	<u>\$46,185.78</u>	<u>\$39,186.00</u>	<u>\$45,175.10</u>	<u>\$5,989.10</u>
Total Expenditures	<u>\$64,809.78</u>	<u>\$56,000.00</u>	<u>\$63,293.26</u>	<u>\$7,293.26</u>
Balance - July 1, 1963			\$ 4,809.78	
Less - Expenditures over Revenues			<u>(3,240.73)</u>	
Balance - June 30, 1964			<u>\$ 1,569.05</u>	

DEPARTMENT OF EDUCATION
VOCATIONAL EDUCATION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES

For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp. and Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over/(Under) Approp. and Author.</u>
Revenues				
General Fund Approp.	\$216,599.00	\$216,599.00	\$216,599.00	\$ -
Salary Adj. Fund	3,748.00	3,748.00	3,748.00	-
Group Insurance	216.00	216.00	216.00	-
Federal Subven.& Others	261,571.00	253,246.00	263,898.05	10,652.05
Reimbursements-Fireman Tr.	1,000.00	1,000.00	945.00	(55.00)
Total	<u>\$483,134.00</u>	<u>\$474,809.00</u>	<u>\$485,406.05</u>	<u>\$10,597.05</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$ 92,847.00	\$ 89,432.00	\$ 92,383.60	\$ 2,951.60
Ind. Ins.	625.00	620.00	501.17	(118.83)
Retirement	5,382.00	4,969.00	5,355.15	386.15
Personnel Asses.	600.00	600.00	600.00	-
Group Ins.	432.00	216.00	318.00	102.00
Total	<u>\$ 99,886.00</u>	<u>\$ 95,837.00</u>	<u>\$ 99,157.92</u>	<u>\$ 3,320.92</u>
Travel:				
Out-of-State	\$ 1,500.00	\$ 1,500.00	\$ 2,420.95	\$ 920.95
In-State	12,000.00	12,000.00	10,715.41	(1,284.59)
Total	<u>\$ 13,500.00</u>	<u>\$ 13,500.00</u>	<u>\$ 13,136.36</u>	<u>\$ (363.64)</u>
Operating:				
Freight & Postage	\$ 1,000.00	\$ 1,000.00	\$ 1,148.51	\$ 148.51
Printing	2,100.00	2,100.00	997.73	(1,102.27)
Office Supplies	2,800.00	2,800.00	1,772.64	(1,027.36)
Telephone & Telegraph	2,100.00	2,100.00	2,188.91	88.91
Truck Operation	900.00	800.00	648.66	(151.34)
Office Equip. Repair	250.00	250.00	286.32	36.32
Contract Services	2,400.00	1,800.00	1,490.00	(310.00)
Dues & Subscrip.	150.00	150.00	146.50	(3.50)
Instructional Supplies	400.00	400.00	-	(400.00)
Special Projects	-	--	2,411.37	2,411.37
Total	<u>\$ 12,100.00</u>	<u>\$ 11,400.00</u>	<u>\$ 11,090.64</u>	<u>\$ (309.36)</u>
Equipment:				
Office Equipment	\$ 712.00	\$ 712.00	\$ 579.50	\$ (132.50)
Office Furniture	110.00	110.00	120.62	10.62
Total	<u>\$ 822.00</u>	<u>\$ 822.00</u>	<u>\$ 700.12</u>	<u>\$ (121.88)</u>
Aid to Schools	<u>\$356,826.00</u>	<u>\$353,250.00</u>	<u>\$352,376.44</u>	<u>\$ (873.56)</u>
Total Expenditures	<u>\$483,134.00</u>	<u>\$474,809.00</u>	<u>\$476,461.48</u>	<u>\$ 1,652.48</u>
Amount Reverted			<u>\$ 8,944.57</u>	

DEPARTMENT OF EDUCATION
VOCATIONAL REHABILITATION
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES

For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp. & Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over/(Under) Approp. & Author.</u>
Revenues				
G.F. Appropriation	\$ 62,301.00	\$ 62,301.00	\$ 62,301.00	\$ -
Salary Adj. Fund	1,500.00	1,500.00	1,500.00	-
Federal Subventions and Other	127,136.00	109,926.00	113,427.92	3,501.92
Group Ins. Fund	198.00	198.00	198.00	-
Total	<u>\$191,135.00</u>	<u>\$173,925.00</u>	<u>\$177,426.92</u>	<u>\$ 3,501.92</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$ 72,504.00	\$ 70,889.00	\$ 72,328.16	\$ 1,439.16
Ind. Ins.	486.00	456.00	460.74	4.74
Retirement	4,209.00	4,029.00	4,198.24	169.24
Personnel Asses.	550.00	550.00	550.00	--
Group Ins.	396.00	198.00	330.00	132.00
Total	<u>\$ 78,145.00</u>	<u>\$ 76,122.00</u>	<u>\$ 77,867.14</u>	<u>\$ 1,745.14</u>
Travel:				
Out-of-State	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -
In-State	5,200.00	5,200.00	4,972.83	(227.17)
Total	<u>\$ 6,700.00</u>	<u>\$ 6,700.00</u>	<u>\$ 6,472.83</u>	<u>\$ (227.17)</u>
Operating:				
Freight & Postage	\$ 600.00	\$ 600.00	\$ 671.39	\$ 71.39
Printing	600.00	600.00	365.54	(234.46)
Office Supplies	800.00	800.00	1,153.14	353.14
Telephone & Telegraph	1,275.00	1,275.00	2,357.86	1,082.86
Office Equip. Repair	100.00	100.00	184.96	84.96
Contract Services	8,400.00	8,400.00	2,595.00	(5,805.00)
Dues & Subscrip.	190.00	190.00	209.50	19.50
Misc.	100.00	100.00	-	(100.00)
Total	<u>\$ 12,065.00</u>	<u>\$ 12,065.00</u>	<u>\$ 7,537.39</u>	<u>\$ (4,527.61)</u>
Equipment:				
Office Furniture	\$ 571.00	\$ 571.00	\$ 371.53	\$ (199.47)
Office Equip.	709.00	709.00	738.10	29.10
Total	<u>\$ 1,280.00</u>	<u>\$ 1,280.00</u>	<u>\$ 1,109.63</u>	<u>\$ (170.37)</u>
Casework	\$ 92,945.00	\$ 75,758.00	\$ 77,878.30	\$ 2,120.30
Staff Development	\$ -	\$ 2,000.00	\$ 1,763.80	\$ (236.20)
TOTAL EXPENDITURES	<u>\$191,135.00</u>	<u>\$173,925.00</u>	<u>\$172,629.09</u>	<u>\$ (1,295.91)</u>
Excess of Revenues over Expenditures			\$ 4,797.83	
Transfer to 18191 Continuing Federal Funds			(394.15)	
Reversion			<u>\$ 4,403.68</u>	

DEPARTMENT OF EDUCATION
FORD SMALL SCHOOL STUDY
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
Revenues				
Balance, July 1, 1963	\$13,322.00	\$13,322.00	\$	\$
Ford Foundation Grant	38,400.00	38,400.00	32,770.45	(5,629.55)
Total	<u>\$51,722.00</u>	<u>\$51,722.00</u>	<u>\$32,770.45</u>	<u>\$(5,629.55)</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$14,713.00	\$13,674.00	\$13,947.43	\$ 273.43
Ind. Ins.	99.00	89.00	85.74	(3.26)
Retirement	854.00	577.00	798.91	221.91
Personnel Asses.	50.00	50.00	50.00	-
Group Ins.	72.00	-	33.00	33.00
Total	<u>\$15,788.00</u>	<u>\$14,390.00</u>	<u>\$14,915.08</u>	<u>\$ 525.08</u>
Travel:				
Out-of-State	\$ 2,545.00	\$ 2,545.00	\$ 2,574.86	\$ 29.86
In-State	3,100.00	3,100.00	3,276.33	176.33
Total	<u>\$ 5,645.00</u>	<u>\$ 5,645.00</u>	<u>\$ 5,851.19</u>	<u>\$ 206.19</u>
Operating:				
Printing	\$ 1,000.00	\$ 1,000.00	\$ 61.91	\$ (938.09)
Office Supplies	1,000.00	1,000.00	504.00	(496.00)
Contract Services	11,300.00	11,300.00	13,930.34	2,630.34
Substitute Teachers	1,000.00	1,000.00	271.00	(729.00)
Dues & Subscriptions	100.00	100.00	22.00	(78.00)
Instructional Material	1,000.00	1,000.00	296.59	(703.41)
Teaching Aids	2,000.00	2,000.00	132.40	(1,867.60)
Total	<u>\$17,400.00</u>	<u>\$17,400.00</u>	<u>\$15,218.24</u>	<u>\$(2,181.76)</u>
Reserve	<u>\$12,889.00</u>	<u>\$14,287.00</u>	<u>\$ -</u>	<u>(\$14,287.00)</u>
Total Expenditures	<u>\$51,722.00</u>	<u>\$51,722.00</u>	<u>\$35,984.51</u>	<u>(\$15,737.49)</u>
Balance, July 1, 1963			\$27,886.66	
Excess of Expenditures over Revenues			<u>(3,214.06)</u>	
Balance, June 30, 1964			<u>\$24,672.60</u>	

DEPARTMENT OF EDUCATION
CARE OF DEAF AND BLIND
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
GF Appropriation	<u>\$78,750.00</u>	<u>\$78,750.00</u>	<u>\$78,750.00</u>	<u>\$</u>
<u>Expenditures</u>				
Care & Tuition	\$78,000.00	\$78,000.00	\$64,910.07	(\$13,089.93)
Transportation of Students	<u>750.00</u>	<u>750.00</u>	<u>644.50</u>	<u>(105.50)</u>
Total	<u>\$78,750.00</u>	<u>\$78,750.00</u>	<u>\$65,554.57</u>	<u>\$13,195.43</u>
Reversion			<u>\$13,195.43</u>	

DEPARTMENT OF EDUCATION
 PUBLIC SCHOOL TEACHERS RETIREMENT
 STATEMENT OF BASIS FOR APPROPRIATION
 COMPARED TO ACTUAL REVENUE AND EXPENDITURES
 For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
G F Appropriation	<u>\$1,667,351.00</u>	<u>\$1,667,351.00</u>	<u>\$1,667,351.00</u>	<u>\$</u>
<u>Expenditures</u>				
Retirement Benefits	<u>\$1,667,351.00</u>	<u>\$1,667,351.00</u>	<u>\$1,563,009.20</u>	<u>\$(104,341.80)</u>
Balance, June 30, 1964			<u>\$ 104,341.80</u>	

DEPARTMENT OF EDUCATION
GRADUATE FELLOWSHIPS MENTALLY RETARDED EDUCATION
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
P.L. 85-926	<u>\$13,000.00</u>	<u>\$13,000.00</u>	<u>\$12,632.00</u>	<u>\$(368.00)</u>
<u>Expenditures</u>				
Fellowships & Tuition	<u>\$13,000.00</u>	<u>\$13,000.00</u>	<u>\$12,632.00</u>	<u>\$(368.00)</u>

DEPARTMENT OF EDUCATION
FLEISCHMANN SCHOLARSHIP
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUES AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
Fleischmann Foundation	<u>\$70,475.00</u>	<u>\$67,277.00</u>	<u>\$11,477.61</u>	<u>(\$55,799.39)</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries	\$ 7,038.00	\$ 3,988.00	\$ 7,190.80	\$ 3,202.80
Ind. Ins.	49.00	26.00	41.35	15.35
Retirement	292.00	203.00	294.12	91.12
Personnel Asses.	50.00	50.00	50.00	-
Group Ins.	36.00	-	33.00	33.00
Total	<u>\$ 7,465.00</u>	<u>\$ 4,267.00</u>	<u>\$ 7,609.27</u>	<u>\$ 3,342.27</u>
In-State Travel	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109.00</u>	<u>\$ 109.00</u>
Operating:				
Freight & Postage	\$ 75.00	\$ 75.00	\$ 74.57	\$ (.43)
Printing	100.00	100.00	30.26	(69.74)
Office Supplies	400.00	400.00	293.61	(106.39)
Telephone & Telegraph	50.00	50.00	36.08	(13.92)
Office Equip. Repair	35.00	35.00	29.75	(5.25)
Scholarships	62,350.00	62,350.00	55,114.09	(7,235.91)
Total	<u>\$63,010.00</u>	<u>\$63,010.00</u>	<u>\$55,578.36</u>	<u>\$(7,431.64)</u>
Equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752.37</u>	<u>\$ 752.37</u>
Total Expenditures	<u>\$70,475.00</u>	<u>\$67,277.00</u>	<u>\$64,049.00</u>	<u>\$(3,228.00)</u>
Balance, July 1, 1963			\$119,820.88	
Receipts			11,477.61	
Less-Disbursements			<u>(64,049.00)</u>	
Balance, June 30, 1964			<u>\$67,249.49</u>	

DEPARTMENT OF EDUCATION
MANPOWER DEVELOPMENT AND TRAINING ACT
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
P. L. 87-415	<u>\$535,777.00</u>	<u>\$60,000.00</u>	<u>\$511,589.63</u>	<u>\$451,589.63</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries			\$ 19,218.90	
Ind. Ins.			117.26	
Retirement			1,115.90	
Personnel Asses.			150.00	
Group Ins.			66.00	
Total			<u>\$ 20,668.06</u>	
Travel:				
Out-of-State			\$ 467.87	
In-State			2,223.91	
Total			<u>\$ 2,691.78</u>	
Operating:				
Freight & Postage			\$ 24.79	
Printing			73.37	
Office Supplies			439.64	
Telephone & Telegraph			210.31	
Office Equip. Repair			38.43	
Dues & Subscriptions			1.50	
Total			<u>\$ 788.04</u>	
Equipment			<u>\$ 1,887.03</u>	
Aid to Schools			<u>\$485,554.72</u>	
Total Expenditures	<u>\$535,777.00</u>	<u>\$60,000.00</u>	<u>\$511,589.63</u>	<u>\$451,589.63</u>

DEPARTMENT OF EDUCATION
 AREA REDEVELOPMENT ACT
 STATEMENT OF BASIS FOR AUTHORIZATION
 COMPARED TO ACTUAL REVENUE AND EXPENDITURES
 For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
P. L. 87-27	<u>\$25,000.00</u>	<u>\$25,000.00</u>	<u>\$1,119,405.43</u>	<u>\$1,094,405.43</u>
<u>Expenditures</u>				
Aid to Schools	<u>\$25,000.00</u>	<u>\$25,000.00</u>	<u>\$ 580,881.44</u>	<u>\$ 555,881.44</u>
Balance, July 1, 1963			\$ 32,944.60	
Excess of Revenues over Expenditures			<u>538,523.99</u>	
Balance, June 30, 1964			<u>\$ 571,468.59</u>	

DEPARTMENT OF EDUCATION
OASI DISABILITY DETERMINATIONS
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Revenues</u>				
OASI Trust Fund	<u>\$55,231.00</u>	<u>\$55,231.00</u>	<u>\$49,390.60</u>	<u>\$ (5,840.40)</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries	\$12,022.00	\$11,577.00	\$11,975.66	\$ 398.66
Ind. Ins.	81.00	78.00	73.76	(4.24)
Retirement	699.00	576.00	695.75	119.75
Personnel Asses.	100.00	100.00	80.00	(20.00)
Group Ins.	72.00	-	33.00	33.00
Total	<u>\$12,974.00</u>	<u>\$12,331.00</u>	<u>\$12,858.17</u>	<u>\$ 527.17</u>
Travel:				
Out-of-State	\$ 1,340.00	\$ 1,340.00	\$ 591.35	\$ (748.65)
In-State	2,590.00	2,590.00	890.61	(1,699.39)
Total	<u>\$ 3,930.00</u>	<u>\$ 3,930.00</u>	<u>\$ 1,481.96</u>	<u>\$ (2,448.04)</u>
Operating:				
Freight & Postage	\$ 700.00	\$ 700.00	\$ 169.70	\$ (530.30)
Printing	200.00	200.00	97.77	(102.23)
Office Supplies	650.00	650.00	508.90	(141.10)
Telephone & Telegraph	875.00	875.00	553.44	(321.56)
Office Equip. Repair	100.00	100.00	43.00	(57.00)
Contract Services	7,800.00	7,800.00	3,817.50	(3,982.50)
Dues & Subscriptions	25.00	25.00	18.00	(7.00)
Accounting Services	760.00	760.00	-	(760.00)
Proration Salaries & Benefits	3,542.00	2,788.00	3,483.28	695.28
Total	<u>\$14,652.00</u>	<u>\$13,898.00</u>	<u>\$ 8,691.59</u>	<u>\$ (5,206.41)</u>
Equipment-Office	\$ 262.00	\$ 712.00	\$ 188.57	\$ (523.43)
Casework	<u>\$23,413.00</u>	<u>\$24,360.00</u>	<u>\$23,614.26</u>	<u>\$ (745.74)</u>
Total Expenditures	<u>\$55,231.00</u>	<u>\$55,231.00</u>	<u>\$46,834.55</u>	<u>\$ 8,396.45</u>
Balance, July 1, 1963			\$ 941.44	
Excess of Revenues over Expenditures			<u>2,556.05</u>	
Balance, June 30, 1964			<u>\$ 3,497.49</u>	

DEPARTMENT OF EDUCATION
EMERGENCY DISTRIBUTIVE SCHOOL FUND
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED TO ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
G F Appropriation	\$15,000.00	\$15,000.00	\$15,000.00	\$
Balance, July 1, 1963	<u>30,000.00</u>	<u>30,000.00</u>	<u>30,650.00</u>	<u>650.00</u>
Total	<u>\$45,000.00</u>	<u>\$45,000.00</u>	<u>\$45,650.00</u>	<u>\$ 650.00</u>
<u>Expenditures</u>				
Aid to Schools	<u>\$45,000.00</u>	<u>\$45,000.00</u>	<u>\$19,625.00</u>	<u>(\$25,375.00)</u>
Excess of Revenue over Estimate			\$ 650.00	
Excess of Estimate over Actual Expenditure			25,375.00	
Less - Transfer to Distributive School Fund by 1964 Special Session			<u>(26,025.00)</u>	
		TOTAL	<u>\$ -0-</u>	

DEPARTMENT OF EDUCATION
INDIAN EDUCATION SCHOLARSHIPS
STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963	\$ -0-
<u>Receipts</u>	
Fleischmann Grant	5,000.00
<u>Disbursements</u>	
University of Nevada	<u>4,500.00</u>
Balance, June 30, 1964	<u>\$ 500.00</u>

DEPARTMENT OF EDUCATION
PERMANENT SCHOOL FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Fiscal Year ended June 30, 1964

Balance - July 1, 1963 \$ 131,807.55

Receipts

Bond Redemption	\$1,707,652.98
Land Contract Payments	12,264.86
Justice Court Fines	269,354.94
District Court Fines	5,810.00
Fees	26.00
Sale of Public Lands	38,621.89
Escheated Estates	<u>9,769.30</u>

Total Receipts 2,043,499.97

To Account For \$2,175,307.52

Expenditures

Purchase of Treasury Bills 2,160,088.00

Balance, June 30, 1964 \$ 15,219.52

DEPARTMENT OF EDUCATION
SUPPLEMENTAL LETTER

1. Education Bulletin

The Department of Education publishes an educational bulletin as required by NRS 385.140. The bulletin is published in September, November, January, March and May.

During our audit, it was noted that the expenses incurred in publishing the bulletin were charged to several different expense categories, within the operating budget. Because of this practice the actual cost of publication cannot be determined without extensive review of all claims.

It is recommended that all expenses attributable to publishing the bulletin be charged to a separate expense account within the operating category.

Personnel in the department indicated they are considering curtailing publication of the education bulletin to keep the total cost within the funds budgeted. Furthermore, the department is prohibited from mimeographing such bulletin on their own, in an effort to save money, because the statutory language in NRS 385.140 requires that the bulletin be printed by the State Printing Office. The department has taken steps to modify the nature of the bulletin and also to reduce its size.

It is recommended that either the proper funds be appropriated to fulfill requirements of NRS 385.140, or that the section be repealed.

2. Inventories

The department maintains no current inventory records of furniture and

equipment other than the IBM tab runs prepared by the Purchasing Division. This record does not classify items by location or division or which individual employee is responsible for the equipment. In the past, the department did maintain its own inventory records wherein each item was reflected on a separate card, catalogued by type, to whom assigned and location.

We recommend that the card file inventory method be brought up to date since it provides excellent control.

The IBM tab runs may be used to cross-check the card system for accuracy. Physical inventories should also be required at least once a year and the results therefrom reconciled with the card file.

3. Allowable Transportation Costs

Under the present apportionment formula, 50% of the prior years transportation costs are included in establishing the basic need for each school district.

The State Board of Education, in a meeting on February 17, 1960, approved the following as allowable transportation costs for apportionment purposes:

1. To and from school pupil transportation.
2. Athletic trips to Nevada interscholastic league games.
3. Travel to bank and choral festivals.
4. Class field trips.
5. Transportation to central hot lunch.
6. Essential travel for teachers and administrators (in-county travel is considered essential.)

Many school districts buy bulk gasoline which is used in school buses, administrative cars, tractors, mowers and other equipment. From the records

available in the school district, allowable costs cannot be separated from unallowable costs on these gasoline purchases. Other allowable costs are scattered throughout different expense categories such as teacher travel, administrative travel, student-body activities, etc. Verification of transportation costs require more of the education Department's field audits than is necessary.

We recommend that a cost per mile be obtained from existing records and such figure be used for apportionment purposes. Since school bus routes are known beforehand and places to be traveled to are also generally known or should be known before hand, mileage figures can easily be obtained for computing an accurate transportation cost. Such computation would eliminate payment for unallowable travel.

4. Changes in Statutory Title

During 1963-1964, the State Personnel Department changed the title of the Second Assistant Superintendent of Public Instruction to Assistant Superintendent for Administration. NRS 385.310 and 385.315 set forth the title, functions and duties of the Second Assistant. It is questioned as to whether the Personnel Department has the legal authority to change the title of a position whose title, duties and functions are set forth in existing law. In our opinion, the position should retain its statutory title until changes are made by the Legislature.

It is recommended that NRS chapter 385 be amended to provide for titles consistent with other state departments or agencies and as nearly as possible comparable with other Departments of Education.

5. School Lunch Revolving Fund

In 1947, the Legislature appropriated \$3,500, to establish the school

lunch revolving fund. The fund was to be used to pay shipping and related charges for commodities donated by the Federal Government from a central location to the various school districts. These prepaid charges were to be billed to and repaid by the various school districts. The fund has built up a surplus of approximately \$5,000 due to the school districts being billed for a flat unit rate for each commodity rather than the actual cost of shipping, storage and handling. The unit rate procedure was established because the storage and handling charges cannot be prorated to any particular shipment of commodities. It would appear that the present balance in the fund is not excessive since the program has grown substantially larger and during peak periods the balance gets very low. It is recommended that a ceiling be established by the Department of Education for this fund and when the balance exceeds the stated amount, unit rates be lowered. The growth of the fund has been slow but due to the present rapid growth of the programs, the balance could become excessive.

6. Internal Control

The Department of Education has revenues from the sale of directories and pamphlets, fees for issuing teaching certificates, fees for giving GED tests and other miscellaneous receipts. Internal control in handling, issuing receipts, and depositing these funds needs improvement. The following are specific criticisms of present practice and recommendations for improvement:

- (a) Receipts given for GED testing fees are not prenumbered.
- (b) Tests are filed by calendar year rather than fiscal; as a result, tests given cannot be reconciled to receipt issued or to deposits made.
- (3) Cash is kept in boxes in desk drawers and deposits are not made promptly. In some instances, two months elapsed between the

receipt date and deposit date. Deposits were made in July which were June receipts, thereby distorting fiscal revenue figures.

- (d) Several people handle receipts independently; no one person is responsible for cash. Some persons use prenumbered receipts, some don't. Various departments collect fees and have no regular deposit schedule.
- (e) Veterans are not charged for GED tests. Test papers do not indicate whether or not the person tested was a veteran. Total tests given do not agree with money deposited. Some of this discrepancy is undoubtedly due to free tests to veterans but due to lack of information on the test papers, this cannot be verified.

It is recommended that the following steps be taken to correct the above deficiencies and improve cash control:

- (a) Prenumbered receipts be used for all transactions and accountability be established for all receipts.
- (b) Tests should be filed by fiscal year so that tests administered can be reconciled to revenues for a given fiscal year.
- (c) One person should be designated as cashier and all receipts should be turned in to the cashier daily. Cash should not be accumulated in desk drawers.
- (d) A small safe or fireproof cabinet should be obtained to protect checks overnight and reduce possibility of theft or other loss of receipts. Such receipts should be deposited with the State Treasurer daily.
- (e) Test papers should indicate whether or not persons tested were

(f) veterans. Receipt numbers should be entered on test papers to establish a cross-reference.

(f) Incoming mail receipts should be listed by one person before being distributed to various departments and later checked against receipts turned over to cashier.

(g) Deposit slips should indicate receipt numbers covered.

7. Accounting and Procedures Manual

In our opinion, the preparation and use of an accounting and procedures manual would be of considerable benefit to the Department of Education. Such a manual can be an invaluable management and training aid and would aid department heads and supervisors in processing purchase orders, deposits, travel reports and implementing department policy. The Department of Education is of such size and complexity that written guidelines for accounting procedures and policy are mandatory. Preparation of this manual was commenced on October 19, 1964.

8. Encumbrances

The Education Department is presently on a cash basis system of accounting using an NCR 33 accounting machine. The system appears to be functioning well and the NCR machine is more than adequate to handle the present volume.

We feel that the accounting and budget control functions could be improved by the use of an encumbrance system. On a cash system, funds obligated by the issue of purchase orders and purchases made for which no invoice has been received are not reflected in the accounting records. This can result in over-spending a budget. If funds are encumbered when purchase orders are issued and encumbrances liquidated when invoices are paid, then the fund balance will reflect funds available for expenditure rather than a misleading cash balance.

The NCR 33 accounting machine has adequate capacity to handle the encumbrance system. A modification of ledger cards and purchase orders only would be necessary.

9. Equipment Purchased With Federal Funds

The Department of Education administers federal programs in Area Redevelopment and Manpower Development and Training in the local school districts. These projects consist of vocational training of people certified by the Employment Security Department.

Under existing agreements between the department and the Federal Government, equipment acquired for each project becomes state property upon completion of the project. This equipment remains in and is used by the school district which sponsors the projects. Since the state is accountable for this equipment but does not have custody of it, adequate control is impossible. We recommend that in future contracts, permission be sought from the government to allow title to this equipment to pass to the school district rather than the state upon completion of the projects.

10. Office Supplies - Purchases

The Department of Education purchased 77.97% of their office supplies from outside vendors during 1963-1964 at a cost of \$7,607.51. Since most of the items purchased were stocked by the Purchasing Division warehouse, it is recommended that where possible, all purchases be made through the Purchasing Division of the Department of Administration so that considerable savings could be realized through volume purchasing.

It was also noted during our examination of office supply purchases that many items purchased and charged to office supplies were not proper charges to this expense category. The following are some of the items which we feel are not proper charges to office supplies: (1) Monthly linen

service, (2) Books and pamphlets, (3) Teaching machines and programs, (4) Examinations and tests, (5) Movie projector bulbs, (6) Publicity photos, (7) Film developing, (8) Poloroid film, (9) Film strips, (10) Photo engraving, (11) Light bulbs, (12) Flashbulbs, (13) Brooms, (14) Brief cases, (15) Supplements to NRS, (16) Transcripts.

11. Utilization of Accounting Machine

Accounts of the Federal Subvention Program and School Lunch Program administered by the department are kept manually by the respective sections. We feel that all accounts should be integrated into the regular accounting records kept by the accounting section. The NCR 33 accounting machine is not being utilized to its full capacity and to allow a \$6,000 machine to be idle and to post accounts by hand is not economical nor practical.

12. Required Information Not Published in Biennial Report

NRS 385,230, subsection 2(c) and (d) requires that information be included in each biennial report of the Department of Education stating the number of schools in each county and the number of school children under the age of 18 years attending school in each county. This information has not been included in biennial reports since 1941. As the information is no longer pertinent, we recommend repeal of these two subsections.

13. Provision of Statute Now Obsolete

NRS 387,200 provides in part how the Superintendent of Public Instruction shall compute state aid for the period July 1, 1959 through June 30, 1960. Since the period for which these provisions apply has now passed, it is recommended that subsection 3 of NRS 387,200 be repealed at the next session of the Legislature.

14. Evaluation of Audit Program

It would appear that the audit staff of the Department of Education operates more in the capacity of a service bureau assisting the various school districts with accounting procedures and record keeping problems. In some districts, the auditors actually do the bulk of the bookkeeping because of lack of trained personnel or because the school districts "don't have time."

Although the auditors do perform a great number of audits each year, such audits are primarily financial. A narrative as such is seldom made a part of each report. Of a total of 77 audits performed during the fiscal year ended June 30, 1964, only 8 audits contained any written narrative. An analysis of these audits shows that only an average of 5.85 working days were used in travel, bookkeeping work and in actual auditing on each audit.

Our analysis also shows that of the 77 audits performed, 13 were of federal projects for the Federal Government. During the latter part of 1964, considerable more time has been devoted to federal project audits so that probably an analysis of 1964-1965 will show that approximately 25% to 33-1/3% of the auditors' time will be taken up with federal audits alone.

Every audit performed on the school districts should involve a thorough review of the Nevada Revised Statutes as pertains to the county educational system, the state educational system and general law. Some statutory violations are being commented upon by the auditors, but such comments have of necessity been extremely concise because of the volume of work which must be performed by only two auditors.

There are no comments in the working papers to indicate if all statutory provisions of NRS are being adhered to or if all such provisions were checked by the auditors. Although the working papers of independent auditing firms were not reviewed by our audit staff, it was noted that none of their audit reports contained any reference to statutory violation or any comments upon the statutory provisions of NRS. None of the audits performed, by either independent firms or the Board of Education substantiated or verified attendance figures or the number of actual handicapped children.

Independent audits are required every two years by either a public accountant or a certified public accountant for each school district under the provisions of NRS 387.330. During our audit, it was noted that this provision had not been complied with by the Lander or Eureka school districts. Neither of these school districts have been audited since June 30, 1961. Steps are now being taken to have audits performed within the next few months of both these school districts.

It is recommended that the auditing staff of the Board of Education be increased in order that their audits might be more comprehensive and detailed in scope. Such an increase would possibly allow the state to be divided into at least three sections for auditing purposes. The auditors could be stationed in Carson City, Las Vegas and Elko in order that travel time would be kept at minimum. Each auditor would cover the school districts in his immediate sector.

It is also suggested that the auditors prepare and utilize a check-list citing the various provisions of the Nevada Revised Statutes applicable to the school districts and the individual counties as well as citing the general law. Such check-list should be utilized in each audit and appropriate comments made relative to each item on such list.

15. Broad Interpretation of "Handicapped Children"

NRS 388.440 reads as follows: "'Physically or mentally handicapped minor' defined. As used in NRS 388.440 to 388.540, inclusive, 'physically or mentally handicapped minor' means a physically or mentally defective or handicapped person under the age of 21 years who is in need of education. Any minor who, by reason of physical or mental impairment, cannot receive the full benefit of ordinary education facilities shall be considered a physically or mentally handicapped person for the purposes of NRS 388.440 to 388.540, inclusive. Minors with vision, hearing, speech, orthopedic, mental and neurological disorders or defects, or with rheumatic or congenital heart disease, or any disabling condition caused by accident, injury or disease, shall be considered as being physically or mentally handicapped.'"

The wording of the above cited statute permits almost any child to be listed as a "handicapped" child if the district so desires. The Board of Education has established certain provisions which the district must adhere to prior to qualifying for any additional \$500 payments.

It would appear from an analysis of the state's figures on handicapped children, that an audit in this area is essential. It was noted, for instance, that Clark county had 2.165 greater times the handicapped children than did the balance of the state. Clark county comprises only 53.5% of the state's average daily attendance and yet 71.4% of Nevada's handicapped children are students in Clark county. Such figures should be audited and fully substantiated. Included in the Clark county's "handicapped" children, for instance, are all boys at Spring Mountain Youth Camp.

Including these boys as "handicapped" students appears to the auditors as obvious circumvention of the intent of NRS 388.440. The Department of Education has included these inmates as handicapped students because the judges court order committing them states they are handicapped; because the Attorney General has rendered an opinion stating they are handicapped. It is because of the broad general terms in the above statute that permits these boys to be included as "handicapped" students, thereby enabling the school district to collect an extra \$500 per boy per year.

It is recommended that NRS 388.440 be amended to reflect more restrictive language in order that no loose interpretation as to the exact definition of a "handicapped" person could be possible.

16. Biennial Reports

In reviewing the biennial reports of the Superintendent of Public Instruction for the past 20 years it was noted in the sections of recapitulations of school finances tables that the ending balances for one year do not agree with the beginning balances for the following year. These differences were explained by the fact that the ending balances are taken from reports by the school districts prior to the time adjustments are made to bring the school districts records into agreement with the county auditors records. Beginning balances are those which have been adjusted to agree with the county auditors records. No notations were made in the various reports, however, explaining such discrepancies.

It was also noted that invested funds of the various school districts are not included in the recapitulation of school finances. For instance, table #17, page 49 of the biennial report of June 30, 1962, indicated that Clark county had a beginning balance in all funds totaling \$1,583,219.17. The actual balance was \$10,096,508.53. The omission of 8½ million dollars

of invested funds makes a substantial difference in the financial picture of the Clark county school district.

We recommend that adjustments to the school districts balances be made prior to the insertion of the biennial report so that balances are consistent and that invested fund balances also be included so that the report presents an accurate picture of the financial condition of the school districts.

Carson City, Nevada
October 6, 1964



Norman H. Terrell, C.P.A.
Fiscal Analyst

NOTE: At a meeting of the Superintendent of Public Instruction and the Fiscal Analyst on October 22, 1964, agreement was reached for implementation of all the foregoing recommendations.

STATE OF NEVADA

PLANNING BOARD

AUDIT REPORT

For the Fiscal Year ended June 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Planning Board for the fiscal year ended June 30, 1964, and have prepared therefrom the following attached exhibits and schedules:

Planning Board Administrative Fund--
Comparison of Actual Revenues and
Expenditures with Basis for Appropriation
for the Fiscal Year ended June 30, 1964-----Exhibit A

Planning Board Inspection Fund--
Actual Revenues and Expenditures for the
Fiscal Year ended June 30, 1964-----Schedule 1

Planning Board Option Fund--
Actual Revenues and Expenditures for the
Fiscal Year ended June 30, 1964-----Schedule 2

Planning Board Pre-Planning Fund--
Actual Revenues and Expenditures for the
Fiscal Year ended June 30, 1964-----Schedule 3

Planning Board School Plan Checking Fund--
Actual Revenues and Expenditures for the
Fiscal Year ended June 30, 1964-----Schedule 4

Planning Board Capitol Improvement Program--
Actual Revenues and Expenditures for the
Fiscal Year ended June 30, 1964-----Schedule 5

Functions of Agency

The Planning Board of the State of Nevada is responsible for carrying out the provisions of chapter 341 of Nevada Revised Statutes. They are charged with authorizing expenditures of money appropriated by the Legislature for construction work and major repairs. The Board is authorized to accept grants and services to carry on work authorized under chapter 341 of NRS, contract with the United States or other agencies to receive and expend moneys to carry out authorized functions, participate in interstate-regional-national planning projects, to purchase options on property authorized; promote public interest in

problems of state planning, furnish architectural and engineering services, to make recommendations for capital improvements, inspect state buildings, create a state plan for economic and social development, cooperate with state agencies and local planning commissions and make reports to the Legislative Commission.

Scope of 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 to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Opinion

In our opinion, the accompanying statements of revenues and expenditures present fairly the financial position of the State Planning Board as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
October 20, 1964



Norman H. Terrell, C.P.A.
Fiscal Analyst

STATE OF NEVADA
PLANNING BOARD
ADMINISTRATIVE FUND
COMPARISON OF ACTUAL REVENUES AND EXPENDITURES
WITH BASIS FOR APPROPRIATION
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Approp.</u>
Revenues				
Appropriation	\$122,091.00	\$122,091.00	\$122,091.00	\$ -
Salary Adjustment	2,617.00	2,617.00	2,617.00	-
Insurance Fund	324.00	324.00	324.00	-
Total	<u>\$125,032.00</u>	<u>\$125,032.00</u>	<u>\$125,032.00</u>	<u>\$</u>
Expenditures				
Payroll Costs:				
Salaries	\$ 98,865.00	\$ 98,865.00	\$ 94,607.77	\$ (4,257.23)
Industrial Ins.	844.00	701.00	847.30	146.30
Retirement Pmts.	5,728.00	5,577.00	5,340.76	(236.24)
Personnel Assessments	450.00	450.00	450.00	-
Group Insurance	324.00	324.00	321.00	(3.00)
Total	<u>\$106,211.00</u>	<u>\$105,917.00</u>	<u>\$101,566.83</u>	<u>\$ (4,350.17)</u>
Travel:				
Out-of-State	\$ 1,200.00	\$ 1,200.00	\$ 251.48	\$ (948.52)
In-State	6,000.00	6,000.00	6,330.79	330.79
Total	<u>\$ 7,200.00</u>	<u>\$ 7,200.00</u>	<u>\$ 6,582.27</u>	<u>\$ (617.73)</u>
Operating:				
Office Supplies	\$ 2,506.00	\$ 2,800.00	\$ 2,111.50	\$ (688.50)
Postage & Freight	800.00	800.00	491.41	(308.59)
Telephone	2,640.00	2,640.00	2,508.20	(131.80)
Printing	1,100.00	1,100.00	1,519.95	419.95
Subscription & Reference				
Manuals	150.00	150.00	49.76	(100.24)
Dues & Registration	125.00	125.00	125.00	-
Insurance & Bond Prem.	250.00	250.00	255.76	5.76
Office Equip. Repair	500.00	500.00	489.02	(10.98)
Miscellaneous	100.00	100.00	144.97	44.97
Contract Services	2,500.00	2,500.00	1,437.92	(1,062.08)
Total	<u>\$ 10,671.00</u>	<u>\$ 10,965.00</u>	<u>\$ 9,133.49</u>	<u>\$ (1,831.51)</u>
Equipment:				
Office Furniture	\$ -	\$ -	\$ 138.52	\$ 138.52
Office Equipment	-	450.00	389.82	(60.18)
Other Furn. & Equip.	950.00	500.00	56.67	(443.33)
Total	<u>\$ 950.00</u>	<u>\$ 950.00</u>	<u>\$ 585.01</u>	<u>\$ (364.99)</u>
Total Expenditures	<u>\$125,032.00</u>	<u>\$125,032.00</u>	<u>\$117,867.60</u>	<u>\$ (7,164.40)</u>
Amount Reverted to General Fund			<u>\$ 7,164.40</u>	

STATE OF NEVADA
PLANNING BOARD
INSPECTION FUND
ACTUAL REVENUES AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963 \$1,348.60

Receipts

Minimum Security Prison-48051	\$2,200.00
Printing Office & Plant 97404-801	<u>2,400.00</u>

TOTAL RECEIPTS 4,600.00

Total to Account For \$5,948.60

Expenditures

Inspection	\$2,898.45
Travel	<u>227.00</u>

TOTAL EXPENDITURES 3,125.45

Balance, June 30, 1964 \$2,823.15

STATE OF NEVADA
PLANNING BOARD
OPTION FUND
ACTUAL REVENUES AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963	\$2,500.00
Expenditures	<u>-0-</u>
Balance, June 30, 1964	<u>\$2,500.00</u>

STATE OF NEVADA
PLANNING BOARD
PRE-PLANNING FUND
ACTUAL REVENUES AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

<u>Revenues</u>	
Appropriation	\$12,500.00
<u>Expenditures</u>	
Contract Services	<u>1,400.00</u>
Balance, June 30, 1964	<u>\$11,100.00</u>

STATE OF NEVADA
 PLANNING BOARD
 SCHOOL PLAN CHECKING FUND
 ACTUAL REVENUES AND EXPENDITURES
 For the Fiscal Year ended June 30, 1964

Beginning Balance, July 1, 1963	\$ -0-
<u>Revenues</u>	
School Plan Check Fees	<u>12,666.64</u>
Total	<u>\$12,666.64</u>
<u>Expenditures</u>	
School Plan Check Fees	<u>13,394.14</u>
Balance, June 30, 1964	<u><u>\$ (727.50)</u></u>

Note 1: \$727.50 not recorded by Controller as having been received until subsequent fiscal year. Disbursement is same amount recorded in this fiscal year, thus resulting in the deficit balance.

STATE OF NEVADA
PLANNING BOARD
CAPITAL IMPROVEMENT PROGRAMS
ACTUAL REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 1964

	Balance 7-1-1963	Receipts	Expenditures	Reverted	Balance 6-30-1964
<u>University of Nevada-Las Vegas</u>					
Library Building	\$ 37,169.82	\$	\$ 6,249.56	\$	\$ 30,920.26
Landscaping	4,446.02				4,446.02
Social Science Building		950,000.00	124,343.46		825,156.54
Science & Technology Building	1,756.44	588.54			2,344.98
Capital Improvements	350,000.00		254,214.63		95,785.37
Outside Courts-Landscape	5,965.10		5,050.49		914.61
Construct-Install Utilities	2,948.74				2,948.74
<u>University of Nevada-Reno</u>					
Library Building	91,157.36		9,047.22		82,110.14
Rehab. & Extension of Utilities	10,529.16		9,426.64		1,102.52
Landscaping	1,431.40				1,431.40
Design Social Science History Bldg.	83,229.59		1,360.00		81,369.59
Design Physical Science Building	181,150.00		22,000.00		159,150.00
Advance Plan-Remodel Mackay Science Bldg.	3,000.00				3,000.00
Advance Plan-College of Educ. Building	15,660.00				15,660.00
Home Management Residence	67,582.50	3,135.58	70,097.35		620.73
Student Union-Stu. Health Bldg. Add.	144,087.29	87,500.00	230,216.94		1,370.35
Phys. Educ. Facilities-Phase 1		650,000.00	35.00		649,965.00
Engineering Building	291,028.00	994.11	215,049.37		76,972.74
Capital Improvements	237,605.00	25.00	18,868.45		218,761.55
<u>Nevada-General</u>					
Fire Station-Peavine Mountain-Reno	1,175.62		730.12		445.50
Paint & Storage Building-Reno	1,700.17		1,687.28		12.89
Remodel Fish Hatchery-Verdi	191,036.16	21.00	186,857.56		4,199.60
Design Remodeling-Fish Hatch.-Ruby Lake		5,500.00	766.38		4,733.12
Two Cottages-Children's Home	48,443.60		41,492.52		6,951.08
Demolish Children's Home & Annex	26,970.75		13,313.03		13,657.72
School for Delinquents-Caliente	1,481.59		872.01		609.58
Nevada Girl's Train.Center	385,000.00		290,790.31		94,209.69
Nevada State Hospital	207,025.00		202,548.28		4,476.72
Nevada State Hosp-Female Ward Bldg.	37,707.82		21,326.01		16,381.81

	\$	\$	\$	Schedule 5, continued.	\$	\$
	717.60				717.60	
Nevada State Hosp-Landscaping	717.60					
Nevada Youth Train. Center-Bldg.& Facil.	10,231.27		5,244.17		4,987.10	
Nevada Youth Train. Center	429,789.80		218,916.67		210,873.13	
Design Dept.MVD Bldg.	40,000.00				40,000.00	
Design Printing Ofc. & Plant	48,217.50	40.00	21,334.44		26,923.06	
Nevada State Prison	119,213.75	25.00	63,574.47		55,664.23	
Nevada State Prison Indus. Bldg.	11,302.46	219.34	3,803.35		7,638.45	
Minimum Security Prison	859,371.37	780,000.00	1,476,995.15		162,376.22	
Design Minimum Secur.Prison	33,400.00		9,787.70		23,612.30	
Design & Construct Women's Prison	150,238.75		150,192.63		46.12	
Urban Plan Carson City-Nev.P-8		4,820.00	3,880.00		940.00	
Land Option #1-Carson City	4,124.10				4,124.10	
Urban Planning-Lake Tahoe		7,213.93	6,138.88		1,075.05	
Survey Capitol Complex, etc.	24,200.00		5,112.62		19,087.38	
Land Purchase/Appraise St.Ofc.Bldg.	59,887.00		421.50		59,465.50	
Advance Planning St. Ofc. Bldg.	8,000.00				8,000.00	
Urban Planning-Mineral County		4,440.00			4,440.00	
Urban Planning-Clark County		61,753.00	3,678.00		58,075.00	
Capitol Complex-Various	944,292.00		421,543.45		522,748.55	
Remodel Highway Building						
Urban Planning-Churchill County		2,320.00			2,320.00	
Children's Home-Remodel Infirm.	487.24		461.87	25.37		
Children's Home-Remodel Admin.Ofc.Kitch	208.66			208.66		
Urban Planning-Yerington	293.22	2,491.45	2,784.67			
Library Bldg-U of N-Nev. So.	8,042.57			8,042.57		
Design Fine Arts Bldg-Nev. So.	13,748.50		13,493.20	255.30		
Nev.St.Hosp.-Admin.Bldg. Add.	418.38			418.38		
Children's Home-Cottages	419.68		321.36	98.32		
Capitol Complex-Corp.Yard	15,675.00		6,500.00	9,175.00		
Land Acquisition-Carson City	187,036.87		187,036.87			
Design Minimum Security Prison	4,900.10		4,900.10			
Land Option #2-Carson City	15,000.00		15,000.00			
Fish & Game Hdqtrs Bldg.	1,156.52		56.52			
			1,100.00			
Fiscal Yr. 1963-1964 Totals	<u>\$5,419,659.47</u>	<u>\$2,561,086.95</u>	<u>\$4,349,700.73</u>	<u>\$18,223.60</u>	<u>\$3,612,822.09</u>	

STATE OF NEVADA
PLANNING BOARD
SUPPLEMENTAL LETTER
For the Fiscal Year ended June 30, 1964

1. Internal Control Evaluation

The internal control of the Planning Board is adequate to insure compliance with existing laws with the exception of deposits received for plans that are on loan to contractors.

The Planning Board requires a minimum deposit of \$25.00 for the first set of plans and an additional \$10.00 for each set thereafter. Deposit money that is received in cash is deposited with the State Treasurer, and warrants are issued when the money is refunded. Deposit payments received by check are held in the office until the plans are returned at which time the check is returned, uncashed. If a plan deposit is forfeited, it is then deposited to the project fund.

It is recommended that the agency deposit all moneys received whether certified check or cash. No personal checks should be accepted. All refunds on returned plans should be made by state warrant.

2. Equipment Inventory

The equipment listing, which is supplied by the State Purchasing Division of the Department of Administration, was checked against the equipment held by the Planning Board. This physical count revealed that there were several items of equipment missing, and some items of equipment were not on the listing, but physically present.

It is recommended that a complete physical inventory be taken to insure that all equipment is accounted for. This inventory should include

all equipment items, regardless of value. The physical inventory should be cross-checked against the latest equipment inventory listing that was supplied by the Purchasing Division. All efforts should be made to locate missing items. A request should then be made to the Purchasing Division for identification tag numbers for items that are not presently marked.

The Planning Board will move from its present location in the near future. The physical inventory, as recommended, should be completed before this move is made.

3. Equipment Storage

The Planning Board has many equipment items they use which are small in size but vary considerably in value. Such equipment consists of cameras, portable dictaphones, various meters, testing equipment, etc. When these items are not in daily use, some are kept in a locked storage cabinet in an outside porch area. Other items, which may be affected by the outside temperature changes, are stored in various places within the office, but are not kept under lock and key.

Since many of these items are quite valuable, it is recommended that all equipment items be kept under lock and key at all times when not in use. Furthermore, a check-out-sheet should be kept, indicating the date, time in and out, and person's name and checking out any particular piece of equipment, in order that the location of any item would be known at all times and who is responsible for it.

4. Inspection of Public Buildings

Under the provisions of NRS 341.165, added to the statutes during the 1963 Legislative session, the Planning Board is . . . "authorized and directed to inspect periodically all state buildings . . ." During the fiscal year 1963-1964, there were no such inspections made. The agency has

indicated that such inspections have not been possible because of lack of personnel. However, inspections have been planned for the current fiscal year. Inspections in the current year must be made in conjunction with various other jobs of the Planning Board and as a consequence, few inspections will be possible.

Since there are an estimated 720 buildings belonging to the State of Nevada which the inspection provision of NRS 341.165 covers, it is recommended that the Planning Board be authorized to employ a full-time inspector for just such purpose and to assist in construction inspections. This position should be sought from the 1965 Legislature.

5. Office Supplies

During the fiscal year ended June 30, 1964, the Planning Board purchased office supplies in the amount of \$2,111.50. Of this amount, \$1,727.95 was purchased from sources other than from the Purchasing Division of the Department of Administration. This means that 81.8% of the total office supplies purchased were purchased from independent suppliers.

It is recommended that all supplies be purchased from and through the Purchasing Division, where possible. Requests should be made of the Purchasing Division, to carry items which are used regularly by the agency.

6. Appropriation Balances for Fiscal Year 1963-1964

Appropriation balances, involving nonreverting funds, in some cases are not in agreement with the Controller's records. This was due to a misunderstanding involving paid claims.

It is recommended that the Planning Board purchase a stamp which will indicate the current fiscal year. This stamp should then be used at the end of a fiscal year to clearly denote what funds are to be used for paying

claims submitted. The records should not be closed until all of these claims are posted to the current fiscal year. Another stamp should be purchased designating the following fiscal year and this should be used for claims that are to be paid from following fiscal year funds.

It is also recommended that the Planning Board reconcile the accounts to agree with the closing balances as shown by the Controller. This reconciliation will then insure that beginning balances, receipts, expenditures, and ending balances for each fiscal year will be in agreement with the Controller at the end of each fiscal period.

7. Appropriations Involving Furnishing

At the present time the money to be expended for furnishings is included with the money appropriated for construction. The legislative intent is to supply a minimum of furnishings after construction is completed. When construction and furnishings are appropriated together, the practice has been to use some of the furnishings money if it is needed in the construction. Generally, a portion is needed. The Planning Board stated that they requested an Attorney General's opinion to determine what minimum furnishings would mean. They stated the Attorney General was unable to give an opinion which would define minimum to each project. The problem caused by the above situation was noted when taking a tour of the Women's Prison and the Minimum Security Prison. The women's rooms were supplied with a dressing table only. The beds and dresser drawers were moved from the old prison as none were provided. A large building was constructed at the Minimum Security Prison which was to be used for a library and educational facility. There was no shelving provided for any of the rooms, and at present the books are piled on the floor. The rotunda in the dormitories

are bare of all furnishings except a television set, which was donated. One washing machine only was provided which is completely inadequate for 288 prisoners, according to prison officials.

It is recommended that the furnishings portion of a construction project be made a separate and individual appropriation. This would insure that a building would be completely functional when completed.

8. Future Appropriations

It is recommended that future capital expenditure appropriations contain the following provisions:

1. In event the project is not started within two years of the date of the appropriation, the funds provided will automatically revert.
2. One year after the notice of completion has been filed on a completed project, any unexpended funds will revert to the General Fund.

9. Listing of Contractors by Area

The published listing of all licensed Nevada contractors should be used as a guide to compose a list of general and specialized contractors by area. Such a list should note which contractors have bid on state jobs, successfully or unsuccessfully, in the past. The list should designate those contractors who are also material distributors, selling wholesale and/or retail to other contractors and the general public, since these distributor-contractors could understandably underbid regular contractors.

The statutes do not require that jobs under \$5,000 be advertised to all contractors. However, it would be good business procedure to have all available information relative to all contractors in a particular area for

small jobs. The wider range of requests for bids, the greater is the possibility of increased savings to Nevada.

10. Acceptance of Completed Projects

NRS 341.150, subsection 3, states in part, "The board shall:

- (a) Have final authority for approval as to architecture of all buildings, plans, designs, types of construction, major repairs and designs of landscaping."

From the above language it would appear that the Planning Board has sole authority to formally accept any state building project. It has been noted, however, that the Planning Board has had problems in securing acceptance of completed buildings by some using agencies. The using agencies have continually found fault with the structure and requested corrective action before they will accept the building. In one particular instance, once the first list of items were corrected by the contractor, another list was submitted by the agency. When this list of items was taken care of, another list was submitted. When this list of items was taken care of, still another list was submitted. In this particular instance, the Planning Board was convinced that the structure was completed to their satisfaction but to this date the using agency has not formally accepted the building.

To prevent a contractor from having his performance bond held up unduly, because of circumstances as set forth above, we recommend that the statutes be amended to specifically state that the Planning Board has final and sole authority to formally accept completion of any state project. The State Planning Board should work with a using agency insofar as is practicable but when the Board feels that a particular contractor has satisfactorily completed a job, then the Planning Board alone should sign and file a formal notice of completion.

11. Accounting Manual

At the present time the Planning Board does not have an accounting manual. If something should happen to the key personnel there would be no written instructions for carrying on the accounting functions of the agency.

It is recommended that an accounting manual be written immediately which would outline all the functions of the accounting system.

Carson City, Nevada
October 22, 1964



Norman H. Terrell, C.P.A.
Fiscal Analyst

NOTE: At a meeting held November 2, 1964, between the Fiscal Analyst and the Manager of the State Planning Board, agreement was reached upon all of the foregoing recommendations.

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STATE OF NEVADA
NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD

LEGISLATIVE COUNSEL BUREAUJ
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada Gaming Commission and State Gaming Control Board for the fiscal year ended June 30, 1964, and have prepared therefrom the following attached exhibits and related schedules:

Combined Statement of Financial Condition
as of June 30, 1964-----Exhibit A

Administrative Fund--
Statement of Basis for Authorization
Compared with Actual Expenditures for
the Fiscal Year ended June 30, 1964-----Exhibit B

Gaming Revenue--
Statement of Revenue and Distribution
for the Fiscal Year ended June 30, 1964----Schedule 1

Revenue Transferred to General Fund--
Statement of Revenue Transferred to
General Fund for the Fiscal Year ended
June 30, 1964-----Schedule 2

Annual Table Fees--
Statement of Revenue and Distribution
for the Fiscal Year ended June 30, 1964----Schedule 3

Surety Bond Trust Fund--
Cash Bonds Posted by Licensees for the
Fiscal Year ended June 30, 1964-----Schedule 4

Chairman's Revolving Fund--
Statement of Receipts and Expenses for the
Fiscal Year ended June 30, 1964-----Schedule 5

Scope of the Examination

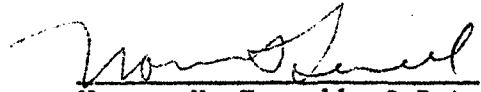
Although a detailed examination of all recorded transactions was not made, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate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

Opinion

We have examined the statement of financial condition of the several funds of the Nevada Gaming Commission as of June 30, 1964, 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 and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying schedules present fairly the operation of the Nevada Gaming Commission and State Gaming Control Board for the fiscal year ended June 30, 1964, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

October 16, 1964
Carson City, Nevada


Norman H. Terrell, C.P.A.
Fiscal Analyst

NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
COMBINED STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 1964

	<u>Total</u>	<u>Gambling Tax Surety Bond</u>	<u>County Tax Distrib. Fund</u>	<u>Fixed Assets</u>
<u>Assets</u>				
Cash held in State				
Treasury	\$69,168.10	\$22,600.00	\$46,568.10	
Furniture & Fixtures	1.00			\$1.00
Automobiles	1.00			1.00
Total Assets	<u>\$69,170.10</u>	<u>\$22,600.00</u>	<u>\$46,568.10</u>	<u>\$2.00</u>
<u>Liabilities & Fund Equity</u>				
Funds Held in Trust	\$22,600.00	\$22,600.00		
Amounts due Counties	46,568.10		\$46,568.10	
Total Liabilities	<u>\$69,168.10</u>	<u>\$22,600.00</u>	<u>\$46,568.10</u>	
Fund Equity	<u>2.00</u>			<u>\$2.00</u>
<u>Total Liabilities & Fund Equity</u>	<u>\$69,170.10</u>	<u>\$22,600.00</u>	<u>\$46,568.10</u>	<u>\$2.00</u>

NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED WITH ACTUAL EXPENDITURES
FOR THE FISCAL YEAR 1963-1964

ADMINISTRATIVE FUND

	<u>Work Program</u>	<u>Basis for Authorization</u>	<u>Actual Expenditures</u>	<u>Over or (Under) Authorization</u>
<u>Salaries</u>				
Salaries	\$494,653.00	\$506,555.00	\$446,316.17	\$(60,238.83)
Group Insurance	2,052.00	2,052.00	1,575.00	(477.00)
Retirement	27,214.00	28,654.00	24,864.29	(3,789.71)
Retirement Admin.	-	-	187.80	187.80
Indus. Ins.	3,147.00	3,111.00	2,451.54	(659.46)
Personnel Assess.	550.00	550.00	550.00	-
Total Salaries	<u>\$527,616.00</u>	<u>\$540,922.00</u>	<u>\$475,944.80</u>	<u>\$(64,977.20)</u>
<u>Travel</u>				
Out-of-State	\$ 5,324.00	\$ 5,324.00	\$ 2,611.46	\$ (2,712.54)
In-State	55,000.00	55,000.00	46,027.59	(8,972.41)
Total Travel	<u>\$ 60,324.00</u>	<u>\$ 60,324.00</u>	<u>\$ 48,639.05</u>	<u>\$(11,684.95)</u>
<u>Operating</u>				
Office Supplies	\$ 15,000.00	\$ 15,000.00	\$ 9,195.05	\$ (5,804.95)
Postage & Freight	3,500.00	3,500.00	3,069.05	(430.95)
Telephone Rental	7,000.00	7,000.00	8,296.86	1,296.86
Telephone Tolls & Telegraph	12,000.00	12,000.00	6,643.16	(5,356.84)
Printing-Operational	11,500.00	11,500.00	3,977.82	(7,522.18)
Books & Subscrip.	1,200.00	1,200.00	1,305.61	105.61
Dues & Regis.	-	-	60.00	60.00
Bond & Ins. Premiums	4,500.00	4,500.00	630.78	(3,869.22)
Attny. Gen. Services	13,306.00	-	13,299.00	13,299.00
Ofc. Equip. Rpr. & Maint.	2,000.00	2,000.00	2,708.73	708.73
Equip. Repair-Other	-	-	17.50	17.50
Xerox Machine Rental	5,000.00	5,000.00	6,292.32	1,292.32
Building Rental	33,500.00	33,500.00	29,982.00	(3,518.00)
Heat, Power & Water	2,100.00	2,100.00	1,480.22	(619.78)
Other Utilities	200.00	200.00	184.75	(15.25)
Janitorial Supplies	1,000.00	1,000.00	13.30	(986.70)
Janitorial Maint. Cont.	10,000.00	10,000.00	1,993.27	(8,006.73)
Improvements & Betterments	500.00	500.00	751.20	251.20
Advertising	-	-	15.73	15.73
Professional Services	-	-	3,974.60	3,974.60
Spec. Reports (Investiga- tion & Credit)	30,500.00	30,500.00	23,530.07	(6,969.93)

Operating, cont'd.

Appeals, Hearings & Court Costs	\$ -	\$ -	\$ 17,026.08	\$ 17,026.08
Microfilm Expense	-	-	36.25	36.25
Photographs, Maps & Prints	-	-	225.15	225.15
Special Services or Projects (Chairman's Revolving Fund)	15,000.00	15,000.00	14,805.70	(194.30)
Public Information	-	-	811.02	811.02
Total Operating	<u>\$167,806.00</u>	<u>\$154,500.00</u>	<u>\$150,325.22</u>	<u>\$ (4,174.78)</u>

Equipment

Automobiles	\$ 14,000.00	\$ 14,000.00	\$ 13,318.55	\$ (681.45)
Trucks	-	-	1,685.34	1,685.34
Office Furniture	1,210.00	1,210.00	505.69	(704.31)
Office Equip.	-	-	8,940.35	8,940.35
Other Furn. & Equip.	12,633.00	12,633.00	1,956.23	(10,676.77)
Total Equipment	<u>\$ 27,843.00</u>	<u>\$ 27,843.00</u>	<u>\$ 26,406.16</u>	<u>\$ (1,436.84)</u>

Total Administrative Expenditures	<u>\$783,589.00</u>	<u>\$783,589.00</u>	<u>\$701,315.23</u>	<u>\$ (82,273.77)</u>
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Funds Allocated for Administrative Expenses

Gaming Taxes	\$1,352,723.19	
County Annual License Fees	<u>90,559.88</u>	\$1,443,283.07

Actual Expenses Incurred During Year

Allocated to Gaming Taxes	\$ 657,323.45	
Allocated to Annual License Fees	<u>43,991.78</u>	<u>701,315.23</u>

Funds to be Allocated from Unused Administrative Fund	<u>\$ 741,967.84</u>
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Funds Transferred to General Fund	\$ 695,399.74
Funds to be Distributed to 17 Counties, \$2,739.30 each	<u>46,568.10</u>

Total Distribution of Unused Administrative Fund	<u>\$ 741,967.84</u>
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NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
GAMING REVENUE
STATEMENT OF REVENUE AND DISTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

Revenue

Quarterly License Fees	\$13,469,689.05	
Less Refunds	<u>23,224.34</u>	\$13,446,464.71
Annual Table Fees (Schedule 4)		905,600.00
Pari-Mutuel Taxes		100,591.90
Race Horse Wire Fees		24,610.00
Investigation Fees	\$ 48,631.48	
Less Refunds	<u>850.00</u>	47,781.48
Penalties		5,861.22
Miscellaneous Income		<u>2,240.79</u>
Total Revenue		<u>\$14,533,150.10</u>

Distribution

Funds Transferred to General Fund		\$12,958,281.36
Funds Paid to Counties (Note)		861,608.22
Funds Paid to Racing Commission		11,945.29
Administrative Expenses (Schedule 5)		
Salaries	\$ 475,944.80	
Travel	48,639.05	
Operating Expenses	150,325.22	
Equipment Purchases	<u>26,406.16</u>	<u>701,315.23</u>
Total Distributions		<u>\$14,533,150.10</u>

Note: Includes \$46,568.10 to be distributed to counties during the 1964-1965 fiscal year.

NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
STATEMENT OF REVENUE TRANSFERRED TO GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

Total Revenue Collected during Year		\$14,533,150.10
Less: Annual Table Fees Collected during Year (Schedule 4)		<u>905,600.00</u>
Funds Available for Distribution		\$13,627,550.10
Less: Amounts Paid to Racing Commission	\$ 11,945.29	
Administrative Expenses Allocated to Fund	<u>657,323.45</u>	<u>669,268.74</u>
Total Funds Transferred to General Fund		<u><u>\$12,958,281.36</u></u>

NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
STATEMENT OF REVENUE AND DISTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

ANNUAL TABLE FEES

Balance, July 1, 1963	\$ 40,404.67
Plus: Distribution in Transit on July 1, 1963	<u>67,500.03</u>
	\$ 107,904.70
 Revenue Received During Year	 <u>905,600.00</u>
Total to Account for	\$1,013,504.70
 Less: Distributions made to Counties for 1962-1963 Fiscal Year	 <u>107,904.70</u>
	\$ 905,600.00
 Less: Administrative Expenses Allocated to Fund	 <u>43,991.78</u>
Funds Available for Distribution	\$ 861,608.22
Less: Funds Distributed During Year	<u>815,040.12</u>
Balance, June 30, 1964	<u><u>\$ 46,568.10</u></u>

NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD
CASH BONDS POSTED BY LICENSEES
FOR THE FISCAL YEAR 1963-1964

SURETY BOND TRUST FUND

Balance, July 1, 1963		\$73,425.00
Plus: Cash Deposits During Year		<u>10,103.06</u>
Total to Account For		\$83,528.06
Less: Refunds to Licensees	\$59,325.00	
Transferred to Acct. #02070		
Gaming Comm. Suspense	<u>1,603.06</u>	<u>60,928.06</u>
Balance, June 30, 1964		<u><u>\$22,600.00</u></u>

Note: This ending balance is \$1,100.00 more than the Controllers records show due to the Controller posting refunds for the 1964-1965 fiscal year in 1963-1964.

GAMING CONTROL BOARD
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

CHAIRMAN'S REVOLVING FUND

Bank Balance, July 1, 1963	\$ 144.54	
Cash on Hand, July 1, 1963	<u>90.00</u>	\$ 234.54
Funds Transferred from Revolving Fund	\$15,000.00	
Refunds for Advances	<u>128.00</u>	<u>15,128.00</u>
Total to Account For		\$15,362.54
Less: 1962-1963 Funds Reverted	\$ 234.54	
1963-1964 Funds Reverted	194.30	
Refunds Redeposited	<u>128.00</u>	<u>556.84</u>
Total Expenditures from Fund for Fiscal 1963-1964		<u><u>\$14,805.70</u></u>

NEVADA GAMING COMMISSION
STATE GAMING CONTROL BOARD

SUPPLEMENTAL LETTER

1. Records of Compensatory Time

During the course of our examination, time records of selected employees were tested to insure that compensatory time accrued or taken off had been properly recorded. It was found that many errors had been made in recording compensatory time due to the fact that one person records annual and sick leave and a photocopy of the attendance reports is then made and sent to a second person who records compensatory time of all Board employees. The errors noted appeared to have been caused by not sending photocopies of the weekly attendance records to the person responsible for posting compensatory time.

It is recommended that one person be responsible for recording all annual, sick and compensatory time accrued or taken by all members of the Commission and Board.

During our review of the time records it was noted that a number of employees had accrued compensatory time as of December 31, 1963. Section 5520.6 of the State Administrative Manual states that all compensatory time accrued during the calendar year must be used in the year accrued. This presumably means that all persons carrying forward any unused compensatory time into the following calendar year would forfeit same.

The Commission and Board informed all its employees of their accrued leave and compensatory time in sufficient time prior to the end of the calendar year in order that they might take the time off. However, all

employees were not able to take time off due to work demands.

2. Authorizations for Leave

In reviewing employees leave records it was noted that no authorization for leave forms were filed in individual personnel files. Some files seen had requests for leave on sheets of memo paper, teletype messages, etc. It appears that the only way to substantiate what leave was taken is to review weekly attendance records. It is recommended that all employees use the prescribed state form, NPD 21, in applying for annual, sick or compensatory time off.

3. Weekly Attendance Reports

During our examination of employees time records, it was noted that one employees did not have all attendance reports on file. It also appears that attendance records are sometimes 2 or 3 weeks late in getting from the field offices to Carson City.

While all personnel submit attendance records, the enforcement division is the only division which submits time records of all assignments worked on during the week. The chief of enforcement then reconciles the weekly attendance records to the detailed assignment sheets.

It is recommended that the audit and investigative divisions of the Board adopt similar provisions for recording agents' time spend on various projects and that steps be taken to insure that all attendance reports are submitted promptly and filed in such a manner that the chances of being lost or misplaced are minimized. The Control Board feels the results obtained would not warrant the time involved.

4. Statutory Authority for Granting 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. While legal counsel of the Gaming Commission feels that the granting of leave to Commission and Board employees is implied by contract of employment, the auditors feel that unclassified employees of the Commission and Board are receiving annual and sick leave without statutory authority.

We recommend that NRS 463.080(2) be amended to specifically provide leave allowances for employees by adding the words "except NRS 284.350 and NRS 284.355."

5. Outside Purchases of Office Supplies

An analysis of office supplies purchased by the Commission indicated that of \$8,168.33 expended in office supplies, \$5,404.42 or 66.2% was purchased from sources other than the State Purchasing Division during fiscal 1963-1964.

It is recommended that all office supplies wherever practicable be acquired through the State Purchasing Division of the Department of Administration. The Commission has implemented this recommendation.

6. Accounting Manual

The Commission has no formal accounting or procedures manual although there is a manual used for licensing and handling of applications.

In our opinion, the preparation and use of an accounting and procedures manual would be of considerable benefit to the Gaming Commission and

Control Board. Such a manual can be an invaluable management and training aid and would assist department heads and supervisors in processing purchase orders, deposits, travel reports, and implementing departmental policy. The Commission and Board are of such size and complexity that written guidelines for accounting procedures and policies are mandatory. It is therefore urged that the Commission take steps to prepare an accounting and procedures manual at the earliest time feasible.

7. Safeguarding Accounting Records

Whereas the Commission and Control Board have stringent rules for safeguarding confidential information relative to licensees, it was noted during our test-check of the various accounting records that two payroll lists were missing. As mentioned above there were also weekly attendance reports missing for 1 employee. In reconciling the surety bond account to the Controller's records, it was noticed that three licensees had bonds on deposit but their records were not in the same file with the other surety bond licensees. After a search they were found in another file.

We wish to suggest that the Commission take proper steps to safeguard all accounting data in order to prevent misplacing or losing same and also to save time and money in trying to locate such records when needed.

8. Licensee Investigation Fees

Gaming Commission and Control Board regulation number 4.050 sets investigation fees of \$250.00 for unrestricted licenses and \$50.00 for restricted licenses. These fees are the minimum amounts which are charged applicants. Whenever the investigation warrants more extensive checking, the Commission has authority to increase the fees to cover all costs incurred in examining an applicant's background.

However, it appears that the Commission requires the applicant to pay additional costs only when the Board retains private investigators to look into an applicant's background. Whenever the Board's investigators do the checking either in or out of state, the applicant is usually not required to pay the investigator's costs.

We feel that all investigative fees incurred in checking applicants should be charged to said applicants as far as practicable, when the extent of the examination so warrants. These might include all direct costs such as travel, per diem expenses, salaries, etc., which can be directly attributed to licensee applications.

9. Retention of Void Checks

In reconciling the Chairman's Confidential Fund as set up per NRS 463.330, it was noted that void checks were being thrown away by the chairman. The chairman of the Control Board was advised that all checks should be accounted for and steps were taken by him to insure that henceforth all checks will be accounted for.

It was also noted that the chairman of the Board had not secured written approval from the Board of Examiners for the above mentioned bank account and a bond from the bank satisfactory to the Board of Examiners. It is suggested that the chairman secure written approval from the Board of Examiners for the aforementioned account which is automatically insured up to \$10,000 by FDIC.

10. Mail Opening Procedures

It was noted during our audit that one person opens mail for both the Commission and the Board. However, this employee only notes whether checks are enclosed and if so, that the check is in agreement with the

amount shown on the return. She does not make a list of checks received by name and amount. The checks and returns are then given to the tax administrator who checks the returns for arithmetical errors and computes the tax due on the amounts shown in the returns. The checks then go to the administrative assistant who records the checks for deposit. The returns are given to the posting clerk who posts them on ledger cards. Thus, three people handle checks before they are recorded and in addition one person handles both checks and returns and also has access to licensee's visual files which are used to detect late filings in addition to other data.

It is recommended that these procedures be changed by having persons opening mail make a duplicate list of all checks received by name and amount. The person opening mail should then keep one copy and submit the duplicate to the person responsible for computing tax returns for arithmetical correctness. The checks should then be given to the person responsible for making up deposits. These should then be reconciled with the other lists in order to prevent checks being lost or misplaced.

11. Pari-Mutuel Wagering License

It appears that a pari-mutuel license was issued by the Gaming Commission before ascertaining that a certificate had been received from the Racing Commission stating that the licensee had paid the required \$50.00 per day fee as required by NRS 464.030.

Upon receiving notice from the Racing Commission that certain days had been approved by them for an applicant to conduct horse racing, the Gaming Commission issued a license to conduct said horse racing without first ascertaining that the required fees as specified in NRS 464.030 had

been paid to the Racing Commission. The Gaming Commission later had reason to believe that the fees had not been paid to the Racing Commission and it wrote the Racing Commission advising them that no certificate of payment of fees had been received by the Gaming Commission. The Racing Commission then advised the Gaming Commission that only 10 of the previous 38 racing days had been paid in advance by the licensee. While this was later corrected and all license fees for past racing days plus future racing days were paid, the Gaming Commission was in error in allowing the licensee to operate before a certificate of payment of fees was received.

We believe that both above mentioned Commissions were in error and suggest that in the future the Gaming Commission make certain that all required fees have been paid before issuing a pari-mutuel wagering license.

12. Amending Outdated Sections of NRS

In reviewing applicable sections of NRS, the following sections are outdated and should be amended to conform to other statutes.

NRS 207.120, subsection 2(d) states, "The gambling division of the tax commission or any successor thereto; or . . ." Since the Gaming Commission and Gaming Control Board are now responsible for all phases of gaming it is felt that this statute should be amended to read, "The Nevada gaming commission and state gaming control board or any successor thereto; or . . ."

NRS 463.145, subsection 5 also states in part, ". . . and the statute revision commission . . ." We feel this should be amended to read, ". . . the legal division of the legislative counsel bureau . . ."

13. Assessment of Penalties for Bad Checks

During our review of the Gaming Commission it was noted that in some instances licensees would send in the required fees before the filing

deadline but their checks were not honored by the bank. In cases where the Commission had to write to the licensees requesting a good check, and in the meantime the filing deadline had passed, it was noticed that the Gaming Commission was not assessing the 10% penalty as required by law for late filing.

We recommend that the Commission apply the 10% penalty for late filing whenever a licensee's check is not honored by the bank and a replacement check is sent after the filing deadline. This will be done by the Gaming Commission in the future.

14. Delinquent Payment of Annual License Fees

NRS 463.380 provides that an annual license fee based on the number of games operated must be paid to the Gaming Commission before the 10th of January each year. Test-checks of 75 returns were made to determine if this particular section of the statute was being complied with. Of the 75 returns reviewed, only three licensees properly reported and paid their annual license fees timely.

It should be mentioned that one reason for so many licensees failing to pay their annual license fees timely was because such fees were reported on the same form whereon quarterly license fees were reported, which are not due until the 25th of the month. The executive secretary of the Gaming Commission recently revised the reporting forms and annual license fees now are reported on separate forms.

There is no provision to assess any penalties for late filing and paying such annual fees under NRS 463.380 or throughout chapter 463. We recommend that NRS 463.380 be amended to provide for automatic penalties for late filing and payment of annual license fees.

15. Failure to Secure Proper License

During our review of the returns submitted by games operators, it was noted that in four instances, licensees were operating games in excess of the number of games for which they were licensed by the Commission.

The Commission has no indication of a change in games until the quarterly license fees are remitted, or a board agent advises the Commission of a discrepancy. The licensee must report total number of each type of game on the quarterly return.

Operating additional games prior to receiving authorization from the Gaming Commission is a violation of NRS 463.160. However, as in other sections of chapter 463, there is no provision for a monetary penalty for failure to secure such authorization.

In one of the four instances noted above, the licensee did not pay the additional fee until five months had elapsed. Although NRS 463.160 does not provide for any penalty assessment, NRS 463.400 provides for a 100% penalty for "any person who willfully fails to report, pay or truthfully account for and pay over the license fees imposed by NRS 463.370 to 463.390"

It is recommended that NRS 463.160 be amended to provide for penalties where additional games are put into play by a licensee without having authority of the Gaming Commission. It is further recommended that the penalty provided for in NRS 463.400 be imposed whenever a licensee deliberately fails to pay his fees after being duly notified by the Gaming Commission that such fees are due and payable.

16. Payment of Quarterly Fees

In our analysis of quarterly fees, we test-checked approximately 100

returns to determine if the correct fees were being collected under NRS 463.370. No computation errors were found which had not been previously corrected by employees of the Gaming Commission. However, there were some errors noted to which the Commission should give their attention. For example, during our test-check, one slot machine operator's return was reviewed where the operator was rounding off income figures to the nearest \$100.00. This operator reported income of \$6,200, \$6,300, \$5,200, \$4,800 and \$4,800 on his last five returns. We feel that this procedure gives operators a chance to manipulate their income figures, if high enough, in order to pay the lower percentage fee possible during a quarter, and further to predetermine the total amount of tax he will pay. It is recommended that the Commission take steps to correct this situation and prevent its reoccurrence in the future.

Another slot operator was deducting collection costs from his gross revenue on the slot machines. While this licensee was also authorized to operate two table games, he reports no income from the games. We feel that the Gaming Commission should bring these situations to the attention of the Gaming Control Board in order that corrective steps be taken to get these licensees reporting correctly.

Some clubs were also taking deductions for foreign coins and one club was taking a deduction for cash shortages. We feel that these items should not be allowed as deductions from gaming revenues as the law is very specific as to what constitutes revenue. Again we would like to recommend that corrective steps be taken to prevent a reoccurrence in the future.

It is suggested that when items of this nature occur and are detected by employees of the Gaming Commission processing returns, steps be taken to

inform the Gaming Control Board in order that corrective action can be taken by the appropriate division of the Board.

During our test-check of the quarterly fees reported it was noted repeatedly that slot machine route operators were adding new locations, adding machines in old locations and substituting machines without prior approval from the Gaming Commission. There were instances where the Gaming Commission would bill the slot route operators for advance payments required on new locations without receiving immediate payment.

As stated in paragraph 15 above, we recommend that NRS 463.160 be amended to specifically provide for penalties relating to the abuses as pointed out in paragraph 15 and this paragraph. Again we wish to point out that the penalty provision of NRS 463.400 should be imposed against those operators who are delinquent in paying advance payments or other license fees required by law.

We recommend further that the penalties now imposed by NRS 463.370(3), relating to quarterly fees, be amended to impose a new higher maximum and minimum, since the present penalties do not appear adequate to prompt licensees to remit their quarterly license fees timely.

17. Interest Assessed Without Statutory Authority

An analysis of non-payment of taxes by licensees indicated that the Commission had charged two licensees (since closed) \$1,627.84 in interest in addition to \$715.84 in penalties on advice of counsel. Chapter 463 of NRS provides for penalties to be assessed when fees are not paid in time or for non-payment of fees. However, there is no provision for assessing interest in addition to penalties in the above mentioned chapter. It is felt the Commission collected the interest from the two licensees without specific statutory authority.

However, we recommend that interest provisions be added to NRS 463.-370 and 463.380 in order to help eliminate the violations noted in above paragraphs. Such interest should be of sufficient severity to prevent clubs and operators from deliberately failing to pay their license fees simply because the rate of interest imposed is "good" in comparison to rates charged by banks, loan companies, etc.

18. Audit Program Evaluation

As part of our examination we attempted to analyze the Gaming Control Board's audit program from the revenues standpoint as well as the completeness of the audits performed by the Control Board auditors.

The audit division of the Gaming Control Board made 540 audits during the years 1955 to September 1964. These resulted in additional fees of \$356,726.24 being assessed, of which approximately \$200,000 was from assessments on bankrupt licensees. Of the 540 audits performed, 284, or approximately 53% of the audits resulted in no additional fees being assessed.

Gaming Control Board auditors were paid \$417,110.09 in salaries during this period. Thus, the audit program cost \$60,383.85 more than the revenue derived from the program. It should be noted that the audit staff does not audit in the strict sense of the word on a full-time basis but are used for various other duties as directed by the chairman of the Board. Also, our analysis of costs did not include travel and per diem or other costs directly connected with the audit program but was confined to direct salaries paid to auditors.

In order to get some idea of the type of audits performed by Gaming auditors, we reviewed a number of audit working papers and related data.

It appears that the audit division has no written manual setting forth procedures for auditing gaming casinos. It was noted that there was no narrative included in the audit working papers relating to internal control procedures used in the various casinos audited. By the very nature of the gaming industry's internal control problems, it is imperative that gaming auditors check all internal control procedures relating to counting and recording of cash. We recommend that a substantial portion of the audit be devoted to analyzing the cash control procedures used in the casino under audit. We recommend that a check list be utilized by the audit division in auditing internal control procedures for counting and recording of cash.

It should be pointed out that the auditing of the gaming industry provides problems not encountered in normal audit procedures. The auditor is dealing with a self-assessed tax on the gross receipts of a product to which there is no auditing base. Obviously any income recorded on the records will eventually appear on a tax return submitted to the state. A thorough review of the internal control procedures will help to assure the auditors that steps are being taken to insure that moneys won at the tables will be recorded on the books of accounts and reported to the state.

It was also noted that there was no way to tell from the audit working papers just what audit procedures had been used to test-check the various accounting records. We feel that this is of vital importance to the reviewer in determining whether a complete audit was made. We therefore recommend that steps be taken to make this a part of the audit working papers.

As was stated above, the audit division has no manual stating audit procedures and other matters of importance to the auditors. We suggest

that a manual be prepared as soon as possible with guidelines to be followed by all auditors in performing audits.

One case was found where a casino was to be sold at the end of a quarter. In reviewing the audit working papers, however, we noted that the old casino operated the club for two days in the subsequent quarter prior to the new organization taking over. NRS 463.270 specifically states that state gaming licenses shall become subject to renewal on the first day of January and the first day of each calendar quarter thereafter. Therefore, if the old corporation operated for 2 days in the next quarter, it would be liable for the license fees as specified in NRS 463.370. Such license fees of approximately \$166,000.00 have never been paid as of the date of our audit although the sale took place in 1962. Auditors for the Gaming Control Board audited the final statements of the old organization as well as the first six months operation of the new organization. Both such audits were reviewed by the gaming auditor's supervisor.

The working papers of the gaming auditors bring out the following facts:

1. Stock of the old corporation was acquired on July 3, 1962.
2. Rent charged to the new corporations' lessors was pro-rated for the month of July from July 3, 1962.
3. All statements relative to the old organization prepared by a CPA firm were dated through July 3, 1962.
4. Inventories were taken on July 3, 1962.
5. All accounts receivable, and accounts payable were transferred as of July 3, 1962.

The fact that such fees were not paid and the above stated facts have been pointed out to the officials of the Gaming Commission and the Gaming

Control Board. As of this date it is unknown if the Gaming Commission will press for total collection of such fees.

The Gaming Control Board has received a letter dated November 12, 1964 from the accounting firm representing the licensee stating that the "table wins" for July 1 and 2 had not been included in the first return of the new corporation and they enclosed a check covering taxes for same in the adjusted amount of \$7,266.64.

From the statutory language of NRS 463.270 and the facts brought out in the working papers of the Gaming Control Board's auditors, there is no doubt that the quarterly license fees for the quarter ending June 30, 1962 are due and payable, if the language in NRS 463.270 is strictly interpreted.

In a similar situation in the same year a licensee was destroyed by fire on April 3, 1962 with two days operation in a new quarter and they were required by the Gaming Commission to pay full fees for the previous quarter.

19. Loss of License Fees to the State

NRS 463.370 states in part that no license shall be issued to any applicant, except a provisional license until the license fee has been paid in full based on the percentage as specified by law. NRS 463.220 gives applicants the right to operate a gaming establishment under a provisional license when a record of earnings for the past full quarter cannot be obtained for any reason. This is contingent upon the applicant paying all fees in arrears at the end of the first full quarter of operation.

The Gaming Commission has taken the position that whenever an applicant is operating under a provisional license, the licensee must pay the

fees due for the first full quarter of operation based on the gross revenue derived from gaming and in addition must also pay a like amount in order to achieve so called "advance paid status" and have the licensee comply with NRS 463.370, section 2. Thereafter, the licensee pays all license fees on the 25th day of the month following the last day of each calendar quarter in order to obtain a license for operating in the current quarter. A return is filed for the final quarter of operation however, no fees are paid on the assumption that the "advance paid status" is to cover any amount due.

We recommend that NRS chapter 463 be amended to provide that the advance fee paid at the end of the first full quarter of operation be a deposit to be applied to the actual fees due for the final quarter of operation rather than in lieu of fees for the final quarter of operation. This would assure that the state would receive the percentage fee on every dollar of gaming wins reported as earned by any licensee for their complete operation.

November 17, 1964
Carson City, Nevada


Norman H. Terrell, C.P.A.
Fiscal Analyst

Note: At a meeting on November 23, 1964 between the Fiscal Analyst and members of the Gaming Control Board and the executive secretary of the Gaming Commission, agreement was reached on the implementation of all of the foregoing recommendations except item 3, as qualified.

NEVADA STATE PRISON
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada State Prison for the fiscal year ended June 30, 1964, and have prepared therefrom the following attached exhibits and related schedules:

Combined Statement of Financial Condition
as of June 30, 1964-----Exhibit A

Prison Store Fund and Inmate Fund--
Combined Balance Sheet as of
June 30, 1964-----Exhibit A-1

Administration Fund--
Statement of Basis for Appropriation
and Authorization Compared with Actual
Receipts and Expenditures for the
Fiscal Year ended June 30, 1964-----Exhibit B

Prison Chapel Fund--
Statement of Basis for Appropriation
Compared with Actual Receipts and
Expenditures for the Fiscal Year ended
June 30, 1964-----Exhibit C

Prison Store & Recreation Fund--
Income Statement for the Fiscal Year
ended June 30, 1964-----Schedule 1

Residence Improvement Fund--
Statement of Receipts and Disbursements
for the Fiscal Year ended June 30, 1964-----Schedule 2

Prison Revolving Fund--
Statement of Receipts and Disbursements
for the Fiscal Year ended June 30, 1964-----Schedule 3

Scope of the Examination

Although a detailed examination of all recorded transactions was not made, 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.

Opinion

We have examined the statement of financial condition of the several funds of the Nevada State Prison as of June 30, 1964, 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 and such other auditing procedures as we considered necessary in the circumstances, except as stated in the following paragraph.

Because of the lack of accounting records and poor internal control procedures in effect prior to the arrival of the current business manager, at the start of the 1963-1964 fiscal year accounting period, we were unable to satisfy ourselves that balances of the Prison Store Fund and Inmate Fund were accurate on July 1, 1963. In addition, we were unable to verify whether all funds received had been recorded for the same reasons. Therefore, we do not express an opinion on the Combined Balance Sheet of the Prison Store Fund and Inmate Fund, and the Income Statement of the Prison Store and Recreation Fund for the fiscal year ended June 30, 1964.

In our opinion, the accompanying statement of financial condition and statement of revenues and expenditures present fairly the financial position of the Nevada State Prison as of June 30, 1964, and the results of its operations for the year then ended, with the exception as noted in the above paragraph, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
December 21, 1964

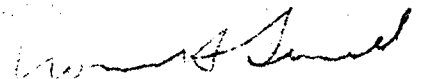

Norman H. Terrell, C.P.A.
Fiscal Analyst

Exhibit A

NEVADA STATE PRISON
COMBINED STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1964

	<u>Total</u>	<u>Prison Revolving Fund</u>	<u>Prison Chapel Fund</u>	<u>Residence Improvement Fund</u>	<u>Inmate Fund</u>	<u>Prison Store Fund</u>	<u>Fixed Assets</u>
Assets							
Cash on Hand	\$ 4,062.32				\$ 6,016.68	\$(1,954.36)	
Cash in Banks	27,552.49	\$1,500.00			10,342.11	15,710.38	
Cash Held in State Treasury	3,408.62		\$1,173.26	\$2,235.36			
Merchandise Inven- tory	4,324.59					4,324.59	
Furniture and Fixtures	1.00						\$1.00
Automobiles	1.00						1.00
	<u>\$39,350.02</u>	<u>\$1,500.00</u>	<u>\$1,173.26</u>	<u>\$2,235.36</u>	<u>\$16,358.79</u>	<u>\$18,080.61</u>	<u>\$2.00</u>
Liabilities & Fund Equity							
Accounts Payable	\$ 4,137.42					\$ 4,137.42	
Funds Held in Trust	30,301.98				\$16,358.79	13,943.19	
Tot. Liabilities	\$34,439.40				\$16,358.79	\$18,080.61	
Fund Equity	<u>4,910.62</u>	<u>\$1,500.00</u>	<u>\$1,173.26</u>	<u>\$2,235.36</u>			<u>\$2.00</u>
Total Liabilities and Fund Equity	<u>\$39,350.02</u>	<u>\$1,500.00</u>	<u>\$1,173.26</u>	<u>\$2,235.36</u>	<u>\$16,358.79</u>	<u>\$18,080.61</u>	<u>\$2.00</u>

NEVADA STATE PRISON
PRISON STORE FUND & INMATE FUND
COMBINED BALANCE SHEET
JUNE 30, 1964

Assets

Cash and Cash Items on Hand	\$ 4,062.32	
Cash in First National Bank of Nevada, Carson City Branch	17,540.50	
Cash in First National Bank of Ely, Ely, Nevada	<u>8,511.99</u>	\$30,114.81
Merchandise Inventory, June 30, 1964		<u>4,324.59</u>
		<u>\$34,439.40</u>

Liabilities

Accounts Payable		\$ 4,137.42
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Fund Equity

Inmates Fund		\$16,358.79	
Store & Recreation Fund, Balance July 1, 1963	\$13,884.61		
Net Income for the Year ended June 30, 1964	<u>58.58</u>	<u>13,943.19</u>	<u>30,301.98</u>
			<u>\$34,439.40</u>

NEVADA STATE PRISON
ADMINISTRATION FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp. & Author.</u>	<u>Actual Receipts & Expend.</u>	<u>Over/(Under) Approp. or Author.</u>
<u>Receipts</u>				
Appropriations	\$930,245.00	\$930,245.00	\$930,245.00	\$
NIC Rebates, Jury Duty, Sick Pay			1,073.20	1,073.20
Salary Adjustment	15,222.00		12,722.00	12,722.00
Group Insurance	2,700.00		2,700.00	2,700.00
Authorization	17,000.00	17,000.00	1,137.75	(15,862.25)
Total Receipts	<u>\$965,167.00</u>	<u>\$947,245.00</u>	<u>\$947,877.95</u>	<u>\$ 632.95</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$496,666.00	\$481,826.00	\$460,288.74	(\$21,537.26)
Industrial Ins.	3,328.00	3,132.00	3,388.72	256.72
Retirement Pmt.	28,558.00	27,705.00	26,836.05	(868.95)
Personnel Asses.	4,133.00	4,800.00	4,133.00	(667.00)
Group Ins.	2,700.00		1,440.00	1,440.00
Total	<u>\$535,385.00</u>	<u>\$517,463.00</u>	<u>\$496,086.51</u>	<u>(\$21,376.49)</u>
Travel:				
Out-of-State	\$ 200.00	\$ 200.00	\$ 55.60	\$ (144.40)
In-State	732.00	732.00	649.23	(82.77)
Total	<u>\$ 932.00</u>	<u>\$ 932.00</u>	<u>\$ 704.83</u>	<u>\$ (227.17)</u>
Operating:				
Office Supplies	\$ 3,000.00	\$ 3,000.00	\$ 3,909.79	\$ 909.79
Postage & Freight	2,600.00	2,600.00	2,490.51	(109.49)
Telephone-Combined	7,840.00	7,840.00	5,669.82	(2,170.18)
Printing-Combined	1,300.00	1,300.00	647.11	(652.89)
Subscrip. & Reference Manuals			176.90	176.90
Ins. & Bond Prem.	1,600.00	1,600.00	1,162.26	(437.74)
Contract Services	5,400.00	5,400.00	5,400.00	-0-
Office Equip. Repair	300.00	300.00	147.76	(152.24)
Other Equip. Repair	3,000.00	3,000.00	10,396.22	7,396.22
Equip. Rental			157.80	157.80
Heat	31,000.00	31,000.00	25,845.78	(5,154.22)
Power	20,310.00	20,310.00	15,807.17	(4,502.83)
Water			15.70	15.70
Janitor Supplies	4,300.00	4,300.00	3,924.16	(375.84)
Bldg. & Grounds	19,000.00	19,000.00	8,909.84	(10,090.16)
Truck Operating	8,000.00	8,000.00	6,324.40	(1,675.60)
Uniform Allow.	4,493.00	4,493.00	1,167.55	(3,325.45)
Medical & Dental Care	9,600.00	9,600.00	15,884.96	6,284.96

Exhibit B,
cont'd.

Operating, cont'd.

Trans. of Inmates	\$ 2,100.00	\$ 2,100.00	\$ 2,087.31	\$ (12.69)
Food	142,761.00	142,761.00	126,323.22	(16,437.78)
Kitchen Supplies	5,400.00	5,400.00	8,481.17	3,081.17
Dormitory Supplies	5,300.00	5,300.00	12,667.61	7,367.61
Clothing	22,260.00	22,260.00	21,110.64	(1,149.36)
Laundry Supplies	4,100.00	4,100.00	3,817.16	(282.84)
Med.& Dent. Supplies	5,200.00	5,200.00	3,794.71	(1,405.29)
Instructional Supplies	5,000.00	5,000.00	747.76	(4,252.24)
Recreation Supplies		--	84.59	84.59
Barber Expense		--	128.03	128.03
Improvements		--	2,042.33	2,042.33
Professional Services		480.00	480.00	-0-
Special Reports		--	7.50	7.50
Appeals and Hearings		--	19.20	19.20
License and Fees		--	27.00	27.00
Prisoner Stipends	11,820.00	11,820.00	11,552.07	(267.93)
Lab Supplies			1,120.14	1,120.14
Special Projects	480.00	--	315.00	315.00
Farming	43,500.00	43,500.00	29,978.73	(13,521.27)
Funerals			210.20	210.20
Total	<u>\$369,664.00</u>	<u>\$369,664.00</u>	<u>\$333,032.10</u>	<u>(\$36,631.90)</u>
Equipment:				
Automobiles	\$ 2,500.00	\$ 2,500.00	\$ 2,478.82	\$ (21.18)
Trucks	7,250.00	7,250.00	6,875.63	(374.37)
Office Furniture	499.00	601.00	296.97	(304.03)
Office Equipment	962.00	1,135.00	1,470.24	335.24
Other Furniture & Equipment	16,425.00	16,150.00	9,742.62	(6,407.38)
Total	<u>\$ 27,636.00</u>	<u>\$ 27,636.00</u>	<u>\$ 20,864.28</u>	<u>\$(6,771.72)</u>
Synanon	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	
Maximum Security Fence	1,550.00	1,550.00	1,547.45	\$ (2.55)
Outside Agency Care	18,000.00	18,000.00	13,817.75	(4,182.25)
Total	<u>\$ 31,550.00</u>	<u>\$ 31,550.00</u>	<u>\$ 27,365.20</u>	<u>\$(4,184.80)</u>
Total Expenditures	<u>\$965,167.00</u>	<u>\$947,245.00</u>	<u>\$878,052.92</u>	<u>(\$69,192.08)</u>
Excess of Receipts over Expenditures Reverted to the General Fund			<u>\$ 69,825.03</u>	

NEVADA STATE PRISON
PRISON CHAPEL FUND
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Appropriation</u>	<u>Actual Revenue & Expenditures</u>	<u>Over or (Under) Appropriation</u>
<u>Revenues</u>				
Appropriation	<u>\$12,500.00</u>	<u>\$12,500.00</u>	<u>\$12,500.00</u>	<u>\$ --</u>
<u>Expenditures</u>				
Construction Costs	<u>\$12,500.00</u>	<u>\$12,500.00</u>	<u>\$11,326.74</u>	<u>\$(1,173.26)</u>
Balance, June 30, 1964			<u>\$ 1,173.26</u>	

NEVADA STATE PRISON
PRISON STORE AND RECREATION FUND
STATEMENT OF INCOME & EXPENSE
For the Fiscal Year ended June 30, 1964

Sales		\$55,975.97
Cost of Sales		
Inventory, July 1, 1963	\$ 5,894.44	
Purchases	<u>48,576.27</u>	
	\$54,470.71	
Less - Absorbed Store Costs	<u>969.13</u>	
	\$53,501.58	
Inventory, June 30, 1964	<u>4,324.59</u>	
Cost of Sales		<u>49,176.99</u>
Gross Profit from Store Sales		\$ 6,798.98
Other Income		<u>3,759.55</u>
Total Store & Recreation Fund Income		<u>\$10,558.53</u>
Expenses:		
Radio & Television	\$ 927.69	
Movie Films	2,176.78	
Books	90.85	
Athletic Equipment	1,029.98	
Sagebrush Magazine	1,251.65	
Music	39.70	
Honor Camp Number One	703.92	
Honor Camp Number Two	393.25	
Women's Recreation	43.00	
Boys in Blue	542.93	
Art Expenses	51.14	
Synanon	25.10	
Absorbed Store Costs	969.13	
Casino Table Acquisitions	1,475.00	
Special Holiday & Boxing Expenses	246.75	
Dental Expenses	32.80	
Inmate Fund Shortage	300.00	
Freight	8.22	
Store Improvement	53.16	
Miscellaneous	<u>138.90</u>	
Total Expenses		<u>\$10,499.95</u>
Net Income from Store & Recreation Funds		<u>\$ 58.58</u>

NEVADA STATE PRISON
RESIDENCE IMPROVEMENT FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963	\$1,837.17
<u>Receipts</u>	
Rent	<u>675.00</u>
Total Revenue	<u>\$2,512.17</u>
<u>Expenditures</u>	
Building & Ground Maintenance	<u>\$ 276.81</u>
Balance, June 30, 1964	<u><u>\$2,235.36</u></u>

NEVADA STATE PRISON
PRISON REVOLVING FUND
STATEMENT OF RECEIPTS & DISBURSEMENTS
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963		\$ 573.68
Money Transferred from Appropriated Funds		7,209.55
Deposit		<u>926.32</u>
Total to Account For		\$8,709.55
 <u>Expenditures</u>		
Prisoner Release Funds	\$4,600.00	
Prisoner's Payroll	1,750.75	
Transportation of Inmates	728.62	
Postage and Freight	45.23	
Inmates Drivers Licenses	27.00	
Miscellaneous	<u>57.95</u>	<u>7,209.55</u>
Balance, June 30, 1964		<u><u>\$1,500.00</u></u>

NEVADA STATE PRISON

SUPPLEMENTAL LETTER

1. Records of Board of Prison Commissioners

Under the authority of NRS 209.030, the Secretary of State, as secretary of the Board of State Prison Commissioners, is required to keep or cause to be kept in a book, a complete account of all transactions and proceedings of the Board. In reviewing the minutes and other pertinent data which the Board must keep, it was noted that the secretary of the Board does not keep a formal minute book. Information was found in two folders; stuffed with minutes, newspaper articles and other miscellaneous papers.

It is recommended that the Board take steps to correct this situation and keep a formal minute book as required by NRS 209.030. Other important papers should also be filed and kept in an orderly manner.

2. Outside Purchase of Office Supplies

An analysis of office supplies purchased by the prison indicated that of \$3,909.79 expended in office supplies, \$1,916.32 or 49.1% was purchased from sources other than the State Purchasing Division during fiscal 1963-64.

It is recommended that all office supplies wherever practicable be acquired through the State Purchasing Division of the Department of Administration.

3. Warden's Bond

It was noted that the Warden did not have a bond on file with the Secretary of State as required by NRS 209.100. However, when this was brought to his attention, steps were taken to secure a bond from a private surety company.

4. Posting of Rules and Regulations

NRS 209.060 provides in part that rules and regulations of inmates confined at the Nevada State Prison and rules relating to visits between visitors and inmates be posted in conspicuous places throughout the prison. This is not being done since the Warden stated that such posters would only be torn down by inmates. The prison does issue booklets to inmates and visitors regarding their conduct during visits.

We feel that this is a better system of acquainting visitors with prison visiting regulations and recommend that NRS 209.060 be amended to conform to actual practice.

5. Bids for Furnishing Supplies to Prison

NRS 209.080 provides for notices and bids for furnishing supplies to the prison. Since the purchasing act was passed, prison officials have procured their supplies in conformity with this act and have not been complying with the provisions of NRS 209.080. It is recommended that NRS 209.080 be deleted.

6. Warden's Residence

NRS 209.090 states that the Warden shall live at the residence provided for under NRS 209.115. Since the Warden's residence is within the compound, we feel the house would be extremely vulnerable if a riot or break occurred. We also feel that with the modern communications and transportation facilities now available, it is no longer imperative that the Warden live on the prison grounds.

We therefore recommend that NRS 209.090 be amended to give the Warden the privilege of living away from the prison compound, but not further away from the prison than a 10-mile radius in order that he be available on short notice if needed.

7. Employee's Days Off

Every employee of the prison is to receive 2 days off each week under NRS 209.130, section 3. It was determined that some employees were not taking 2 days off due to lack of staff. However, the prison makes it a policy to pay for compensatory time so that such time will not be lost at the end of the calendar year. It was found that 22 employees had accrued 110 days of compensatory time as of November 9, 1964. This was paid on December 10, 1964.

For the years 1961 through 1963 it was noted that 157-3/4 days of annual leave were lost by 7 employees. Five of these employees were supervisory personnel who lost 153½ days of leave. While some of the leave lost was unavoidable, it is felt that proper planning might have prevented some of the loss.

It is recommended that prison officials make it mandatory that all employees take annual leave in order to prevent possible future losses. We also recommend that every interior guard-post be rotated regularly and sporadically to break up potential supply lines to inmates. The main problem here is lack of staff.

8. Safeguarding Inmates Valuables

Upon the arrival of a new inmate, it was noted that all clothing and personal belongings are taken from him and stored until his release. However, it was observed that small items of personal property are sealed in an envelope but certain items are not itemized or inventoried by prison officials.

It is recommended that all items of personal property be itemized and inventoried in duplicate with one copy put on the inmates personal property card and the other given to the inmate in order to protect both the inmate and prison officials responsible for such valuables.

9. Inmates Clothing

In accordance with the amount of security each inmate is to have, NRS 209.260 stipulates that inmates in grade one are to wear outer clothing of one color while inmates in grades 2 and 3 are to wear the regulation prison garb. Officials at Nevada State Prison have abandoned this practice because of the high cost of maintaining many sizes in two different styles.

We concur that it is more economical to have one standard prison uniform, therefore we recommend that NRS 209.260 be amended to concur with actual practice.

10. Classification of Prisoners

NRS 209.270 holds the Warden responsible for making and adopting rules and regulations for separating and classifying inmates and for their promotion and reduction from one grade to another as outlined in NRS 209.260. It also provides that these rules be given to guards and officers. Furthermore, rules as apply to inmates behavior must be posted around the prison grounds.

It was determined that there are no written rules and regulations spelling out procedures for promotions or reductions in accordance with NRS 209.270. This is done by a Disciplinary Committee, which is composed of the Captain, Lieutenant and a Sergeant or officer. This committee evaluates each inmate and determines when an inmate is ready for promotion from one grade to another. It also recommends reductions in grade when an inmate violates prison rules.

While we feel this is a good system of promoting inmates because detailed written rules could not be made to cover all possible situations, we recommend that broad outlines be adopted and all inmates advised of

these regulations so as to give inmates an idea of what behavior is expected of them and what steps they can take to get promotions. We also recommend that officers and guards be advised of such rules and regulations in order that they may perform their duties more effectively.

11. Statutory Time Off

NRS 209.280 allows inmates who have no infraction of rules and regulations a deduction from their term of confinement. However, it was noted that all inmates except those under death sentences or those committed to life without the possibility of parole receive this deduction automatically upon entering prison. Prison officials feel that deducting statutory time upon the inmates arrival solves many bookkeeping problems later. It appears that by the very nature of the bookkeeping, this statutory time is automatic and not revokable. This is further evidenced by the fact that not one inmate has ever had statutory or work time forfeited by the Board for any infractions of prison rules, assaulting a guard or other reasons, as stated in NRS 209.290. There have undoubtedly been many instances of violations of regulations which warranted time in solitary, but in only one of these instances has the Board ever revoked statutory time or work time accumulated by the inmate.

The primary reason given by prison officials for failure of the Board to revoke statutory or work time is the difficulty encountered in getting the three members of the Board together.

We recommend that NRS 209.280 and 209.290 be amended to provide that the existing disciplinary committee, including the Warden, be granted the power to suspend or revoke statutory and/or work time within the limits now provided in the above mentioned statutes.

12. Work Time Off

In addition to statutory time off, NRS 209.280 provides for reduction in sentences for above average diligence in labor. Thus, Nevada State Prison has approximately 321 inmates who receive from 6 to 10 days reduction in their sentences for each month worked. In addition to time off, inmates who work outside the prison also receive \$.75 per day for each day worked or \$15.00 per month which is credited to their account. Inmates who hold responsible positions within the prison receive various amounts ranging from \$3.00 to \$10.00 per month depending upon the amount of responsibility involved. From personal observation and talking to various inmates who hold responsible positions within the prison, it appears that inmates who work outside the prison compound do not have the pressure and responsibility of those working within the compound.

Therefore, we recommend that steps be taken to bring pay scales within the prison into line with those paid to inmates working for other state and county agencies. The pay scale should take into consideration the amount of responsibility involved for each particular job.

It was also noted that certain inmates work in very responsible positions within the prison with minimal supervision from civilian guards.

For example, the storekeeper prepared all purchase orders, commissary requisitions and other documents with very little direct supervision from the Supply Supervisor. There are also inmates working in the Identification Department who post all statutory and work time on inmate's records, handle paper work for incoming inmates and do other important jobs as required by the sergeant in charge with very little supervision.

We feel that it is very bad practice to have inmates in these positions due to the pressure they might be subjected to from their fellow prisoners to falsify records relative to work time off and/or be given commissary goods which inmates would want.

Therefore, we recommend that steps be taken to have civilian personnel supervise and be directly responsible for these activities. Once again, the problem here is lack of staff.

13. Candy Wagon

During our examination at Nevada State Prison, it was noted that one officer drives in to Carson City on errands for inmates, to pick up prison mail and other tasks as needed. Closer review showed that some of the Candy Wagon Driver's time was spent on running errands for inmates who desired to purchase items not sold at the prison store. In addition to the driver's time spent on errands, the cashier's time is taken up in changing brass prison money into currency for such purchases and thereafter back to brass upon completion of the purchase.

It was noted that at present the Prison Store sells many varied items such as candy, cigarettes, gum, bread, cookies, sundries, lunch meats, and some articles of clothing, to name just a few. In addition, inmates may also use catalogue houses to order desired articles.

We recommend that prison officials stop the practice of giving inmates personalized buying services in view of the fact that most items can be purchased either through the prison store or through catalogues.

14. Honor Camp Fund

Operation of 2 honor camps under the direction and supervision of the Division of Forestry is authorized by NRS 209.196. Section 2 of NRS 209.-196 states, "Any moneys received from the operation of any honor camp established pursuant to the provisions of this chapter, to the extent that such moneys are not used for the operation of any such camp, shall be placed in the honor camp fund."

During the fiscal year 1963-64, \$29,752.49 was earned from projects.

Of this amount, \$20,040.00 was transferred to the Forest Protection Fund and \$9,712.49 was put into the honor camp fund.

Expenditures from the honor camp fund during 1963-64 were \$13,767.33.

Of this amount, 80.3% or \$11,058.92 was expended for building maintenance.

The balance expended, \$2,708.81, was for other items some of which had no direct relationship with building renovation or repairs. For example, \$1,335.58 was spent for equipment which included, among other things, an upright freezer and a gas range costing \$993.48.

We wish to point out that the only provision for expenditures from the honor camp fund under NRS 209.196; section 4(a), are for renovation or repair of existing buildings at any honor camp.

The relationship between the \$20,040.00 deposited in the State Treasury and credited to the Division of Forestry fund as a part of its 1963-64 appropriation budget, and the honor camp fund, is not clear. As stated above, section 2 stipulates that moneys received are to be used for operations of the camp with excess money to be used for renovating and repairing existing buildings. Our analysis was attempted, disregarding expenditures from the honor camp fund, to determine if the \$20,040.00 was in fact used for operation of the honor camp. However, the Division of Forestry records expenses by districts instead of facilities, thereby making a meaningful determination very difficult, if not impossible. It was found that salaries were expended from the Division of Forestry fund for three employees of the Division in the amount of \$20,302.00. There was \$10,739.25 paid to inmates who worked at the honor camps. This amount was paid out of the \$20,040.00 transferred to the Division of Forestry fund.

If we assume that moneys expended for salaries to Division of Forestry employees and inmates are chargeable costs of operating the honor camps,

then it appears that no funds should have been placed in the honor camp fund since the fund would have a deficit balance of approximately \$15,056.49, for the fiscal year ended June 30, 1964, computed as follows:

Receipts		\$29,752.49
Expenditures:		
Salaries	\$31,041.25	
*Operating	12,432.15	
Equipment	<u>1,335.58</u>	<u>44,808.98</u>
Excess of Expenditures over Receipts		<u>(\$15,056.49)</u>

*This does not include utilities, heat, telephone and transportation expenses all of which are paid by the prison.

Evidently, the Division of Forestry is interpreting the word "operation" to mean the operational expenses involving the physical facilities only.

It is felt that legislative action is necessary to clarify section 2 of NRS 209.196. We also would like to point out that the honor camps do not appear to be paying their way, and recommend that prison officials and forestry officials look into the possibility of increasing the rates they charge other agencies and private individuals for inmate's labor.

15. Travel Expenses

Officers and prison officials are paid travel expenses as specified in NRS 281.160 and are not complying with the provisions of NRS 209.230 which was last amended in 1891.

We recommend that NRS 209.230 be amended and provisions for travel expenses of prison personnel be provided for as specified in NRS 281.160.

16. Repairs of Sacks by Prison Labor

NRS 209.490 provides for prison labor to patch, mend, sew and clean

sacks used by farmers. This has not been done at Nevada State Prison for many years. We therefore recommend that NRS 209.490 be repealed.

17. Prisoners Work on Public Roads

NRS 209.410 through 209.450 empowers the Board of Prison Commissioners to detail convicts for work on public roads. Inmates who work on such roads are entitled to receive 10 days credit on their sentences for each month worked. In addition, they are to receive \$.10 per day to be credited to their accounts. It was learned that the prison furnishes Ormsby county with 5 inmates. One of these is a mechanic and 4 of them work on county roads. All of them receive the standard \$.75 per day. It was learned that Federal Law, Title 23, United States Code, Section 114(B), prohibits convict labor on Federal-aid system highways.

In view of this, we recommend that NRS 209.410 through 209.450 be deleted and any inmates working on county roads be authorized to do so under NRS 209.350.

18. Certified Copy of Judgment Sent to County Clerk

Upon the expiration of the term of imprisonment of a prisoner for any legal reason, the Warden is required by NRS 176.410 to return his certified copy of the judgment to the county clerk of the county from where it was issued with a brief report of his proceedings thereon under endorsed thereon.

This has never been done by the Warden. Upon the release or death of a prisoner, a form letter is sent to the sheriff of the county from where the prisoner was sentenced stating, if the prisoner was released, the date of sentence, date of release, crime committed, and destination of the prisoner.

We recommend that the Warden take steps to comply with NRS 176.410,

and in addition, that the form letter still be sent to the sheriff of the county where the prisoner was sentenced.

We also recommend that if the prisoner's destination upon release is to place other than the county from where he was sentenced, a copy of the form letter be sent to the sheriff of such county of intended destination.

19. Health Inspections of Prison

One of the duties of the State Health Officer under NRS 439.250 is to inspect state institutions, among them Nevada State Prison. The State Board of Health is also empowered to adopt and enforce rules deemed necessary to promote properly the sanitation, healthfulness, cleanliness and safety of such institutions.

An inspection was made in October 1964 which revealed the following conditions:

1. Water system was not safe at the time of sampling.
2. Kitchen was old and hard to keep clean, floor drains did not operate properly and toilets open directly into kitchen. Dishwashing machine not operating properly. Refrigerators are old and worn. Oven has questionable wiring with insulation burned.
3. Possibility of electrical wires being worn and exposed.
4. Bakery is old with holes providing excellent harboring places for rodents. Toilet located in the small flour and ingredient storage room.
5. Liquid waste disposal at the Peavine Honor Camp is a health hazard due to poor ground drainage. Kitchen is too small with no adequate cleaning facilities for utensils.

In view of the above mentioned facts brought out by the Health Department, we recommend that steps be taken to correct deficiencies found by the

report and steps be taken to find ways to construct new kitchen facilities before an epidemic or a fire causes a disaster at the prison.

20. Prison Farm

The prison maintains an 1,100 acre farm which supplies beef, pork, raw milk and cream to the institution. An analysis was made of the products which the farm supplied the prison for the fiscal year ended June 30, 1964. The cost figures used were the figures at which the prison could have obtained the products on the open market. Our analysis showed that the farm supplied meat, pork, milk and cream worth \$56,313.04 to the prison. The cost of operating the farm was approximately \$48,224.29 for the year. Thus, the farm made about \$8,088.75 for the prison.

At present, beef cattle are grazed in Mason Valley on Fish and Game Commission land. The approximate cost to graze this land was \$18,892.00 for the fiscal year just ended. Our analysis showed that the farm supplied 104 carcasses of beef weighing 54,662 pounds, to the institutions. It was determined that approximately 25 pounds of each carcass was not usable due to the poor slaughtering methods used. Therefore, the net poundage supplied by the farm was 52,063 pounds. It was further determined that a local supplier would furnish the prison meat at \$.32 per pound. Thus, the prison could have purchased their beef from outside sources at approximately \$16,659.84 or \$2,232.16 lower than the expenses connected with the range operations.

The farm supplied 14,300 pounds of pork valued at \$.35 per pound to the farm at a cost of \$5,005.00. The \$.35 is again the price the prison would have had to pay if pork had been bought from outside suppliers.

The prison has a dairy herd which supplied 37,658 gallons of milk valued at \$.90 per gallon (wholesale price) and 360 gallons of cream

valued at \$2.10 (wholesale price), during the year. Thus, with a small herd, composed of 27 dry cows and 28 milking cows, the farm produced approximately \$34,648.20 in milk and cream for the prison.

As stated earlier, the farm consists of 1,100 acres. There is a well at the farm, but at present, it cannot be used for irrigation purposes since the pump is apparently worn out. The Planning Board has given prison officials a very rough estimate of \$56,500.00 to fix the existing well at the farm and run a pipe line 1,500 feet to the well at the minimum security prison in order to back up its well in case of emergencies and to irrigate some of the land at the farm.

We recommend that a study be made to explore the possibilities of expanding dairy operations in order to make the farm completely self-supporting and explore possibilities of putting this land to better use if expanded dairy operations are not feasible.

21. Monthly Estimate of Necessaries

NRS 209.150 authorizes the Warden to make monthly estimates of clothing, food, medicine and all other items needed to supply the prison during the ensuing month and to submit his estimate to the Board. The Board must then furnish or cause to be furnished all needed articles requested by the Warden. Since the purchasing act was passed, prison officials have procured their supplies by bid in conformity with this act and have not been using NRS 209.150. We recommend that NRS 209.150 be deleted and authorization be given Nevada State Prison for conforming with chapter 333 of NRS.

22. Records of Prisoners

NRS 209.140 requires the Warden to keep a record of all prisoners whereon the following information must be recorded: Name, age, sex,

height, weight . . . nativity, occupation, date of sentence, crime, sentence . . . and other desirable or pertinent information as may be necessary.

Section 2 of NRS 209.140 compels the Warden to make a correct monthly report and file it with the Secretary of the Board. This has not been done in the past and it appears that there is some justification for not doing so since the information is on file at the prison which may be used by the Board if necessary.

Therefore we recommend that section 2 of NRS 209.140 be amended to delete the provision for sending a monthly report to the Secretary of the Board.

23. Prison Security

We wish to point out that security measures at Nevada State Prison, in our opinion, are too minimal.

There is one gun tower, built at a cost of approximately \$30,000.00 which is not being manned at all. This post has been empty about 90% of the time since it was built two years ago.

The maximum security cell block only has one officer on duty during the day shift. There is no one on duty at this post from 5:00 PM until 8:00 AM. Two other posts are manned during day shifts only and are also empty at night.

The prison has a boiler plant worth approximately \$300,000.00 which has one civilian worker who works 8:00 AM to 5:00 PM Monday through Friday. The rest of the time, this potentially dangerous operation is left in the hands of inmates, who may not have the background or skill to operate it properly.

There is one inmate used to open the gate leading from the yard to the area north of the prison where the Warden's house is. While this area is

still fenced, in the event of a riot or prison break, this would be no great problem to inmates attempting to escape since the gun tower at this point is not manned and the Warden would be a prime hostage.

It was noted that only one guard is used to transport convicts sentenced to Nevada State Prison from the county of sentencing to the prison. This guard has on occasion brought as many as five convicts to the prison at one time. It was also learned that on one occasion, the vehicle had a flat tire and as the guard started to fix it, his hand was caught in the jack. With five prisoners in the truck at the time, this guard could very well have lost his life if it hadn't been that another officer and his wife had also picked up a female prisoner in the same county. When the guard was late in arriving at the next town, they went back and found the guard caught in the jack.

We would also like to point out that federal officers are not allowed to transport any prisoners unless there are two or more officers.

The lack of inmate shake-downs constitute another serious breach of security at the prison. It appears that unannounced shake-downs of inmates and cells are the exception instead of the rule at the prison. This is an excellent way of finding contraband or escape kits which inmates might have hidden in their cells. But again, due to lack of officers, this is almost never done except when there is some indication that an inmate may have such articles hidden in his cell.

We recommend that steps be taken to secure more guards in order that the breaches of security noted above may be corrected before a riot or prison break occurs.

24. Unmarked Prison Vehicles

NRS 334.010 and 482.365 give Nevada State Prison the authority to have

an unmarked state vehicle. However, prison officials feel that this is no longer necessary and have had all of the vehicles under their jurisdiction marked in the prescribed manner.

We therefore recommend that NRS 334.010 and 482.365 be amended to delete the provision that Nevada State Prison be allowed to have an unmarked state vehicle.

25. Investigation of Prior Records of Prisoners

Section 4 of NRS 176.180 requires the Warden to transmit to the chairman of the State Board of Parole Commissioners, a statement setting forth results of investigations of the prior record of the prisoners. This must be done after the delivery of the prisoner to the prison and not later than 90 days thereafter. The Warden has not been following this section of NRS since in many cases, the Parole Board already has this information from the probation report prepared prior to the prisoner's commitment. In cases where no probation hearing was held, the prison does not have any information of prior records which the Parole Board does not also have. In view of this, we recommend that section 4 of NRS 176.180 be repealed.

26. Expenses of Returning Escaped Convicts

NRS 212.040 provides that if an escape is not the result of carelessness or any other delinquency of the Warden or other state prison official, all expenses relative to the recapture and return of escaped prisoners from the state prison be charged to the state and paid from the reserve for statutory contingency fund upon approval of the State Board of Examiners.

It was noted that this provision of NRS is not being complied with. Whenever expenses are incurred in recapturing and returning escaped prisoners to the state prison, they are charged against the state appropriation for transporting inmates.

We recommend in the future, that either the reserve for statutory contingency fund be used to pay all expenses relative to recapturing and returning escaped prisoners, or that NRS 212.040 be amended as well as chapter 209 to provide for the payment of such transportation expenses out of regular operating expenses appropriated for the Nevada State Prison each biennium.

27. Refreshments Served the Parole Board

From an analysis of the Prison store, it was learned that the inmates supply the State Board of Parole Commissioners with coffee, cigarettes, cigars and other refreshments during the time the Board is meeting to consider parole applications.

We feel this is a bad policy and wish to recommend that Parole Commissioners refrain from accepting these items in the future.

28. Inventory Controls

A random sample inventory count was made which revealed that perpetual inventory cards did not agree with actual goods on hand in the majority of the items selected. Posting errors were found in some inventory control cards. In addition, shortage of merchandise was found in many instances.

This can be attributed to the fact that there is only one civilian supervisor responsible for receiving, recording and issuing of food and other items needed to operate the prison. In addition, this sergeant is also doing the following jobs: Supply supervisor, supervising storekeeper, food manager and purchasing agent. He also prepares menus and must deliver all items from the various warehouses to the main prison and women's prison. He must also pick up and deliver items around Carson City, and in some instances, Reno.

With the multitude of tasks this officer must perform, he must of necessity leave all actual receiving, posting and shipping of articles to

the inmates who work for him. He makes spot-checks infrequently as to the accuracy with which these inmates do the various tasks. It was noted that the majority of orders are received and checked by inmates since the sergeant is usually too busy to inventory the items himself. In addition, he spot-checks inventory control cards for accuracy but again only infrequently due to other job pressures. He does double-check all prison requisitions when they are filed to make sure that no items are included which were not asked for and to insure that the correct amounts are charged to the various prison units.

It was noted that all warehouses are locked during weekends and whenever the supply supervisor is off duty. However, when the sergeant is on duty but not present at the warehouses due to other commitments, they are kept open and under the control of inmates who work there.

We recommend that a physical inventory be taken at least twice a year by someone other than the person responsible for the articles. In addition, we recommend the prison hire a civilian storekeeper to help the present officer perform his duties and in order to have a civilian at the warehouse at all times to be in charge of inmates working there.

Prison officials have not yet taken a count of all equipment the prison is charged with by the State Purchasing Division. There seems to be poor control over most of the equipment with the exception of weapons which are strictly accounted for.

It is recommended that prison officials take an inventory of all equipment under their jurisdiction as soon as possible. They should also keep accurate and up-to-date inventory control cards showing exactly where equipment is at all times and who is responsible for such equipment.

29. Prisoner Transportation

NRS 209.240 states, "The officer in charge shall transport at the same

time all persons awaiting transportation, and the Board of State Prison Commissioners shall not allow any extra expense incurred by making unnecessary trips in transporting separately persons who might be transferred at the same time."

As stated in paragraph 26 of this report, one officer is used to transport as many as five prisoners at a time. However, we feel that the Warden, instead of the Board of Prison Commissioners should be authorized to disallow unnecessary expenses of transporting prisoners. Therefore, we recommend that NRS 209.240 be amended by deleting "the board of state prison commissioners" and inserting "warden" in its place.

30. Delivery of License Plates

NRS 209.480 authorizes the Warden to deliver all motor vehicle license plates and road signs manufactured at the Nevada State Prison to the proper departments of the state.

Since the manufacturing of license plates at the prison is under the jurisdiction of the Department of Motor Vehicles, we recommend that NRS 209.480 be amended by deleting "the warden" and adding "the department of motor vehicles shall deliver . . ."

31. Prison Revolving Fund

NRS 209.190 authorizes the prison to keep a revolving fund in a bank of reputable standing, for payment of small bills and emergency payments. An analysis of the expenditures indicate that the fund is not being used in accordance with the law.

Of \$7,209.55 expended through the fund, it was found that advances of \$782.62 were made to officers who went to pick up prisoners committed to the state prison.

Prison officials pointed out that in many cases, officers had to leave

on one days notice and did not have time to get travel funds from the travel revolving fund.

We recommend that this practice be stopped and the state travel revolving fund be used for supplying employees advance travel funds.

Prisoners stipends consisting of prison payrolls of inmates who hold jobs within the prison compound were reimbursed in the amount of \$1,750.75 through the prison revolving fund during the year. Since the prison has an appropriation for this item, it is felt that payrolls for prisoner's stipends be paid from the appropriated funds.

Prisoner's release fund, (\$25.00 per inmate as authorized by NRS 209.-500), totaling \$4,600.00, was paid through the revolving fund. Since NRS 209.500 specified that released prisoners will be paid in coin out of the state prison fund, it is felt that NRS 209.190 should be amended to authorize payment of release funds from the revolving fund.

There were other miscellaneous payments of \$130.18 reimbursed through the revolving fund.

It appears that the prison is using inmate fund money in advancing travel allowances and paying state obligations that should properly be paid from the revolving fund. Claims against state funds are consistently being processed with warrants made payable to the prison revolving fund but deposited to either the prison store fund or inmate fund whichever is in need of money.

It is felt that NRS 209.190 should be amended to give prison officials greater latitude in making expenditures from the revolving fund for justifiable expenses, however, prison officials should immediately cease the practice of using prisoner's funds to pay state obligations.

32. Inmate Committee

Nevada State Prison has an inmate committee which decides, among other

things, what articles are to be sold at the prison store and what welfare and recreation items are to be purchased from the profits derived from the store. At this time, there are no civilian personnel on the inmate committee to evaluate the committee's actions.

We recommend that the Warden, business manager and some other prison official review requests of the inmate committee or that such officials be part of the inmate committee in order to provide guidance for the committee.

33. Amending Other Outdated Sections of Chapter 209

During our review of the applicable statutes under which Nevada State Prison is authorized to operate, we found that the following sections of chapter 209 were not being complied with by the Board of Prison Commissioners or the Warden and recommend that they be amended as shown.

1. NRS 209.195(2) requires the Warden to submit reports on the condition of the prison store fund to the Board as may be required. This has never been done and we feel that this statute should be amended to delete such provision.
2. NRS 209.197 requires the Warden to submit reports on the condition of the inmate fund and other inmate valuables to the Board as may be required. This again has never been done by the Warden and we recommend that this section be amended by deleting this provision.
3. NRS 209.350 gives the prison Board the authority to give inmates permission to be employed in mechanical pursuits but not to compete with free labor. The Board has not complied with this provision of NRS and we feel that the Warden should have the responsibility of issuing work permits to inmates in addition to setting rules and regulations for convicts labor.
4. NRS 209.390 requires the secretary of the Board to submit a monthly

report of all moneys earned by convict labor to the Controller by the 10th day of the month. The secretary of the Board has not complied with this section of the law. Therefore, we feel that NRS 209.390 should be amended to delegate this responsibility to the business manager or the Warden.

34. Prison Board to Order Employment of Prisoners

NRS 209.370 empowers the prison Board to employ any portion of the prisoners within or without the walls of the state prison where it would be in the interest of the state. It also authorizes the Board to hire out any prison labor it sees fit. When the Board employs or hires out convict labor it must notify the Warden in writing and a record of the order must be entered in its records.

A review of the records of the State Board of Prison Commissioners disclosed that no written authority has been given the Warden for employing convicts or for hiring out convicts for labor either within or without the walls of the prison.

We recommend that the Warden secure written authority for employing convicts from the State Board of Prison Commissioners immediately and take steps to insure that written permission is granted before employing convicts in the future.

NRS 209.370 also states that convicts are to be employed at a reasonable distance from the prison. Instances were found where inmates have worked at Virginia City and there are also inmates working on a leased ranch at Yerington. The majority of the time, there was no guard available for watching these prisoners and as a result they were left on their own.

We recommend that prison officials request a ruling on what constitutes a "reasonable" distance from the prison. We also recommend that

officers be assigned to work details to prevent any incidents which inmates on their own might precipitate. Once again the problem is a lack of staff.

.. 35. Convicts to be Employed While in Prison

NRS 209.340 requires that the Board employ every able-bodied convict confined in the state prison as shall be prescribed by the rules and regulations of the prison.

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It was noted that out of a total prison population of 455, only 321 inmates hold jobs within and without the prison. If we exclude 30 inmates who are in maximum security, this leaves about 104 inmates who could possibly be put to work cleaning the prison grounds or landscaping and cleaning other state buildings and lots.

The Warden stated that on many occasions, he had offered to take convicts and put them to work cleaning up state-owned property and on one occasion offered to tear down some old state-owned buildings and salvage the lumber. To accomplish this, he requested some additional officers to guard these inmates. To date, nothing has been done concerning his requests. As mentioned elsewhere in this report, convicts are sent to Yerington and Virginia City without guards which we feel is a very dangerous practice.

We recommend that steps be taken to try and put to work all convicts physically or mentally able to do so. Even though this might entail more guards, we feel that the benefits derived from such a program would be very beneficial to the state of Nevada.

36. Expenses Incurred in Transporting Prisoners

Section 1 of NRS 209.220 states that, "The expenses of transporting convicts from the various counties of the state to the state prison shall constitute a charge upon the state, and shall be paid by the state treasurer on the state controller's warrant, to be issued on the approval by the board of state prison commissioners of the claim of the person having

charge of the transportation of any such convict. The expense of transporting convicts shall be paid out of the appropriation for the support of the state prison."

It is recommended that section 1 of NRS 209.220 be amended as follows: "The expenses of transporting convicts from the various counties of the state to the state prison shall constitute a charge upon the state, and shall be paid out on claims as other claims against the state are paid. The expense of transporting convicts shall be paid out of the appropriation for the support of the state prison . . ."

Section 2 of NRS 209.220 compels the Warden to send a guard immediately upon being notified by the county clerk of any county that a prisoner or prisoners are being held under commitment to the state prison.

It is recommended that section 2 of NRS 209.220 be amended by deleting the words "county clerk" and inserting "sheriff or other officer."

37. Inmate Fund

NRS 209.197 authorizes the Warden to accept funds belonging to convicts and deposit same in a bank or banks of reputable standing.

An analysis of the account was made which disclosed the following facts:

Accuracy of individual inmate's ledger cards was not proved due to the lack of adequate accounting records before the present business manager was employed.

Safe reconciliations had been done infrequently and when done, were not correct. Adjustments were carried month after month without proper entries being made on the ledger cards.

It was also noted that bank reconciliations were not being done timely and book balances were not adjusted to reflect correct balances. No

evidence was found to suggest that errors noted between book and bank balances were ever reconciled or looked into to determine the correct figures.

Arithmetical errors were noted when we test-checked the control account. Apparently charges and credits posted to the control accounts were never proofed. Due to the prison's practice of not depositing all funds received intact, plus the above mentioned practices, we could not verify that all funds received were accounted for.

One instance was found where an inmate's account was credited for \$300.00, in April 1963, which was to be deposited in a savings and loan institution. Upon the release of the inmate on June 18, 1964, he demanded his passbook and none could be found. Subsequent investigation disclosed that the inmate's account had been credited for the amount, but no trace of where the money went to could be found, due to the lack of accounting records. The inmate was reimbursed from the prison store and recreation fund when prison officials determined that his claim was valid.

With the employment of the present business manager, steps have been taken to strengthen internal control procedures and set up adequate accounting records. However, it was noted that at present the prison still does not deposit all cash received intact thereby weakening its internal control procedures. It was also noted that deposits are made from all funds on hand to the bank account which is in need of funds and not necessarily to the correct bank account.

Safe reconciliations are not made with sufficient regularity to insure that all funds are accounted for. In addition, we noticed that bank accounts have a mid-month cut-off date, thereby making reconciliation of funds to the various accounts more difficult. We recommend that bank cut-off dates be changed to the end of the month.

We also recommend that the business manager reconcile bank statements rather than the clerical help. Cash counts should also be done on a monthly basis and interim surprise counts should be instituted to insure that employees are not using funds for illegal advances.

38. Prisoner Store Fund

NRS 209.195 authorizes the Warden to create a prison store fund with profits from the operation of the store to be used for the welfare and benefit of all inmates. From an analysis of the store fund, the following information was obtained:

All conditions mentioned in the inmate fund (paragraph 37) also apply to this fund since both funds have brass and coin money in the prison safe which is commingled with all identity as to source and distribution lost.

It should be noted that reconciliation of sales to deposits was impossible because deposits are made to the fund that has the lowest balance at the time. Another factor which makes deposits of sales intact almost impossible is the fact that the majority of store sales use prison brass coins as the medium of exchange. This bank account also has a mid-month cut-off date which makes reconciliation of the account more difficult.

The prison store fund has a savings account in Ely, Nevada.

We recommend the following in order to affect better control over these funds:

1. Bank account cut-off dates should be made at the end of the month.
2. The savings account should be transferred to a Carson City bank as soon as possible.
3. Thought should be given to consolidating both bank accounts and transfers between funds accomplished through the accounting system

4. Bank reconciliations should be done by the business manager.

Surprise safe counts should be made in addition to monthly reconciliations.

5. A detailed break-down of all funds received should be started.

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This should include the source and type of money. For example, sales from the prison store should show the amounts of brass, charge slips and coins, if any, which constitute total sales for any given day. Funds received by inmates from friends, relatives or others should reconcile to the total charges of the control ledger for the inmate fund. In addition, deposits should be reconciled to sales and money received on behalf of inmates with any differences made up of brass, charge slips and cash on hand.

We believe that if this system is put into effect, many of the problems in accounting for all funds received will be eliminated.

We also wish to recommend that someone else besides the convict storekeepers take a physical inventory of store merchandise as is now the practice. In view of the pressures which other convicts can bring to bear on the convict storekeepers, we recommend that steps be taken to hire a civilian storekeeper who could run the store at the main prison and minimum security prison on staggered shifts. It might be possible to employ a clerk who could run both stores in addition to his other duties.

39. Conflict of Interests

NRS 218.580 states in part that, "It shall be unlawful for any member of the legislature to become a contractor under any contract or order for supplies or any other kind of contract authorized by the legislature of which he is a member for the state or any department thereof."

During our various audits including this one of the state prison, it has been noted that members of the Legislature are continually doing

business with many state agencies and institutions. The Attorney General has ruled that under certain circumstances this is not in conflict with NRS 218.580.

It is suggested that the Legislature amend NRS 218.580 to provide that state agencies may buy products supplied by firms in which a legislator may have a financial interest as long as the price quoted is as low or lower than prices submitted by other firms.

40. State Board of Prison Commissioners


Article V, Section 21, of the Constitution of the State of Nevada provides that the State Board of Prison Commissioners shall be composed of the Governor, Secretary of State and Attorney General.

Under chapter 209 of NRS, the Board of Prison Commissioners is responsible for many of the operations of the prison. However, the men who are on the Board are three of the busiest persons in the state in connection with their own official duties. Therefore, these men do not have the time to take an active interest in the day to day operation of the prison as stipulated by chapter 209 of NRS.

We recommend that steps be taken to secure a constitutional amendment in order to abolish the Board of State Prison Commissioners. We feel that a lay-board, elected or appointed, should be established in order to assume many of the responsibilities of the present Board.

In the interim period, we recommend that chapter 209 of NRS be completely revised to give the Warden authority to perform many of the functions which are now properly Board functions.

Carson City, Nevada
December 21, 1964


Norman H. Terrell, C.P.A.
Fiscal Analyst

Note: At a meeting of the Fiscal Analyst and the Warden, Deputy Warden and Business Manager of the Nevada State Prison held December 28, 1964, agreement was reached for implementation of all of the foregoing recommendations

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Desert Research Institute, University of Nevada, for the four-year period ended June 30, 1964, and have prepared therefrom the following exhibits and related schedules:

Statement of Actual Expenditures Compared With
Original Work Program, State Appropriation
Fund 01, for the Fiscal Year ended
June 30, 1964-----Exhibit A

Statement of Operations-Atmospherium
Planetarium-for the Fiscal Year ended
June 30, 1964-----Schedule 1

Summary of Operations-Research Accounts
for the period July 1, 1960 through
June 30, 1964-----Schedule 2

Statement of Operations-Research Accounts
for the Fiscal Year ended June 30, 1961-----Schedule 2-A

Statement of Operations-Research Accounts
for the Fiscal Year ended June 30, 1962-----Schedule 2-B

Statement of Operations-Research Accounts
for the Fiscal Year ended June 30, 1963-----Schedule 2-C

Statement of Operations-Research Accounts
for the Fiscal Year ended June 30, 1964-----Schedule 2-D

Statement of Operations, Fund 15, Research
Emergency & Contingency Fund, for the
Fiscal Year ended June 30, 1964-----Schedule 3

Statement of Operations, Fund 16, Research
Development Fund for the Fiscal Year
ended June 30, 1964-----Schedule 4

Scope of the Examination

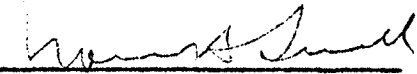
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and

other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Opinion

In our opinion, the accompanying exhibits and related schedules present fairly the financial position of the Desert Research Institute, University of Nevada, as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
December 31, 1964


Norman H. Terrell, C.P.A.
Fiscal Analyst

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF ACTUAL EXPENDITURES COMPARED WITH ORIGINAL WORK PROGRAM
STATE APPROPRIATION, FUND 01
For the Fiscal Year ended June 30, 1964

	<u>Revised Work Program</u>	<u>Original Work Program</u>	<u>Actual Expenditures</u>	<u>Over/(Under) Original Work Program</u>
Salaries:				
Prof. Salaries*	\$46,742.00	\$33,942.00	\$43,231.86	\$ 9,289.86
Technical Salaries	8,325.00	4,630.00	6,764.46	2,134.46
Wages (Part-time and Student Help)	300.00	-0-	200.80	200.80
Total Salaries	<u>\$55,367.00</u>	<u>\$38,572.00</u>	<u>\$50,197.12</u>	<u>\$11,625.12</u>
Travel:				
Out-of-State	\$ 425.00	\$ 425.00	\$ 331.93	\$ (93.07)
In-State	300.00	300.00	15.00	(285.00)
Total Travel	<u>\$ 725.00</u>	<u>\$ 725.00</u>	<u>\$ 346.93</u>	<u>\$ (378.07)</u>
Operating	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>	<u>\$ 559.08</u>	<u>\$ (440.92)</u>
Equipment	<u>\$ 2,000.00</u>	<u>\$ 2,000.00</u>	<u>\$ 1,311.35</u>	<u>\$ (688.65)</u>
TOTAL EXPENDITURES	<u>\$59,092.00</u>	<u>\$42,297.00</u>	<u>\$52,414.48</u>	<u>\$10,117.48</u>

*Analysis of Prof. Salaries:

	<u>From State Funds</u>	<u>Annual Salary</u>
Director	\$15,999.96	\$22,000.00
Assistant Director**	10,499.94	14,000.00
Research Prof.(Chemistry)	9,102.00	14,500.00
Research Prof.(Geol.- Hydrology)	11,139.96	17,500.00
LESS-Reimbursement of Director's Salary for Work on Summer Science Training Program	<u>(3,510.00)</u>	
Total Prof. Salaries	<u>\$43,231.86</u>	

**Assistant Director is paid entirely from state funds but only worked 9 months.

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS
ATMOSPHERIUM-PLANETARIUM
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1964		\$ -0-
Receipts:		
Gate Receipts	\$ 9,937.96	
Trans. from Fleischmann		
Equipment Gift (51-4059)	10,000.00	
Trans. from Fleischmann		
Administration Grant		
(13,3020)	<u>10,333.00</u>	
TOTAL RECEIPTS		30,270.96
Expenditures:		
Salary	\$10,582.82	
Travel	1,758.09	
Operating	10,506.91	
Equipment	<u>4,141.98</u>	
TOTAL EXPENDITURES		<u>26,989.80</u>
Balance, June 30, 1964		<u>\$ 3,281.16</u>

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
SUMMARY OF OPERATIONS-RESEARCH ACCOUNTS
For the Period July 1, 1960 through June 30, 1964

Balance, July 1, 1960		\$ 74,151.42
Receipts:		
1960-61	\$ 82,285.77	
1961-62	496,297.49	
1962-63	316,594.04	
1963-64	<u>565,679.28</u>	
		1,460,856.58
Expenditures:		
1960-61	\$ 95,888.88	
1961-62	224,982.79	
1962-63	448,125.39	
1963-64	<u>601,897.30</u>	
		(1,370,894.36)
Transfers:		
(1) 1960-61	\$ (350.00)	
(2) 1961-62	2,129.00	
(3) 1962-63	(58,508.96)	
1963-64	<u>-0-</u>	
		<u>(56,729.96)</u>
Balance, June 30, 1964		<u>\$ 107,383.68</u>

- (1) No Explanation Given.
- (2) Overhead transferred from Fund 14-Special Institutes & Projects.
- (3) Transfer of overhead funds to Fund 15 & 16 which are special funds set up to account for overhead moneys (See Item 3 of Supplemental Letter).

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS-RESEARCH ACCOUNTS
For the Fiscal Year ended June 30, 1961

	<u>Balance 7/1/60</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance 6/30/61</u>
DRI Research Overhead	\$49,663.43	\$ 3,248.42	\$31,613.09	\$(350.00)	\$20,948.76
Project 1-Soc. Psychology	9,290.22	15,951.78	18,434.50		6,807.50
Project 2-Alfalfa Saponius	-0-	7,447.00	6,862.56		584.44
Project 3-Sidewinder Proj.	-0-	4,226.45	3,972.33		254.12
Project 4-Immigration Research	6,611.89	-0-	3,278.03		3,333.86
Physics Dept. Res. Overhead	1,590.09	3,728.38	2,325.95		2,992.52
Project 6-Health, Educ. & Welfare	-0-	1,832.60	473.56		1,359.04
Project 7-Research Corp.	-0-	10,000.00	-0-		10,000.00
Cottrell Grant	304.69	-0-	304.69		-0-
Project 8-Solid. & Melt. of Water	-0-	18,000.00	-0-		18,000.00
Project 9-Sea & Ski	2,120.86	4,687.50	8,978.56		(2,170.20)
Project 10-Research Corp.	1,657.32	-0-	461.94		1,195.38
Project 12-Research Corp.	230.44	-0-	144.14		86.30
High Vacuum Research	(2,050.72)	10,554.94	14,158.37		(5,654.15)
Ultra High Vac. Research	4,733.20	2,608.70	4,881.16		2,460.74
	<u>\$74,151.42</u>	<u>\$82,285.77</u>	<u>\$95,888.88</u>	<u>\$(350.00)</u>	<u>\$60,198.31</u>

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS-RESEARCH ACCOUNTS
For the Fiscal Year ended June 30, 1962

	<u>Balance</u> <u>7/1/61</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/62</u>
DRI-Research-Administration	\$20,948.76	\$22,586.50	\$33,518.91	\$(3,096.75)	\$ 6,919.60
DRI-Research-Overhead	-0-	27,579.78		925.75	28,505.53
Project 1-Soc. Psych.	6,807.50	17,896.00	25,997.62		(1,294.12)
Project 2-Alfalfa Saponius	584.44	7,410.00	6,322.24		1,672.20
Project 3-Sidewinder	254.12	-0-	157.48		96.64
Project 4-Imigration Research	3,333.86	11,719.68	354.40		14,699.14
Project 6-HEW	1,359.04	-0-	1,344.41		14.63
Project 7-Research Corp	10,000.00	10,000.00	5,071.31		14,928.69
Project 8-Solidify & Melt Water	18,000.00	16,250.02	13,789.07		20,460.95
Project 9-Sea & Ski	(2,170.20)	18,260.17	14,812.28	2,800.00	4,077.69
Project 10-Research Corp.	1,195.38	-0-	188.51		1,006.87
Project 11-Physics of Evap.	-0-	4,415.07	6,842.23		(2,427.16)
Project 12-Cottrell Grant	86.30	-0-	82.14		4.16
Project 13-Cancer Research	-0-	5,000.00	4,423.63		576.37
Project 14-Computation of Growth- Cloud Drops	-0-	20,350.00	4,220.25		16,129.75
Project 15	-0-	-0-	1,435.31	1,500.00	64.69
Physics Overhead	2,992.52	3,622.62	4,754.89		1,860.25
Project 16-High Vacuume Res.	(5,654.15)	16,026.76	13,222.60		(2,849.99)
Project 17-Ultra High Vac. Res.	2,460.74	-0-	2,454.48		6.26
Project 18-AEC Shoal	-0-	33,458.53	47,112.46		(13,653.93)
Project 19-Inter.Dispersion Mea.	-0-	11,826.00			11,826.00
Project 20-Fleischmann Admin.	-0-	137,861.45	23,503.65		114,357.80
Project 21-Unfav. Dispersion Mea.	-0-	6,666.67	-0-		6,666.67
Project 22-Rearrang. of Halohydrins	-0-	9,633.00	1,598.56		8,034.44
Project 23-Weather Modif.	-0-	-0-	1,191.05		(1,191.05)
Project 24-Refractory Metals	-0-	23,592.00	5,793.63		17,798.37

Schedule 2-B, cont'd.

	<u>Balance</u> <u>7/1/61</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/62</u>
Project 25-Study of Seismichy	\$ -0-	\$ 55,613.74	\$ 1,554.70		\$ 54,059.04
Project 26-Writings-E.Schroedinger	-0-	3,333.50	168.00		3,165.50
Project 27-Artesian Basin Study	-0-	8,000.00	583.66		7,416.34
Summer Science Program	-0-	25,196.00	4,485.32		20,710.68
	<u>\$60,198.31</u>	<u>\$496,297.49</u>	<u>\$224,982.79</u>	<u>\$2,129.00</u>	<u>\$333,642.01</u>

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS-RESEARCH ACCOUNTS
For the Fiscal Year ended June 30, 1963

	<u>Balance</u> <u>7/1/62</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/63</u>
DRI Res.-Admin.	\$ 6,919.60	\$ 4,602.16	\$ 2,653.96	\$ (8,867.80)	\$ -0-
DRI Res.-Overhead	28,505.53	13,642.52	-0-	(42,148.05)	-0-
Project 1-Soc. Psych.	(1,294.12)	30,375.00	24,549.87		4,531.01
Project 2-Alfalfa Saponius	1,672.20	6,880.00	6,177.04		2,375.16
Project 3-Sidewinder	96.64	-0-	75.96		20.68
Project 4-Immigration Res.	14,699.14	180.58			14,879.72
Project 5-Eval. of Cush. Mat.	-0-	-0-	432.75		(432.75)
Project 6-HEW	14.63	-0-	14.63		-0-
Project 6-Cottrell Grant	14,928.69	5,000.00	9,543.46		10,385.23
Project 8-Solid. & Melt Water	20,460.95	9,166.98	17,168.28		12,459.65
Project 9-Sea & Ski	4,077.69	20,425.58	22,039.98		2,463.29
Project 10-Solid Sur. Free Energy	1,006.87	-0-	925.95		80.92
Project 11-Physics. of Evap.	(2,427.16)	3,660.31	4,891.56		(3,658.41)
Project 12-Cottrell Grant	4.16	-0-	4.16		-0-
Project 13-Cancer Res.	576.37	5,500.00	5,800.87		275.50
Project 14-Gr. of Cloud Drop.	16,129.75	20,350.00	18,116.35		18,363.40
Project 15	64.69	-0-	-0-	(64.69)	-0-
Physics Overhead	1,860.25	837.73	2,127.11	646.65	1,217.52
Project 16-High Vacuum Res.	(2,849.99)	2,467.56	8.80	391.23	-0-
Project 17-Ultra High Vac. Res.	6.26	-0-	1.80		4.46
Project 18-AEC Schoal	(13,653.93)	94,239.14	89,195.18		(8,609.97)
Project 19-Int.of Disp. Mea.	11,826.00	-0-	3,930.87		7,895.13
Project 20-Fleischmann Found.	114,357.80	1,091.43	80,575.93	(8,998.55)	25,874.75
Project 21-Unf. Disp. Mea.	6,666.67	5,833.33	798.86		11,701.14
Project 22-Rearrang. of Halohydrins	8,034.44	-0-	4,726.19		3,308.25
Project 23-Weather Modification	(1,191.05)	8,673.18	7,482.13		-0-
Project 24-Ref. Metals	17,798.37	23,592.00	24,093.51		17,296.86

Schedule 2-C, cont'd.

	<u>Balance</u> <u>7/1/62</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/63</u>
Project 25-Study of Seismichy	\$ 54,059.04	\$ 24,378.74	\$ 42,952.57	\$	\$ 35,485.21
Project 26-Writings-E.Schroedinger	3,165.50	-0-	3,319.64		(154.14)
Project 27-L.V.Artesian Study	7,416.34	14,001.64	23,007.57		(1,589.59)
Project 28-Grand Wtr. Res.	-0-	7,698.71	7,823.26		(124.55)
Project 29-Humb.River Res.	-0-	6,051.22	6,051.22		-0-
Summer Science Training 1962	20,710.68	-0-	21,242.93	532.25	-0-
Summer Science Training 1963	-0-	1,975.00	2,677.96		(702.96)
Fleischmann Chryontal Eq. Grant	-0-	5,000.00	4,357.27		642.73
NSF Equip. Prog.-Physics	-0-	-0-	2.80		(2.80)
Nonosecond Diode Study	-0-	971.23	2,721.10		(1,749.87)
Nev. Atmos. Research	-0-	-0-	7,875.21		(7,875.21)
Low Pressure in Planets	-0-	-0-	21.86		(21.86)
Fish & Wildlife Grand Water	-0-	-0-	736.80		(736.80)
	<u>\$333,642.01</u>	<u>\$316,594.04</u>	<u>\$448,125.39</u>	<u>\$(58,508.96)</u>	<u>\$143,601.70</u>

Schedule 2-D

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS-RESEARCH ACCOUNTS
For the Fiscal Year ended June 30, 1964

	Balance 7/1/63	Receipts	Disburs.	Transfers	Balance 6/30/64	Donor
Nat'l. Science Found.-Cash Clrng.	\$ -0-	\$97,059.41	\$ -0-	(\$27,975.00)	\$69,084.41	W. P. Draper Foundation
Immigration Research	14,879.72	-0-	2,061.26		12,818.46	Sierra Pacific Power Company
Sierra Pacific Project	-0-	13,803.52	10,812.16		2,991.36	General Electric Company
General Elect.Exec. Studies	-0-	5,000.00	5,000.00		-0-	Research Corp.
Cottrell Grant for Physics	10,385.23	-0-	5,120.06		5,265.17	Petroleum Research Fund
Individual Fundamental Res.	-0-	1,500.00	13.75		1,486.25	Botony Industries Corp.
Sea & Ski Cosmetics Res.	2,463.29	37,500.00	34,277.43		5,685.86	Research Corp.
Study of Solid Surface Free Energy	80.92	-0-	(450.00)		530.92	Nevada Rehabilitation Assoc.
Occup.Coun. of Metal Retard.	-0-	8,115.00	3,928.63		4,186.37	American Chemical Society
Solvolysis of Unsaturated Tosylates	-0-	13,860.00	3,723.54		10,136.46	American Chemical Society
Cancer Research	275.50	15,566.72	9,516.41		6,325.81	Reno Cancer Society
Snow Load Research Project	-0-	1,500.00	1,153.15		346.85	
Degradation Properties of Selected Nevada Minerals	-0-	10,005.00	-0-		10,005.00	Nevada Highway Department
Fleischmann Grant for Adminis.	25,874.75	141,425.48	126,173.06		41,127.17	Fleischmann Foundation
Rearrangement of Halohydrins	3,308.25	-0-	637.11		2,671.14	Charles F. Kettering Foundation
Las Vegas Artesian Bas. Study	(1,589.59)	15,745.64	20,650.01		(6,493.96)	State of Nevada
Ground Water Research	(124.55)	15,739.68	23,319.63		(7,704.50)	State of Nevada
Humboldt River Research	-0-	-0-	269.82		(269.82)	State of Nevada
Physics Overhead	1,217.52	-0-	1,217.52		-0-	
Helium Chryostat Equip. Grant	642.73	-0-	381.95		260.78	Fleischmann Foundation
Nonosecond Diode Study	(1,749.87)	1,920.81	170.94		-0-	Atomic Energy Commission
Experiments in Solidification & Melting of Water	12,459.65	-0-	12,443.09		16.56	National Science Foundation
Influence of Geology on Water	-0-	-0-	7,572.29		(7,572.29)	National Science Foundation
Exp. in Melting & Solid. of Water	-0-	-0-	163.93		(163.93)	National Science Foundation
Field Training-Anthropologists	-0-	-0-	8,826.41		(8,826.41)	National Science Foundation
Numerical Computation of Growth of Cloud Droplets	18,363.40	-0-	8,262.27		10,101.13	National Science Foundation

Schedule 2-D, cont'd.

	Balance 7/1/63	Receipts	Disburs.	Transfers	Balance 6/30/64	Donor
Ultra High Vacuum Research	\$ 4.46	\$ -0-	\$ 4.46	\$ -0-	\$ -0-	National Science Foundation
Hetrochromatic Interference of Dispersion Measurements	7,895.13	-0-	251.24		7,643.89	National Science Foundation
Facilitation of Unfavorable Displacement Reaction	11,701.14	-0-	5,421.03		6,280.11	National Science Foundation
Writings-E. Schroedinger	(154.14)	-0-	3,845.86	4,000.00	-0-	National Science Foundation
Summer Science Training Project in Atmospheric Physics	(702.96)	7,497.00	30,769.04	23,975.00	-0-	National Science Foundation
NSF Equip. Project for Physica	(2.80)	-0-	(2.80)		-0-	National Science Foundation
Nevada Atmospheric Research	(7,875.21)		63,695.06		(71,570.27)	National Science Foundation
Nucleic Acid Levels in Rat Tissue	-0-	-0-	6,519.51		(6,519.51)	National Science Foundation
Summer Science Training-1964	-0-	7,815.50	4,377.99		3,437.51	National Science Foundation
Social Psychology	4,531.01	19,869.00	23,902.97		497.04	National Institute of Mental Health
Studies of Alfalfa Saponins	2,375.16	2,008.00	4,383.16		-0-	National Institute of Health
Sidewinder Project	20.68	-0-	-0-		20.68	U.S. Navy
Packaging Materials Res.	-0-	-0-	2,142.74		(2,142.74)	U.S. Navy
Evaluation of Cushioning Mat.	(432.75)	432.75	-0-		-0-	U.S. Navy
Physics of Evaporation	(3,658.41)	-0-	-0-		(3,658.41)	U.S. Bureau of Reclamation
AEC Shoals Project	(8,609.97)	67,627.53	66,374.83		(7,357.27)	Atomic Energy Commission
Studies of Refractory Metals	17,296.86	28,310.00	21,805.55		23,801.31	U.S. Air Force
Studies of Siesmicity	35,485.21	-0-	26,670.84		8,814.37	U.S. Air Force
Studies of Siesmicity-Part II	-0-	20,834.17	4,919.09		15,915.08	U.S. Air Force
Response in Behavioral Chain	-0-	3,715.00	680.24		3,034.76	Public Health Service
Emergency Medical Serv. in Nevada	-0-	-0-	102.10		(102.10)	Public Health Service
Experiments on Effect of Low Pressure on Plants	(21.86)	10,476.00	10,162.14		292.00	N.A.S.A.
Fish & Wildlife Ground Water Studies	(736.80)	8,049.79	8,664.70		(1,351.71)	U.S. Department of Interior
Weather Modification	-0-	10,303.28	21,571.28		(11,268.00)	U.S. Bureau of Reclamation
History of Pahump Valley Poolfish	-0-	-0-	16.00		(16.00)	National Science Foundation
Payroll Expense Account*	-0-	-0-	10,375.85		(10,375.85)	
	<u>\$143,601.70</u>	<u>\$565,679.28</u>	<u>\$601,897.30</u>	<u>\$ -0-</u>	<u>\$107,383.68</u>	

*See Number 6 of Supplemental Letter

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS
FUND 15-RESEARCH EMERGENCY & CONTINGENCY FUND (1)
For the Fiscal Year ended June 30, 1964

<u>Project</u> <u>Project</u>	<u>Balance</u> <u>7/1/63</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/64</u>
1-Res. Emergency & Contingency	\$ 742.00	\$ 425.88	\$ 8.20		\$ 1,159.68
2 " " "	196.50	65.50	10.36		251.64
5 " " "		110.56			110.56
8 " " "	1,492.95	677.32	1,704.55		465.72
9 " " "	1,854.09	1,875.00	149.30	\$(100.00)(2)	3,479.79
11 " " "	302.83		302.83		
14 " " "	314.65		74.65		240.00
18 " " "	1,638.89	1,313.86	2,169.36		783.39
19 " " "	443.50				443.50
20 " " "		605.71	3.45		602.26
21 " " "	587.50				587.50
22 " " "	411.75		252.46		159.29
23 " " "	314.82		314.82		
24 " " "	1,807.91		1,006.35		801.56
25 " " "	2,357.53		2,216.66		140.87
26 " " "	147.78	166.63	160.93		153.43
27 " " "	78.23	80.01	47.45		110.79
34 " " "	89.79	177.60	28.40		238.99
35 " " "	(30.00)	2,663.14	(30.00)		2,668.14
36 " " "		436.50	436.50		
37 " " "		503.12	328.37		174.75
38 " " "		386.38			386.38
39 " " "		280.58	63.93		216.65
40 " " "		1,187.29	849.11		338.18
14-3043 " " "		98.48			98.48
45 " " "		11.20			11.20

Schedule 3, cont'd.

<u>Project</u>	<u>Balance 7/1/63</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Balance 6/30/64</u>
46-Res. Emergency & Contingency		\$ 1,093.00			\$ 1,093.00
15-3049 " "		21.17			21.17
15-3062 " "		1,217.52	\$ 717.49		500.03
Rad. Health L.V.	\$ 62.60	188.77			251.37
TOTAL	<u>\$12,813.32</u>	<u>\$13,590.22</u>	<u>\$10,815.22</u>	<u>\$(100.00)</u>	<u>\$15,488.32</u>

- (1) Sole Source of Revenue is from DRI Overhead Funds
 (2) Transfer to Book Fund-Fund 51

UNIVERSITY OF NEVADA
DESERT RESEARCH INSTITUTE
STATEMENT OF OPERATIONS
FUND 16, RESEARCH DEVELOPMENT FUND
For the Fiscal Year ended June 30, 1964

<u>Project</u>	<u>Balance</u> <u>7/1/63</u>	<u>Receipts*</u>	<u>Expend.</u>	<u>Balance</u> <u>6/30/64</u>
Research Dev. Fund--				
Humanities	\$ 499.87	\$ -0-	\$ (700.13)	\$ 1,200.00
Research Development	-0-	3,500.00	3,319.10	180.90
Hydraulic Potters Wheel	-0-	402.55	331.98	70.57
Politics & So. Western				
Expansion	-0-	787.00	547.00	240.00
Composition of Sonata	-0-	900.00	900.00	-0-
Separation of Church & State				
in Colonial America	-0-	500.00	97.86	402.14
Mark Twain's Writings	-0-	1,200.00	-0-	1,200.00
Study of Penninsular Spanish	-0-	1,650.00	1,650.00	-0-
Spraying Molten Metal	-0-	800.00	695.47	104.53
Influence of Indians on				
British	-0-	450.00	340.04	109.96
Linguistic Field Work-				
Washoe Indians	-0-	958.00	-0-	958.00
Project for No. American				
Studies	-0-	3,000.00	2,500.00	500.00
Res. Dev. Fund-				
Life Sciences	6,588.99	10,799.10	(9,453.01)	26,841.10
Res. Dev. Fund-				
Behavioral Sciences	3,891.56	1,573.10	3,891.56	1,573.10
Research Development	-0-	2,000.00	923.95	1,076.05
Voting Patterns in Nevada	-0-	585.50	5.50	580.00
Feasibility Study-Nevada				
Govt. Data Book	-0-	2,835.00	298.64	2,536.36
Response Variability Inst.				
Conditioning	-0-	2,500.00	-0-	2,500.00
Political Hist. of Nevada	-0-	5,121.50	514.27	4,607.23
Pilot Prod. Western North				
American Studies	-0-	3,000.00	500.00	2,500.00
Res. Dev. Fund-Physical				
Sciences	78,143.64	39,745.73	74,373.99	43,515.38
Research in Thin Films	-0-	2,300.00	-0-	2,300.00
Publication Support	-0-	200.00	-0-	200.00
Determination of Optical				
Orientation	-0-	620.00	-0-	620.00
Thermoluminescence Studies	-0-	3,500.00	-0-	3,500.00
Investigation of Solid-				
State Variable Freq.	-0-	500.00	62.97	437.03
Det. Snow on Structures-				
Tahoe Area	-0-	450.00	153.67	296.33

Schedule 4,
cont'd.

<u>Project</u>	<u>Balance</u> <u>7/1/63</u>	<u>Receipts*</u>	<u>Expend.</u>	<u>Balance</u> <u>6/30/64</u>
Fluid Flow Research	\$ -0-	\$ 2,500.00	\$ 2,500.00	\$ -0-
Staff & Equip.-Dept.				
of Physics	-0-	5,700.00	5,767.00	(67.00)
Solar Pump	-0-	1,500.00	-0-	1,500.00
Departmental Equipment	-0-	7,781.00	2,673.00	5,108.00
Study of Degradation of				
Nevada Aggregates	-0-	500.00	-0-	500.00
Shrinkage and Expansion in				
Clays	-0-	765.00	276.73	488.27
TOTAL	<u>\$89,124.06</u>	<u>\$108,623.48</u>	<u>\$92,169.59</u>	<u>\$105,577.95</u>

*Source of revenue is from research overhead funds.

DESERT RESEARCH INSTITUTE

SUPPLEMENTAL LETTER

1. Desert Research Administrative Files

A file is maintained by DRI on each of the contracts and grants under its administration. These files are quite incomplete and in some cases, the folders contain only miscellaneous correspondence regarding the grant or contract. It was also noted that required reports had not been sent to the sponsoring agency when required; in some instances there were several letters from various agencies inquiring about overdue reports.

We recommend that the following information be included in the files:

1. A copy of the proposal by the person applying for the grant.
2. A copy of the budget.
3. A copy of the contract and all revisions thereof.
4. A schedule of all required reports due to the donor. This schedule should reflect periods or dates such reports are due.
5. Copies of interim and final reports.
6. Copies of any publications resulting from the project.

We further wish to recommend that a tickler file be maintained which would indicate when all reports are due on any and all projects. Administrator's of DRI are presently making plans to rectify this situation.

2. Equipment Inventory

The DRI had not established satisfactory accountability for equipment purchased from funds made available on research contracts and grants. In checking a small sample of equipment purchased since 1960, a number of expensive items of equipment could not be located by the auditors or project leaders. However, the assistant director was not asked to locate missing items.

It is recommended that the project director on each of the research grants and contracts be made responsible and accountable for equipment purchased for that project and that accurate and up-to-date inventory records of equipment be maintained at all times.

Proposals made to agencies sponsoring research could be more realistic if a comprehensive list of equipment already on hand was available to the person making the proposal.

Officials of DRI and the University take exception to the foregoing statements as they feel DRI is complying with standards as set up by the State Purchasing Division and University policy. The problem seems to be that statutes need strengthening delegating responsibility for accountability of equipment purchased by various agencies to the agency itself in conjunction with the State Purchasing Division.

3. Overhead

Many research grants and contracts, particularly those of the agencies of the federal government, allow a percentage of direct costs (15 to 35%) as indirect costs or overhead. These costs are allowed to help the contracting institution afford administrative and overhead costs connected with the contract. Overhead costs are utilities, insurance, administrative salaries, accounting, etc., that cannot be allocated to a given program or project.

It is the practice of many institutions to treat indirect cost payments as income and deposit them to their general fund or operating funds since this is from where the actual expenditures are made. At the University, 7½% of overhead payments on DRI projects are credited to the general fund. As of July 1, 1965, this will become 25%. Twenty-five percent of any overhead payments are put at the disposal of the project leader in a

fund called "Research Emergency & Contingency Fund." Expenditures from this fund are at the discretion of the project leader, subject to the general purchasing policies of the University, and quite often are expended in a manner that would not be allowed under the project budget nor from appropriated funds. The remaining 67½% of overhead goes into a fund called "Research Development Fund," the stated purpose of which is to generate research projects that can eventually be financed by the government or other interested agency. Also, these funds are used to finance research by various departments that is of interest locally, but where outside sponsorships would be difficult to obtain.

The above policy was approved by the Board of Regents after recommendation by DRI administration and the president of the University.

Overhead allowances to the DRI amounted to approximately \$121,000.00 during the 1963-1964 fiscal year.

In our opinion, overhead allowances should be credited directly to the general fund and budgeted in the same manner as other income to the University. Even if all overhead payments went directly to the general fund, the actual cost to the University might not be recovered since most contracts allow only 15 to 35% of direct costs as overhead and the University's own figures indicate that for the University as a whole, indirect costs amount to approximately 36% of direct costs using U.S. Bureau of Budget Document A-21 as basis for computation.

4. Exemption from State Purchasing Act

In reviewing purchases made by DRI, since its inception, it was noted that many items were purchased directly by DRI personnel without going through the University buyer or the State Purchasing Department. In most of the cases noted, considerable savings could have been realized had the purchases been made through the buyer or if the item had gone out for bid.

It was also noted that many of the purchase orders issued for DRI purchases were confirming orders indicating that the purchase order was issued after the merchandise was obtained. Currently, every attempt is being used by DRI to use the University buyer as much as possible.

The justification given for many of these direct purchases was that DRI is exempt from the State Purchasing Act. Considering the above examples it does not appear that such exemption is in the best interest of the University nor the State of Nevada.

We recommend that all purchases be made through the University buyer and that section 396.7955 of NRS, exempting DRI from the State Purchasing Act, be repealed.

DRI does not concur with this recommendation, as they feel it would ham-string operations of research and if all items of cost are considered the overall costs may not be excessive.

5. Travel by Personal Car

In reviewing travel claims of DRI personnel, it was noted that on travel where an automobile was used, employees were using personal automobiles and were reimbursed at the rate of \$.10 per mile.

The State Administrative Manual and the University Manual on Business and Fiscal Affairs state that a \$.10 per mile rate shall only be used when the employee is directed by his superior to use his personal car for the convenience of the University when no agency cars are available. The use of a personal car for the convenience of the employee is reimbursed at a rate of \$.06 per mile.

We recommend that the \$.06 rate be used unless there is a statement from the motor pool included in the travel report stating that no agency vehicles were available.

6. DRI Payroll Clearing Account

Each month, certain accounts within DRI charge salaries and wages to a clearing account. After the payroll period these charges are cleared out by charging various projects, supposedly on a time basis. No supporting daily time records are maintained and from a cursory examination, it would appear that these salaries are charged to whichever account has adequate salary funds available. In our opinion, this is not an acceptable practice and the sponsoring agencies could justifiably disallow all such charges because of the lack of supporting documentation. It is recommended that salaries of persons working on several projects be allocated on a percentage basis when employment contracts are signed or that supporting time records be maintained on a daily basis to support salary allocations.

7. Separation of Research Accounts by Administering Department

At present, there are several departments of the University conducting research that is sponsored by both public and private agencies. These departments are: Desert Research Institute, Bureau of Mines, College of Agriculture, Bureau of Business and Economic Research, and Bureau of Governmental Research. Research projects conducted by these various departments are grouped in a single fund. This procedure of grouping similar projects and accounts in a single fund group is an acceptable fund accounting procedure. However, in this case, where the accounts are administered by separate departments, it would appear that establishing separate fund groups by the administering department would be more practical.

It is recommended that a separate fund group be established for research projects conducted by the DRI and the College of Agriculture and the remaining projects be grouped by department.

A separate fund group for DRI would make year to year comparisons more meaningful and provide easier access to fiscal and statistical information.

8. Research Grant Paid Employee

A professional employee of the University, earning \$14,321.00 on a twelve-months contract, was awarded a research grant with a salary budget of \$4,000.00. This grant was for the purpose of performing quantitative x-ray spectrographic analysis for at least 25 trace elements on two Shoal granite composite samples. Justification as why this was handled in this fashion is as follows:

"Because of current commitments, this work cannot be done as a routine matter; it can be accomplished on a consulting basis using accumulated leave time, compensatory time-off and weekends."

This employee used 18 days annual leave during the period of this research grant. Records pertaining to compensatory time during this period were non-existent. There was a schedule of compensatory time earned during 1962 totaling 245½ hours maintained by the employee only. Such record was submitted to the employee's superior at the end of 1963. None of this time was used for the above research project.

The justification offered for paying the above mentioned employee the \$4,000.00 for additional research does not appear reasonable in that in order to do the additional work such employee had to take annual leave from the work which was obviously so pressing that the research work couldn't be done during regular hours.

Although funds were disbursed by DRI the project was administered by Mackay School of Mines without supervision by DRI.

The auditors do not feel that it is proper to augment a professor's salary by reason of a research grant where University facilities are used. University officials recognize this problem exists but at present do not have a solution.

9. Moving Expenses Paid New Employees

It was noted during our review of expenditures of DRI, that on at least two occasions the institute paid all or part of the relocation expenses of new employees. In one instance, the cost of moving was approximately \$1,500.00. Recently, a memo was sent to the University president from the director of DRI stating that a new employee's moving expenses totaled \$350.00 and that he, as director would like "help" with such expenses. The president then accordingly authorized a payment of \$250.00 to the employee. There was no substantiation offered to verify any portion of the \$250.00.

In our opinion, this is an extremely poor practice and furthermore, such payments are not authorized by statute. Any and all payments should be made only after an itemized invoice is submitted and reviewed. If moving expenses are to be paid as part of the employment agreement then it should be so stipulated in the employment contract. If there is no such provision in the contract, then such expenses should not be paid. Since there is no statutory provision for paying such expenses, it would appear that they should never be paid nor be made a part of an employment contract. Moving expenses are not paid for new employees of any other state agency.

We recommend that the necessary steps be taken to place DRI under statutory control so that in the future such expenditures will not be possible.

DRI does not concur in this recommendation as they feel that sometimes this added incentive allows the hiring of an outstanding individual.

10. Transportation Expenses of Interviewed Personnel

It was noted during our audit that some prospective professional employees are reimbursed their travel expenses pertaining to any interviews they may have with officials of the University. This procedure is not only

applicable to DRI, but at all of the departments of the University. On one interview, it was necessary to pay traveling expenses, meals and lodging for a person who came from Sydney, Australia.

Neither the statutes nor the regulations of the State Personnel System provide for payments to be made for travel expenses for interviewing prospective employees. If it is desirable that such expenses be paid, then specific provisions for such payments should be written into the statutes.

11. Out-of-State Travel Requests

It was noted that quite often DRI personnel fail to file their out-of-state travel requests on Form BD47 10 days prior to making such out-of-state travel. Such written requests are required under chapter 600 of the State Administrative Manual.

Generally, the justification for failure to comply with the above law is simply that the meeting or conference, etc., was covered on a "moment's notice." However, it was noted that some of these conferences and meetings were on a national level which accordingly meant planning weeks and months in advance.

It is recommended that out-of-state travel requests be submitted in accordance with the State Administrative Manual and University travel regulations. If such requests are not made prior to the stipulated 10-day period, then such travel should not be approved except in true extreme emergency instances.

12. Airplane

In November, 1963, the DRI acquired a Twin Beach aircraft from the Air Force at a token price of \$10.00. The plane has been reconditioned at an approximate cost of \$10,000.00 paid from a national science foundation grant. DRI's purpose in acquiring this aircraft is for use in a research

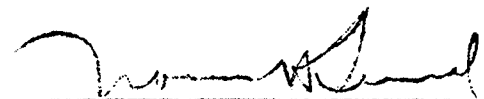
grant relative to cloud-seeding and studying storms, etc. The plane is also used in transporting DRI and other University officials to various meetings; for instance, a snow conference in Nelson, British Columbia, and various meetings in Las Vegas and Utah. A pilot is employed by DRI who is paid \$7,404.00 annually. When the pilot is not actively engaged flying or caring for the plane, he is assigned other duties at the Research office.

Because the aircraft was used infrequently during our audit period, no travel cost analysis was attempted.

13. State Funds - Research Grants

For the fiscal year 1963-1964 moneys received from research grants totaled approximately \$565,000.00 whereas state money of approximately \$52,000.00 was used by DRI. This indicates that for each dollar of state money spent there is generated an additional \$10.00 from outside sources. Officials of DRI indicate this figure will not decrease during the next biannum.

Carson City, Nevada
December 23, 1964



Norman H. Terrell, C.P.A.
Fiscal Analyst

Note: At a meeting of the Fiscal Analyst, the Vice-President of Finance of the University and the Assistant Director of DRI held December 30, 1964, agreement was reached on the implementation of the foregoing comments except those so noted--(Numbers 1, 4 and 9.)

PUBLIC SERVICE COMMISSION
AUDIT REPORT
For the Fiscal Year 1963-1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Public Service Commission for the fiscal year ended June 30, 1964, and have prepared therefrom the following exhibits and related schedules:

Hearing Account--
Statement of Financial Condition,
June 30, 1964-----Exhibit A

Hearing Account--
Statement of Operations for the
Fiscal Year ended June 30, 1964-----Schedule A-1

PSC Revolving Fund--
Statement of Financial Condition,
June 30, 1964-----Exhibit B

Administrative Fund--
Basis for Appropriation and
Authorization Compared to Actual
Revenue & Expenditures for the
Fiscal Year ended June 30, 1964-----Exhibit C

Regulatory Fund--
Statement of Receipts & Disbursements
for the Fiscal Year ended June 30, 1964-----Exhibit D

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 to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Opinion

We have examined the statements of financial condition of the Hearing Account, the Revolving Fund and the Administrative Fund of the Public Service Commission as of June 30, 1964, 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 statements of financial condition and statements of revenues and expenditures present fairly the financial position of the Public Service Commission as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
March 8, 1965

Norman H. Terrell, C.P.A.
Fiscal Analyst

NHT/sb

PUBLIC SERVICE COMMISSION
HEARING ACCT.
STATEMENT OF FINANCIAL CONDITION
June 30, 1964

Assets

Cash Deposited with State Treasurer	<u>\$783.54</u>
-------------------------------------	-----------------

Liabilities

Balance on Deposit:

Western Enterprises	\$ 10.00
Las Vegas Skyride	20.00
Edward Christmas	10.00
O.K. Trailer Sales	.38
Revert Water Co.	250.00
Trailer Estates	161.75
Alamo Airways	144.70
American Potash & Titanium Metals	<u>.01</u>

KNOWN LIABILITIES	\$596.84
-------------------	----------

Unidentified	<u>186.70</u>
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TOTAL LIABILITIES	<u><u>\$783.54</u></u>
-------------------	------------------------

PUBLIC SERVICE COMMISSION
HEARING ACCT.
STATEMENT OF OPERATIONS
1963-1964 Fiscal Year

Balance, July 1, 1963	\$783.54
Receipts	-0-
Disbursements	<u>-0-</u>
BALANCE, June 30, 1964	<u><u>\$783.54</u></u>

PUBLIC SERVICE COMMISSION
REVOLVING FUND
STATEMENT OF FINANCIAL CONDITION
June 30, 1964

Assets

Cash in Bank \$1,000.00

Liabilities

Due to General Fund \$1,000.00

PUBLIC SERVICE COMMISSION
ADMINISTRATIVE FUND
BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED TO ACTUAL REVENUES AND EXPENDITURES
1963-1964 Fiscal Year

	Agency Work Program	Basis for Approp. & Author.	Actual Revenues & Expend.	Over/(Under) Approp. & Author.
Revenues				
Gen. Fund Approp.	\$ 67,580.00	\$ 67,580.00	\$ 67,580.00	\$
Highway Fund	43,027.00	43,027.00	43,027.00	
1½ Mill Levy	107,904.00	102,086.00	93,612.73	(8,473.27)
Salary Adj. Fund	1,308.00	1,308.00	1,308.00	
Jury Fees to Employees			28.80	28.80
Total Revenues	<u>\$219,819.00</u>	<u>\$214,001.00</u>	<u>\$205,556.53</u>	<u>\$ (8,444.47)</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$157,744.00	\$152,687.00	\$139,998.01	\$(12,688.99)
Indus. Ins.	1,057.00	986.00	826.11	(159.89)
Retirement	9,142.00	8,740.00	8,111.13	(628.87)
Personnel Assess.	800.00	800.00	800.00	
Group Ins.	540.00	252.00	498.00	246.00
Total Expenditures	<u>\$169,283.00</u>	<u>\$163,465.00</u>	<u>\$150,233.25</u>	<u>\$(13,231.75)</u>
Travel:				
Out-of-State	\$ 6,110.00	\$ 6,110.00	\$ 4,700.24	\$ (1,409.76)
In-State	21,035.00	21,035.00	15,412.67	(5,622.33)
Total Travel	<u>\$ 27,145.00</u>	<u>\$ 27,145.00</u>	<u>\$ 20,112.91</u>	<u>\$ (7,032.09)</u>
Operating:				
Freight & Postage	\$ 575.00	\$ 575.00	\$ 901.80	\$ 326.80
Office Supplies	2,050.00	2,050.00	2,017.25	(32.75)
Printing	2,000.00	2,000.00	2,875.76	875.76
Telephone & Telegraph	2,000.00	2,000.00	2,910.43	910.43
Auto Insurance	500.00	500.00	435.00	(65.00)
Equipment Repair	475.00	475.00	380.45	(94.55)
Contract Services	5,000.00	5,000.00	3,500.00	(1,500.00)
Dues & Subscriptions	950.00	950.00	1,220.78	270.78
Consulting Fees	2,500.00	2,500.00	---	(2,500.00)
Registration Fees	150.00	150.00	105.00	(45.00)
Reporting Fees & Pub.	1,600.00	1,600.00	1,587.72	(12.28)
Telecommunication Rpts.	150.00	150.00	---	(150.00)
Total Operating	<u>\$ 17,950.00</u>	<u>\$ 17,950.00</u>	<u>\$ 15,934.19</u>	<u>\$ (2,015.81)</u>
Equipment	<u>\$ 5,441.00</u>	<u>\$ 5,441.00</u>	<u>\$ 1,823.71</u>	<u>\$ (3,617.29)</u>
TOTAL EXPENDITURES	<u>\$219,819.00</u>	<u>\$214,001.00</u>	<u>\$188,104.06</u>	<u>\$ (25,896.94)</u>
Excess of Revenues over Expenditures			\$ 17,452.47	
Less: Reversion to Highway Fund			<u>(6,392.04)</u>	
Balance Carried Forward Reg. Fund			<u>\$ 11,060.43</u>	

PUBLIC SERVICE COMMISSION
REGULATORY ACCOUNT
(1.5 Mill Levy-Statement of Receipts & Disbursements)
1963-1964 Fiscal Year

Balance, July 1, 1963	\$ -0-	
ADD:		
Proceeds from 1.5 Mill Levy	93,612.73	
Transfer from Admin. Account	<u>3,947.70</u>	
TOTAL TO ACCOUNT FOR		\$97,560.43
DEDUCT:		
Transfer to Admin. Account		<u>86,500.00</u>
BALANCE, June 30, 1964		<u><u>\$11,060.43</u></u>

PUBLIC SERVICE COMMISSION

SUPPLEMENTAL LETTER

1963-1964 Fiscal Year

1. Public Service Commission Revolving Fund

NRS 703.230 provides for the creation and use of a \$1,000.00 revolving fund. This fund was to be used for travel advances for commissioners when traveling in behalf of a federal agency. The fund was reimbursed when travel claims were presented to the federal agency. This fund has not been used for some years due to the establishment of the travel revolving fund by the state treasurer.

We recommend that this bank account be closed and the funds on deposit be transferred to the state treasurer and deposited to the credit of the general fund, from which the original appropriation was made. We recommend further that sections 2 through 5 of NRS 703.230 be deleted as obsolete.

The chairman of the Public Service Commission indicated that he concurs with the above recommendations and will take steps to close the bank account.

2. Hearing Account

The Hearing Account was established by the commission to account for deposits received from utilities to cover the cost of hearings on rate applications and other matters coming before the commission. The account was transferred to the state treasury from a local bank in 1961 when some irregularities by the previous secretary were discovered. The commission no longer requires utilities to make such deposits; as a result, there has been no activity in this account for several years. A balance of \$783.54 remains in this account of which \$186.70 is unidentifiable as to ownership.

The chairman of the Public Service Commission states that substantially more general fund money than the amounts on deposit were spent on hearings. We therefor recommend and the Chairman concurs that the balance of \$783.54 be transferred to the general fund.

3. Regulatory Fund--1.5 Mill Levy

In test-checking the assessment of the 1.5 mill levy on utilities other than motor carriers, it was noted that 30 of these utilities are assessed less than \$10.00 each year. Assessments of such insignificant amounts are not sufficient to cover the costs of such assessments. The commission is required to send assessment notices by registered mail and mail out receipts when payments are received. It is not economical to spend several dollars in collecting assessments of 20, 75, 47 cents, etc., which is currently the practice.

We recommend that NRS 704.033 be amended to provide for a minimum assessment of at least \$10.00 or more to cover the cost of such assessments. The 1965 Legislature accomplished this through enactment of AB 393.

4. Internal Control

In the following comments regarding weaknesses in internal control, bonding of employees, etc., we intend no inference that any employee of the Public Service Commission is engaged in any dishonest activity. Rather, we submit our comments and recommendations in order to direct attention to procedures which could be improved.

The Public Service Commission receives in excess of \$90,000.00 annually from the 1.5 mill levy on utilities gross operating revenue. Internal control appears to be adequate in the procedures used in handling revenue from the levy; however, none of the several employees who handle these receipts are bonded. Good business practice requires bonding of employees who handle large amounts of money in addition to good internal control practices.

E.

We recommend that the commission immediately take steps to have employees handling cash bonded, either from the state bond trust fund or a private surety company.

The commission sells copies of rules and procedures, copies of sections of NRS, verifax copies of various records and documents, and other miscellaneous sales and receipts. Good control procedures are lacking in handling these revenues. Receipts are not written unless the individual purchaser asks for them, nor are receipts written for mail requests. Copies of those receipts that are on hand cannot be reconciled to deposits made to the state treasury.

It is recommended that prenumbered receipts be used for all sales and that a receipt be written for every transaction. Every receipt number should be accounted for and the functions of receiving cash, recording the receipt in the records, and making the deposit should be separated as much as possible. The commission has adopted practices to correct this situation.

In reviewing leave records of the commission, it was noted that some employees have, over the years, lost substantial amounts of annual leave. One employee in particular had lost 92 days of leave since 1957. From an internal control standpoint, it is desirable that employees be required to take several consecutive days of annual leave each year. Only in unusual circumstances should employees lose annual leave. If the position and volume of work is such that it requires someone to be present at all times then other employees should be cross-trained in the position to cover absences caused by illness, annual leave, etc. This pertains to commissioners and technical help; employees handling records and cash are not involved.

5. Audit Program

NRS 703.150 provides that the Public Service Commission "shall

supervise and regulate the operation and maintenance of public utilities." In our opinion, many utilities are not receiving even token supervision. The time of the commission's audit and investigative staff is almost fully occupied in preparing information on, and auditing utilities who ask for rate increases or who have hearings pending before the commission. There is no continuing periodic audit program to provide the necessary control and regulation provided for in Title 58, chapters 703-710 of the Nevada Revised Statutes. Specifically, the following are areas where we feel that the statutes are not adhered to.

- (1) NRS 704.080 provides for printing and posting of rate schedules by utilities. These schedules are to be posted in the business office of the utility. The commission does not check for compliance with this requirement.
- (2) NRS 704.250 authorizes and directs the commission to prescribe the standards for maintenance, use and operation of electric poles, wires, cables and appliances. The commission has no program of inspection and has not prescribed standards to be followed.
- (3) NRS 704.690 through 704.780 provides standards and procedures to be used by utilities in electric line construction. It is our understanding that the commission makes no inspections of construction.
- (4) Chapter 705 of NRS provides for the regulation of railroads operating in the state. Again, there is little or no enforcement of the provisions of chapter 705.
- (5) Under the terms of NRS 704.690, utilities are required to pay interest on deposits made by their customers. There is no periodic check by the commission to insure that this is done.

The chairman agrees that the commission has been unable to fulfill requirements of NRS because of the fact that the Legislature has not seen fit to make available sufficient money to provide staff to accomplish these purposes. He indicated that several utilities do not have on file with the commission their rules and regulations, but without additional staff he cannot follow-up with these companies.

6. Closing Accounts by Public Utilities

Under the provisions of NRS 704.180, "the accounts of every public utility shall be closed annually on January 1 and the reports herein required shall be filed not later than April 15 following." Exceptions to this provision are utilities whose accounting period and method of accounting are prescribed by the United States government.

The Public Service Commission does not require utilities to close their books of account on January 1. Several utilities who are not federally regulated have fiscal years other than the calendar year. In our opinion, the commission does not have the authority to prescribe, or allow, utilities to use a fiscal period or closing date other than that provided by law. The wording of the statute does not provide for any deviation other than the exception noted above.

Allowing utilities to use a fiscal year other than a calendar year creates problems in assessing the 1.5 mill levy on gross operating revenue. Annual reports of utilities are usually accompanied by a certification by an independent auditor stating that the financial statements have been verified. In those cases where the utility is on a fiscal period other than a calendar year, the commission must ask the utility to provide a statement of gross operating revenue on a calendar year. These statements are used as a basis in assessing the 1.5 mill levy but are not audited by an outside auditor, nor by the commission auditors. The commission has

no assurance that these statements are correct, other than the signatures of official presenting the revenue figures. The chairman indicated the commission would like to conduct extensive reviews in this area but are without sufficient staff to accomplish this.

7. Conflict of Statutes

Section 6 of NRS 704.190 states in part, "Notwithstanding any other provisions of law, neither any accident report made as required by this chapter, nor any report of the commission made pursuant to any accident investigations made by it, shall be opened to public inspection or disclosed to any person, except upon order of the commission . . ."

This section is in direct conflict with NRS 218.780 which provides, "Upon the request of the fiscal analyst or his duly authorized representatives, all officers and employees of the state departments shall make available and accessible to the fiscal analyst 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 fiscal analyst."

We recommend that Section 6 of NRS 704.190 be amended to provide for examination of accident reports and records by the fiscal analyst or his representatives.

8. Office Supplies

Of approximately \$2,000.00 in office supplies purchased during 1963-1964, the Public Service Commission purchased 84.5% from vendors other than the State Purchasing Department; because supplies were not available it caused violation of the provisions of the State Administrative Manual. We recommend that all office supplies, where possible, be purchased through the State Purchasing Division.

9. Travel Reports

Travel reports submitted by commission members and employees quite often do not have the purpose of such trip stated. Also, it is difficult to establish the exact cost of any trip since public transportation, per diem, and motor pool costs are paid separately. It is suggested that travel reports show transportation costs as well as per diem and that the purpose of each trip be stated. This additional information could be included on the report in memo form and not effect the per diem claim. Steps are being made to correct this situation in order to complete all travel claims.

Carson City, Nevada
March 12, 1965

Norman H. Terrell, C.P.A.
Fiscal Analyst

NOTE: At a meeting of the Fiscal Analyst and the Chairman of the Public Service Commission on April 6, 1965, agreement was reached on implementation of the foregoing recommendations.

STATE OF NEVADA
PROBATION RESTITUTION TRUST FUND

May 27, 1964

thru

April 6, 1965

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

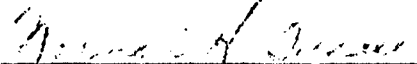
Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Probation Restitution Trust Fund for the period May 27, 1964 through April 6, 1965, and have prepared therefrom the following exhibit:

Statement of Receipts and Expenditures,
Probation Restitution Trust Fund, for
the period May 27, 1964 through
April 6, 1965-----Exhibit A

In our opinion, the accompanying exhibit presents fairly the financial position of the Probation Restitution Trust Fund as of April 6, 1965, and the results of its operation for the period May 27, 1964 through April 6, 1965.


Norman H. Terrell, C.P.A.
Fiscal Analyst

Carson City, Nevada
April 9, 1965

PAROLE AND PROBATION BOARD
PROBATION RESTITUTION TRUST FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
For Period May 27, 1964 thru April 6, 1965

Balance, May 27, 1964 (Transferred from First National Bank, Carson City)	<u>\$1,817.37</u>
--	-------------------

Receipts

Restitution Money Received	<u>\$3,026.17</u>
----------------------------	-------------------

Total to be Accounted For	<u>\$4,843.54</u>
---------------------------	-------------------

Expenditures

Restitution Money Disbursed	<u>\$2,234.07</u>
-----------------------------	-------------------

BALANCE, April 6, 1965	<u>\$2,609.47</u>
------------------------	-------------------

NOTE: Controller Balance is \$2,959.47 as of March 31, 1965.
Deposit of \$50.00 on April 6, 1965 not yet posted to
bring balance to \$2,609.47.

NEVADA CENTENNIAL COMMISSION

AUDIT REPORT

Legislative Counsel Bureau

Norman H. Terrell, Fiscal Analyst

Carson City, Nevada

E.

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada Centennial Commission for the fiscal years ended June 30, 1962; June 30, 1963; June 30, 1964; and June 30, 1965. We have prepared therefrom the following attached exhibits and related schedules:

Statement of Financial Condition as of
June 30, 1962.....Exhibit A

Statement of Financial Condition as of
June 30, 1963.....Exhibit B

Statement of Financial Condition as of
June 30, 1964.....Exhibit C

Statement of Financial Condition as of
April 12, 1965.....Exhibit D

Statement of Receipts and Expenditure for
the fiscal year ended June 30, 1962.....Schedule 1

Statement of Receipts and Expenditures for
the fiscal year ended June 30, 1963.....Schedule 2

Statement of Receipts and Expenditures for
the fiscal year ended June 30, 1964.....Schedule 3

Statement of Receipts and Expenditures for
the period July 1, 1964 to April 12, 1965..Schedule 4

Combined Statement of Receipts and Expendi-
tures for the period July 1, 1961 thru
April 12, 1965.....Schedule 5

Medallion Committee-Statement of Receipts
and Expenditures for the period November
1, 1963 to April 12, 1965.....Schedule 6

Nevada Day Committee-Schedules of Expenses
for the period July 1, 1963 to April 12,
1965.....Schedule 7

Nevada Day Committee-Statement of Receipts
and Expenditures for the Centennial Grand
Ball.....Schedule 7-A

Schedule of Promotion Expenses for the period
July 1, 1962 to April 12, 1965.....Schedule 8

Schedule of Cake Cutting Expenses for the
fiscal year ended June 30, 1964.....Schedule 9

Schedule of Calendar of Events Expenses for
the period July 1, 1963 to June 30, 1965...Schedule 10

Scope of 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 to the extent, which in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Centennial Commission Books and Records

The books and records of the Centennial Commission were found to be generally satisfactory and were reconciled to the Controller's allotment controls monthly. All claims were reviewed and were found to be in order with the exception of gasoline credit card invoices. It was found that the majority of the carbon copies of gasoline invoices had been destroyed. The original invoices have been sent to the Budget Division for preaudit.

With the employment of the present executive secretary, an agreement was made with the Oldsmobile Division of General Motors to use their cars during the Centennial Celebrations free of charge. The only stipulation made by Oldsmobile was that the Commission insure the cars and have them serviced at regular intervals. The cars were used by all Commission employees, Commissioners, and others who needed transportation to attend the many functions held during the year. With so many people using the cars, and the volume of invoices on hand, the office manager

did not examine every invoice to insure that unauthorized use was not made of either the credit cards or automobiles.

Regarding revenue, it was noted that one person opened all mail for the Commission. In addition, this person made up all deposits, submitted claims for payment and also did all the Commission's bookkeeping. We are of the opinion that this was a poor system of internal control since it violated one of the basic principles of internal control; segregation of duties of persons handling funds and recording same in the books of account.

The Commission was authorized to enter into contracts with retailers of various novelties and trinkets and to receive royalties based on the manufacturer's price of the articles sold which had the official Nevada Centennial Seal. The royalties were, in addition to a flat fee of \$250.00, for the privilege of using the seal on any ten items of a similar nature. The Commission received \$1,982.41 in royalties and \$4,500.00 from sale of rights to use the seal during its existence. No examinations were made by Commission personnel of licensee's books to determine if all sales had been reported although sale invoices were transmitted to the Commission with each remittance.

Medallion Committee

The Centennial Commission entered into a contract with Mr. Lester Scott whereby Mr. Scott was to receive all monies from medallion applications and mail all medallions to the successful applicants.

An attempt was made to reconcile revenues received to the total number of medallions issued. However, due to the lack of internal control plus the fact that no system was set up in advance for inventory purposes, it was not possible to reconcile the medallions issued to revenues received.

An analysis of total monies received from sale of medallions showed that the Commission had an overage on medallion sales of \$526.17 computed as follows:

Proof medallions ordered	5000		
Less: Medallions lost in transit	<u>4</u>	4,996 x \$13.00	\$ 64,948.00
Regular medallions		15,000 x \$ 6.00	<u>90,000.00</u>
Total to account for			\$154,948.00
Less: 273 regular medallions given away		\$1,638.00	
5 proof medallions given away		65.00	
418 regular medallions sold to State Museum at a \$1.00 discount from regular price		418.00	
One regular and one proof which had to be replaced when the applicants stated the envelopes were empty upon receipt		<u>19.00</u>	<u>2,140.00</u>
			\$152,808.00
Plus: Medallions sold again when the post office was unable to deliver them after 9 months for various reasons			
7 regulars @ \$ 6.00		\$ 42.00	
1 proof @ \$13.00		<u>13.00</u>	<u>55.00</u>
			\$152,863.00
Receipts: 1963-1964 fiscal year	\$141,626.24		
1964-1965 fiscal year	<u>11,762.93</u>		<u>153,389.17</u>
			<u>\$ 526.17</u>

A physical inventory of medallions on hand at December 29, 1964 showed that there was a discrepancy between the medallions on hand and medallions sold up to that date.

	<u>Proof</u>	<u>Regular</u>
Beginning balances	5,000	15,000
Less medallions lost in transit	<u>4</u>	<u>-0-</u>
Total to account for	4,996	15,000
Less: Medallions sold or given away up to December 29, 1964	<u>4,962</u>	<u>14,981</u>
Book Inventory	34	19
Actual physical inventory taken on December 29, 1964	<u>37</u>	<u>7</u>
Average or (shortage)	<u>3</u>	<u>(12)</u>

Approximately 98% of the committee's business was done within a

period of two months, thereby adding to the confusion in trying to receive all funds and mail the medallions before June 30, 1964.

We believe that many fiscal and management problems which arose could have been prevented with proper indoctrination of Commission personnel. The same holds true for the Medallion Committee and Nevada Day Committee.

We wish to recommend that in the future, whenever a new agency is created, the Department of Administration takes steps to insure that compliance with state policies, procedures are and good accounting principles are established and adhered to from the inception of such agency.

Opinion

In our opinion, the accompanying exhibits and schedules present fairly the financial position of the Centennial Commission for the fiscal years ended June 30, 1962; June 30, 1963; June 30, 1964; and April 12, 1965, and the results of its operations for the years then ended.

Carson City, Nevada

April 13, 1965

Norman H. Terrell, C.P.A.
Fiscal Analyst

Nevada Centennial Commission
Statement of Financial Condition
June 30, 1962

<u>Assets</u>	<u>Total</u>	<u>Centennial Commission</u>	<u>Medallion Committee</u>	<u>Fixed Assets</u>
Cash held in State Treasury	\$20,619.23	\$20,619.23		
Total Assets	<u>\$20,619.23</u>	<u>\$20,619.23</u>		
<u>Liabilities and Fund Equity</u>				
Fund Equity	\$20,619.23	\$20,619.23		
Total Liabilities and Fund Equity	<u>\$20,619.23</u>	<u>\$20,619.23</u>		

Nevada Centennial Commission
Statement of Financial Condition
June 30, 1963

<u>Assets</u>	<u>Total</u>	<u>Centennial Commission</u>	<u>Medallion Committee</u>	<u>Fixed Assets</u>
Cash held in State Treasury	\$240,494.67	\$240,494.67		
Furniture and Fixtures	3,195.73			\$3,195.73
Total Assets	<u>\$243,690.40</u>	<u>\$240,494.67</u>		<u>\$3,195.73</u>
<u>Liabilities and Fund Equity</u>				
Fund Equity	<u>\$243,690.40</u>	<u>\$240,494.67</u>		<u>\$3,195.73</u>
Total Liabilities and Fund Equity	<u>\$243,690.40</u>	<u>\$240,494.67</u>		<u>\$3,195.73</u>

Nevada Centennial Commission
Statement of Financial Condition
June 30, 1964

<u>Assets</u>	<u>Total</u>	<u>Centennial Commission</u>	<u>Medallion Committee</u>	<u>Fixed Assets</u>
Cash held in State				
Treasury	\$215,488.07	\$215,488.07		
Medallions on Hand				
Reg. 2009 @ \$ 6.00	12,054.00		\$12,054.00	
Proof. 84 @ \$13.00	1,092.00		1,092.00	
Furniture and Fixtures	5,602.15			\$5,602.15
Total Assets	<u>\$234,236.22</u>	<u>\$215,488.07</u>	<u>\$13,146.00</u>	<u>\$5,602.15</u>
<u>Liabilities and Fund Equity</u>				
Fund Equity	<u>\$234,236.22</u>	<u>\$215,488.07</u>	<u>\$13,146.00</u>	<u>\$5,602.15</u>
Total Liabilities and Fund Equity	<u>\$234,236.22</u>	<u>\$215,488.07</u>	<u>\$13,146.00</u>	<u>\$5,602.15</u>

Nevada Centennial Commission
Statement of Financial Condition
April 12, 1965

<u>Assets</u>	<u>Total</u>	<u>Centennial Commission</u>	<u>Fixed Assets</u>
Cash held in State Treasury	\$58,227.82	\$58,227.82	.
Furniture and Fixtures	1.00		\$1.00
Total Assets	<u>\$58,228.82</u>	<u>\$58,227.82</u>	<u>\$1.00</u>
<u>Liabilities and Fund Equity</u>			
Fund Equity	<u>\$58,228.82</u>	<u>\$58,227.82</u>	<u>\$1.00</u>

Schedule 1

Nevada Centennial Commission
Statement of Receipts and Expenditures
For the Fiscal Year Ended June 30, 1962

Receipts

Appropriation

\$35,000.00

Total Receipts

\$35,000.00Expenditures

Salary Expense

Salaries

\$ 9,626.46

Retirement Expenses

302.50

Industrial Insurance

50.93

Total Salary Expenses

\$ 9,979.89Travel

In-State Travel

\$ 2,300.70

Out-of-State Travel

1,358.80

Total Travel Expense

\$ 3,659.50Operating Expenses

Office Supplies

\$ 196.53

Postage and Freight

74.80

Printing

233.61

Telephone and Telegraph

113.29

Advertising

123.15

Total Operating Expenses

\$ 741.38

Total Expense

\$14,380.77

Balance, June 30, 1962

\$20,619.23

Schedule 2

Nevada Centennial Commission
Statement of Receipts and Expenditures
For The Fiscal Year Ended June 30, 1963

Balance, July 1, 1962	<u>\$ 20,619.23</u>
<u>Receipts</u>	
Appropriation	\$260,000.00
Sales of Right to use Official Seal	2,250.00
Royalties from novelties	4.75
Refund from Library of Congress	4.00
Cancelled Warrants	69.50
Transfer from General Fund	9.70
Total Receipts	<u>\$262,337.95</u>
Total to account for	<u>\$282,957.18</u>
<u>Expenditures</u>	
Salary Expense	
Salaries	\$ 22,961.21
Retirement Expenses	428.62
Industrial Insurance	378.90
Total Salary Expenses	<u>\$ 23,768.73</u>
<u>Travel</u>	
In-State Travel	<u>\$ 3,381.57</u>
Total Travel Expenses	<u>\$ 3,381.57</u>
<u>Operating Expenses</u>	
Office Supplies	\$ 1,500.44
Combined Telephone	1,860.55
Seal Art Expense	1,463.22
Photographs	504.94
Newspaper Subscriptions	199.40
Flag Holders	32.20
Auto Maintenance	909.23
Auto Repairs	102.00
Miscellaneous Auto Equipment	437.42
Auto Insurance	987.80
Displays	14.80
Host Fund	17.71
Promotional Expense	958.96
Miscellaneous Office Expense	46.00
Advertising	129.98
Historical Marker	353.67
Office Remodeling	121.26
Stamp Committee	8.00
Miscellaneous Art Work	19.50
Equipment Rental	295.48
Freight and Postage	1,218.18
Printing	<u>935.74</u>
Total Operating Expenses	<u>\$ 12,116.48</u>

Schedule 2 - Continued

<u>Equipment</u>	
Office Equipment	\$ 3,043.38
Office Furniture	62.15
Other Equipment	<u>90.20</u>
Total Equipment	\$ 3,195.73
Total Expenses	<u>\$ 42,462.51</u>
Balance, June 30, 1963	<u><u>\$240,494.67</u></u>

Nevada Centennial Commission
Statement of Receipts and Expenditures
For The Fiscal Year Ended June 30, 1964

Balance, July 1, 1963	<u>\$240,494.67</u>
<u>Receipts</u>	
Sale of Medallions	\$170,788.24
Less: Refunds for proof medallions ordered but regular medallions sent	<u>29,162.00</u>
Net medallion sales	\$141,626.24
Sale of Rights to use Official Seal	2,250.00
Royalties from Novelties	1,327.87
Contributions	3,800.00
Sales of stamp cachets	448.05
Miscellaneous Income	333.27
Cancelled Warrants	7.00
Group Insurance transfer from General Fund	<u>210.00</u>
Total Receipts	<u>\$150,002.43</u>
Total to account for	<u>\$390,497.10</u>
<u>Expenditures</u>	
Salary Expense	
Salaries	\$ 51,628.46
Retirement	2,888.99
Industrial Insurance	481.47
Group Insurance	<u>210.00</u>
Total Salary Expenses	<u>\$ 55,208.92</u>
<u>Travel</u>	
In-State Travel	\$ 13,032.94
Out-of-State Travel	<u>4,720.44</u>
Total Travel Expenses	<u>\$ 17,753.38</u>
<u>Operating Expenses</u>	
Office Supplies	\$ 2,942.59
Postage and Freight	4,251.76
Combined Telephone	5,345.96
Printing	6,018.17
Subscriptions and Reference Manuals	384.00
Auto Insurance	3,117.31
Promotion Expenses	13,545.75
Equipment Repairs	201.75
Historical Markers	734.75
Clipping Service	530.40
Host Fund	376.15
Auto Repairs	291.54
Equipment Rental	164.35
Office Remodeling	436.19
Stamp Committee	3,384.82
Miscellaneous Prizes	131.25
Medallion Committee Expenses	37,121.10

Schedule 3 - Continued

University Opera	\$ 200.00
Cake Cutting Project	5,388.32
Historical Van	3,000.00
Nevada Day Project	696.30
Calendar of Events	542.80
National Press Photographers	5,904.20
Grant Robbins Contract	<u>4,930.85</u>
Total Operating Expenses	<u>\$ 99,640.31</u>
<u>Equipment</u>	
Office Furniture	\$ 991.84
Office Equipment	1,155.76
Other Equipment	<u>258.82</u>
Total Equipment	<u>\$ 2,406.42</u>
Total Expenses	<u>\$175,009.03</u>
Balance, June 30, 1964	<u>\$215,488.07</u>

Nevada Centennial Commission
Statement of Receipts and Expenditures
For The Period July 1, 1964 to April 12, 1965

Balance, July 1, 1964	<u>\$215,488.07</u>
<u>Receipts</u>	
Sale of Medallions	\$ 11,762.93
Royalties	654.54
Contributions	700.00
Stamp cachets	1,188.23
Nevada Day Ball Ticket Sales	2,300.00
Cancelled Warrants	462.92
Transfers from other funds	18.26
Refunds	6,857.48
Forged Warrant transferred from lost warrant account	7.00
Total Receipts	<u>\$ 23,951.36</u>
Total Funds Available	<u>\$239,439.43</u>
<u>Expenditures</u>	
Salary Expense	
Salaries	\$ 43,971.75
Retirement	2,176.25
Industrial Insurance	446.33
Group Insurance	153.00
Total Expenditures	<u>\$ 46,747.33</u>
<u>Travel</u>	
In-State Travel	\$ 10,293.83
Out-of-State Travel	400.73
Total Travel Expenses	<u>\$ 10,694.56</u>
<u>Operating Expenses</u>	
Office Supplies	\$ 1,889.91
Postage and Freight	4,029.44
Telephone	4,810.07
Printing	1,182.02
Subscriptions and Reference Manuals	116.24
Car Insurance	1,833.64
Equipment Rental	202.92
Promotional Expenses	16,678.41
Nevada Day Committee	19,152.88
Medallion Committee	4,332.20
Calendar of Events	19,333.99
Grant Robbins Contract	16,891.41
Stamp Committee	1,935.49
Office Remodeling	122.95
National Press Photographer Association	595.80
Editors Tour	2,238.17
University Opera	5,600.00
Historical Markers	660.01
Equipment Repair	36.17

Schedule 4 - Continued

Host Fund	\$ 59.34
Clipping Service	469.20
Auto Repair	668.53
Cash Prizes	170.65
Counties Paradies	3,400.00
Miscellaneous Prizes	727.70
Governer's Bank	7,500.00
Final Report of Centennial Commission	7,706.25
Time Capsule	407.50
Early Day Nev. Day Family Certificates	767.25
Total Operating Expenses	<u>\$ 123,518.14</u>
<u>Equipment</u>	
Office Furniture	\$ 86.54
Office Equipment	<u>165.04</u>
Total Equipment	<u>\$ 251.58</u>
Total Expenditures	<u>\$ 181,211.61</u>
Excess of receipts over expenditures	<u>\$(157,260.25)</u>
Balance on Hand April 12, 1965	<u><u>\$ 58,227.82</u></u>

Nevada Centennial Commission
Combined Statement of Receipts and Expenditures
For The Period July 1, 1961 Thru April 12, 1965

	<u>1961-1962</u>	<u>1962-1963</u>	<u>1963-1964</u>	<u>1964-1965</u>	<u>Total</u>
<u>Receipts</u>					
Appropriations	\$35,000.00	\$260,000.00			\$295,000.00
Sale of Medallions (Net)			\$141,626.24	\$ 11,762.93	153,389.17
Sale of Rights to use Seal		2,250.00	2,250.00	---	4,500.00
Royalties		4.75	1,327.87	654.54	1,987.16
Refund from Lost Warrant Acct.				7.00	7.00
Cancelled Warrants		69.50	7.00	462.92	539.42
Trans. fr. Gen. Fund		9.70	210.00	18.26	237.96
Contributions			3,800.00	700.00	4,500.00
Sale of St. Cachets			448.05	1,188.23	1,636.28
Refunds		4.00	333.27	6,857.48	7,194.75
Sale of Nevada Day Ball Tickets				2,300.00	2,300.00
Total Receipts	<u>\$35,000.00</u>	<u>\$262,337.95</u>	<u>\$150,002.43</u>	<u>\$ 23,951.36</u>	<u>\$471,291.74</u>
<u>Expenditures</u>					
<u>Salary Expense</u>					
Salaries	\$ 9,626.46	\$ 22,961.21	\$ 51,628.46	\$ 43,971.75	\$128,187.88
Retirement	302.50	428.62	2,888.99	2,176.25	5,796.36
Industrial Ins.	50.93	378.90	481.47	446.33	1,357.63
Group Insurance			210.00	153.00	363.00
Total Sal.Exp.	<u>\$ 9,979.89</u>	<u>\$ 23,768.73</u>	<u>\$ 55,208.92</u>	<u>\$ 46,747.33</u>	<u>\$135,704.87</u>
<u>Travel</u>					
In-State Travel	\$ 2,300.70	\$ 3,381.57	\$ 13,032.94	\$ 10,293.83	\$ 29,009.04
Out-of-State Travel	<u>1,358.80</u>		<u>4,720.44</u>	<u>400.73</u>	<u>6,479.97</u>
Total Travel	<u>\$ 3,659.50</u>	<u>\$ 3,381.57</u>	<u>\$ 17,753.38</u>	<u>\$ 10,694.56</u>	<u>\$ 35,489.01</u>
<u>Operating Expenses</u>					
Office Supplies	\$ 196.53	\$ 1,500.44	\$ 2,942.59	\$ 1,889.91	\$ 6,529.47
Fre. and Postage	74.80	1,218.18	4,251.76	4,029.44	9,574.18
Printing	233.61	935.74	6,018.17	1,182.02	8,369.54
Tel. and Tel.	113.29	1,860.55	5,345.96	4,810.07	12,129.87
Advertising	123.15	129.98			253.13
Seal Art Exp.		1,463.22			1,463.22
Photographs		504.94			504.94
Subs. and Reference Manuals		199.40	384.00	116.24	699.64
Flag Holders		32.20			32.20
Auto Maintenance		909.23			909.23
Auto Repairs		102.00	291.54	668.53	1,062.07
Mis. Auto Equip.		437.42			437.42
Auto Insurance		987.80	3,117.31	1,833.64	5,938.75

Schedule 5 - Continued

	<u>1961-1962</u>	<u>1962-1963</u>	<u>1963-1964</u>	<u>1964-1965</u>	<u>Totals</u>
Time Capsule				\$ 407.50	\$ 407.50
Early Day Nevada Family					
Certificates				767.25	767.25
Counties Paradies				3,400.00	3,400.00
Displays	\$ 14.80				14.80
Host Fund	17.71	\$ 376.15		59.34	453.20
Promotion Exps.	958.96	13,545.75		16,678.41	31,183.12
Mis. Office Exp.	46.00				46.00
Historical Markers	353.67	734.75		660.01	1,748.43
Office Remodeling	121.26	436.19		122.95	680.40
Stamp Committee	8.00	3,384.82		1,935.49	5,328.31
Art Work	19.50				19.50
Equip. Rental	295.48	164.35		202.92	662.75
Equip. Repair		201.75		36.17	237.92
Clipping Services		530.40		469.20	999.60
Medallion Committee		37,121.10		4,332.20	41,453.30
University Opera		200.00		5,600.00	5,800.00
Cake Cutting Project		5,388.32			5,388.32
Historical Van		3,000.00			3,000.00
Nev. Day Project		696.30		19,152.88	19,849.18
Cal. of Events		542.80		19,333.99	19,876.79
Nat. Press Photographers		5,904.20		595.80	6,500.00
Grant Robbins Contract		4,930.85		16,891.41	21,822.26
Mis. Prizes		131.25		727.70	858.95
Final Rep. Printing Exp.				7,706.25	7,706.25
Cash Prizes				170.65	170.65
Editors Tour				2,238.17	2,238.17
Governer's Book				7,500.00	7,500.00
Total Oper. Expense	\$ 741.38	\$ 12,116.48	\$ 99,640.31	\$ 123,518.14	\$ 236,016.31
<u>Equipment</u>					
Office Furn.		\$ 3,043.38	\$ 991.84	\$ 86.54	\$ 4,121.76
Office Equip.		62.15	1,155.76	165.04	1,382.95
Other Equip.		90.20	258.82		349.02
Total Equip.	\$ 14,380.77	\$ 42,462.51	\$ 175,009.03	\$ 181,211.61	\$ 413,063.92
Excess of receipts over expenditures	\$ 20,619.23	\$ 219,875.44	\$ (25,006.60)	\$ (157,260.25)	\$ 58,227.82*

* \$25,000.00 to be transferred to Archives Division Fund 7/1/65
per AB 360

Nevada Centennial Commission
Medallion Committee
Statement of Receipts and Expenditures
For The Period November 1, 1963 to April 12, 1965

Receipts

Medallion Sales	\$182,551.17
Less Refunds for Proof Medallions Ordered	29,162.00
Net Medallion Sales	<u>\$153,389.17</u>

Cost of Medallions

Silver	\$15,518.00	
Dies	1,735.00	
Stamping Expense	<u>6,200.00</u>	23,453.00
Gross Profit on Medallion Sales		<u>\$129,936.17</u>

Expenditures

Salaries	\$10,378.52	
FICA	128.29	
Industrial Insurance	33.32	
Unemployment Insurance	112.58	
Office Supplies	207.23	
Postage	3,721.01	
Printing	32.85	
Machine Rental	581.00	
Insurance	265.07	
P.O. Box Rental	4.50	
Refund to Customer	6.00	
Promotional Expense	1,350.80	
Guard Expense on Cross-Country Trip	66.00	
Application Forms	723.84	
Shipping Bags	<u>322.13</u>	17,933.14
Net Profit on Sale of Medallions		<u><u>\$112,003.03</u></u>

Insurance is shown as net after refund was granted to the committee.

Schedule 7

Nevada Centennial Commission
Nevada Day Committee
Schedule of Expenses Incurred
For The Period July 1, 1963 to April 12, 1965

Salaries	\$ 2,630.95
Rent	362.50
Telephone	254.87
Office Supplies	253.37
Office Machine Rental	50.00
Advertising and Promotion	300.06
Grand Ball (See Schedule 7-A)	1,825.20
Indian Celebration	3,695.31
Early Day Nevada Families Celebration	441.40
Parade	4,769.97
Fireworks	2,500.00
Time Capsule	136.00
Lunches and Dinners	227.05
State Adoption Certificates	45.50
Miscellaneous Expenses	57.00
Total Nevada Day Committee Expenses	<u>\$17,549.18</u>

Nevada Centennial Commission
Nevada Day Committee
Centennial Grand Ball
Statement of Receipts and Expenditures

Receipts

Sale of Tickets

\$ 2,300.00

Total Receipts

\$ 2,300.00

Expenditures

Contract with Elks for hall decorations and gas

\$ 1,400.00

Hall Rental

50.00

Orchestra

700.00

Invitations

848.16

Tickets

248.36

Decorations and Ribbons

199.50

Champagne

390.00

Rental of Champagne Glasses

60.00

Rental of Public Address System

36.56

Rental of Tables

60.00

Purchase of Broken and Stolen Champagne Glasses

132.62

Total Expenditures

\$ 4,125.20

Excess of Expenditures over Receipts

\$(1,825.20)

Schedule 8

Nevada Centennial Commission
Schedule of Promotion Expenses
For The Period July 1, 1961 Thru April 12, 1965

Photographs	\$16,216.05
Newspaper mats and zincs	3,970.76
Souvenirs and Novelties	1,254.10
Charter Flight for Press Photographers Tour	1,322.20
Charter Bus	554.40
Music and Recording Expenses	340.52
Plaques and awards	1,110.87
Rocking Chair for late President Kennedy	574.75
Silver Haul Promotions	2,736.95
Freight on Fire Engine sent to Sacramento	268.88
Surrey Rental for Nevada Day Parade	500.00
Flags, Flag Poles and Accessories	293.02
Stage Coach Promotion	228.77
Boys State Costume Rental	300.00
Miscellaneous Expenses	<u>1,511.85</u>
Total Promotion Expense	<u><u>\$31,183.12</u></u>

Nevada Centennial Commission
Schedule of Cake Cutting Expenses
For The Fiscal Year Ended June 30, 1964

Table Building Expense	\$ 618.02
Table Decorations	1,761.33
TV Coverage Expense	2,171.99
Photographer	471.50
Music	100.00
Refreshments	81.57
Miscellaneous Expense	<u>183.91</u>
 Total Expenses	 <u><u>\$5,388.32</u></u>

Nevada Centennial Commission
Schedule of Calendar of Events Expenses
For The Period July 1, 1963 to April 12, 1965

Salaries	\$ 1,128.00
Art Work on Brochure	142.80
Printing of Brochure	11,977.06
Postage	5,400.00
Cartage Expense	103.31
Freight Expense	377.53
Shipping Containers	281.00
California Distribution Expenses	<u>467.09</u>
Total Expenses	<u><u>\$19,876.79</u></u>

UNIVERSITY OF NEVADA

AUDIT REPORT

For the Fiscal Year ended June 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
CARSON CITY, NEVADA

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the University of Nevada for the fiscal year ended June 30, 1964, and have prepared therefrom the following exhibits and related schedules:

Consolidated Statement of Financial Condition,
June 30, 1964-----Exhibit A

Statement of Financial Condition by Fund,
June 30, 1964-----Exhibit B

Statement of Actual Revenue and Expenditures
Compared to Original Work Program Fund 01
For the Fiscal Year ended June 30, 1964-----Exhibit C

Original Work Program Compared to Actual
Expenditures by Function and College Fund
01 for the Fiscal Year ended June 30, 1964-----Schedule C-1

Detail of Expenditure, By Object, Fund 01,
For the Fiscal Year ended June 30, 1964-----Schedule C-2

Analyses of Unappropriated Surplus for the
Fiscal Year ended June 30, 1964-----Schedule C-3

Statement of Basis for Authorization Compared
to Actual Revenues and Expenditures, Fund 02, 04,
Agricultural Experiment Station, for the
Fiscal Year ended June 30, 1964-----Exhibit D

Statement of Basis for Authorization Compared
to Actual Revenues and Expenditures, Fund 03, 05,
Agricultural Extension Service, for the
Fiscal Year ended June 30, 1964-----Exhibit E

Summary of Operations, Funds 11 through 91,
For the Fiscal Year ended June 30, 1964-----Exhibit F

Detail of Expenditures by Object, Funds
11 through 91, for the Fiscal Year ended
June 30, 1964-----Schedule F-1

Summary of Expenditures by Object, All Funds,
For the Fiscal Year ended June 30, 1964-----Exhibit G

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 to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

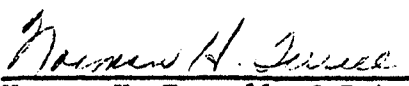
As required by the Federal Housing and Home Finance Agency Agreement (Nev. 26-CH-1), in checking the receipts, disbursements and financial statements of the Dining Commons, White Pine, Juniper and Married Students Housing, the auditor found no evidence of any default in terms, covenants, and provisions of the Indenture except for the following: The indenture calls for the person who has custody of the funds to be bonded in an amount at least equal to the total funds in his custody at any one time. The financial Vice-President and Chief Accountant are bonded for \$240,000. The funds on deposit to the credit of the above named facilities have often run over this amount.

Opinion

We have examined the statement of financial condition of all funds of the University of Nevada as of June 30, 1964, 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 exhibits and related schedules present fairly the financial position of the University of Nevada as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
March, 1965


Norman H. Terrell, C.P.A.
Fiscal Analyst

UNIVERSITY OF NEVADA
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
June 30, 1964

ASSETSCurrent Funds:

General

Cash in Register	\$ 5,000.00	
Cash in Banks	(77,722.07)	
Acct. Receivable	7,072.47	
Rec. from Students	2,282.50	
Rec. from State Treas.	150,520.20	
Refund Clearing	510.13	
Payroll Clearing	141,835.37	
Short Term Investments	<u>375,000.00</u>	

Total General

\$ 604,498.60

Restricted Funds

Cash in Banks	\$ 140,486.50	
Acct. Receivable	133,416.80	
Investments	<u>1,034,996.72</u>	

Total Restricted Funds

1,308,900.02

Auxiliary Enterprises

Cash in Banks	\$ 70,569.49	
Due from Other Funds	<u>66,909.09</u>	

Total Auxiliary Enterprises

137,478.58

Total Current Funds

\$2,050,877.20

Loan Funds

Cash in Banks	\$ 19,770.69	
Due from Other Funds	88,403.36	
Loans Receivable	<u>360,400.78</u>	

Total Loan Funds

468,574.83

Endowment Funds

Investments at Book Value

2,123,112.28

Plant Funds

In Regents Accounts:

Cash in Bank	\$ 39,746.97	
Investments	<u>765,499.87</u>	\$ 805,246.84

Invested in Plant:

Equipment	\$ 1.00	
Plant Assets	18,457,134.93	
Construction in Process	<u>2,147,651.02</u>	20,604,786.95

ASSETS, cont'd.

Retirement of Indebtedness			
Cash & Invest. Held by Trustee		269,817.92	
Held by State Treasurer			
Cash in Bank	\$2,277,322.05		
Construction in Progress	<u>7,970,899.35</u>	10,248,221.40	
		<hr/>	
Total Plant Fund			31,928,073.11
Agency Funds			
Due from Other Funds			55,051.81
			<hr/>
TOTAL ASSETS			<u>\$36,625,689.23</u>

UNIVERSITY OF NEVADA
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
June 30, 1964

LIABILITIES

Current Funds:

General

Outstanding Encumbrances	\$ 92,540.72	
Payable to State Treasurer	100,000.00	
Telephone Clearing	701.74	
Accrued Payroll Deductions	354.98	
Suspense Acct.	1,123.44	
Fund 01-Acct. Balances	185,713.09	
Unappropriated Surplus	<u>224,064.63</u>	
Total General Funds		\$ 604,498.60

Restricted Funds

Outstanding Encumbrances	\$ 132,643.22	
Due to Other Funds	205,021.92	
Restricted Fund Balances	<u>971,234.88</u>	
Total Restricted Funds		\$ 1,308,900.02

Auxiliary Enterprises

Outstanding Encumbrances	\$ 2,684.52	
Fund Balances	<u>134,794.06</u>	
Total Auxiliary Enterprises		<u>137,478.58</u>
Total Current Funds		\$ 2,050,877.20

Loan Funds

Loan Fund Balances		468,574.83
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Endowment Funds

Endowment Fund Balances		2,123,112.28
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Plant Funds

In Regents Accts.		
Outstanding Encumbrances	\$ 3,869.00	
Balance of Plant Funds	<u>801,377.84</u>	\$ 805,246.84
Invested in Plant:		
Due other Funds	\$ 5,342.34	
Notes Payable	355,405.00	
Bonds Payable	1,952,000.00	
Invested in Equip.	1.00	
Invested in Plant	18,270,521.15	
Accts. Payable-Union Addition	<u>21,517.46</u>	20,604,786.95

LIABILITIES, cont'd.

Retirement of Indebtedness		
Revenue Certificate &		
Internal Sinking Fund	\$256,817.92	
Building Maint. Reserve	8,000.00	
Equipment Reserve	<u>5,000.00</u>	269,817.92
Held by State Treasurer		
State Appropriations	<u>10,248,221.40</u>	
Total Plant Funds		31,928,073.11
Agency Funds		
Outstanding Encumbrances	\$ 1,151.24	
Fund Balance	<u>53,900.57</u>	
Total Agency Funds		55,051.81
		<hr/>
TOTAL LIABILITIES		<u><u>\$36,625,689.23</u></u>

UNIVERSITY OF NEVADA
STATEMENT OF FINANCIAL CONDITION BY FUND
June 30, 1964

ASSETS

<u>Fund</u>	<u>Fund #</u>	<u>Cash</u>	<u>Due from Fund 99*</u>	<u>Receivable</u>	<u>Investments</u>	<u>Fixed Assets</u>	<u>Total Assets</u>
General University Operation	01	\$ (72,722.07)	\$	\$ 302,220.67	\$ 375,000.00	\$	\$ 604,498.60
Experiment Station (Federal)	02-04	34,191.45					34,191.45
Extension Service (Federal)	03-05	20,402.47					20,402.47
Summer School	11		73,169.29				73,169.29
Corres., Extension & Evening Division	12		13,564.74				13,564.74
Research Financed by Grant & Cont.	13		79,050.15				79,050.15
Special Institutes & Projects	14		101,756.99				101,756.99
Research Emergency & Contingency	15		31,085.30				31,085.30
Research Development Fund	16		105,577.95				105,577.95
Intercollegiate Athletics	21		17,291.95				17,291.95
Dining Commons & Res. Halls (H.H.F.A.)	22	70,569.49					70,569.49
Residence Halls & Apts.	23			45,368.48			45,368.48
Student Health Service	24			21,540.61			21,540.61
4-H Club Camp	25		40,585.93				40,585.93
Scholarships	31		105,002.80				105,002.80
University Sales	41		114,373.49				114,373.49
Special Gifts & Misc.	51		367,825.59				367,825.59
Student Loan Fund	61	19,770.69		448,804.14			468,574.83
Endowments	71		-0-		2,123,112.28		2,123,112.28
Agency Funds	81			55,051.81			55,051.81
Plant Funds	91	2,586,886.94			765,499.87	28,575,686.30	31,928,073.11
Fund 99	99	85,892.58	(1,049,284.18)	133,416.80	1,034,996.72		205,021.92
TOTALS		<u>\$2,744,991.55</u>	<u>\$ --</u>	<u>\$1,006,402.51</u>	<u>\$4,298,608.87</u>	<u>\$28,575,686.30</u>	<u>\$36,625,689.23</u>

*Balances indicated are included in Fund 99 which is used as a clearing account to more conveniently invest idle funds in short term grant activities.

UNIVERSITY OF NEVADA
STATEMENT OF FINANCIAL CONDITION BY FUND
June 30, 1964

LIABILITIES

<u>Fund</u>	<u>Fund #</u>	<u>Fund Bal.</u>	<u>Outstanding Encumbrances</u>	<u>Due Other Funds & State Treas.</u>	<u>Plant Fund Payables</u>	<u>Unapprop. Surplus</u>	<u>Total Liabilities</u>
General University Operation	01	\$ 185,713.09	\$ 92,540.72	\$100,000.00	\$ 2,180.16	\$224,064.63	\$ 604,498.60
Experiment Station (Federal)	02-04	6,712.72	27,478.73				34,191.45
Extension Service	03-05	11,401.98	9,000.49				20,402.47
Summer School	11	72,539.89	629.40				73,169.29
Corres., Extension & Evening Division	12	13,420.24	144.50				13,564.74
Res. Financed by Grant & Contract	13	21,863.02	57,187.13				79,050.15
Spec. Institutes & Projects	14	98,042.00	3,714.99				101,756.99
Research Emergency & Contingency	15	30,551.90	533.40				31,085.30
Research Development Fund	16	99,624.25	5,953.70				105,577.95
Inter-Collegiate Athletics	21	15,292.09	1,999.86				17,291.95
Dining Commons & Res. Halls (H.H.F.A.)	22	70,066.65	502.84				70,569.49
Residence Halls & Apts.	23	44,828.36	540.12				45,368.48
Student Health Service	24	19,899.05	1,641.56				21,540.61
4-H Club Camp	25	40,585.93					40,585.93
Scholarships	31	105,002.80					105,002.80
University Sales	41	104,741.97	9,631.52				114,373.49
Special Gifts & Misc.	51	351,456.09	16,369.50				367,825.59
Student Loan Fund	61	468,574.83					468,574.83
Endowments	71	2,123,112.28					2,123,112.28
Agency Funds	81	53,900.57	1,151.24				55,051.81
Plant Funds		801,377.84	3,869.00		(1) 31,122,826.27		31,928,073.11
Fund 99		-0-		205,021.92			205,021.92
		<u>\$4,738,707.55</u>	<u>\$232,888.70</u>	<u>\$305,021.92</u>	<u>\$31,125,006.43</u>	<u>\$224,064.63</u>	<u>\$36,625,689.23</u>

(1) Notes & Bonds Payable	\$ 2,307,405.00
Invested in Plant & Equipment	18,270,522.15
Rev. Certification & Interest Sinking Fund	256,817.92
Bldg. Maint. Reserve	8,000.00
Equip. Reserve	5,000.00
State Appropriation	10,248,221.40
Due Other Funds	5,342.34
Accounts Payable	21,517.46
	<u>\$31,122,826.27</u>

UNIVERSITY OF NEVADA
FUND 01-GENERAL UNIV. OPERATION
ACTUAL REVENUE & EXPENDITURES
COMPARED TO ORIGINAL WORK PROGRAM
For the Fiscal Year ended June 30, 1964

	Original Work Program	Actual Revenue & Expend.	Over/(Under) Auth. or Approp.
<u>Revenues</u>			
Student Fees	\$ 935,500.00	\$1,060,731.67	\$ 125,231.67
Rent Income	29,300.00	30,211.96	911.96
Misc. Revenues	26,000.00	13,714.48	(12,285.52)
Morrill Nelson-Fed. Sub.	206,800.00	206,780.74	(19.26)
State Vocational Educ. Sub.	12,000.00	18,850.00	6,850.00
90,000 Acre Grant Interest	5,200.00	5,826.82	626.82
Univ. Cont. Fund Interest	2,800.00	2,918.38	118.38
Operating Capital Invest. Earn.	10,000.00	29,346.66	19,346.66
Regular State Appropriation	5,868,980.00	5,868,980.00	---
Special Book Appropriation	125,000.00	125,000.00	---
Salary Adjustment Fund	57,154.00	48,154.00	(9,000.00)
*Opening Cash Balance	210,000.00	219,000.00	9,000.00
Total Revenues	<u>\$7,488,734.00</u>	<u>\$7,629,514.71</u>	<u>\$ 140,780.71</u>
<u>Expenditures</u>			
Salaries	\$5,587,895.00	\$5,554,633.05	\$ (33,261.95)
Travel	80,825.00	79,286.70	(1,538.30)
Operating	1,165,396.00	1,217,112.44	51,716.44
Equipment	508,766.00	521,881.04	13,115.04
Reserve for Contingencies	145,852.00		(145,852.00)
Total Expenditures	<u>\$7,488,734.00</u>	<u>\$7,372,913.23</u>	<u>\$ (115,820.77)</u>

*Additional \$9,000.00 transferred from unappropriated surplus to cover over-estimate of appropriation for salary adjustment.

UNIVERSITY OF NEVADA
FUND 01-GENERAL UNIVERSITY OPERATION
ORIGINAL WORK PROGRAM COMPARED TO ACTUAL EXPENDITURES BY FUNCTION AND COLLEGE
For the Fiscal Year ended June 30, 1964

	Original Work Program	Actual Expend.	Over/(Under) Work Program
<u>General Administration</u>			
Board of Regents	\$ 5,200.00	\$ 4,140.70	\$ (1,059.30)
President's Office	68,563.00	73,348.65	4,785.65
Executive Vice-President	41,250.00	41,559.51	309.51
Business Manager	137,752.00	144,588.98	6,836.98
Tot. Gen. Admin.	<u>\$ 252,765.00</u>	<u>\$ 263,637.84</u>	<u>\$ 10,872.84</u>
<u>General Expense</u>			
Reg. & Admissions-Reno	\$ 91,508.00	\$ 92,061.70	\$ 553.70
Registrar-Nevada Southern	21,301.00	21,208.15	(92.85)
Admissions-Nevada Southern	15,389.00	16,251.83	862.83
Dean of Student Affairs-Reno	100,655.00	102,348.71	1,693.71
Student Personnel-Nev. So.	21,733.00	20,647.66	(1,085.34)
Pub.Emp. Ret. Premiums	312,000.00	306,952.62	(5,047.38)
Sabbatical Leaves	15,000.00	---	(15,000.00)
N.I.C. Insurance	27,000.00	24,039.11	(2,960.89)
Medical Ins. Premiums	36,000.00	14,230.50	(21,769.50)
Audio-Visual-Reno	77,032.00	75,322.06	(1,709.94)
Audio-Visual-Nev. So.	12,760.00	12,364.93	(395.07)
Prop., Liab. & Fidel. Ins.	23,000.00	23,596.41	596.41
Pub. & News Serv.-Reno	78,872.00	86,226.09	7,354.09
News Serv.-Nev. So.	2,100.00	1,980.00	(120.00)
Central Ofc. Serv.-Reno	26,868.00	32,302.00	5,434.00
Central Ofc. Serv.-Nev. So.	24,623.00	23,416.13	(1,206.87)
Data Processing Center	59,892.00	61,013.73	1,121.73
Postage	20,000.00	21,049.09	1,049.09
Personnel Assessment	9,700.00	9,700.00	---
Institutional Memberships	7,200.00	5,450.00	(1,750.00)
Ceremonials	2,000.00	1,976.48	(23.52)
Public Occasions Committee	5,000.00	6,144.00	1,144.00
Univ. Committee on Honors	2,175.00	1,587.90	(587.10)
Special Travel	2,582.00	2,229.74	(352.26)
Misc. Not Otherwise Charged	6,000.00	17,343.47	11,343.47
University Press	5,500.00	5,570.30	70.30
Whittell Wildlife Area	2,000.00	1,321.10	(678.90)
Scholarships Committee	400.00	401.33	1.33
Psychological Serv. Center	---	2,504.96	2,504.96
Total General Expense	<u>\$1,008,290.00</u>	<u>\$ 989,240.00</u>	<u>\$ (19,050.00)</u>
<u>Instruction</u>			
College of Arts & Science	\$1,592,193.00	\$1,579,925.92	\$ (12,267.08)
College of Agriculture	209,392.00	210,576.94	1,184.94

Schedule C-1, cont'd.

	Original Work Program	Actual Expend.	Over/ (Under) Work Program
<u>Instruction, Cont'd.</u>			
College of Bus. Admin.	\$ 240,827.00	\$ 232,120.39	\$ (8,706.61)
College of Education	203,441.00	205,448.66	2,007.66
College of Engineering	333,306.00	347,606.96	14,300.96
Graduate School	35,952.00	36,331.10	379.10
Mackay School of Mines	184,109.00	187,060.16	2,951.16
Orvis School of Nursing	86,019.00	85,246.13	(772.87)
Nev. So. (Instruction only)	563,048.00	558,622.68	(4,425.32)
Total Instruction	<u>\$3,448,287.00</u>	<u>\$3,442,938.94</u>	<u>\$ (5,348.06)</u>
<u>Organized Research</u>			
Ag. Experiment Stations	\$ 362,481.00	\$ 362,331.93	\$ (149.07)
Bureau of Bus. & Econ. Res.	49,466.00	49,814.69	348.69
Bureau of Govern. Research	9,636.00	8,868.14	(767.86)
Desert Research Institute	42,297.00	52,414.48	10,117.48
Nev. Bureau of Mines	148,926.00	146,377.11	(2,548.89)
Tot. Organized Research	<u>\$ 612,806.00</u>	<u>\$ 619,806.35</u>	<u>\$ 7,000.35</u>
<u>Extension & Public Service</u>			
Statewide Serv. Division	\$ 61,307.00	\$ 51,284.19	\$ (10,022.81)
Agric. Extension Division	305,165.00	305,176.18	11.18
Nev. Mining & Anal. Lab.	78,955.00	70,981.85	(7,973.15)
Total Ext. & Pub. Service	<u>\$ 445,427.00</u>	<u>\$ 427,442.22</u>	<u>\$ (17,984.78)</u>
<u>Library</u>			
Library-Reno	\$ 456,871.00	\$ 445,656.93	\$ (11,214.07)
Library-Nev. Southern	139,018.00	136,533.93	(2,484.07)
Total Library	<u>\$ 595,889.00</u>	<u>\$ 582,190.86</u>	<u>\$ (13,698.14)</u>
<u>Operation & Maint. of Plant</u>			
Bldgs. & Grounds-Reno	\$ 813,174.00	\$ 888,932.21	\$ 75,758.21
Bldgs. & Grounds-Nev. So.	166,244.00	158,724.81	(7,519.19)
Total Oper. & Maint.	<u>\$ 979,418.00</u>	<u>\$1,047,657.02</u>	<u>\$ 68,239.02</u>
Reserve for Contingencies	<u>\$ 145,852.00</u>	<u>\$ ---</u>	<u>\$ (145,852.00)</u>
TOTAL-General University Operation	<u>\$7,488,734.00</u>	<u>\$7,372,913.23</u>	<u>\$ (115,820.77)</u>

UNIVERSITY OF NEVADA
FUND 01-GENERAL UNIVERSITY OPERATION
DETAIL OF EXPENDITURES BY OBJECT
For the Fiscal Year ended June 30, 1964

	<u>Salaries</u>	<u>Out-State Travel</u>	<u>In-State Travel</u>	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
<u>General Administration:</u>						
Regents	\$	\$ 888.70	\$ 3,252.00	\$	\$	\$ 4,140.70
President's Office	62,704.55	1,746.49	1,106.63	6,895.12	895.86	73,348.65
Exec. Vice-President	38,907.51	981.45	605.67	810.45	254.43	41,559.51
Bus. Manager	133,467.44	554.17	1,295.71	9,235.46	36.20	144,588.98
Total	<u>\$ 235,079.50</u>	<u>\$ 4,170.81</u>	<u>\$ 6,260.01</u>	<u>\$ 16,941.03</u>	<u>\$ 1,186.49</u>	<u>\$ 263,637.84</u>
<u>General Expense:</u>						
Reg. & Admis.-Reno	\$ 82,531.02	\$ 398.00	\$ 420.40	\$ 7,523.40	\$ 1,188.88	\$ 92,061.70
Reg.-Nev. Southern	19,332.75			1,280.50	594.90	21,208.15
Admis.-Nev. Southern	15,269.28		109.99	872.56		16,251.83
Dean of Student Affairs	95,694.69	670.62	511.47	4,749.93	722.00	102,348.71
Student Personnel-Nev. So.	19,808.30		15.15	443.54	380.67	20,647.66
Pub. Emp. Ret. Prem.				306,952.62		306,952.62
NIC Ins.				24,039.11		24,039.11
Med. Ins. Prem.				14,230.50		14,230.50
Audio-Visual-Reno	45,117.81	375.00	2.17	10,590.77	19,236.31	75,322.06
Audio-Visual-Nev. So.	5,547.00			1,797.91	5,020.02	12,364.93
Prop. Liab. & Fidel. Ins.				23,596.41		23,596.41
Pub. & News Serv.-Reno	56,585.64	328.90	812.90	27,957.53	541.12	86,226.09
News Serv. Nev. So.	1,980.00					1,980.00
Central Ofc. Serv.-Reno	22,954.27			8,575.25	772.48	32,302.00
Central Ofc. Serv-Nev. So.	20,397.95			1,116.61	1,901.57	23,416.13
Data Processing Center	37,339.73			21,779.99	1,894.01	61,013.73
Postage				21,049.09		21,049.09
Personnel Asses.				9,700.00		9,700.00
Inst. Memberships				5,450.00		5,450.00
Ceremonials				1,976.48		1,976.48
Public Occ. Commission	1,144.00			5,000.00		6,144.00
Univ. Comm. on Honors	933.75	125.00	153.34	118.55	257.26	1,587.90

Schedule C-2
cont'd.

	<u>Salaries</u>	<u>Out-State Travel</u>	<u>In-State Travel</u>	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
<u>General Expense, cont'd.</u>						
Special Travel	\$	\$ 1,937.24	\$ 292.50	\$	\$	\$ 2,229.74
Misc. NOC				17,343.47		17,343.47
University Press				5,570.30		5,570.30
Whittell Wildlife				1,321.10		1,321.10
Scholarship Commission	300.00			101.33		401.33
Psych. Serv. Center	1,506.00			350.28	648.68	2,504.96
Total	<u>\$ 426,442.19</u>	<u>\$ 3,834.76</u>	<u>\$ 2,317.92</u>	<u>\$ 523,487.23</u>	<u>\$ 33,157.90</u>	<u>\$ 989,240.00</u>
<u>Instruction</u>						
College of Arts & Sciences	\$1,433,947.76	\$ 9,150.28	\$ 2,088.85	\$ 59,502.36	\$ 75,236.67	\$1,579,925.92
College of Agriculture	183,008.75	1,649.90	1,254.70	11,784.26	12,879.33	210,576.94
College of Bus. Admin.	215,660.89	2,021.18	107.62	5,017.08	9,313.62	232,120.39
College of Education	195,302.83	768.77	2,483.50	5,975.50	918.06	205,448.66
College of Engineering	260,374.86	1,720.91	1,041.90	11,378.44	73,090.85	347,606.96
Graduate School	25,207.08	276.18	130.35	9,887.86	829.63	36,331.10
Mackay Sch. of Mines	172,754.51	1,163.00	1,473.35	6,821.28	4,848.02	187,060.16
Orvis Sch. of Nursing	80,106.15	818.00	891.92	2,335.58	1,094.48	85,246.13
Nev. So. (Inst. only)	483,639.42	3,680.11	5,126.38	21,606.12	44,570.65	558,622.68
Total	<u>\$3,050,002.25</u>	<u>\$21,248.33</u>	<u>\$14,598.57</u>	<u>\$ 134,308.48</u>	<u>\$222,781.31</u>	<u>\$3,442,938.94</u>
<u>Organized Research</u>						
Agric. Exp. Stations	\$ 322,271.46	\$ 2,764.80	\$ 3,938.59	\$ 21,135.84	\$ 12,221.24	\$ 362,331.93
Bur. of Bus. & Econ. Res.	44,277.92		483.61	5,053.16		49,814.69
Bur. of Gov. Res.	8,256.00		116.75	295.39	200.00	8,868.14
Desert Res. Institute	50,197.12	331.93	15.00	559.08	1,311.35	52,414.48
Nev. Bur. of Mines	113,642.42	813.00	7,013.25	22,808.45	2,099.99	146,377.11
Total	<u>\$ 538,644.92</u>	<u>\$ 3,909.73</u>	<u>\$11,567.20</u>	<u>\$ 49,851.92</u>	<u>\$ 15,832.58</u>	<u>\$ 619,806.35</u>
<u>Ext. & Public Service</u>						
Statewide Sev. Div.	\$ 48,525.44	\$ 448.50	\$ 310.25	\$ 2,000.00	\$	\$ 51,284.19
Agric. Ext. Div.	276,998.76	2,809.95	3,351.12	17,037.43	4,978.92	305,176.18
Nev. Mining & Anal. Lab.	60,396.11	454.00	900.00	4,536.60	4,695.14	70,981.85
Total	<u>\$ 385,920.31</u>	<u>\$ 3,712.45</u>	<u>\$ 4,561.37</u>	<u>\$ 23,574.03</u>	<u>\$ 9,674.06</u>	<u>\$ 427,442.22</u>

Schedule C-2
cont'd.

	<u>Salaries</u>	<u>Out-State Travel</u>	<u>In-State Travel</u>	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
<u>Library</u>						
Library-Reno	\$ 303,124.72	\$ 1,073.37	\$ 303.33	\$ 6,095.76	\$135,059.75	\$ 445,656.93
Library-Nev. So.	57,978.97		46.10	3,714.07	74,794.79	136,533.93
Total	<u>\$ 361,103.69</u>	<u>\$ 1,073.37</u>	<u>\$ 349.43</u>	<u>\$ 9,809.83</u>	<u>\$209,854.54</u>	<u>\$ 582,190.86</u>
 <u>Operation & Maint. of Plant</u>						
Bldgs. & Grounds-Reno	\$ 478,297.51	\$ 141.00	\$ 1,461.65	\$ 388,214.40	\$ 20,817.65	\$ 888,932.21
Bldgs. & Grounds-Nev. So.	79,142.68		80.10	70,925.52	8,576.51	158,724.81
Total	<u>\$ 557,440.19</u>	<u>\$ 141.00</u>	<u>\$ 1,541.75</u>	<u>\$ 459,139.92</u>	<u>\$ 29,394.16</u>	<u>\$1,047,657.02</u>
 <u>TOTAL-General University</u>						
Operation	<u>\$5,554,633.05</u>	<u>\$38,090.45</u>	<u>\$41,196.25</u>	<u>\$1,217,112.44</u>	<u>\$521,881.04</u>	<u>\$7,372,913.23</u>

UNIVERSITY OF NEVADA
ANALYSIS OF UNAPPROPRIATED SURPLUS
FUND 01-GENERAL UNIVERSITY OPERATION
1963-1964 Fiscal Year

Unappropriated Surplus, July 1, 1963		\$299,571.47
Add:		
Receipts from 1962-1963 Trans.	\$ 3,053.47	
To close anticipated Revenue		
Accounts for 1963-1964	140,780.71	
Unexpended Balances	<u>115,820.77</u>	
		259,654.95
Deduct:		
Transfer to 1963-1964 Opening		
Balance	\$210,000.00	
Additional Transfer to cover		
overestimate of Salary Adjustment		
appropriation	9,000.00	
Payment of prior year expenditures	<u>341.02</u>	
		<u>(219,341.02)</u>
Unappropriated Surplus, June 30, 1964		<u>\$339,885.40</u>

UNIVERSITY OF NEVADA
 FUND 02, 04-AGRICULTURAL EXPERIMENT STATION, FEDERAL FUNDS
 BASIS FOR AUTHORIZATION COMPARED TO
 ACTUAL REVENUE AND EXPENDITURES
 For the Fiscal Year ended June 30, 1964

	<u>Basis for Author.</u>	<u>Actual Rev. or Expend.</u>	<u>Over/ (Under) Author.</u>
<u>Revenues</u>			
Hatch Act	\$214,726.00	\$246,607.00	\$31,881.00
Regional Research	<u>56,620.00</u>	<u>75,354.00</u>	<u>18,734.00</u>
	<u>\$271,346.00</u>	<u>\$321,961.00</u>	<u>\$50,615.00</u>
<u>Expenditures</u>			
Salaries	\$103,100.00	\$167,832.31	\$64,732.31
Travel	12,685.00	16,076.74	3,391.74
Operating	129,286.00	83,572.48	(45,713.52)
Equipment	<u>26,275.00</u>	<u>20,468.92</u>	<u>(5,806.08)</u>
	<u>\$271,346.00</u>	<u>\$287,950.45</u>	<u>\$16,604.45</u>
Excess of Revenue over Expenditures Carried Forward		<u>\$ 34,010.55</u>	

UNIVERSITY OF NEVADA
 FUND 03, 05-AGRICULTURAL EXTENSION SERVICE-FEDERAL FUNDS
 BASIS FOR AUTHORIZATION COMPARED TO
 ACTUAL REVENUE AND EXPENDITURES
 For the Fiscal Year ended June 30, 1964

	<u>Basis for Author.</u>	<u>Actual Rev. or Expend.</u>	<u>Over/(Under) Author.</u>
<u>Revenues</u>			
Smith-Lever	\$187,194.00	\$236,343.88	\$49,149.88
Bureau of Indian Affairs	<u>48,385.00</u>	<u>46,885.00</u>	<u>(1,500.00)</u>
	<u>\$235,579.00</u>	<u>\$283,228.88</u>	<u>\$47,649.88</u>
<u>Expenditures</u>			
Salaries	\$186,425.00	\$214,995.70	\$28,570.70
Travel	15,850.00	17,073.37	1,223.37
Operating	24,880.00	29,038.21	4,158.21
Equipment	<u>8,424.00</u>	<u>6,629.92</u>	<u>(1,794.08)</u>
	<u>\$235,579.00</u>	<u>\$267,737.20</u>	<u>\$32,158.20</u>
Excess of Revenue over Expenditures Carried Forward		<u>\$ 15,491.68</u>	

UNIVERSITY OF NEVADA
SUMMARY OF OPERATIONS-FUND GROUPS 11 THROUGH 91
For the Fiscal Year ended June 30, 1964

Title	Fund #	Balance	Receipts	Expenditures	Net. Trans.	Balance
		July 1, 1963			In-(Out)	June 30, 1964
Summer School	11	\$ 125,899.27	\$ 112,715.30	\$ 165,445.28	\$	\$ 73,169.29
Corres., Ext. & Evening						
Division	12	42,010.58	117,746.82	134,492.54	(11,700.12)	13,564.74
Res. Finan. by Grant	13	164,114.63	674,115.80	759,180.28		79,050.15
Spec. Inst. & Proje	14	54,421.67	318,776.95	294,141.75	22,700.12	101,756.99
Res. Emer. & Cont'n.	15	16,017.19	32,695.73	17,527.62	(100.00)	31,085.30
Research Dev. Fund	16	89,124.06	108,623.48	90,169.59	(2,000.00)	105,577.95
Intercollegiate Ath.	21	13,268.45	32,824.41	59,966.99	31,166.08	17,291.95
Dining Com. & Res. Halls	22	132,449.56	565,264.71	451,255.06	(136,783.79)	109,675.42
Residence Halls & Apts.	23	33,737.07	45,253.95	63,631.79		15,359.23
Student Health Serv.	24	36,325.97	44,838.02	59,623.38		21,540.61
4-H Club Camp	25	30,779.85	22,507.91	12,701.83		40,585.93
Scholarships	31	94,030.19	96,435.29	85,462.68		105,002.80
University Sales	41	220,118.75	273,430.78	287,986.04	(91,190.00)	114,373.49
Spec. Gifts & Misc.	51	251,177.71	406,479.31	234,957.30	(54,874.13)	367,825.59
Student Loan Fund	61	98,411.96	144,389.40	130,493.15	(4,134.16)	108,174.05
Endowments	71	2,191,227.11	28,698.92	10,000.00(1)	4,298.29	2,214,224.32
Agency Funds	81	81,962.42	327,882.62	323,627.15	(31,166.08)	55,051.81
Plant Funds	91	627,384.97	388,700.42	322,486.25	133,165.16	826,764.30
		<u>\$4,302,461.41</u>	<u>\$3,741,379.82</u>	<u>\$3,503,148.68</u>	<u>(\$140,618.63)</u>	<u>\$4,400,073.92</u>

Detail of Transfers to Other Funds

Transfer to:

Rev. Cert. & Interest Sinking Fund	\$136,783.79
Investment in Plant	3,834.84
	<u>\$140,618.63</u>

(1) \$10,000.00 donation to book fund approved by Board of Regents after consultation with Donon-Donald Bates.

UNIVERSITY OF NEVADA
FUND GROUPS 11-91 (EXCLUDING FUND 71, ENDOWMENTS)
DETAIL OF EXPENDITURES BY OBJECT
For the Fiscal Year ended June 30, 1964

<u>Title & Fund No.</u>	<u>Salaries</u>	<u>Travel</u>	<u>Operating</u>	<u>Equipment</u>	<u>Other</u>	<u>Tot. Expenditures</u>
Summer School (11)	\$118,583.33	\$ 935.19	\$ 39,208.59	\$ 6,718.17	\$	\$ 165,445.28
Corres., Extension & Evening Div. (12)	99,935.12	7,519.66	20,130.03	6,907.73		134,492.54
Research Fin. by Grant (13)	355,965.48	59,270.23	251,989.17	91,955.40		759,180.28
Spec. Institutes and Projects (14)	117,816.38	15,591.32	148,473.29	12,260.76		294,141.75
Research Emerg. and Contingency (15)	2,026.90	4,026.51	11,474.21	--		17,527.62
Research Dev. Fund (16)	6,708.40	1,464.40	72,775.13	9,221.66		90,169.59
Intercollegiate Ath. (21)	1,757.75	1,639.83	53,981.00	2,588.41		59,956.99
Dining Commons and Residence Halls (22)	193,476.68	232.95	246,727.13	10,818.30		451,255.06
Residence Halls and Apts. (23)	24,258.65	331.30	35,618.31	3,423.53		63,631.79
Student Health Serv. (24)	40,098.47	156.55	13,863.33	5,505.03		59,623.38
4-H Club Camp (25)	4,221.76	--	8,052.59	427.48		12,701.83
Scholarships (31)					\$ 85,462.68(1)	85,462.68
University Sales (41)					287,986.04(2)	287,986.04
Special Gifts & Misc. (51)					234,957.30(3)	234,957.30
Student Loan Fund (61)					130,493.15(4)	130,493.15
Agency Funds (81)					323,627.15(5)	323,627.15
Plant Funds (91)					322,486.25(6)	322,486.25
	<u>\$964,848.92</u>	<u>\$91,167.94</u>	<u>\$902,292.78</u>	<u>\$149,826.47</u>	<u>\$1,385,012.57</u>	<u>\$3,493,148.68</u>

- (1) Scholarships Granted.
 (2) Purchases from Sales Accounts.
 (3) Expenditures of Special Gifts.
 (4) Loans to Students.
 (5) Expenditure of Funds held by University but belonging to Student Organizations, etc.
 (6) Capital Investment-Plant Improvement.

UNIVERSITY OF NEVADA
SUMMARY OF EXPENDITURES BY OBJECT-ALL FUNDS
For the Fiscal Year ended June 30, 1964

	<u>Fund No.</u>	<u>Salaries</u>	<u>Travel</u>	<u>Operating</u>	<u>Equipment</u>	<u>Other</u>
General University						
Operation (State)	01	\$5,554,633.05	\$ 79,286.70	\$1,217,112.44	\$521,881.04	
Agric. Ext. Serv. (Fed.)	02-04	167,832.31	16,076.74	83,572.48	20,468.92	
Agric. Exp. Stat. (Fed.)	03-05	214,995.70	17,073.37	29,038.21	6,629.92	
Fund 11 through 91*		964,848.92	91,167.94	902,292.78	149,826.47	\$1,385,012.57
		<u>\$6,902,309.98</u>	<u>\$203,604.75</u>	<u>\$2,232,015.91</u>	<u>\$698,806.35</u>	<u>\$1,385,012.57</u>
Total Expenditures - All Funds			<u>\$ 11,421,749.56</u>			

*For detail, see Exhibit F-1.

UNIVERSITY OF NEVADA

SUPPLEMENTAL LETTER

For the Fiscal Year ended June 30, 1964

1. President's Residence

During 1963-1964, a residence at 7675 Lakeside Drive, Reno, Nevada was donated to the University. This property, appraised at \$121,750.00 was donated to the University by Mrs. Wynne Hill-Smith. The Board of Regents authorized the acceptance of the gift, authorized the sale of the president's residence at 1080 Mt. Rose Street, and authorized the use of the Lakeside Drive residence as the president's home.

As of the end of November, 1964, a total of \$23,622.28 had been spent from the University's buildings and grounds budget in remodeling and re-furnishing the residence. It was stated that of the total expended, \$10,161.72 would have been expended at the old residence.

University's Reply: A variety of things had to be accomplished to ready the 7675 Lakeside Drive property for occupancy. Most of these might more accurately be referred to as repair and refurbishing. For a total investment of \$23,622.00 the University now has an asset believed to be worth in excess of \$130,000.00. The residence at 1080 Mt. Rose, which had been acquired by the University with an unrestricted gift, was sold for \$55,000.00. The Board of Regents has dedicated the net proceeds of that sale to landscaping the Nevada Southern University campus.

2. President's Maintenance

The costs of maintenance, furnishing and utilities for the president's residence are a part of the buildings and grounds budget at the University. The actual costs applicable to the residence are difficult to obtain because expenditures are made from several different categories within the buildings and grounds budget. We recommend that a separate budget category and account be established for these expenditures so that the total

amount expended is readily available. This type of accountability is required of the Governor and other officials who are provided perquisites in addition to salary.

University's Reply: Your recommendation will be followed. Effective July 1, 1965, a separate object account will be established to facilitate identification of such expenses.

3. Dining Commons

The dining commons at the University is the on-campus dining facility catering primarily to students who reside in the campus residence halls. Other students, faculty, and staff may eat in the facility by paying cash for each meal or purchasing a meal card. The following are specific areas of criticism where we feel that good business practices and adequate control could be improved.

(a) Inventory records are not maintained on food purchased, used, or on hand, nor is adequate staff available to properly maintain and safeguard the storeroom and storage areas. The lack of good inventory records precludes obtaining adequate cost figures until the end of the year. Since dining commons revenues are used to retire bonded indebtedness of the commons itself, and part of the residence halls, it would appear that accurate, timely cost figures are desirable.

It is recommended that a perpetual inventory system be established and that someone other than the food supervisor act as storekeeper.

(b) The practice of allowing the food supervisor to order food and supplies, sign for their delivery and approve the invoices for payment, violates the principles of good internal control and should be discontinued. These functions should be separated as much as possible. Ordering could be done by a storekeeper, preferably through the University buyer since he is the official purchasing agent for the University.

(c) It was noted in our review of purchases by the dining commons that processing of bills for payment was extremely slow. In many instances bills were in excess of 6 weeks old when they were received by the accounting office where the checks are written. Discounts were taken on invoices paid after the discount date and discounts were lost due to late payment. Every effort should be made to pay bills promptly in order to take advantage of all possible discounts.

(d) It was also noted in our examination, that the basement storage area in the dining commons does not meet health department standards. The health department states that foods should not be stored beneath sewer pipes and particularly open or sacked material should not be so stored.

University's Reply: (a) Your recommendation regarding food inventory records is being implemented and a Storeroom Clerk will be employed.

(b) The Food Service Supervisor will continue to make the decisions on ordering of foods, using the services of the University Buyer. The receipt of ordered merchandise will become the responsibility of the Storeroom Clerk.

(c) It is acknowledged that payment of Dining Commons invoices was very slow. We certainly agree that vendors should not be required to wait an unusually long time for payment nor should early payment discounts be missed. In December, 1964, the Auxiliary Enterprises office employed a full-time experienced account clerk and the problems in this area have been corrected.

(d) I am sure the State Health Division will appreciate your assistance as sanitation inspectors. We will continue to the best of our ability to abide by the recommendations and stringent inspection of that division. Last year the State Health Division recommended certain changes in our very overcrowded storage area. These recommendations included the painting of "no storage" red lines under all sewer pipes; this has been done and inspection will verify that no food products are so stored. Also recommended was covering an unexcavated area with concrete. Although the dirt area is treated chemically and presents no particular problem, we plan to comply with the recommendation and a work order was issued some time ago.

4. University Sales Accounts

Fund group 41, University Sales, is a group of accounts used to account for various types of sales. Fund balances are restricted. As has been pointed out in prior audits, we believe that income to some of these accounts rise out of normal University operations each year and that the balances should be transferred to fund 01 at the end of each fiscal year.

The following are particular accounts where we feel that the above argument is especially valid:

(a) Diploma Sales - A charge of \$8.00 is made to all students for diplomas plus an additional fee for mailing. The only expenditures that have been made from this account are for diplomas, cases, and printed oaths. The actual cost for diplomas is \$1.26, cases \$4.16, and oaths \$1.00, making the total cost \$6.42. The fee of \$8.00 is obviously more than is necessary to cover the cost of the diplomas. A balance of \$7,540.92 has been accumulated in this account. We recommend that the balance be transferred to fund 01. (*See item 16 in Supplemental Letter.)

(b) Library Fines & Forfeitures - Receipts arise from fines on overdue books and reimbursement for books lost. Since books are purchased from appropriated funds, receipts should also be transferred to fund 01 at the end of the fiscal year.

(c) Catalog Sales - Catalogs are provided free of charge to students and prospective students. Students who require extra copies and non-students are charged \$1.00 per copy. Printing costs for catalogs are paid from appropriated funds and income should go to offset these costs.

(d) Central Office Service Sales - Duplicating, collating and other office services are provided various departments by Central Office Services. Departments are billed for these services and the income is credited to the sales account. Salaries and some of the supplies are paid from appropriated funds in the general expense budget. Again, it is recommended that the balance in the sales account be reverted to fund 01 at the end of the fiscal year.

(e) Time Payment Sales - Students who elect to pay their registration, tuition, and board and room fees in installments are charged a small

service charge. It would appear that since the fees themselves are fund 01 revenues that the service charge for deferring these fees should also be a fund 01 revenue.

(f) Special Examination Sales - Fees are charged to students who receive credit by examination. A student may receive credit for certain courses by taking a special examination. Salaries for people administering tests are paid primarily from fund 01. Receipts should go to offset these salary costs. Revenues to this account during 1963-1964 were \$698.00 and there were no expenditures.

(g) Bureau of Mines Sales - The Bureau sells various books, pamphlets and publications both to the public and students. Printing costs are paid primarily from appropriated funds. Proper accountability has not been established since sales cannot be reconciled to purchases of books, pamphlets, etc. We recommend that this account revert to fund 01 at the end of each year.

The above accounts had balances totaling approximately \$20,000.00 as of June 30, 1964. We feel that revenues to these accounts should be budgeted as other revenues to the University are budgeted and expenditures should be subject to the same preaudit control as other fund 01 accounts.

We recommend that a thorough analysis be made of all accounts in the Sales Fund reassessing the propriety of the restricted fund designation.

University's Reply: Sales accounts are authorized to account for receipts which are believed best administered as restricted in their use. Taken into consideration is the psychology that usually the more direct the proprietary interest the more careful employees will be in administering the collection of certain receipts. Also to be considered is the difficulty of budgeting the expenditure of certain accounts when the necessity of expenditure is directly controlled by receipts.

(a) See item #16.

(b) Library fines and forfeitures are used to purchase books lost or stolen.

(c) Catalog sale receipts are used as a reserve to purchase and mail extra copies of the catalog if the number provided from budgeted funds is insufficient due to unexpected heavy demand. The catalog is printed once each biennium and the demand over a two-year period fluctuates sufficiently to justify a reserve fund for extra printing.

(d) Only non-fund one agencies are billed for most services provided by Central Office Services. The receipt account is used for supplies and, if sufficient, equipment replacement in Central Office Services.

(e) There have been no expenditures from Time Payment Sales since July 1, 1963. The balance should have been transferred to fund one as a closing entry June 30, 1964, but was missed. It will be so transferred June 30, 1965.

(f) The balance of Special Examination Sales (1-41-4027), will be transferred to Fund One June 30, 1965, and the fund discontinued as it serves no purpose.

(g) The Nevada Bureau of Mines Sales fund is necessary not only for the printing of desirable publications but, more importantly, to provide required flexibility of printing operations. Many Bureau bulletins and maps present such complex and unusual printing problems that the work must be done by specialized firms outside Nevada. Often this work involves more than one year production time and if appropriated funds, which revert annually, were to be used such orders would have to be canceled. We believe the present system to be in the best interest of the State and the University.

5. Use of Personal Vehicles by University Personnel

The motor pool at the University has a number of sedans, station wagons, carry-alls and one bus which are available for use by all departments. These departments are billed for the use of motor pool vehicles.

The state administrative manual and the University's regulations on travel state that an employee can be reimbursed at the rate of \$.10 per mile if he uses his personal car for the convenience of the state if no motor pool cars are available. If a personal vehicle is used for the employees convenience, the reimbursement rate is \$.06 per mile.

A number of travel claims were selected which involved the use of personal cars at the \$.10 rate. The travel dates on these claims were checked against the records of the motor pool to determine the availability of pool cars. In every instance, pool cars were available on the dates of travel. It was also noted in reviewing all of the travel claims

by Desert Research Institute personnel that in every case involving the use of a private auto that reimbursement was made at the rate of \$.10 per mile.

From the above tests it would appear that the provisions for the use of private cars is being abused and that the motor pool is not being fully utilized.

In our opinion, the use of private automobiles at \$.10 per mile should never be authorized unless the request is accompanied by a statement from the motor pool indicating that pool cars are not available.

University's Reply: The pre-audit section of the Accounting Office has accepted the traveler's statement on a travel claim as to the unavailability of a University vehicle. We are unable to quickly verify the auditor's statement here as names were provided but not check numbers. From the information available, however, we assume that the criticism is justified. The University Administrative Manual includes the same regulation as SAM, but we must obviously take additional steps to secure compliance. We will follow the auditor's recommendation effective upon notification of staff.

6. Inadequate Justification for Refusing Low Bid

During the early part of 1964, solicitations for bids for 2 gas-fired furnaces, to be installed in one of the laboratories, were sent to five distributors. Only two distributors replied. One bid, \$415.00, for G.E. type furnaces and one bid, \$667.36 for Lennox type furnaces. The furnaces costing \$667.36 each were installed. There was no written justification in the files for refusing the low bid. A check with the assistant University engineer and his personnel indicated that the low bid had been turned down because the G.E. units were "too noisy." It is hardly possible to substantiate this statement since the G.E. units were never installed.

The low bidder was contacted and he stated that he was appraised of the fact that he had been awarded the bid and when he arrived to install his units he found the other distributor already there installing the Lennox units.

Since the furnaces weren't to be installed in or near classrooms or offices, it would appear that the "too noisy" basis for rejection would have little or no validity. Furthermore, since the price differential was substantial, it would appear that the installation of the more costly units was not in the best interest of the University nor the state.

University's Reply: The justification for not accepting the low bid should have been attached to the file copy of the purchase order. In this instance, as in many cases, the low bid is not the best bid. A Lennox unit or equal had been specified. The following differences were found:

	<u>Lennox</u>	<u>G.E.</u>
H.P.	1/6	1/8
Drive	Remote	Direct
Filter Area	5.04 sq.ft.	2.06 sq.ft.

Since the furnaces were to be used in research laboratories (cancer research and chemical analysis) where noise and dust are major problems it was the judgment of those concerned that the remote drive and larger filter area were important enough to justify rejection of the low bid. We regret that the G.E. distributor was not properly notified that he had not been awarded the purchase order, if that was the case. At any rate, 14 months later about all we can do is send a letter of apology to the vendor, which will be done.

7. Student Loans

As of June 30, 1964, there were \$26,849.99 in loans outstanding from loan funds other than the Federal National Defense Loan Program. Of this amount, approximately 35% were past due and 21% were over 12 months past due. This is somewhat of an improvement over past years when nearly 50% were past due. It is felt that this delinquency rate is caused primarily by inadequate collection procedures, (due to inadequate staff necessary to provide constant review and follow-up), and procedures used in processing applications and approving loans. For example, one student, whose loan was later turned over to a collection agency, gave a post office box number on campus as both his current and permanent address. When the loan was due, the student could not be located due to the inadequate address.

Several loans have been granted to students who obviously could not repay them in a lump sum as required by the loan agreement. If a grant-in-aid is to be made, it should be labeled as such, and not set up as a loan.

We recommend that every effort be made to improve collection procedures. No student should be allowed to withdraw from school or graduate until he has had an interview with the financial aids office and the accounting office which is responsible for collecting loans after the student has left school. Accounting office personnel should have some voice in granting loans since several cases were noted where the financial aids office granted loans to students who had previously proven to be financially irresponsible.

University's Reply: We agree that collection of student loans suffers due to insufficient personnel; however, the point of diminishing return is quickly reached on small loans and it is not justified (at least in our opinion) to spend \$1 of appropriated money to collect \$1 of loan fund money. Every effort will be expended by the University to collect overdue loans with the resources available and within the bounds of common sense.

Both a current and permanent address are required on all loans except "emergency loans." Effective April 14, 1965, the procedure was changed to include "emergency loans" in this requirement. Exception is taken to the statement that "loans have been granted to students who obviously could not repay in lump sum as required by the loan agreement." Hindsight of the auditor may be more accurate than the judgement of the loan officer when making the loan but he would not have made a loan to a student who "obviously could not repay." Exception is also taken to the recommendation that "accounting office personnel should have a voice in granting loans." The office of the Dean of Student Affairs has properly qualified staff for this function. The Accounting Office does not have such staff and to acquire them would be needless duplication of effort and a waste of money.

Students leaving school who properly withdraw or are graduated are interviewed concerning outstanding loans. Students or former students who have unpaid overdue loans have a "hold" placed on their record.

8. National Defense Student Loans

The National Defense Loan Program is by far the largest loan fund at the University. This program is financed 90% by the Federal Government and 10% by the University. These loans present a special problem because

of the large amount involved (\$333,550.80 outstanding as of June 30, 1964), and the many variables that can effect repayment. Repayment on these loans begins two years after the student terminates at the University. Payment can be deferred by military service, service in the Peace Corps or returning to full-time student status. Students who go into teaching can have as much as 50% of the principal and interest on the loan cancelled.

Currently, there are very few delinquencies among these loans, however, the program is comparatively new, having started in 1959.

When students graduate they are required to have a terminal interview and set up a repayment schedule. No provision is made for those students who have obtained loans and do not return to school or who withdraw. Our analysis shows that as of June 30, 1964, \$49,959.00 is owed by students in this latter category. These people have not been contacted by the University to set up a payment schedule or to determine if they are enrolled in another school or are in service, etc. It is recommended that all these students be contacted immediately and some type of repayment plan scheduled. The NDSL Program is growing larger each year. Efficient follow-up and collection procedures should be established now, while the program is relatively small.

University's Reply: The recommendation for better interview procedures for students leaving the University prior to graduation will be followed.

9. Internal Control - Cashier's Office

Internal control in the cashiering functions at the University has improved considerably since the last audit. The number of persons with access to the cash register have been reduced and procedures revised in making up bank deposits and the handling of cash have been improved.

Internal control is still lacking in the processing of mail receipts. Two persons handle mail before receipts get to the cashier. Mail should be opened by one person (preferably in the presence of another) and receipts should be listed with enough detail so that periodically checks can be made to insure that these receipts get to the cashier and that receipts are properly written up.

University's Reply: In-coming mail is opened by an employee who serves as a receptionist, telephone operator and general clerk. Ideally mail containing receipts should be opened by two persons not subject to interruption. We are just not staffed to do this. Lacking some of the refinements of internal control which are desirable but unduly expensive we have taken the precaution of securing a blanket fidelity policy of \$10,000 for all University employees except the Chief Accountant and the Vice President-Finance who are bonded to \$250,000.00.

10. Internal Control - Payroll

The payroll process at the University is almost fully automated. Source documents are prepared manually and the checks are signed singly with a small facsimile signature check signer. There is a serious lack of internal control since the same people prepare source documents, sign checks, and have access to the checks after they are signed. It is strongly recommended that someone other than payroll personnel sign checks and that steps be taken to insure that payroll personnel have no access to checks after they are signed.

University's Reply: The criticism here is valid. We have been concerned about this and effective July 1, 1965, will be in a position to make necessary changes. At that time payroll personnel will not have access to checks prepared by the Data Processing Center after signature. All necessary work to be performed by the payroll clerks (such as writing check deposits and sorting Agriculture and Nevada Southern University) will be accomplished before signature. The checks will then be delivered to the Accounting Office and signed in the Office of the Vice President-Finance. Distribution of checks is done by an Accounting Office employee and the payroll staff has no access to them. As is presently the case, checks which must be specially prepared and do not go through the Data Processing Center will

be typed by payroll and the check and accompanying debit-credit memo will be signed by either the Chief Accountant or the Vice President-Finance. An additional control device under study is the possibility of payroll registers submitted to each operating department for post-payroll verification.

11. Internal Auditor

The administrator of any tax supported agency has the responsibility for devising, installing and supervising a system of internal control that will adequately protect the assets in their custody from loss. The responsibility does not end with the installation of control procedures initially deemed necessary. A system of internal control must be under constant surveillance to determine: (1) That prescribed policies are being carried out, (2) That changes in operating conditions have not made the procedures cumbersome, obsolete or inadequate, and (3) That where breakdowns in the system appear, effective corrective measures are taken promptly.

Due to the growth in the size of the University, the volume of transactions, the complexity of the transactions and the corresponding increase in work load for the existing staff, it would appear that an internal auditor could best supply the constant review and supervision necessary to a good internal control program.

It is our understanding that the University has prepared a position of internal auditor in its budget for the next biennium. We support this proposal and recommend that a complete review and analysis of existing internal control procedures and processes be made as soon as possible.

University's Reply: A new position of Internal Auditor-Analyst, who will report directly to the Vice President-Finance, will be added July 1, 1965. The position has been filled with a college graduate in accounting who has experience in university accounting and general auditing. We have previously retained a local accounting firm, highly respected and experienced, to review our accounting procedures and internal control. We plan periodically to call on this firm for assistance and objective non-political criticism.

12. Supplies Inventory

The University buyer's office maintains a stock of office supplies, paper, and related items. Purchases are made from a sales account. Various departments requisition supplies and are billed by the buyers office. The accounting office charges the various expense accounts and transfers the funds to reimburse the sales account. The buyer does not maintain inventory records on these supplies. We recommend that a perpetual inventory system be installed to provide adequate control.

University's Reply: The Accounting Office takes an inventory periodically of the central stores maintained by the Buyer's Office. I do not believe the expense of a perpetual inventory of central stores to be justified. The present location has many physical problems, including the fact that it would be nearly impossible to refuse admittance to everyone except the storekeeper (for example, it is the one inside route to the only men's room in Morrill Hall and during cold or stormy weather has the normal traffic one might expect.) When better physical facilities are available your recommendation will be given further consideration.

13. Equipment Inventory

The University does not maintain inventory records on any of its equipment. The only inventory record is a list maintained by the State Purchasing Department. The University takes the position that since the Purchasing Department is charged by statute with inventory responsibility for all state agencies, that maintaining an inventory on the campus is not necessary. We maintain that good business practice demands an accurate, up-to-date inventory record maintained by the agency to insure adequate control. The argument that the state purchasing inventory is adequate would have more validity if all equipment purchases by the University were made through the State Purchasing Department; however, this is not the case; the University purchases many thousands of dollars worth of equipment directly.

In view of the above, it is recommended that specific legislation be

enacted requiring the University of Nevada to maintain an adequate inventory of equipment as a part of their accounting records.

A central receiving point or warehouse on the campus would greatly facilitate the implementation of good inventory records as well as giving the buyer greater control of purchases. At present, the buyer approves invoices for payment upon receipt of a receiving copy of the purchase order, signed by the department representative indicating that the merchandise has been received. The buyer cannot be sure that the material was actually received nor can he be sure that it is properly tagged. Also, this procedure can cause delays in approving and paying invoices. A central receiving warehouse, under the control of the buyer would eliminate the above mentioned problems.

14. Inadequacy of State Purchasing Inventory

During 1962-1963 and 1963-1964, the State Purchasing Division, in cooperation with the University, completed an inventory of equipment and fixtures on the Reno campus. Equipment items were tagged and classified and a process was set up whereby new equipment purchased would be added to the inventory. The cost of this inventory was substantial and included the salaries of two men for over a year.

In our opinion, the list of equipment resulting from the above inventory is virtually useless and certainly did not warrant the time and money expended in compiling it.

When the physical inventory was taken, information was listed showing where the equipment was located by building, department and room numbers. When the IBM list was prepared, the room number was eliminated. As a result, verifying the inventory in a building such as the new Scrugham engineering building which has over 100 rooms, is extremely difficult and time consuming.

Descriptions of equipment items, particularly scientific equipment, are vague and quite often in error. For example, the nuclear reactor recently purchased by the nuclear engineering department is listed as "Misc. Laboratory Equipment."

Many items are included in the list which are not inventoriable and not properly classified as equipment. To illustrate: The accounting office purchased several steno chairs from surplus at a cost of \$.50 each. Some of these chairs were damaged and parts of them were used to repair others; all of these chairs were picked up on inventory. Neither the cost nor the expected useful life of these chairs warranted their being picked up on inventory.

Fifty-three separate listings of shelving sections is included in the Civil Engineering Department list which are not inventoriable either by character or cost.

Hundreds of items of scientific apparatus in the College of Engineering inventory list are unidentifiable because they are listed as "Misc. Lab Equipment," "Misc. Meters," "Misc. Testers," or "Misc. Analyzers."

Over 400 items were not in the list sent to the Civil Engineering Department by the Purchasing Department. These items had been tagged by the inventory crew. A list was sent to purchasing to be added to the inventory but the supposedly "updated" list received by our auditors did not have the above items included.

The above paragraphs illustrate only a few of the obvious discrepancies in the University's inventory. We can only reiterate our earlier statements in this report and recommend that the University's inventory be kept by each department of the University and each department head be made responsible for maintaining an up-to-date inventory that can be

readily verified. Until this is done, the taxpayers of this state cannot be assured that their investment in equipment is being adequately protected.

University's Reply: First, to correct a misunderstanding or two. True, all equipment purchases for the University are not made through the State Purchasing Division; however, a copy of all University purchase orders is sent to that division and the copy is stamped "For Inventory Purposes." In 1962 when the State Purchasing Division was invited on campus some University departments had good up-to-date equipment inventories maintained by departmental staff and other departments lacked any system. Some departments have continued their independent system.

There appears to be sufficient evidence to conclude that the inventory system established by the State Purchasing Division has failed at the University. This failure is mainly attributable to insufficient staff to take and maintain a good inventory. Some of the problems, e.g. vague description or identification, are partly a function of allowing automation to dictate categories which were perhaps suitable in other agencies but not here. Other causes of failure are: laymen taking inventory of equipment in highly specialized fields such as physics, chemistry, engineering, etc.; and lack of firm and reasonable instructions or what constitutes an inventory item. If the existing inventory information is to be utilized and kept current a full-time position must be added to the staff for that single purpose.

The comments on a central receiving warehouse make a great deal of sense but until facilities become available (scheduled for 1968) there is no way this can be accomplished.

15. Equipment Pool

Again, as in prior audits, we noted instances where identical items were purchased by different departments in the same year. We feel that if good inventory records were available and a pool were maintained of items used by several departments that it would reduce expenditures for equipment by making fuller use of all University equipment.

To illustrate, it was noted that one department requested 2 calculating machines for the coming biennium; while during the course of our audit another department had 2 calculators sitting idle on a desk visible to our auditors that were not observed in operation even once during a 2-month period.

University's Reply: Undoubtedly in most departments all equipment is not used all the time. In some cases better utilization, including cross-department or cross-college lines could be developed. Most administrators are conscious of this on major expensive equipment. The practicality of transporting certain pieces of desk equipment (such as the calculators mentioned in your example), requiring personnel to do the moving and lost time of other personnel waiting for equipment is quite debatable. For example, I have on my desk both a ten key adding machine and a calculator. These get a lot of use during a year's time but undoubtedly there are days and maybe even a week when neither machine is used, but I doubt the reasonableness and the dollar saving that would result if I attempted to share these with another office.

16. Diploma Fees

The University charges each student who graduates \$8.00 for a diploma. The actual cost of these diplomas including diploma cases and oaths is currently \$6.42.

Section 1 of NRS 396.560 states, "Upon the recommendation of the president of the University, the Board of Regents shall issue to those who worthily complete the full course of study in the school of mines or in the school of agriculture, or in the school of liberal arts, or in any equivalent course that may hereafter be prescribed, a diploma of graduation, conferring the proper academic degree, from the University of Nevada."

There is no provision in the statute for charging a "diploma fee." In the absence of statutory authority it would appear that this is an improper charge.

University's Reply: Your conclusion that the University lacks authority to charge a diploma fee is believed to be in error. The authority of the Board of Regents to charge miscellaneous fees is well established. One line of argument is that the Board of Regents has the authority unless specifically denied by legislation. It should also be noted that the statutes recognize that miscellaneous fees will be levied by the Board of Regents (see NRS 396.540, 1(b) for example.)

17. Direct Cash Purchases by Employees

In our review of claims at the University it was noted that employees in several departments are making cash purchases using their own funds and

are reimbursed on the basis of cash register receipts as substantiation for purchases. This should not be allowed since these cash register tapes do not indicate what was purchased and it is an extremely poor business practice to allow employees to make direct purchases using personal funds. It is also in violation of the state administrative manual provisions which require payment of state obligations to be made on an itemized invoice only.

University's Reply: The criticism here is justified. Steps are being taken to correct these problems.

18. Leave and Compensatory Time Records

Our audit included a sample review of leave and compensatory time records maintained by various departments at the University. From our examination it would appear that there is some confusion and laxity in maintaining these records. Clarification of compensatory time regulations for professional staff is necessary. We recommend that all records pertaining to compensatory time, annual leave and sick leave be maintained on a daily basis by each department and monthly summaries be submitted to the personnel office, who should keep such records for the entire University work force.

University's Reply: The Attendance and Leave Record is maintained under the authority of each Dean for all personnel under his control. These records are audited periodically by the Non-Academic Personnel Officer. The recommendation that the Attendance and Leave Record be accumulated monthly in the personnel office is not acceptable as an additional clerk would be required to up-date those records centrally.

Perhaps the "confusion and laxity in maintaining these records" which you comment on is a function of your auditors. They seemed not to understand that the regulations applicable to professional contract employees are separate and different from the State Personnel Division regulations applicable to classified and technical employees. Furthermore, during the audit one of your people presumed to give direct instructions and advice to several clerks responsible for these records. This practice would be objectionable enough had he been correct, but he was not and it took the better part of a day for the University Non-Academic Personnel Officer to clear up the situation. I request that you instruct your staff to resist the urge to give our employees advice and instructions except through channels.

19. Non-compliance with Travel Regulations

In reviewing travel claims, many instances were noted where out-of-state travel requests were not submitted 10 days prior to the trip. Both the state administrative manual and the University's travel regulations require that the request be submitted 10 days prior to beginning the travel. We recommend that the above regulations be strictly adhered to. Only in unusual circumstances should travel requests be approved on shorter notice than the required 10 days and then only if the emergency nature of the trip is clearly demonstrated.

NOTE: The University did not reply to this criticism.

20. Salvage of Unused Equipment

It is suggested that the University establish a salvage and surplus program. We feel that there are many items of equipment which are not being used which could be turned over to the surplus property division of State Purchasing for disposal. Expensive storage space could thus be relieved as well as realizing some revenue from sales of salvage and surplus equipment.

University's Reply: This comment has not been supported by evidence.

21. Travel Claim for 13-Month Period

A professor at the University engaged in a research project requiring travel, submitted and was paid for a travel claim that covered a 13-month period. The fund from which the claim was paid was not an appropriated one, however, it is our contention that travel expenses incurred in a fiscal year should be paid in that fiscal year and a payment like the one mentioned above distorts expenditure figures for year to year comparisons and could lead to overspending a budget.

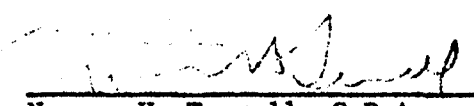
University's Reply: This criticism is justified. The pre-audit clerk in the Accounting Office should have challenged this and referred it to the Chief Accountant for review.

22. License Numbers Missing on Credit Card Purchases

In checking credit card purchases from funds other than Fund 01, we noted that many invoices had no license numbers. No invoices should be approved for payment without the vehicle license number to preclude missuse of University credit cards.

University's Reply: This criticism is justified. All personnel involved have been notified of the necessity for exempt license numbers.

Carson City, Nevada
April 9, 1965


Norman H. Terrell, C.P.A.
Fiscal Analyst

STATE OF NEVADA
DEPARTMENT OF AGRICULTURE
AUDIT REPORT

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada State Department of Agriculture for the fiscal year ended June 30, 1964, and have prepared therefrom the following exhibits and related schedules:

Combined Statement of Financial Condition
as of June 30, 1964-----Exhibit A

Plant Industry Fund--
Statement of Basis for Appropriation
& Authorization Compared to Actual
Revenues & Expenditures for the Fiscal
Year 1963-1964-----Exhibit B

Noxious Weed & Insect Control Fund--
Statement of Basis for Appropriation
& Authorization Compared to Actual
Revenues & Expenditures for the Fiscal
Year 1963-1964-----Exhibit C

Agricultural Registration & Enforcement Fund--
Statement of Basis for Authorization
Compared to Actual Revenues & Expendi-
tures for the Fiscal Year 1963-1964-----Exhibit D

Apiary Inspection Fund--
Statement of Basis for Authorization
Compared to Actual Revenues & Expendi-
tures for the Fiscal Year 1963-1964-----Exhibit E

Stock Inspection Fund--
Statement of Basis for Authorization
Compared to Actual Revenues & Expendi-
tures for the Fiscal Year 1963-1964-----Exhibit F

Livestock Disease Control Fund--
Statement of Basis for Appropriation
Compared to Actual Revenues & Expendi-
tures for the Fiscal Year 1963-1964-----Exhibit G

Animal Disease Laboratory Fund--
Statement of Basis for Appropriation
Compared to Actual Revenues & Expendi-
tures for the Fiscal Year 1963-1964-----Exhibit H

Plant Industry Receipt Fund--
Schedule of Receipts & Disbursements
For the Fiscal Year ended June 30, 1964-----Schedule 1

Noxious Weed & Insect Control Fund--
Schedule of Receipts & Disbursements
For the Fiscal Year ended June 30, 1964-----Schedule 2

County Reimbursement Fund-Quarantine Fees--
Schedule of Receipts & Disbursements
For the Fiscal Year ended June 30, 1964-----Schedule 3

Nevada Rural Rehabilitation Corp Fund--
Schedule of Receipts & Disbursements
For the Fiscal Year ended June 30, 1964-----Schedule 4

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 to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

Opinion

We have examined the statement of financial condition of all funds of the Nevada State Department of Agriculture as of June 30, 1964, 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 revenue and expenditures present fairly the financial position of all funds of the Nevada State Department of Agriculture as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
May 7, 1965


Norman H. Tarrell, C.P.A. sr.
Fiscal Analyst

DEPARTMENT OF AGRICULTURE
COMBINED STATEMENT OF FINANCIAL CONDITION
As of June 30, 1964

	Working Capital Fund	Plant Industry Fund	Noxious Weed & Insect Con. Fund	Registration & Enforcement Fund
ASSETS				
Cash in Bank	\$ (286.10)	\$ 1,864.55	\$ 442.39	\$ 685.80
Due from St. Treasurer	3,662.30			
Employee Travel Advances	1,623.90			
Deposited w/St. Treasurer		43.16	2,595.59	26,252.48
Total	<u>\$ 5,000.10</u>	<u>\$ 1,907.71</u>	<u>\$ 3,037.98</u>	<u>\$ 26,938.28</u>
	Apiary Inspection Fund	Stock Inspection Fund	Livestock Disease Con. Fund	County Reimburse- ments
ASSETS				
Cash in Bank	\$ 424.75	\$ 683.10	\$ 6.00	\$ 35.40
Due from St. Treasurer				
Employee Travel Advances				
Deposited w/St. Treasurer	3,299.17	119,541.64		
Total	<u>\$ 3,723.92</u>	<u>\$120,224.74</u>	<u>\$ 6.00</u>	<u>\$ 35.40</u>
	Estray Escrow	Farm Labor Escrow	Rural Rehab Fund	Total All Funds
ASSETS				
Cash in Bank	\$ 442.96	\$ 70.00	\$	\$ 4,368.85
Due from St. Treasurer				3,662.30
Employee Travel Advances				1,623.90
Deposited w/St. Treasurer			12,186.19	163,618.23
Loans Receivable			89,330.02	89,330.02
Total	<u>\$ 442.96</u>	<u>\$ 70.00</u>	<u>\$101,516.21</u>	<u>\$262,903.30</u>

	Working Capital Fund	Plant Industry Fund	Noxious Weed & Insect Con. Fund	Registration & Enforcement Fund
LIABILITIES				
Due to St. Treasurer	\$ 5,000.00	\$	\$	\$
Overpmt. of Travel Adv.	.10			
Fund Equity		1,907.71	3,037.98	26,938.28
Total	<u>\$ 5,000.10</u>	<u>\$ 1,907.71</u>	<u>\$ 3,037.98</u>	<u>\$ 26,938.28</u>
	Apiary Inspection Fund	Stock Inspection Fund	Livestock Disease Con. Fund	County Reimburse- ments
LIABILITIES				
Due to St. Treasurer	\$	\$	\$ 6.00	\$ 35.40
Overpmt. of Travel Adv.				
Fund Equity	3,723.92	120,224.74		
Total	<u>\$ 3,723.92</u>	<u>\$120,224.74</u>	<u>\$ 6.00</u>	<u>\$ 35.40</u>
	Estray Escrow	Farm Labor Escrow	Rural Rehab. Fund	Total All Funds
LIABILITIES				
Due to St. Treasurer	\$	\$	\$	\$ 5,041.40
Overpmt. of Travel Adv.				.10
Fund Equity	442.96	70.00	101,516.21	257,561.80
Total	<u>\$ 442.96</u>	<u>\$ 70.00</u>	<u>\$101,516.21</u>	<u>\$262,903.30</u>

DEPARTMENT OF AGRICULTURE
PLANT INDUSTRY FUND
STATEMENT OF BASIS FOR APPROPRIATION & AUTHORIZATION
COMPARED TO ACTUAL REVENUE & EXPENDITURES
Fiscal Year 1963-1964

	Agency Work Program	Basis for Approp. & Author.	Actual Revenue or Expend.	Over/(Under) Approp. or Author.
Revenues				
General Fund Approp.	\$226,061.00	\$226,061.00	\$226,061.00	\$
Aug. for Salary Adj.	11,608.00	11,608.00	11,608.00	
Aug. for Group Ins.	900.00	900.00	900.00	
Authorized Trans. from				
Plant Ind. Receipts Fund	22,614.00	20,967.00	22,614.00	1,647.00
Total	<u>\$261,183.00</u>	<u>\$259,536.00</u>	<u>\$261,183.00</u>	<u>\$ 1,647.00</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$185,758.00	\$184,985.00	\$185,587.76	\$ 602.76
Ind. Ins.	1,268.00	1,154.00	1,210.71	56.71
Retirement	10,619.00	9,956.00	10,482.74	526.74
Personnel Assess.	1,250.00	1,325.00	1,250.00	(75.00)
Group Ins.	900.00	900.00	699.00	(201.00)
Total	<u>\$199,795.00</u>	<u>\$198,320.00</u>	<u>\$199,230.21</u>	<u>\$ 910.21</u>
Travel:				
Out-State	\$ 1,500.00	\$ 1,500.00	\$ 1,489.55	\$ (10.45)
In-State	23,500.00	22,650.00	23,104.74	454.74
Total	<u>\$ 25,000.00</u>	<u>\$ 24,150.00</u>	<u>\$ 24,594.29</u>	<u>\$ 444.29</u>
Operating:				
Building Space Rent	\$ 570.00	\$ 570.00	\$ 540.00	\$ (30.00)
Equip. Rental	100.00	100.00	101.19	1.19
Freight & Postage	840.00	600.00	778.34	178.34
Printing	1,350.00	1,350.00	1,329.00	(21.00)
Office Supplies	2,300.00	2,300.00	1,748.78	(551.22)
Utilities	3,880.00	3,880.00	4,373.89	493.89
Telephone & Telegraph	3,131.00	2,900.00	3,742.17	842.17
Truck Operation	4,300.00	3,500.00	4,338.09	838.09
Auto Ins.	--	1,350.00	--	(1,350.00)
Other Ins.	60.00	60.00	85.00	25.00
Equipment Repair	600.00	600.00	1,244.16	644.16
Contract Services	500.00	500.00	459.69	(40.31)
Seed Tagging	100.00	100.00	--	(100.00)
Janitorial Supplies	50.00	50.00	6.82	(43.18)
Building Maint.	600.00	600.00	545.44	(54.56)
Grounds Maint.	150.00	150.00	39.68	(110.32)
Dues & Subscrip.	350.00	350.00	240.36	(109.64)
Field Supplies	1,200.00	1,000.00	--	(1,000.00)
Lab Supplies	800.00	800.00	123.15	(676.85)
Gas & Oil Samples	100.00	100.00	--	(100.00)

Exhibit B,
continued.

	<u>Agency Work Program</u>	<u>Basis for Approp. & Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over/(Under) Approp. & Author.</u>
Operating, cont'd.				
Seals & Tags	\$ 500.00	\$ 500.00	\$ --	\$ (500.00)
Prepackage Check Samp.	50.00	50.00	--	(50.00)
Public Official Bonds	50.00	50.00	62.50	12.50
Federal Fees	700.00	700.00	800.05	100.05
Reference Books	200.00	200.00	321.50	121.50
Unallocated	172.00	971.00	25.00	(946.00)
Improvements & Betterments	--	--	706.22	706.22
Spec. Serv. or Project Supplies	--	--	1,526.08	1,526.08
Miscellaneous	--	--	49.98	49.98
Total	<u>\$ 22,653.00</u>	<u>\$ 23,331.00</u>	<u>\$ 23,187.09</u>	<u>\$ (143.91)</u>
Equipment:				
Trucks	\$ 4,300.00	\$ 4,300.00	\$ 4,535.45	\$ 235.45
Office Furniture	65.00	65.00	638.63	573.63
Other Equipment	9,370.00	9,370.00	8,409.47	(960.53)
Total	<u>\$ 13,735.00</u>	<u>\$ 13,735.00</u>	<u>\$ 13,583.55</u>	<u>\$ (151.45)</u>
TOTAL EXPENDITURES	<u>\$261,183.00</u>	<u>\$259,536.00</u>	<u>\$260,595.14</u>	<u>\$ 1,059.14</u>
Excess of Receipts over Expenditures reverted 6/30/64			<u>\$ 587.86</u>	

DEPARTMENT OF AGRICULTURE
NOXIOUS WEED & INSECT CONTROL FUND
STATEMENT OF BASIS FOR APPROPRIATION & AUTHORIZATION
COMPARED TO ACTUAL REVENUE & EXPENDITURES
Fiscal Year 1963-1964

	<u>Agency Work Program</u>	<u>Basis for Approp. & Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over/(Under) Approp. & Author.</u>
<u>Revenues</u>				
General Fund Approp.	\$51,957.00	\$51,957.00	\$51,957.00	\$ --
Aug. for Salary Adj.	1,231.00	1,231.00	1,231.00	--
Aug. for Group Ins.	36.00	36.00	36.00	--
Trans. from Receipt Fund	4,037.00	4,037.00	4,037.00	--
Reimb. fr. Livestock Insp.	271.80	--	--	--
	<u>\$57,532.80</u>	<u>\$57,261.00</u>	<u>\$57,261.00</u>	<u>-0-</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries	\$26,187.00	\$26,187.00	\$25,558.59	\$ (628.41)
Indus. Ins.	182.00	162.00	169.87	7.87
Retirement	1,545.00	1,455.00	943.22	(511.78)
Personnel Asses.	296.00	271.00	296.00	25.00
Group Ins.	36.00	36.00	24.00	(12.00)
Total	<u>\$28,246.00</u>	<u>\$28,111.00</u>	<u>\$26,991.68</u>	<u>\$(1,119.32)</u>
In-State Travel	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 5,148.32</u>	<u>\$ (851.68)</u>
Operating:				
Equipment Rental	\$ 100.00	\$ 100.00	\$ 33.55	\$ (66.45)
Freight & Postage	500.00	500.00	578.20	78.20
Printing	300.00	250.00	24.40	(225.60)
Office Supplies	--	50.00	152.91	102.91
Utilities	400.00	400.00	1,110.38	710.38
Truck Operation(Sprayer)	7,940.00	7,000.00	5,036.96	(1,963.04)
Insurance	60.00	1,000.00	66.00	(934.00)
Equipment Repair	250.00	250.00	108.11	(141.89)
Contract Services	200.00	200.00	150.00	(50.00)
Personal & Custodial Care	200.00	200.00	148.70	(51.30)
Building Maint.	300.00	300.00	312.41	12.41
Grounds Maint.	100.00	100.00	252.04	152.04
Dues & Subscrip.	100.00	100.00	79.00	(21.00)
Field Supplies	1,800.00	1,800.00	1,337.97	(462.03)
Lab Supplies	250.00	250.00	151.12	(98.88)
Spraying & Chemicals	6,000.00	6,000.00	6,452.65	452.65
Reference Books	150.00	150.00	160.98	10.98
Unallocated Cut in				
Operating	(135.00)	--	--	--
Telephone & Telegraph	--	--	468.03	468.03
Imp. & Betterments	--	--	147.14	147.14
Photos, Prints & Maps	--	--	38.07	38.07
Bldg. Space Rental	--	--	10.80	10.80
Total	<u>\$18,515.00</u>	<u>\$18,650.00</u>	<u>\$16,819.42</u>	<u>\$(1,830.58)</u>

Exhibit C, cont'd.

	<u>Agency Work Program</u>	<u>Basis for Approp. & Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over/(Under) Approp. & Author.</u>
Equipment:				
Trucks	\$ 2,600.00	\$ 2,600.00	\$ 2,588.56	\$ (11.44)
Other Equipment	2,171.80	1,900.00	1,301.71	(598.29)
Total	<u>\$ 4,771.80</u>	<u>\$ 4,500.00</u>	<u>\$ 3,890.27</u>	<u>\$ (609.73)</u>
TOTAL EXPENDITURES	<u>\$57,532.80</u>	<u>\$57,261.00</u>	<u>\$52,849.69</u>	<u>\$(4,411.31)</u>
Excess of Revenues over Expenditures reverted 6/30/64			<u>\$ 4,411.31</u>	

DEPARTMENT OF AGRICULTURE
 AGRICULTURAL REGISTRATION & ENFORCEMENT FUND
 STATEMENT OF BASIS FOR AUTHORIZATION COMPARED TO ACTUAL
 REVENUES & EXPENDITURES
 Fiscal Year 1963-1964

	<u>Agency Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
Revenues				
Fees	\$17,200.00	\$17,200.00	\$22,650.83	\$ 5,450.83
Author. Trans. fr.				
Prior Bal.	10,553.00	10,553.00	10,553.00	--
Aug. for Salary Adj.	663.00	663.00	663.00	--
Aug. for Group Ins.	72.00	72.00	72.00	--
Aug. for Spec. Equip.	3,200.00	--	3,200.00	3,200.00
Total	<u>\$31,688.00</u>	<u>\$28,488.00</u>	<u>\$37,138.83</u>	<u>\$ 8,650.83</u>
Expenditures:				
Salaries & Payroll Costs:				
Salaries	\$13,014.00	\$13,060.00	\$13,014.00	\$ (46.00)
Indus. Ins.	89.00	81.00	85.03	4.03
Retirement	757.00	719.00	755.58	36.58
Personnel Asses.	100.00	100.00	60.00	(40.00)
Group Ins.	72.00	72.00	33.00	(39.00)
Total	<u>\$14,032.00</u>	<u>\$14,032.00</u>	<u>\$13,947.61</u>	<u>\$ (84.39)</u>
Travel:				
Out-State	\$ 323.00	\$ 323.00	\$ 167.50	\$ (155.50)
In-State	505.00	380.00	539.84	159.84
Total	<u>\$ 828.00</u>	<u>\$ 703.00</u>	<u>\$ 707.34</u>	<u>\$ 4.34</u>
Operating:				
Equipment Rental	\$ 25.00	\$ 25.00	\$ 8.00	\$ (17.00)
Freight & Postage	800.00	800.00	588.00	(212.00)
Printing	800.00	800.00	333.62	(466.38)
Office Supplies	300.00	300.00	460.48	160.48
Fertilizer Samples	100.00	100.00	--	(100.00)
Reference Books	200.00	200.00	195.65	(4.35)
Auto Ins.	--	125.00	--	(125.00)
Office Equip. Repair	50.00	50.00	69.50	19.50
Other Equip. Repair	1,000.00	1,000.00	141.02	(858.98)
Pers. & Custodial Cre.	150.00	150.00	141.89	(8.11)
Building Maint.	300.00	300.00	42.57	(257.43)
Dues & Subscrip.	150.00	150.00	59.00	(91.00)
Economic Poison				
Analysis	500.00	500.00	--	(500.00)
Fertilizer Analysis	200.00	200.00	--	(200.00)
Field Supplies	600.00	600.00	171.66	(428.34)
Lab Supplies	4,000.00	4,000.00	3,183.04	(816.96)
Economic Poison Samples	700.00	700.00	84.51	(615.49)

	Agency Work Program	Basis for Author.	Actual Revenue or Expend.	Over or (Under) Author.
Operating, cont'd.				
Anti-Freeze Samples	\$ 100.00	\$ 100.00	\$ 1.09	\$ (98.91)
Telephone & Telegraph	--	--	112.59	112.59
Build. Space Rental	--	--	36.00	36.00
Utilities	--	--	62.30	62.30
Imp. & Betterments	--	--	10.86	10.86
Photographs, Prints & Maps	--	--	3.50	3.50
Grounds Maint.	--	--	1.85	1.85
Refunds	--	--	597.00	597.00
Total	<u>\$ 9,975.00</u>	<u>\$10,100.00</u>	<u>\$ 6,304.13</u>	<u>\$(3,795.87)</u>
Equipment:				
Office Furniture	\$ 88.00	\$ 88.00	\$ 221.75	\$ 133.75
Office Equipment	800.00	800.00	803.58	3.58
Other Equipment	5,965.00	2,765.00	5,009.14	2,244.14
Total	<u>\$ 6,853.00</u>	<u>\$ 3,653.00</u>	<u>\$ 6,034.47</u>	<u>\$ 2,381.47</u>
TOTAL EXPENDITURES	<u>\$31,688.00</u>	<u>\$28,488.00</u>	<u>\$26,993.55</u>	<u>\$(1,494.45)</u>
Balance, July 1, 1963		\$31,281.00		
Receipts		22,650.83		
Expenditures		(26,993.55)		
Balance, June 30, 1964 (Non-reverting)		<u>\$26,938.28</u>		
Controller's Balance, June 30, 1964		\$26,252.48		
Receipts in Transit		685.80		
Reconciled Balance		<u>\$26,938.28</u>		

DEPARTMENT OF AGRICULTURE
 APIARY INSPECTION FUND
 STATEMENT OF BASIS FOR AUTHORIZATION COMPARED TO
 ACTUAL REVENUES & EXPENDITURES
 Fiscal Year 1963-1964

	Agency Work Program	Basis for Authorization	Actual Revenue or Expenditures	Over or (Under) Authorization
Revenues				
Fees & Taxes	\$5,700.00	\$5,700.00	\$4,861.38	\$ (838.62)
Authorized Trans. fr. Prior yrs. End. Bal.	1,586.00	1,586.00	1,586.00	--
Aug. for Salary Adj.	237.00	237.00	237.00	--
Total	<u>\$7,523.00</u>	<u>\$7,523.00</u>	<u>\$6,684.38</u>	<u>\$ (838.62)</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$4,650.00	\$4,668.00	\$2,479.22	(\$2,188.78)
Indus. Ins.	32.00	29.00	11.27	(17.73)
Retirement	271.00	256.00	21.35	(234.65)
Personnel Asses.	50.00	50.00	45.00	(5.00)
Total	<u>\$5,003.00</u>	<u>\$5,003.00</u>	<u>\$2,556.84</u>	<u>(\$2,446.16)</u>
Travel:				
Out-State	\$ 310.00	\$ 310.00	\$ 306.40	\$ (3.60)
In-State	1,775.00	1,775.00	1,172.40	(602.60)
Total	<u>\$2,085.00</u>	<u>\$2,085.00</u>	<u>\$1,478.80</u>	<u>\$ (606.20)</u>
Operating:				
Freight & Postage	\$ 40.00	\$ 40.00	\$ 7.74	\$ (32.26)
Printing	50.00	50.00	218.40	168.40
Office Supplies	30.00	30.00	22.90	(7.10)
Equip. Repair	50.00	50.00	9.20	(40.80)
Pers. & Custodial Care	25.00	25.00	4.98	(20.02)
Dues & Subscrip.	15.00	15.00	5.00	(10.00)
Field Supplies	100.00	100.00	46.24	(53.76)
Reference Books	25.00	25.00	12.75	(12.25)
Truck Operation	--	--	20.10	20.10
Photos, Prints & Maps	--	--	1.20	1.20
Total	<u>\$ 335.00</u>	<u>\$ 335.00</u>	<u>\$ 348.51</u>	<u>\$ 13.51</u>
Equipment	<u>\$ 100.00</u>	<u>\$ 100.00</u>	<u>\$ --</u>	<u>\$ (100.00)</u>
TOTAL EXPENDITURES	<u>\$7,523.00</u>	<u>\$7,523.00</u>	<u>\$4,384.15</u>	<u>(\$3,138.85)</u>
Balance, July 1, 1963			\$3,246.69	
Receipts			4,861.38	
Expenditures			(4,384.15)	
Balance, June 30, 1964 (Non-reverting)			<u>\$3,723.92</u>	
Controller's Balance, June 30, 1964			\$3,299.17	
Receipts in Transit			424.75	
Reconciled Balance			<u>\$3,723.92</u>	

DEPARTMENT OF AGRICULTURE
STOCK INSPECTION FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL REVENUES & EXPENDITURES
Fiscal Year 1963-1964

	<u>Agency Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenues or Expend.</u>	<u>Over or (Under) Author.</u>
Revenues				
Livestock Tax	\$ 95,000.00	\$ 95,000.00	\$103,807.48	\$ 8,807.48
Fees & Sales	11,200.00	11,200.00	19,988.42	8,788.42
Authorized Trans. fr.				
Ending Balance	16,438.00	16,438.00	16,438.00	--
Aug. for Salary Adj.	4,880.00	4,880.00	4,880.00	--
Aug. for Group Ins.	378.00	378.00	378.00	--
Total	<u>\$127,896.00</u>	<u>\$127,896.00</u>	<u>\$145,491.90</u>	<u>\$ 17,595.90</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$ 75,505.00	\$ 75,597.00	\$ 70,983.16	\$ (4,613.84)
Indus. Ins.	636.00	457.00	584.16	127.16
Retirement	4,094.00	4,106.00	3,787.42	(318.58)
Personnel Asses.	525.00	600.00	335.00	(265.00)
Group Ins.	378.00	378.00	249.00	(129.00)
Total	<u>\$ 81,138.00</u>	<u>\$ 81,138.00</u>	<u>\$ 75,938.74</u>	<u>\$ (5,199.26)</u>
Travel:				
Out-State	\$ 750.00	\$ 750.00	\$ 585.09	\$ (164.91)
In-State	21,600.00	21,000.00	12,741.02	(8,258.98)
Total	<u>\$ 22,350.00</u>	<u>\$ 21,750.00</u>	<u>\$ 13,326.11</u>	<u>\$ (8,423.89)</u>
Operating:				
Bldg. Space Rental	\$ 25.00	\$ 25.00	\$ 75.50	\$ 50.50
Equip. Rental	50.00	50.00	43.20	(6.80)
Freight & Postage	700.00	700.00	417.74	(282.26)
Printing	4,500.00	4,500.00	938.05	(3,561.95)
Office Supplies	2,000.00	2,000.00	1,735.19	(264.81)
Telephone & Telegraph	1,500.00	1,500.00	3,059.57	1,559.57
Auto Ins.	--	600.00	--	(600.00)
Equip. Repair	300.00	300.00	157.67	(142.33)
Pers. & Custodial Care	40.00	40.00	--	(40.00)
Janitorial Supplies	200.00	200.00	--	(200.00)
Bldg. Maint.	400.00	400.00	93.95	(306.05)
Grounds Maint.	200.00	200.00	--	(200.00)
Dues & Subscrip.	100.00	100.00	32.00	(68.00)
Field Supplies	800.00	800.00	75.19	(724.81)
Estray Expenses	400.00	400.00	106.00	(294.00)
Bonding & Notary Exp.	1,600.00	1,600.00	467.50	(1,132.50)
Indemnity Payments	2,700.00	2,700.00	158.90	(2,541.10)
Advertising	250.00	250.00	91.96	(158.04)
Reference Books	100.00	100.00	70.00	(30.00)
Utilities	--	--	644.91	644.91
Imp. & Betterments	--	--	41.80	41.80

Exhibit F, cont'd.

	<u>Agency Work Program</u>	<u>Basis for Author.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Author.</u>
Operating; cont'd.				
Refunds	\$	\$	\$ 15.00	\$ 15.00
Photos, Prints & Maps			5.98	5.98
Total	<u>\$ 15,865.00</u>	<u>\$ 16,465.00</u>	<u>\$ 8,230.11</u>	<u>\$ (8,234.89)</u>
Equipment:				
Trucks	\$ 7,500.00	\$ 7,500.00	\$ 5,324.03	\$ (2,175.97)
Office Furniture & Equipment	292.00	292.00	257.28	(34.72)
Other Equip.	751.00	751.00	911.12	160.12
Total	<u>\$ 8,543.00</u>	<u>\$ 8,543.00</u>	<u>\$ 6,492.43</u>	<u>\$ (2,050.57)</u>
TOTAL EXPENDITURES	<u>\$127,896.00</u>	<u>\$127,896.00</u>	<u>\$103,987.39</u>	<u>\$ (23,908.61)</u>
Balance, July 1, 1963			\$100,416.23	
Receipts			123,795.90	
Expenditures			(103,987.39)	
Balance, June 30, 1964 (Non-reverting)			<u>\$120,224.74</u>	
Controller's Balance, June 30, 1964			\$119,541.64	
Receipts in Transit			683.10	
Reconciled Balance			<u>\$120,224.74</u>	

DEPARTMENT OF AGRICULTURE
LIVESTOCK DISEASE CONTROL FUND
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED TO ACTUAL REVENUE & EXPENDITURES
Fiscal Year 1963-1964

	Agency Work Program	Basis for Approp.	Actual Revenue or Expend.	Over or (Under) Approp.
<u>Revenues</u>				
General Fund Approp.	\$61,343.00	\$61,343.00	\$61,343.00	\$
Salary Adj. Fund	2,601.00	2,601.00	2,601.00	
Sales & Reimburse.	--	--	84.00	84.00
Group Ins. Fund	162.00	162.00	162.00	--
Total	<u>\$64,106.00</u>	<u>\$64,106.00</u>	<u>\$64,190.00</u>	<u>\$ 84.00</u>
<u>Expenditures</u>				
Salaries & Payroll Costs:				
Salaries	\$45,453.00	\$45,453.00	\$43,881.33	\$(1,571.67)
Indus. Ins.	312.00	279.00	285.63	6.63
Retirement	2,267.00	2,480.00	2,195.87	(284.13)
Personnel Asses.	225.00	225.00	225.00	--
Group Ins.	162.00	162.00	126.00	(36.00)
Total	<u>\$48,419.00</u>	<u>\$48,599.00</u>	<u>\$46,713.83</u>	<u>\$(1,885.17)</u>
Travel:				
Out-State	\$ 750.00	\$ 750.00	\$ 750.00	\$ --
In-State	11,000.00	11,000.00	6,677.18	(4,322.82)
Total	<u>\$11,750.00</u>	<u>\$11,750.00</u>	<u>\$ 7,427.18</u>	<u>\$(4,322.82)</u>
Operating:				
Freight & Postage	\$ 100.00	\$ 100.00	\$ 579.12	\$ 479.12
Printing	350.00	350.00	305.50	(44.50)
Office Supplies	600.00	600.00	316.14	(283.86)
Telephone & Telegraph	800.00	800.00	5.95	(794.05)
Equipment Repair	60.00	60.00	92.00	32.00
Pers. & Custodial Care	50.00	50.00	--	(50.00)
Janitorial Supplies	100.00	100.00	--	(100.00)
Bldg. Maint.	100.00	100.00	13.83	(86.17)
Dues & Subscrip.	200.00	200.00	258.25	58.25
Field Supplies	400.00	400.00	168.41	(231.59)
Advertising	500.00	500.00	166.80	(333.20)
Reference Books	100.00	100.00	75.00	(25.00)
Unallocated	180.00	--	--	--
Total	<u>\$ 3,540.00</u>	<u>\$ 3,360.00</u>	<u>\$ 1,981.00</u>	<u>\$(1,379.00)</u>
Equipment:				
Office Furniture & Equipment	\$ 146.00	\$ 146.00	\$ 67.95	\$ (78.05)
Other Equipment	251.00	251.00	297.11	46.11
Total	<u>\$ 397.00</u>	<u>\$ 397.00</u>	<u>\$ 365.06</u>	<u>\$ (31.94)</u>

	Agency Work <u>Program</u>	Basis for <u>Approp.</u>	Actual Revenue or <u>Expend.</u>	Over or (Under) <u>Approp.</u>
TOTAL EXPENDITURES	<u>\$64,106.00</u>	<u>\$64,106.00</u>	<u>\$56,487.07</u>	<u>\$(7,618.93)</u>
Excess of Receipts over Expenditures reverted 6/30/64			<u>\$ 7,702.93</u>	
Reversion per Controller			\$ 7,696.93	
Receipts in Transit			<u>6.00</u>	
Reconciled Balance			<u>\$ 7,702.93</u>	

DEPARTMENT OF AGRICULTURE
ANIMAL DISEASE LABORATORY FUND
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED TO ACTUAL REVENUE & EXPENDITURES
Fiscal Year 1963-1964

	<u>Agency Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenue or Expend.</u>	<u>Over or (Under) Approp.</u>
Revenues				
General Fund Approp.	\$42,193.00	\$42,193.00	\$42,193.00	\$
Salary Adj. Fund	1,854.00	1,854.00	1,854.00	
Group Ins. Fund	144.00	144.00	144.00	
Total	<u>\$44,191.00</u>	<u>\$44,191.00</u>	<u>\$44,191.00</u>	<u>\$ -0-</u>
Expenditures				
Salaries & Payroll Costs:				
Salaries	\$28,608.00	\$28,608.00	\$28,081.33	\$ (526.67)
Indus. Ins.	196.00	180.00	183.42	3.42
Retirement	1,661.00	1,553.00	1,625.02	72.02
Personnel Asses.	214.00	225.00	214.00	(11.00)
Group Ins.	144.00	144.00	99.00	(45.00)
Total	<u>\$30,823.00</u>	<u>\$30,710.00</u>	<u>\$30,202.77</u>	<u>\$ (507.23)</u>
Travel:				
Out-State	\$ 315.00	\$ 315.00	\$ 217.70	\$ (97.30)
In-State	500.00	500.00	433.97	(66.03)
Total	<u>\$ 815.00</u>	<u>\$ 815.00</u>	<u>\$ 651.67</u>	<u>\$ (163.33)</u>
Operating:				
Bldg. Space Rental	\$ 480.00	\$ 480.00	\$ 360.00	\$ (120.00)
Equipment Rental		100.00	--	(100.00)
Freight & Postage	200.00	200.00	670.34	470.34
Printing	100.00	100.00	--	(100.00)
Office Supplies	100.00	100.00	55.94	(44.06)
Utilities	1,500.00	1,500.00	96.00	(1,404.00)
Telephone & Telegraph	800.00	800.00	454.90	(345.10)
Equipment Repair	150.00	150.00	107.00	(43.00)
Pers. & Custodial Care	360.00	360.00	270.71	(89.29)
Janitorial Supplies	100.00	100.00	91.21	(8.79)
Bldg. Maint.	100.00	100.00	137.32	37.32
Dues & Subscrip.	100.00	100.00	76.00	(24.00)
Lab Supplies	2,600.00	2,500.00	1,863.38	(636.62)
Feed for Lab Animals	100.00	100.00	76.69	(23.31)
Reference Books	200.00	200.00	93.50	(106.50)
Unallocated cut in Operating	(113.00)	--	--	--
Imp. & Betterments	--	--	461.50	461.50
Photos, Prints & Maps	--	--	11.35	11.35
Total	<u>\$ 6,777.00</u>	<u>\$ 6,890.00</u>	<u>\$ 4,825.84</u>	<u>\$ (2,064.16)</u>

Exhibit H, cont'd.

	Agency Work <u>Program</u>	Basis for <u>Approp.</u>	Actual Revenue or <u>Expend.</u>	Over or (Under) <u>Approp.</u>
Equipment:				
Office Furniture	\$ 146.00	\$ 146.00	\$ 405.51	\$ 259.51
Other Equipment	<u>5,630.00</u>	<u>5,630.00</u>	<u>4,266.32</u>	<u>(1,363.68)</u>
Total	<u>\$ 5,776.00</u>	<u>\$ 5,776.00</u>	<u>\$ 4,671.83</u>	<u>\$(1,104.17)</u>
 TOTAL EXPENDITURES	 <u>\$44,191.00</u>	 <u>\$44,191.00</u>	 <u>\$40,352.11</u>	 <u>\$(3,838.89)</u>

Excess of Receipts over Expenditures reverted 6/30/64 \$ 3,838.89

DEPARTMENT OF AGRICULTURE
PLANT INDUSTRY RECEIPT FUND
SCHEDULE OF RECEIPTS & DISBURSEMENTS
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963	\$ 2,205.13
Receipts:	
Fees & Sales	\$20,669.58
Tr. from Highway Fund	<u>1,647.00</u>
Total Receipts	<u>22,316.58</u>
Total Funds Available	\$24,521.71
Trans. to Plant Industry	<u>(22,614.00)</u>
Balance, June 30, 1964	<u>\$ 1,907.71</u>

DEPARTMENT OF AGRICULTURE
NOXIOUS WEED & INSECT CONTROL RECEIPT FUND
SCHEDULE OF RECEIPTS & DISBURSEMENTS
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963		\$2,729.96
Receipts:		
Sales & Fees	\$4,073.22	
NIC Reimbursement		
& Misc.	<u>271.80</u>	
Total		<u>4,345.02</u>
Total Funds Available		\$7,074.98
Trans. to Control Fund		<u>(4,037.00)</u>
Balance, June 30, 1964		<u><u>\$3,037.98</u></u>

DEPARTMENT OF AGRICULTURE
COUNTY REIMBURSEMENT FUND-QUARANTINE FEES
SCHEDULE OF RECEIPTS & DISBURSEMENTS
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963		\$ -0-
Receipts:		
Washoe County	\$333.43	
Clark County	<u>505.95</u>	
Total		<u>839.38</u>
Total Funds Available		\$839.38
Disbursements:		
Washoe County	\$333.43	
Clark County	<u>505.95</u>	
Total		<u>(839.38)</u>
Balance, June 30, 1964		<u><u>\$ -0-</u></u>

Balance Per Controller	\$192.47
Add: Receipts in Transit	35.40
Deduct: Reimburs. in Transit	<u>(227.87)</u>
Reconciled Balance	<u><u>\$ -0-</u></u>

DEPARTMENT OF AGRICULTURE
NEVADA RURAL REHABILITATION CORP FUND
SCHEDULE OF RECEIPTS & EXPENDITURES
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963

\$36,086.53

Receipts.

Principal Payments:

Loan #33-05-202526	\$165.28
" #33-02-202130	363.71
" #33-10-202544	844.09
" #33-09-200025	412.38
" #33-02-202499	1,318.43
" #33-02-202513	234.18
" #33-09-202505 1st Loan	348.98
" #33-09-202505 2nd Loan	<u>17.91</u>

Total Principal

\$3,704.96

Interest Payments:

Loan #33-05-202526	\$182.32
" #33-02-202130	278.83
" #33-10-202544	756.21
" #33-09-200025	39.65
" #33-02-202499	314.24
" #33-02-202513	763.78
" #33-09-202505 1st Loan	105.10
" #33-09-202505 2nd Loan	<u>174.57</u>

Total Interest

2,614.70

Total Receipts

6,319.66

Total Funds Available

\$42,406.19

Expenditures:

Loans Made

(30,220.00)

Balance, June 30, 1964

\$12,186.19

DEPARTMENT OF AGRICULTURE

SUPPLEMENTAL LETTER

For the Fiscal Year ended June 30, 1964

1. Credit Card Invoices

In reviewing gasoline purchases for 1963-1964, it was noted that the file copy of claims did not have a copy of the itemized credit card invoices. Department personnel making credit card purchases should retain and turn in tissue copies of invoices so that signatures and vehicle numbers can be verified.

2. Overdraft of Working Capital Fund

Several times during 1963-1964 the department over expended the \$5,000 working capital fund. This fund is used for employee travel advances and the payment of salaries for temporary summer workers and for purchases of an emergency nature. The fund is reimbursed from other department funds on deposit with the state treasurer. This overdraft has the effect of spending receipts since the same bank account is the depository for revenues collected by the department. It would appear that this over expenditure of the fund violates the provisions of section 2 of NRS 561.335 which states: "All moneys collected by the department as provided by law may be deposited in the agriculture working capital fund and held in such fund until transferred to the proper fund in the state treasury as required by law, and in accordance with the provisions of NRS 353.250."

We recommend that accounting controls be established that will preclude over spending the working capital fund, and further, that NRS 561.335 be amended to provide for a working capital fund in the amount of \$10,000.

3. Employee Travel Advances

The department has several employees who are on in-state travel status a good deal of the time. Travel advances are made to these employees from the working capital fund. During 1963-1964, 239 such travel advances were made. The average time taken to clear these travel advances was 64 days. Many were not cleared for over 4 months and one was not cleared for 5 months. Due to the nearly constant travel of some employees, many advances could not be tied to a specific trip or claim for reimbursement. We recommend that travel advances be cleared within a 60 day period.

4. Bank Deposits

At present, the department of agriculture makes bank deposits once each week, usually on Friday. Receipts are kept in a fireproof room which is secured by an ordinary door lock. It would appear that this room does not provide adequate security. We recommend that receipts be deposited more frequently than once a week.

5. Transmittals to State Treasury

Section 1 of NRS 353.250 states: "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 first Monday of each month, all moneys received by such offices, departments or commissions during the previous calendar month, together with a complete itemized statement covering all financial transactions during the month."

During the 1963-1964 fiscal year, the department made only one deposit to the state treasury by the first Monday of the month and this only for a part of June 1964 receipts. Every other month the deposit was from 3 to 10 days late in transmittal to the treasurer. We recommend that every attempt be made to deposit money as prescribed by NRS 353.250.

6. Books and Records

In our opinion, the present accounting system in use by the department of agriculture could be improved to provide better control and the information necessary in operating an agency as large and complex as this department.

In accounting for expenditures, each list is posted to a summary sheet made up into mimeographed blocks, each representing an expense category. The summary is then posted to a ledger with columns for each expense category. A separate book is used to account for quarterly allotments.

The following are suggestions that we feel will improve the present system without necessitating additional personnel.

- (1) The ledger for each fund should be separated into four sections: Salaries, travel, operating and equipment. Each section should provide a list total column and whatever detail necessary for expense columns in each category. Each list should be posted individually rather than the summary that is now posted.
- (2) A separate section should be kept for allotment and budget control. Lists should be posted to a total budget column and to the four major operating categories. It is not necessary to maintain allotment control by line item. This would also eliminate the use of the monthly control sheet which is a duplication of the ledger.
- (3) It is recommended that the department work closely with the new department of data processing so that they can be one of the first agencies to make use of these facilities.

7. Internal Control

The bulk of the departments revenues are in the form of checks which come in by mail. Receipts are written only for persons paying cash. A

route slip is made up for each check indicating what it is for and the name of the sender. This information is also listed in a "receipt book." The route slip is sent to the department concerned and that department will indicate on the slip whether the check is to be held, deposited, or returned to the sender. If the check is not to be held or returned then the entry in the "receipt book" is duplicated in a receipts journal which indicates the type of revenue. The "receipt book" indicates the fund, the date posted to receipts journal and the date the check was deposited. Each days receipts are not deposited intact which makes it extremely difficult to reconcile receipts to bank deposits.

The department issues various licenses and registrations for different purposes such as nursery licenses, livestock dealers licenses, pest control operators license, and registrations for economic poisons, anti-freeze and fertilizer. Files are not maintained in a manner whereby receipts can be reconciled to registrations and licenses issued for a given period.

The department's accounting staff is not large enough to obtain the optimum segregation of duties for good internal control, however, it is felt that more separation of duties could be obtained. For instance, the person maintaining the accounting records should not handle receipts.

It is recommended that the following procedures or similar procedures be instituted to provide better internal control and accountability in the processing of receipts.

- (1) A prenumbered receipt should be written for every transaction where moneys of any kind (i.e. cash, check or money order) are received. The receipt should indicate the name of the payor, the amount, and distribution of the receipt. One copy of the receipt could be used in place of the present route slip and also serve as a refund voucher when properly signed.

- (2) A daily summary or recap should be made on each days receipts indicating total collected, receipt numbers covered and distribution of revenue. Each days recap should be posted as one item to the receipts journal.
- (3) Each days receipts should be deposited intact. If refunds are necessary they should be made by check with proper authorization. This is a basic principal of good internal control. The present practice of holding checks for several days or weeks and sending the checks back make it virtually impossible to trace receipts through the books to bank deposits.
- (4) All licenses and registrations which are issued by the department should be on prenumbered forms and one copy of the document should be filed numerically by fiscal year and by type of license.

8. Office Supply Purchases

During 1963-1964, the department of agriculture expended approximately \$4,300 for office supplies. Of this amount, 68.2% were purchased from outside vendors; 31.8% were purchased from the State Purchasing Department. In our opinion, many of the items purchased from outside vendors could have been obtained through State Purchasing at substantial savings. We recommend that all office supplies be obtained through State Purchasing and that orders be given outside vendors only when written approval by the Purchasing Division is obtained.

9. Accounting and Procedures Manual

We suggest that the department compile an accounting and procedures manual for use in training new employees and as a guide in standardizing

office and accounting procedures. Although the accounting system is relatively simple, the department does process and issue many kinds of licenses and registrations. The impact of absences by employees due to leave, illness etc., could be materially reduced by the use of such a manual in cross-training employees to take over necessary duties of those who are absent.

May 7, 1965
Carson City, Nevada

Norman H. Terrell, C.P.A.
Fiscal Analyst

NOTE: At a meeting held May 12, 1965 between the Director of the Department of Agriculture and the Fiscal Analyst, agreement was reached on implementation of the foregoing recommendations.

NEVADA STATE MUSEUM

AUDIT REPORT

For the Fiscal Year ended June 30, 1964

LEGISLATIVE COUNSEL BUREAU
NORMAN H. TERRELL, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada State Museum for the fiscal year ended June 30, 1964, and have prepared therefrom the following exhibits and related schedules:

Statement of Financial Condition, Dedicated
Funds, June 30, 1964-----Exhibit A

Statement of Basis for Appropriation Compared
to Actual Receipts and Expenditures,
Administrative Fund, For the Fiscal Year
Ended June 30, 1964-----Exhibit B

Statement of Receipts and Expenditures,
Dedicated Funds, For the Fiscal Year Ended
June 30, 1964-----Exhibit C

Statement of Receipts and Expenditures,
Petty Cash Fund, For the Fiscal Year Ended
June 30, 1964-----Exhibit D

Combined Schedule of Receipts and Expenditures,
Appropriated and Dedicated Funds, For the
Fiscal Year Ended June 30, 1964-----Schedule 1

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 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.


Opinion

We have examined the statement of financial condition of the Administrative Fund and the Dedicated Fund of the Nevada State Museum as of June 30, 1964, 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 statement of revenues and expenditures present fairly the financial position of the Administrative Fund and the Dedicated Fund of the Nevada State Museum as of June 30, 1964, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada
May 5, 1965


Norman H. Terrell, C.P.A.
Fiscal Analyst

NEVADA STATE MUSEUM
STATEMENT OF FINANCIAL CONDITION
DEDICATED FUNDS
June 30, 1964

ASSETSCash

First National Bank, Carson City		
Commercial Account	\$ (434.72)	
Savings Account	1,959.02	
Security National Bank, Carson City		
Savings Account	10,305.28	
Union Federal Savings & Loan, Carson City		
Savings Account	10,474.45	
Petty Cash	<u>46.53</u>	\$ 22,350.56

Investments

Stocks-Common (6,892 shares-Market 6/30/64)	\$409,943.88	
Stocks-Preferred(1,233 shares-Market 6/30/64)	99,153.38	
Bonds (20-Market 6/30/64)	<u>20,750.00</u>	529,847.26

Fixed Assets

Equipment, Furniture and Fixtures		1.00
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Deposits

Nevada Industrial Commission		75.00
		<u>\$552,273.82</u>

LIABILITIES AND SURPLUSReserves

Endowment Stocks (Market 6/30/64)	\$280,074.00	
Other Reserves-Stocks and Bonds, (Market 6/30/64)	<u>249,773.26</u>	\$529,847.26

Surplus

Arising from Fixed Assets and Deposits	\$ 76.00	
Unappropriated	<u>22,350.56</u>	22,426.56
		<u>\$552,273.82</u>

NOTE: Negative balance in Commercial Account due to checks written 6/30/64 and the transfer of \$8,000 not made until 7/6/64 to cover. Transfer made from Security National Bank.

NEVADA STATE MUSEUM
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR APPROPRIATION COMPARED TO ACTUAL
RECEIPTS AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts & Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
Appropriation	\$ 59,313.00	\$ 59,313.00	\$ 59,313.00	\$ -
Salary Adjustment	1,107.00	1,107.00	1,107.00	-
Group Insurance	252.00	252.00	252.00	
Total	<u>\$ 60,672.00</u>	<u>\$ 60,672.00</u>	<u>\$ 60,672.00</u>	<u>\$ -</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 44,978.00	\$ 44,920.00	\$ 44,388.73	\$ (531.27)
Industrial Insurance	302.00	423.00	281.95	(141.05)
Retirement	2,615.00	2,551.00	2,284.01	(266.99)
Personnel Assessment	297.00	298.00	297.00	(1.00)
Group Insurance	252.00	252.00	216.00	(36.00)
Total	<u>\$ 48,444.00</u>	<u>\$ 48,444.00</u>	<u>\$ 47,467.69</u>	<u>\$ (976.31)</u>
Travel:				
Out-of-State	\$ 250.00	\$ 250.00	\$ 160.04	\$ (89.96)
In-State	1,590.00	1,590.00	118.20	(1,471.80)
Total	<u>\$ 1,840.00</u>	<u>\$ 1,840.00</u>	<u>\$ 278.24</u>	<u>\$ (1,561.76)</u>
Operating:				
Office Supplies	\$ 450.00	\$ 450.00	\$ 218.54	\$ (231.46)
Postage & Freight	150.00	150.00	125.40	(24.60)
Telephone-Combined	904.00	904.00	1,166.26	262.26
Printing-Combined	600.00	640.00	290.61	(349.39)
Dues & Subscriptions	30.00	30.00	69.50	39.50
Insurance-Auto	600.00	600.00	478.61	(121.39)
Contract Service	565.00	500.00	--	(500.00)
Insurance & Bonds	--	--	--	
Office Equip. Repair	60.00	60.00	90.34	30.34
Equipment Repair-Other	200.00	200.00	50.70	(149.30)
Heat	1,700.00	1,700.00	1,728.00	28.00
Power	2,000.00	2,000.00	2,600.35	600.35
Water	400.00	400.00	375.20	(24.80)
Truck Operation	200.00	200.00	29.33	(170.67)
Janitorial Supplies	--	600.00	672.87	72.87
Building Maintenance	1,600.00	1,000.00	1,099.92	99.92
Grounds Maintenance	75.00	100.00	--	(100.00)
NRS Supplement	30.00	30.00	--	(30.00)
Other Utilities	--	--	127.93	127.93
Total	<u>\$ 9,564.00</u>	<u>\$ 9,564.00</u>	<u>\$ 9,123.56</u>	<u>\$ (440.44)</u>

Exhibit B, continued.

Equipment:				
Office Furniture	\$ 384.00	\$ 384.00	\$ 385.37	\$ 1.37
Office Equipment	440.00	440.00	443.20	3.20
Total	<u>\$ 824.00</u>	<u>\$ 824.00</u>	<u>\$ 828.57</u>	<u>\$ 4.57</u>
Total Expenditures	<u>\$60,672.00</u>	<u>\$60,672.00</u>	<u>\$57,698.06</u>	<u>\$(2,973.94)</u>
Excess of Receipts over Expenditures-Reverted to General Fund June 30, 1964			<u>\$ 2,973.94</u>	

NEVADA STATE MUSEUM
DEDICATED FUNDS
STATEMENT OF RECEIPTS AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

BALANCE, July 1, 1963		
First National Bank, Carson City	\$50,687.42	
Petty Cash Fund	<u>33.74</u>	\$ 50,721.16
<u>RECEIPTS</u>		
Dividends	\$ 17,333.76	
Fleischmann Foundation	48,478.18	
Contract Income	7,924.35	
Souvenir Shop	5,002.66	
Donations	1,492.20	
Anthropological Papers	1,340.43	
Interest-Savings	1,325.33	
Membership Dues	1,004.00	
Refunds	182.39	
Sale of Stock Rights	29.69	
Miscellaneous	<u>14.06</u>	<u>84,127.05</u>
Total Funds Available		<u>\$134,848.21</u>
<u>EXPENDITURES</u>		
Payroll Costs:		
Salaries	\$ 61,433.62	
F.I.C.A. Contribution	1,804.39	
Nevada Industrial Commission	<u>449.33</u>	\$ 63,687.34
Travel:		
Out-of-State	\$ 241.67	
In-State	<u>5,372.46</u>	5,614.13
Operating:		
Office and Project Supplies	\$ 6,418.26	
Freight & Postage	533.91	
Telephone-Combined	54.32	
Printing	9,469.45	
Dues-Subscriptions-Reference Manuals	286.44	
Contract Services	5,533.57	
Laundry	114.55	
Professional Services	1,926.35	
Insurance and Bond Premiums	113.40	
Equipment Repair	166.02	
Water	30.80	
Truck and Car Operation	2,880.45	
Building Maintenance	4,147.98	
Souvenir Shop Purchases	4,446.79	
Miscellaneous Supplies	113.50	
Maps and Photos	747.90	
Miscellaneous	<u>474.85</u>	<u>37,458.54</u>

Exhibit C, continued.

Equipment:		
Office Furniture and Equipment	\$1,366.13	
Equipment-Other	<u>92.51</u>	1,458.64
Investments:		
Stocks		<u>4,279.00</u>
TOTAL EXPENDITURES		<u>\$112,497.65</u>
BALANCE, June 30, 1964		<u>\$ 22,350.56</u>
Consists of:		
First National Bank, Carson City, Checking Account	\$ (434.72)	
First National Bank, Carson City, Savings Account	1,959.02	
Security National Bank, Carson City, Savings Account	10,305.28	
Union Federal Savings, Carson City, Savings Account	10,474.45	
Petty Cash	46.53	
TOTAL		<u>\$ 22,350.56</u>

NEVADA STATE MUSEUM
PETTY CASH FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
For the Fiscal Year ended June 30, 1964

Balance, July 1, 1963	\$ 33.74
Reimbursements	<u>273.45</u>
Total to Account For	\$307.19
Expenditures	<u>260.66</u>
Balance, June 30, 1964	<u><u>\$ 46.53</u></u>

NEVADA STATE MUSEUM
 APPROPRIATED AND DEDICATED FUNDS
 COMBINED SCHEDULE OF RECEIPTS AND EXPENDITURES
 For the Fiscal Year ended June 30, 1964

	<u>Appropriated Funds</u>	<u>Dedicated Funds</u>	<u>Total</u>
Balance, July 1, 1963	\$ -0-	\$ 50,721.16	\$ 50,721.16
<u>Receipts</u>			
General Fund Appropriation(Exhibit B)	\$ 60,672.00		\$ 60,672.00
Dedicated Fund Income (Exhibit C)		\$ 84,127.05	84,127.05
Total Receipts	<u>\$ 60,672.00</u>	<u>\$ 84,127.05</u>	<u>\$144,799.05</u>
Total Funds Available	<u>\$ 60,672.00</u>	<u>\$134,848.21</u>	<u>\$195,520.21</u>
<u>Expenditures</u>			
Payroll Expenses:			
Salaries	\$ 44,388.73	\$ 61,433.62	\$105,822.35
Other Payroll Expenses	3,078.96	2,253.72	5,332.68
Total Payroll Expenses	<u>\$ 47,467.69</u>	<u>\$ 63,687.34</u>	<u>\$111,155.03</u>
Travel Expenses:			
Out of state travel	\$ 160.04	\$ 241.67	\$ 401.71
In state travel	118.20	5,372.46	5,490.66
Total Travel Expense	<u>\$ 278.24</u>	<u>\$ 5,614.13</u>	<u>\$ 5,892.37</u>
Operating Expense:			
Office and Project Supplies	\$ 218.54	\$ 6,418.26	\$ 6,636.80
Freight and Postage	125.40	533.91	659.31
Telephone	1,166.26	54.32	1,220.58
Printing	290.61	9,469.45	9,760.06
Dues and Subscriptions	69.50	286.44	355.94
Auto Insurance	478.61		478.61
Contract Services		5,533.57	5,533.57
Professional Services		1,926.35	1,926.35
Insurance and Bond Premiums		113.40	113.40
Office Equipment Repair	90.34		90.34
Other Equipment Repair	50.70	166.02	216.72
Heat	1,728.00		1,728.00
Power	2,600.35		2,600.35
Water	375.20	30.80	406.00
Truck and Car Operation	29.33	2,880.45	2,909.78
Janitorial Supplies	672.87		672.87
Building Maintenance	1,099.92	4,147.98	5,247.90
Souvenir Shop Purchases		4,446.79	4,446.79
Laundry		114.55	114.55
Other Utilities	127.93		127.93
Maps and Photos		747.90	747.90
Miscellaneous Supplies		113.50	113.50
Miscellaneous		474.85	474.85
Total Operating Expenses	<u>\$ 9,123.56</u>	<u>\$ 37,458.54</u>	<u>\$ 46,582.10</u>

Schedule 1, continued.

Furniture and Equipment:			
Office Furniture	\$ 385.37	\$ 1,366.13	\$ 1,751.50
Other Furniture and Equipment	<u>443.20</u>	<u>92.51</u>	<u>535.71</u>
Total	<u>\$ 828.57</u>	<u>\$ 1,458.64</u>	<u>\$ 2,287.21</u>
Investments:			
Stock Purchases	<u>\$</u>	<u>\$ 4,279.00</u>	<u>\$ 4,279.00</u>
Total Expenditures	<u>\$ 57,698.06</u>	<u>\$112,497.65</u>	<u>\$170,195.71</u>
Excess of Receipts over Expenditures	<u>\$ 2,973.94</u>	<u>\$ 22,350.56</u>	<u>\$ 25,324.50</u>
Appropriated Funds Reverted to General Fund	<u>\$ (2,973.94)</u>	<u>\$</u>	<u>\$ (2,973.94)</u>
Balance, June 30, 1964	<u>\$ -0-</u>	<u>\$ 22,350.56</u>	<u>\$ 22,350.56</u>

NEVADA STATE MUSEUM

SUPPLEMENTAL LETTER

For the Fiscal Year ended June 30, 1964

1. Code of Bylaws

NRS 381.110 requires the Museum to adopt a code of bylaws for the regulation and operation of the Museum, consistent with all legislative enactments relative thereto. In addition, NRS 381.160 states in part, "No rule shall permit the charging of any admission price or fee whatever to see the permanent exhibits or displays in the Nevada State Museum in Carson City, Nevada." In reviewing the code of bylaws of the Museum, it was noted that section 6 of Article XI, allows the Museum to adopt by resolution, the authority to charge admission to the mine exhibit or the Glenbrook engine, to be used for maintenance of the exhibits; as these admission fees would be in direct conflict with NRS 381.160, we recommend that Article XI, section 6, be deleted or amended to conform to the statutory provisions of NRS 381.160 and to actual practice as admission fees are not presently being charged.

Article XI, section 5, of the bylaws state, "The board of trustees shall have the power to incur indebtedness, the terms and the amount of which, shall be entered in the minutes of the board; the note or obligation if any given for the same, signed officially by the chairman of the board, and the secretary, or other officer specifically authorized; shall be binding upon the Museum, provided that the consent of a majority of the members of the board of trustees must be first obtained either in writing or expressed in a resolution passed in a regular or special meeting of the board of trustees . . ."

The board is not doing this at present, since no notations were noticed in the minutes of the meetings. No files are maintained by the Museum giving written consent by a majority of the board of trustees for incurring indebtedness.

Three contracts totaling \$10,193.80 were entered into by the Museum for which the necessary approval was not obtained. We recommend that henceforth the Museum follows the bylaws and obtains the required approval on all future contracts.

Article X, section 9-a, gives the director or general curator of the Museum authority to incur debts and make payments on same without written authorization of the board of trustees if, such debts or payments are less than \$100.00 per individual item. Items greater than \$100.00 are to be authorized expressly in writing during regular or special meetings or otherwise give written authority. Again, no mention was found in the minutes giving approval of purchases made by the director or general curator in excess of \$100.00 as required by Article X, section 9-a. We suggest that approval be obtained for such purchases or if this is found to be impracticable, the board of trustees should amend the bylaws to conform to practice.

It was noted that amendments to the bylaws as reported in the minutes are not being incorporated in the bylaws. Copies of the bylaws were found to have no date or signatures on them.

We suggest that amendments be incorporated in the current bylaws when made, and that the official copy of the bylaws be dated and signed in order to validate them officially.

2. Insurance

As the Museum is not currently insuring its exhibits, we recommend

that the Museum look into the possibility of purchasing fire and theft insurance for the valuable and historic items it has in its custody.

3. Internal Control

The Museum does not have, presently, any system of internal control over cash. One person is now receiving cash, making book and novelty sales, depositing cash in the bank, reconciling the bank accounts, and posting all transactions in the accounting records. It is realized that due to the small staff in the administrative department, complete segregation of duties in handling cash is almost impossible. However, we wish to recommend some segregation of duties in order to protect state and dedicated funds as well as for the protection of employees by assigning specific responsibility for receiving, depositing, and recording of cash receipts.

The person responsible for opening Museum mail should make a duplicate list of all incoming money immediately. One copy of the list should be retained by this person and the money deposited by another person who does not have access to the accounting records. The person responsible for depositing funds should reconcile the bank accounts monthly and differences, if any, with accounting or book figures be traced immediately.

In accounting for cash received from sales of the various articles the Museum handles, we recommend that the same procedures as outlined above be used.

Since the Museum does not have a cash register and sales of the book store do not warrant one, we suggest that an inventory system be installed to provide additional controls. The person who maintains the inventory should also be responsible for receiving and recording all merchandise purchased for resale. Since the number of items offered for sale, with the exception of postcards, are not excessively large, we feel that a perpetual count can be kept of items received and sold.

We wish to point out that inventory counts should not be done by the person responsible for selling articles. We also wish to emphasize that the above discussion is not intended to reflect in any manner whatsoever on the honesty of the Museum's employees but is intended to minimize any chances of losses and possible false accusations should losses occur.

4. Accounting and Procedures Manual

From the discussion concerning internal control procedures in the Museum, it can be seen that there is a definite need for an accounting manual in order to insure continuity of record keeping functions, should the present employees become incapacitated due to illness or accident. There is also evidence of high secretarial employee turnover which necessitates a current accounting and procedures manual to be used for training and cross-training new secretarial employees without disrupting the older employees' regular duties sharply.

We therefore recommend that the Museum take steps to up-date the procedures manual and in addition, compile an accounting manual.

5. Preservation of Historic and Prehistoric Sites

NRS 381.205 requires the board of trustees, upon issuing a permit to investigate, explore or excavate on historic or prehistoric sites, to:

" . . . immediately notify the division of state parks of the department of conservation and natural resources, the sheriff of the county in which the permit is to be exercised, and the personnel of the Nevada highway patrol controlling the state roads of the district embracing the site in which the permit is to be exercised." While the board of trustees have notified the division of state parks and county sheriffs, no notification has been made to the highway patrol.

We recommend that highway patrol personnel be notified upon issuance of a permit as required by NRS 381.205.

The division of state parks of the department of conservation and natural resources, sheriffs in their respective counties, the Nevada highway patrol, and all other peace officers are charged with enforcement of NRS 381.195 to 381.227, inclusive. While the intent of the law, to prevent valuable artifacts and other valuable articles being destroyed or stolen is good, practical considerations make enforcement of this statute impossible due to lack of staff, lack of authority on federal and private lands, and lack of cooperation among all enforcement agencies.

6. Equipment Inventory

A check of the equipment and furniture charged to the museum against the control sheets supplied by the purchasing division disclosed that although the listings were fairly complete, some improvements could be made by affixing proper identification numbers to all equipment.

7. Attendance Records

An examination of attendance records for the year under review disclosed some errors mainly due to arithmetical mistakes during posting. It was also noted that compensatory time was carried forward from one calendar year to another in violation of SAM, section 5520.6 which states that compensatory time accrued shall be used within the calendar year in which it was earned.

It is recommended that the person responsible for posting attendance records reconcile postings monthly and a copy of the reconciliation be given each employee for direct confirmation.

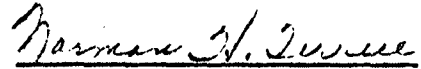
8. Petty Cash Fund

NRS 381.110, section 3, authorizes the board of trustees to have a petty cash fund, to be operated under the imprest system. Examinations of the Museum's petty cash fund disclosed that the system is not being operated

under the imprest system as required by statute. We recommend that the Museum start accounting for petty cash funds under the imprest system.

Our analysis of the petty cash fund disclosed that some funds were being expended from the fund without valid vouchers being submitted to verify such expenditures. All expenditures from the petty cash fund should have supporting valid vouchers. In addition, the person responsible for keeping petty cash funds should reconcile vouchers on hand and cash on hand monthly to insure that no errors have been made. This should be done prior to reimbursing the fund.

May 17, 1965
Carson City, Nevada


Norman H. Terrell, C.P.A.²⁸.
Fiscal Analyst

NOTE: At a meeting with Museum officials and the Fiscal Analyst on May 20, 1965 concurrence was reached on implementation of the foregoing recommendations.

STATE OF NEVADA

BOARD OF ARCHITECTURE

JUNE 30, 1964

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Sam P. Kafoury
Ray E. Armstrong
Lowell C. Bernard
Leroy R. Bergstrom

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Telephone
Fairview 2-9471

September 15, 1964

State Board of Architecture of Nevada
137 Vassar Street
Reno, Nevada

Gentlemen:

Pursuant to your request, we have audited the accounts and records of the State Board of Architecture of Nevada for the year ended June 30, 1964. Our examination was made in conformity with generally accepted auditing standards, and accordingly included such tests and analyses of the accounting records as we deemed necessary under the circumstances.

Arrached to and forming a part of this report are the following exhibits which set forth on a cash basis the financial condition of the Board at June 30, 1964, and the results of its operations for the year then ended:

Exhibit A--Statement of Financial Condition

Exhibit B--Statement of Revenues and Expenditures
and Budget Comparison.

Exhibit C--Comparative Statement of Revenues and
Expenditures.

STATEMENT OF FINANCIAL CONDITION

The balance in the Board's commercial account at Nevada Bank of Commerce, \$2,559.36, was confirmed by direct correspondence with the bank and reconciled to the Board's records.

The balances in the Board's savings accounts on deposit at Union Federal Savings and Loan Association, \$8,221.51, and American Savings and Loan Association, \$5,060.04, were confirmed by direct correspondence with both associations.

We confirmed the Board's petty cash by actual count during the course of our examination.

The equipment record as maintained by the Nevada State Purchasing Department was reconciled with the equipment examined at the Board's office and found to be in agreement therewith.

At its May 1964 meeting, the Board appropriated \$5,000.00 of its unencumbered surplus to provide a legal reserve. It is the intent of the Board that costs of litigation arising out of the administration of the statutes and regulations will be charged to this reserve.

Unappropriated surplus at June 30, 1964 of \$10,765.11 represented a \$1,526.88 decrease below that of the previous year end. We analyze this account below:

Balance, July 1, 1963	\$12,291.99
Add: Net Revenue per Exhibit B	<u>3,473.12</u>
	\$15,765.11
Deduct: Appropriation of Legal Reserve	<u>5,000.00</u>
Balance, June 30, 1964	<u>\$10,765.11</u>

STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON

Operations for the year under review resulted in an excess of revenues over expenditures of \$3,473.12. Part of this net revenue is attributable to substantial increase in new licenses and renewals of certificates of registration. As Exhibit B illustrates, expenditures were

held within the overall limitation provided by the Board's budget for the year. Unfortunately, certain travel costs incurred in June 1964 were not paid within the year under review. Since these costs were budgeted for the 1963-64 fiscal period, this has the effect of stating the net revenue for the period under review at a level somewhat higher than should be expected. The net revenue for the forthcoming year will also be affected, since the expenditures for travel will of necessity include these unpaid carryovers.

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES

Exhibit C illustrates the continuing growth in the Board's operations in relation to those of the preceding year.

GENERAL COMMENTS

1. Our examination included a review of the Board's internal control of financial operations. Within the natural limitations of any office employing only one clerk, we found this control to be entirely satisfactory. Our tests included correlation of carbon copies of receipts issued with the Board's financial records, member files and the permanent registry of certificates (N.R.S. 623.220). All funds received by the Board appear to have been properly recorded.

2. During the year under review, all receipts were deposited in a commercial account and all claims were paid out of the account in accordance with the provisions of S.B. 60 of the 1963 Nevada Legislature. This account is maintained at a nominal level subject to withdrawal by the Secretary of the Board or one other Board member. Funds not required for operations are held on deposit with two local savings and loan associations. Two signatures are required for all withdrawals from savings accounts. Persons having responsibility for the receipt, deposit or withdrawal of Board funds are suitably bonded.

3. We found the Board's permanent files and financial records to be particularly well maintained.

In our opinion the attached exhibits present fairly the financial condition of the State Board of Architecture of Nevada at June 30, 1964, and the results of its operations for the year then ended in conformity with generally accepted accounting principles, applicable under the circumstances, applied on a basis consistent with that of the preceding year.

Respectfully submitted,

1st *K. J. Cunningham*
PUBLIC ACCOUNTANTS *Dunn*

STATE BOARD OF ARCHITECTURE OF NEVADA

STATEMENT OF FINANCIAL CONDITION

JUNE 30, 1964

ASSETSCURRENT ASSETS:

Cash in Bank - Commercial	\$ 2,559.36	
Cash in Bank - Savings	13,281.55	
Petty Cash Fund	<u>15.00</u>	\$15,855.91

FIXED ASSETS:

Office Furniture and Equipment (At Nominal Value)		<u>1.00</u>
--	--	-------------

Total Assets		<u><u>\$15,856.91</u></u>
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LIABILITIES, RESERVES AND SURPLUSLIABILITIES:

Employees' Withheld Taxes		\$ 91.80
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RESERVES AND SURPLUS:

Legal Reserve	\$ 5,000.00	
Unappropriated Surplus	<u>10,765.11</u>	

Total Reserves and Surplus		<u>15,765.11</u>
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Total Liabilities, Reserves and Surplus		<u><u>\$15,856.91</u></u>
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STATE BOARD OF ARCHITECTURE OF NEVADA
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1964

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>EXCESS OF ACTUAL OVER BUDGETED</u>
REVENUES:			
Examinations	\$ 4,500.00)	\$ 2,485.00	(\$ (440.00)
Reexaminations	-)	1,575.00	(
Certificate of Registration	1,300.00	2,225.00	925.00
Annual Renewals	5,500.00	6,350.00	850.00
Restorations	200.00	325.00	125.00
Treatise	-	75.00	75.00
Miscellaneous	-	295.15	295.15
Total Revenues	<u>\$11,500.00</u>	<u>\$13,330.15</u>	<u>\$ 1,830.15</u>
EXPENDITURES:			
Board Salaries	\$ 625.00	\$ 210.00	\$ (415.00)
Secretary Salary	200.00	-	(200.00)
Clerical Salary	2,200.00	2,157.81	(42.19)
Extra Help	100.00	283.00	183.00
<u>Travel - Out of State:</u>			
Transportation	1,150.00	170.80	(979.20)
Per Diem	350.00	164.85	(185.15)
<u>Travel - In State:</u>			
Transportation	600.00	479.80	(120.20)
Per Diem	450.00	329.27	(120.73)
Industrial Insurance	140.00	73.26	(66.74)
Building Rentals	480.00	480.00	-
Equipment Rentals	-	70.20	70.20
Freight & Postage	350.00	322.14	(27.86)
<u>Printing:</u>			
Annual Register	150.00	204.90	54.90
Other Forms	180.00	100.20	(79.80)
Miscellaneous	75.00	368.48	293.48
Office Supplies and Expense	350.00	358.30	8.30
<u>Telephone:</u>			
Service Fee	35.00	33.66	(1.34)
Tolls	320.00	333.25	13.25
General Insurance and Bonding	50.00	78.75	28.75
Legal Services	1,140.00	1,380.00	240.00
Audit and Accounting	450.00	400.00	(50.00)
Meeting Expense	100.00	61.89	(38.11)
Examination Expense	1,250.00	1,151.99	(98.01)
Convention Registration	75.00	117.00 (1)	42.00
NCARB Dues	130.00	180.00	50.00
Investigation Expense	75.00	-	(75.00)
Capital Outlay, Equipment	475.00	347.48	(127.52)
Total Expenditures	<u>\$11,500.00</u>	<u>\$ 9,857.03</u>	<u>\$(1,642.97)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ 3,473.12</u>	<u>\$ 3,473.12</u>

(1) Includes Western Conference dues
of \$25.00.

(True Copy)

STATE BOARD OF ARCHITECTURE OF NEVADA
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1963 and JUNE 30, 1964

	YR. ENDED		INCREASE OR
	6/30/63	6/30/64	(DECREASE)
REVENUES:			
Examinations	\$ 3,740.00	\$ 2,485.00	\$(1,255.00)
Reexaminations	-	1,575.00	1,575.00
Certificate of Registration	1,200.00	2,225.00	1,025.00
Annual Renewals	5,025.00	6,350.00	1,325.00
Restoration	175.00	325.00	150.00
Treatise	-	75.00	75.00
Miscellaneous	-	295.15	295.15
Total Revenues	<u>\$10,140.00</u>	<u>\$13,330.15</u>	<u>\$ 3,190.15</u>
EXPENDITURES:			
Board Salaries	\$ -	\$ 210.00	\$ 210.00
Secretary Salary	-	-	-
Clerical Salary	1,800.00	2,157.81	357.81
Extra Help	-	283.00	283.00
<u>Travel - Out of State:</u>			
Transportation	1,310.05	170.80	(1,139.25)
Per Diem	277.00	164.85	(112.15)
<u>Travel - In State:</u>			
Transportation	494.10	479.80	(14.30)
Per Diem	247.00	329.27	82.27
Examination Expenses	839.80	1,151.99	312.19
Industrial Insurance	219.12	73.26	(145.86)
Building Rentals	280.00	480.00	200.00
Equipment Rentals	-	70.20	70.20
Freight and Postage	317.74	322.14	4.40
<u>Printing:</u>			
Annual Register	143.46	204.90	61.44
Other Forms	382.19	100.20	(281.99)
Miscellaneous	64.88	368.48	303.60
Office Supplies and Expense	436.70	358.30	(78.40)
<u>Telephone:</u>			
Service Fee	33.66	33.66	-
Tolls	609.62	333.25	(276.37)
General Insurance and Bonding	-	78.75	78.75
Legal Services	150.00	1,380.00	1,230.00
Audit and Accounting	400.00	400.00	-
Meeting Expense	195.00	61.89	(133.11)
Convention Registration	68.00	92.00	24.00
Western Conference Dues	-	25.00	25.00
NCARB Dues	130.00	180.00	50.00
Investigation Expenses	19.62	-	(19.62)
Capital Outlay	149.75	347.48	197.73
Total Expenditures	<u>\$ 8,567.69</u>	<u>\$ 9,857.03</u>	<u>\$ 1,289.34</u>
Excess of Revenues over Expenditures	<u>\$ 1,572.31</u>	<u>\$ 3,473.12</u>	<u>\$ 1,900.81</u>

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

CONTENTS

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

FINANCIAL STATEMENTS

Statement of Financial Condition

Statement of Revenues and Expenditures

SUPPLEMENTARY INFORMATION

HUGH TEMPLETON
Certified Public Accountant
Member of American Institute of Certified Public Accountants
Harvey Bigelow Building-Room 14A
120 South Third Street
Las Vegas, Nevada

Telephone 384-2080

The Board Members
Nevada State Barbers' Health & Sanitation Board

I have examined the accompanying Statement of Financial Condition of the General Fund of the Nevada State Barbers' Health and Sanitation Board at June 30, 1964 and the related statement of revenues and expenditures for the year then ended. My 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 I considered necessary in the circumstances.

In my opinion, the statements mentioned above present fairly the financial position of the General Fund of the Nevada State Barbers' Health & Sanitation Board at June 30, 1964 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

The accompanying supplemental information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in my opinion is fairly stated in all respects material in relation to the financial statements taken as a whole.

August 17, 1964

181 *Hugh Templeton*

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

STATEMENT OF FINANCIAL CONDITION

GENERAL FUND

June 30, 1964

ASSETS

Cash in banks	\$7,340.63
Cash on hand	47.00
Fixed assets - office equipment	<u>320.20</u>
Total Assets	<u>\$7,707.83</u>

RESERVES AND FUND EQUITY

Reserve for encumbrances	\$ 717.45
General fixed assets	320.20
Unappropriated fund equity	<u>6,670.18</u>
Total Reserves and Fund Equity	<u>\$7,707.83</u>

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
For the fiscal year ended June 30, 1964

	<u>Estimate</u>	<u>Actual</u>	Excess or (Deficiency) of Actual Compared With <u>Estimate</u>
Unappropriated fund equity-- July 1, 1963	\$ 9,048.98	\$ 9,048.98	-
<u>Add:</u>			
<u>REVENUE</u>			
Registration and examination fees	\$ 5,000.00	\$ 5,480.00	\$ 480.00
License renewal fees	3,000.00	3,478.00	478.00
Penalties on late fees	-	485.00	485.00
Interest earnings	150.00	164.72	14.72
Total Revenue	<u>\$ 8,150.00</u>	<u>\$ 9,607.72</u>	<u>\$ 1,457.72</u>
Total balance and revenue	<u>\$17,198.98</u>	<u>\$18,656.70</u>	<u>\$ 1,457.72</u>
<u>Deduct:</u>			
<u>EXPENDITURES AND RESERVE FOR ENCUMBRANCES</u>			
Salaries	\$ 4,650.00	\$ 5,750.00	\$ 1,100.00
Subsistence allowance	1,100.00	2,087.50	987.50
Travel	1,300.00	2,388.55	1,088.55
Office equipment	100.00	319.20	219.20
Operating expenses	940.00	1,441.27	501.27
Total deductions	<u>\$ 8,090.00</u>	<u>\$11,986.52</u>	<u>\$ 3,896.52</u>
Unappropriated fund equity-- June 30, 1964	<u>\$ 9,108.98</u>	<u>\$ 6,670.18</u>	<u>\$(2,438.80)</u>

FUNCTIONS OF THE AGENCY

The Nevada State Barbers' Health & Sanitation Board created under NRS 643.020 is to serve as a qualified examining body to determine the pertinent qualifications and competence of any and all applicants who desire to secure a registered barber certificate or an apprentice barber certificate for the lawful practice of barbering within the State of Nevada. Their duties also include the inspection of shops and the administering of the examinations.

SCOPE OF EXAMINATION

General

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

Internal Control Evaluation

The internal control was found to be adequate under the existing bookkeeping procedures and volume of cash transactions.

Books and Records

The books and records of the Nevada State Barbers' Health & Sanitation Board are as follows:

- | | |
|-------------------------------|---|
| A) Cash Receipts Journal | Book of original entry for all cash receipts transactions. |
| B) Cash Disbursements Journal | Book of original entry for all cash disbursements transactions. |
| C) Payment Vouchers | Vouchers to be filled out and signed by all employees and officers for all salaries and expense reimbursements. |

The above records were found to be adequate at the present time and no duplications or inefficiencies in accounting record keeping procedures were observed during my examination.

Fidelity Bonding

A fidelity bond with The Travelers Indemnity Company, Hartford, Connecticut, in the amount of \$2,000.00 in the favor of the Nevada State Barbers' Health & Sanitation Board to cover the secretary-treasurer was executed and issued on May 1, 1963, and was in force at June 30, 1964.

Efficiency of Subordinate Employees

The administration and accounting functions are performed by three salaried board members:

Reese E. Llewellyn, President
Elmo H. Martinelli, Vice-President
Kenneth R. Shaddy, Secretary-Treasurer

Duplication of Work With Other Departments

None

Status and Conditions of Fund

At the present rate of expenditures the unappropriated balance of \$6,670.18 would be depleted in approximately three years. The increase in expenditures is largely due to the increase in salaries to \$25 per day worked and the allowance for subsistence of up to \$25 per day.

Possible Conflict With Statutes or Good Business Practice

No deviations from fiscal statutes or good business practices were observed during the course of my examination.

Suggested Changes and Recommendations

To meet the increase in expenditures the Board should consider methods of increasing revenues. A possible source of additional revenue could be an increase in the license renewal fees charged.

FINANCIAL INFORMATION

Cash in Banks - \$7,340.63

The cash in banks aggregating \$7,340.63 at June 30, 1964 was verified by reconciling amounts confirmed to me by the depositories.

Bank of Las Vegas	\$4,175.91
Nevada Savings & Loan Assoc.	<u>3,164.72</u>
	<u>\$7,340.63</u>

Cash on Hand - \$47.00

Reserve for Encumbrances - \$717.45

This balance represents the audit fee of \$75.00 for the post audit of the records of the Nevada State Barbers' Health & Sanitation Board and \$642.45 for salaries, subsistence, travel and operating expenses occurred in June 1964.

Unappropriated Fund Equity - \$6,670.18

The unappropriated fund equity at June 30, 1964 was \$6,670.18 as compared with \$9,048.98 at June 30, 1963, a decrease of \$2,378.80 which is analyzed in the statement of revenues and expenditures.

Revenue - \$9,607.72

The actual revenues of \$9,607.72 as compared to the estimated expected revenue of \$8,150.00 was over by 17.9%. The actual revenues are summarized as follows:

Registration and examination fees	\$5,480.00
License renewal fees - shops, journeymen, and apprentice	3,478.00
Penalty fees on late license renewals	485.00
Interest earned on savings deposits for the period July 1, 1963 to June 30, 1964	164.72
	<u>\$9,607.72</u>

Expenditures - \$11,986.52

The actual expenditures and encumbrances of \$11,986.52 were 48.1% above the estimated expected expenditures of \$8,090.00.

The expenditures as segregated in budget categories are compared to the estimates as follows:

Actual salary expenses and encumbrances of \$5,750.00 was 23.7% above the estimate of \$4,650.00.

Actual travel and subsistence expenses and encumbrances of \$4,476.05 were 86.5% above the estimate of \$2,400.00.

Actual operating expenses and reserve for encumbrances totaling \$1,760.47 were 69.3% above the estimate of \$1,040.00.

STATE OF NEVADA
BOARD OF EXAMINERS IN BASIC SCIENCES

JUNE 30, 1964

ALBERT E. CARLIDGE
CERTIFIED PUBLIC ACCOUNTANT
Suite 2 - 248 South Sierra
Reno, Nevada

ALBERT E. CARTLIDGE
CERTIFIED PUBLIC ACCOUNTANT
Phone Fairview 9-3496
Suite 2
243 South Sierra Street
Reno, Nevada

Member Nevada
Society of Certified
Public Accountants

Member American
Institute of Certified
Public Accountants

December 2, 1964

Dr. Thomas D. O'Brien, Chairman
Nevada State Board of Examiners in the Basic Sciences
Box 8355, University Station
Reno, Nevada

Dear Dr. O'Brien:

I have examined the records of the Nevada State Board of Examiners in the Basic Sciences, in accordance with Chapters 402 and 117, of 1963 Nevada Statutes, for the year ended June 30, 1964. I have prepared the following exhibits:

Statement of Financial Condition of the Nevada State Board
of Examiners in Basic Sciences as of June 30, 1964 Exhibit A

Statement of Budgeted Revenues and Expenditures Compared with
Actual for the Nevada State Board of Examiners in the Basic
Sciences for the years ended June 30, 1963, and June 30, 1964 Exhibit B

FUNCTIONS OF AGENCY

The purpose of the Nevada State Board of Examiners in the Basic Sciences, is to administer examinations in the basic sciences and to issue certificates of proficiency therein, through either examination or reciprocity, to qualified persons intending to practice the healing arts in the State of Nevada. The board is appointed by the Board of Regents of the University of Nevada for a three year term. Statutory authority for the agency is contained in Chapter 629, Nevada Revised Statutes. The chapter is cited as The Basic Science Act of 1951.

INTERNAL CONTROL EVALUATION

The board does not employ full time employees. The Secretary-Treasurer of the Board, Dr. Lowell L. Jones, receives and deposits in banks in the State of Nevada, examination fees for the four quarterly examinations, and also prepares

and issues checks for claims to be paid from these funds. All checks are also signed by the Chairman of the Board, Dr. Thomas D. O'Brien. Part-time clerical help is employed to assist in administering quarterly examinations in the basic sciences. Due to the lack of employees, and the corresponding lack of delegation of various duties necessary to effect proper internal control, there is a lack of internal control. The amounts of monies handled by the board are not considerable, and since all funds are deposited in banks and disbursed through proper procedures, the lack of internal control within the board's operations is, in my opinion, insignificant.

BOOKS AND RECORDS

The board's records are contained in one sectional post binder. Receipts are entered by date of deposit. Claims are paid by check and entered numerically in columnar form. In prior years, receipts and disbursements were summarized quarterly, and the balance of funds held by the State Treasurer determined on that basis. Since the funds are no longer held by the State Treasurer, a quarterly summary is not prepared. Receipts and disbursements are summarized yearly, however, a record of the current fund balance is maintained at all times. In my opinion, the records are adequate for the Nevada State Board of Examiners in the Basic Sciences.

In addition to the above, Section 218.810, Nevada Revised Statutes, as amended by Chapter 402, Nevada Statutes of 1963, specifically charges the fiscal and auditing division of the Nevada Legislative Council with the responsibility of examining the following:

EFFICIENCY OF SUBORDINATE EMPLOYEES

There are no subordinate employees connected with the Nevada State Board

of Examiners in the Basic Sciences, with the exception of part-time clerical help, employed to assist in administering quarterly examinations. Work completed by the part-time clerical help was completed in a creditable manner.

STATUS AND CONDITION OF FUNDS

There were no deficiencies noted in funds on deposit in bank accounts maintained by the board. The board has a large balance in comparison to its annual requirements. The balance at June 30, 1964, was \$10,937.99, and the annual requirements of the board are approximately \$4,300.00. The funds balance increased \$78.97 during the year ended June 30, 1964.

DUPLICATION OF WORK WITH OTHER DEPARTMENTS

I found no evidence of duplication of the Board's work with that performed by other departments.

BREACHES OF TRUST AND DUTY IN CONNECTION WITH PUBLIC FUNDS

I found no evidence of breaches of trust or duty in my examination of the Nevada State Board of Examiners in the Basic Sciences. All funds received were properly accounted for, and funds were properly disbursed through the checking account maintained by the Board.

SUGGESTED CHANGES AND RECOMMENDATIONS

I have no suggestions to offer in connection with the Board's accounting records. A suggestion in my previous audit report for the year ended June 30, 1961, was followed and, in my opinion, the records are now adequate.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION OF THE NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES AS OF JUNE 30, 1964 - Exhibit A

Cash on deposit in the First National Bank of Nevada, Second & Virginia Office, Reno, Nevada, totaled \$2,621.94 as of June 30, 1964. Cash on deposit

In Union Federal Savings and Loan Association, Reno, Nevada, totaled \$8,316.05 as of June 30, 1964. I received direct confirmation of both balances.

The board did not purchase office fixtures during the year ended June 30, 1964. Fixtures purchased prior to the current period are 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, 1964.

Unappropriated surplus increased from \$10,860.02 to \$10,938.99. The increase amounted to \$78.97, and represented the excess of revenues over expenditures of \$78.97 for the year ended June 30, 1964.

REVENUES AND EXPENDITURES COMPARED WITH ACTUAL FOR THE NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES FOR THE YEARS ENDED JUNE 30, 1963, AND JUNE 30, 1964 - EXHIBIT B

Actual revenues were \$880.15 more than budgeted revenues for the year ended June 30, 1963, and \$126.05 more than budgeted revenues for the year ended June 30, 1964. For the latter year, revenue from fees was \$190.00 less than anticipated, but dividends on \$8,000.00, deposited with Union Federal Savings and Loan Association was not budgeted and amounted to \$316.05.

There were no significant differences between budgeted and actual expenditures for the two years. Actual expenditures were \$15.18 less than budgeted expenditures for the year ended June 30, 1963, and \$2.92 less than budgeted expenditures for the year ended June 30, 1964. Budgeted expenditures for the two years totaled \$7,456.00 as compared to actual expenditures of \$7,446.90, a difference of \$18.10.

OPINION

I have examined the Statement of Financial Condition of the Nevada State Board of Examiners in the Basic Sciences as of June 30, 1964, and the related

(True Copy)

Statement of Budgeted Revenues and Expenditures Compared with Actual for the Years Ended June 30, 1963, and June 30, 1964. 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 Statement of Budgeted Revenues and Expenditures Compared With Actual present fairly the financial position of the Nevada State Board of Examiners in the Basic Sciences as of June 30, 1964, and the result of operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Sincerely,

/s/ Albert B. Cartledge

NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1964

ASSETS

Cash on Deposit in Banks	\$ 10,937.99	
Office Fixtures	<u>1.00</u>	\$ 10,938.99

LIABILITIES

None

--UNAPPROPRIATED SURPLUS\$ 10,938.99

Represented By:

Balance, July 1, 1962	\$ 9,764.69
-----------------------	-------------

Add: Excess of revenues over expenditures for the two years ended June 30, 1964	
--	--

Exhibit B	<u>1,174.30</u>
-----------	-----------------

Balance, June 30, 1964	<u>\$ 10,938.99</u>
------------------------	---------------------

NEVADA STATE BOARD OF EXAMINERS IN BASIC SCIENCES
STATEMENT OF BUDGETED REVENUES AND EXPENDITURES COMPARED WITH ACTUAL
FOR THE YEARS ENDED JUNE 30, 1963, and JUNE 30, 1964

	<u>JUNE 30, 1963</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
<u>REVENUES</u>			
Licenses and Fees	\$ 3,365.00	\$ 4,245.15	\$ 880.15
Dividends - On Deposit in Savings Account	-	-	-
	<u>\$ 3,365.00</u>	<u>\$ 4,245.15</u>	<u>\$ 880.15</u>
<u>EXPENDITURES</u>			
Salaries	\$ 2,600.00	\$ 2,600.00	\$ -
Travel - Out of State	255.00	-	255.00
Travel - In State	20.00	64.10	(44.10)
Dues	50.00	100.00	(50.00)
Rent	2.00	4.80	(2.80)
Postage	70.00	88.00	(18.00)
Printing	110.00	60.53	49.42
Telephone	10.00	-	10.00
Supplies	43.00	27.34	15.66
Contract Services	-	200.00	(200.00)
Bond Premium	5.00	5.00	-
	<u>\$ 3,165.00</u>	<u>\$ 3,149.82</u>	<u>\$ 15.18</u>
Excess of Revenues Over Expenditures	<u>\$ 200.00</u>	<u>\$ 1,095.33</u>	<u>\$ 895.33</u>

* * * * *

JUNE 30, 1964

<u>REVENUES</u>			
Licenses and Fees	\$ 4,250.00	\$ 4,060.00	\$ (190.00)
Dividends - On Deposit in Savings Account	-	316.05	316.05
	<u>\$ 4,250.00</u>	<u>\$ 4,376.05</u>	<u>\$ 126.05</u>
<u>EXPENDITURES</u>			
Salaries	\$ 3,512.50	\$ 3,512.50	\$ -
Travel - Out of State	285.00	272.35	12.65
Travel - In State	137.50	134.16	3.34
Dues	50.00	50.00	-
Rent	5.00	9.60	(4.60)
Postage	45.00	48.00	(3.00)
Printing	70.00	70.76	(.76)
Telephone	-	3.00	(3.00)
Supplies	40.00	41.71	(1.71)
Contract Services	150.00	150.00	-
Bond Premium	5.00	5.00	-
	<u>\$ 4,300.00</u>	<u>\$ 4,297.08</u>	<u>\$ 2.92</u>
Excess of Revenues Over Expenditures	<u>\$ (50.00)</u>	<u>\$ 78.97</u>	<u>\$ 128.97</u>

EXHIBIT B, continued.

	<u>TOGETHER</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
<u>REVENUES</u>			
Licenses and Fees	\$ 7,615.00	\$ 8,305.15	\$ 690.15
Dividends - On Deposit In Savings Account	-	316.05	316.05
	<u>\$ 7,615.00</u>	<u>\$ 8,621.20</u>	<u>\$ 1,006.20</u>
<u>EXPENDITURES</u>			
Salaries	\$ 6,112.50	\$ 6,112.50	\$ -
Travel - Out of State	540.00	272.35	267.65
Travel - In State	157.50	198.26	(40.76)
Dues	100.00	150.00	(50.00)
Rent	7.00	14.40	(7.40)
Postage	115.00	136.00	(21.00)
Printing	180.00	131.34	48.66
Telephone	10.00	3.00	7.00
Supplies	83.00	69.05	13.95
Contract Services	150.00	350.00	(200.00)
Bond Premium	10.00	10.00	-
	<u>\$ 7,465.00</u>	<u>\$ 7,446.90</u>	<u>\$ 18.10</u>
Excess of Revenues Over Expenditures	<u>\$ 150.00</u>	<u>\$ 1,174.30</u>	<u>\$ 1,024.30</u>

STATE OF NEVADA
BOARD OF CHIROPRACTIC EXAMINERS
JUNE 30, 1964

BLAIR & MERITHEW
PUBLIC ACCOUNTANTS
135 Elm Street - Phone FA 9-1171 - P. O. Box 1087
Reno, Nevada

BLAIR & MERITHEW
PUBLIC ACCOUNTANTS
135 Elm Street - Phone FA 9-1171 - P. O. Box 1087
Reno, Nevada

September 2, 1964

Nevada State Board of
Chiropractic Examiners
Reno, Nevada

Gentlemen:

In accordance with your instructions, an examination of your books and records was made for the fiscal year ended June 30, 1964, and a statement of receipts and disbursements follows:

Balance in Bank July 1, 1963 \$ 7,328.53

RECEIPTS:

Renewal Fees	\$6,233.50	
Examination & License Fees	255.00	
Miscellaneous Income	9.50	
Savings Account Interest	<u>191.99</u>	
Total Receipts		6,689.99
Total Cash & Receipts		<u>\$14,018.52</u>

DISBURSEMENTS:

Telephone & Telegraph	\$ 384.40	
Postage	184.00	
Stationery & Supplies	56.21	
Printing & Mimeographing	367.83	
Travel & Mileage	768.85	
Per Diem & Sub.-Board Members	1,494.85	
Legal Fees & Expenses	124.85	
Salaries	2,411.80	
Industrial Insurance	92.11	
Payroll Taxes	87.00	
Post Office Box Rent	4.40	
Bond	15.00	
Personal Property Taxes	3.50	
Equipment Repairs	45.15	
Auditing Fees, 2 years	425.00	
Delivery Service	5.00	
Room Rentals	35.93	
Service Charges	.46	
Dues	35.00	
Adding Machine Rental	<u>17.50</u>	
Total Disbursements		\$ 6,558.84
Cash in First National Bank		3,221.69
Cash in American Savings & Loan Assn.		4,237.99
Total Disbursements & Cash on Hand		<u>\$14,018.52</u>

All receipts shown were deposited as evidenced by bank statements, and receipted bills of accounts and vouchers were verified against the checks drawn and were found in order.

The book of account is informative and in our opinion, properly reflects your operations for the period July 1, 1963 through June 30, 1964.

Respectfully submitted,

BLAIR & MERITHEW

/s/ BY W. L. Merithew
W. L. Merithew

WLM:jb

STATE OF NEVADA
CONTRACTORS BOARD
AUDIT REPORT
JUNE 30, 1964

SEMENZA, KOTTINGER & McMULLEN
CERTIFIED PUBLIC ACCOUNTANTS
320 South Virginia Street
Post Office Box 30
Reno, Nevada

William B. Kottlinger
Joseph W. McMullen
James L. Murphy
John F. Rhodes
Robert J. Soms

John R. Sinkey

SEMENZA, KOTTINGER & MCMULLEN
Certified Public Accountants
320 South Virginia Street
Post Office Box 30
Reno, Nevada
89504

Telephone 323-6113

September 23, 1964

Members of the Contractors Board
State of Nevada
Reno, Nevada

Gentlemen:

Pursuant to your instructions, we have examined the accounts and records of the Nevada State Contractors Board for the period July 1, 1963 to June 30, 1964 and in connection therewith present the following exhibits:

Statement of Financial Condition,
June 30, 1964 - Exhibit A

Statement of Revenue and Expenditures,
for the fiscal year ended June 30,
1964 - Exhibit B

Functions of Agency

Chapter 624, Nevada Revised Statutes, established the State Contractors Board and defines its composition, duties and powers. NRS 624.040 created the Board and NRS 624.150 authorized its fund. The function of the Nevada State Contractors Board is to license and regulate contractors in the construction business who are soliciting or performing work within the State of Nevada.

Scope of Examination

General

We did not make a detailed examination of all recorded transactions however, our examination was made in accordance with generally accepted auditing standards and included such tests and analysis of accounting records and other supporting documents to the extent we deemed appropriate.

The books of account of this Board are maintained on a fiscal year basis and on a cash basis of accounting in accordance with the provisions of Section 1 of Article IX, Constitution of the State of Nevada.

Chapter 624 does not set forth the various key administrative functions of the Board, in particular with reference to the employment and compensation of the staff in addition to the secretary. Chapter 624 was amended during the 1963 legislative session and the Board is authorized to deposit funds in its possession in banks and savings and loan associations in the State of Nevada, to maintain offices in as many localities in the state as it finds necessary, to hire legal assistance, to engage the services of independent certified public accountants or public accountants, to license automobiles owned by the Board in the same manner as privately owned vehicles and to maintain the vehicles without any identifying insignia or label.

Internal Control Evaluation

In our opinion, methods and procedures followed in daily routine work processing have been adequate to produce an accurate recording of the transactions as they have occurred. All transactions have been recorded on a cash basis since July 1, 1961. We examined the methods of recording transactions and procedures attendant upon licensing activities, and we believe that the office is being operated efficiently. The records of the Board are properly safeguarded and methods are to be initiated for the permanent preservation of the records on film.

Efficiency of Subordinate Employees

We observed the staff members during the course of our examination and it appears to us that the efforts of the entire staff are well coordinated and the business of the office is being efficiently conducted.

Fidelity Bond and Casualty Insurance

An "Honesty Blanket Bond" was issued by Fidelity and Deposit Company of Maryland on May 1, 1964 for the period May 1, 1964 to May 1, 1967. The coverage is in the amount of \$10,000.00 to cover loss sustained by the Board through any fraudulent act or acts committed by any of the employees, acting alone or in collusion, during the bond period. The amount of the indemnity is not to exceed in the aggregate the amount of \$10,000.00 as stated in the policy.

Automobiles owned by the Board are covered by a Glens Falls Insurance Company policy expiring June 30, 1964 written in limits as follows:

Bodily Injury	\$100,000/\$300,000
Property damage	10,000
Medical	2,000
Comprehensive	Actual cash value

It was noted during the course of our examination that the above policy was renewed for another year and the annual premium paid on July 13, 1964.

The office furniture and fixtures are insured by a policy of Citizens Insurance Company of New Jersey expiring June 30, 1967. Fire and extended coverage is provided in the sum of \$16,000.00 with a 90% co-insurance clause.

Previous audit reports have suggested that the Board should seek a legal opinion on all insurance coverages in force in the light of state sovereignty. Attention is also called to the fact that the State Administrative Manual, Section 0901, states as follows: "The state board of finance places all insurance required by the State of Nevada upon its property." Recent amendments to Chapter 624, NRS have not clarified this area.

Leases

The Board has entered into a lease for the office premises located at 700 Ryland Avenue, Reno, Nevada. The lease is for a period of one year, commencing October 1, 1961, at a net rental of \$375.00 per month with an option for two more years at a rental of \$425.00 per month. The option was renewed in September 1963 for an additional two years. The Board has signed a lease for the office premises in Las Vegas located at 3141 Industrial Road, Las Vegas, Nevada. The lease is for a period of two years, commencing November 1, 1963, at a monthly rental of \$324.00.

Status and Condition of Funds

At the Board meeting of October 13-14, 1961, a resolution was adopted establishing an enforcement fund with a minimum balance of \$60,000.00. Expenditures from the fund shall not be made for budgeted items, but shall be for special and unusual enforcement problems as they arise. The fund is to be reviewed in January of each year by the Board. It shall be the policy of the Board to retain a minimum amount in the Enforcement Fund on January 1 of each year which shall be equal to the total expenditures of the preceding fiscal year. At the Board meeting of January 24-26, 1963, it was unanimously approved to increase the fund by the sum of \$10,000.00.

The following tabulation is presented for comparison of the actual receipts and expenditures for the fiscal year 1963-1964 with the Work Program for the fiscal year 1963-1964.

	Actual Fiscal Yr. <u>1963-1964</u>	Work Program Fiscal Yr. <u>1963-1964</u>	Over or Under Amounts <u>Authorized</u>
<u>Revenue</u>			
Renewals	\$ 90,630.00	\$ 72,000.00	\$18,630.00
New licenses and applications	51,565.00	37,500.00	14,165.00
Interest and miscellaneous	5,001.13	4,000.00	1,001.13
	<u>\$147,295.13</u>	<u>\$113,500.00</u>	<u>\$33,796.13</u>
<u>Expenditures</u>			
Salaries	71,752.13	\$ 63,750.00	\$ 8,002.13
Travel	10,548.98	15,000.00	(4,451.02)
Operating expense	42,236.49	29,500.00	12,736.49
Equipment	4,315.57	5,000.00	(684.43)
	<u>128,903.22</u>	<u>\$113,250.00</u>	<u>\$15,653.22</u>
Excess of revenue over expenditures	<u>\$ 18,392.91</u>		

Non-Compliance with Statutes

Our examination disclosed the following items, the legality of which should be determined by appropriate legal authority so that the Board may fully comply with the statutes:

1. Sales and use taxes paid - NRS 372.325 specifically exempts any agency of the State of Nevada from paying a sales tax. During the year under review, it was noted that sales tax was paid on various merchandise purchases by the Board.

2. Personnel - There does not appear to be any authority in the law for a state department to pay health and welfare insurance costs for its employees. The Board has been making such payments in connection with a health and welfare program covering its employees. It may have such authority under the recent amendments to Chapter 624, however, this and other areas commented on in the following paragraphs should be referred to legal counsel for an opinion.

3. The employees of the Board are not in classified service. NRS 284.140 and 284.150 indicate that the employees should be. However, in

view of the recent amendments to Chapter 624, NRS, legal counsel should determine whether it is permissible for the Board to exclude employees from the Public Employees Retirement System and in lieu thereof make payments under the Federal Insurance Contributions Act (commonly called Social Security Act) as the Board is presently doing in the same manner as private employers.

5. The tabulation in the "Status and Condition of Funds" section of this report shows expenditures in excess of the work program submitted. We did not find any approval of this work program or for a change in the work program during the year by the Director of the Budget. However, this is another area in which legal clarification is needed with respect to the necessity under Amended Chapter 624 for the Board to submit requests for changes of the work program to the Director of the Budget for approval. In view of the fact that the funds of the Board are not on deposit with the State Treasurer there seems to be some question whether or not the Board is required to obtain approval of changes in the work program from the Director of the Budget.

Statement of Financial Condition-Exhibit A

The funds available to the Board at June 30, 1964 are set forth in Exhibit A and totaled \$125,901.93. The various bank accounts were confirmed by direct correspondence with the depositories.

We have reflected the Enforcement Fund which has been provided for by resolution of your Board in the Surplus section of the Statement of Financial Condition.

You will note that Furniture and Office Equipment and Automobiles are reflected in the Statement of Financial Condition at the nominal value of \$1.00 each, which is the usual practice in statements of departments and agencies of the State of Nevada.

Changes in surplus for the period July 1, 1963 to June 30, 1964 are summarized as follows:

Balance, June 30, 1963	\$76,267.83
Add: Excess of revenues over expenditures for the fiscal year ended June 30, 1964	<u>18,392.91</u>
Balance, June 30, 1964	<u>\$94,660.74</u>
Appropriated as follows:	
Enforcement Fund	\$70,000.00
Unappropriated Surplus	<u>24,660.74</u>
	<u>\$94,660.74</u>

Statement of Revenues and Expenditures
Exhibit B

A comparison of revenues and expenditures for the fiscal years ended June 30, 1964 and June 30, 1963, is reflected in Exhibit B. The revenues for the fiscal year ended June 30, 1964 totaled \$147,296.13 as compared to revenues of \$126,025.99 for the previous fiscal year. Expenditures for normal operating costs totaled \$124,507.65 for the fiscal year ended June 30, 1964 as compared to \$105,660.45 for the prior year. Expenditures for fixed assets during the fiscal year ended June 30, 1964 amounted to \$4,315.57 as compared to \$7,521.58 for the preceding year. License renewal and applications fees remained at \$20.00 and \$30.00, respectively, for the fiscal year ended June 30, 1964. Therefore, the increase in revenues for the fiscal year ended June 30, 1964, as compared to those of the prior year is due primarily to an increase in new applicants and an increased number of renewals. The excess of revenues over expenditures for the fiscal year ended June 30, 1964 totaled \$18,392.91 as compared to the prior years excess of revenues over expenditures of \$12,043.96. An amendment to NRS 624 increased the contractors bond deposit from a minimum of \$500.00 and a maximum of \$1,000.00 during the fiscal year ended June 30, 1963 to a minimum of \$500.00 and a maximum of \$5,000.00 during the fiscal year ended June 30, 1964.

Opinion

We have examined the Statement of Financial Condition of the Nevada State Contractors Board as of June 30, 1964 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 under the circumstances.

In our opinion, subject to the comments contained in this report, the accompanying Statement of Financial Condition and Statement of Revenue and Expenditures present fairly, on a cash basis of accounting, the financial position of the Nevada State Contractors Board as of June 30, 1964, and the result of its operations for the year then ended, 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,

1st *L. M. ...*
E. J. Miller

NEVADA STATE CONTRACTORS BOARD
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1964

ASSETS

CURRENT ASSETS

Cash in banks

Security National Bank of Reno -
checking account \$ 5,898.82

Security National Bank of Reno -
Savings account #6278 1,328.77

First National Bank of Nevada -
Bond savings account #1555 20,344.97

First National Bank of Nevada -
Bond checking account 10,000.00

Reserve savings accounts

Union Federal Savings & Loan
Association #3043 \$10,219.64

First National Bank of Nevada
#6904 10,024.50

Nevada Bank of Commerce #2711 9,826.57

American Savings & Loan
Association #2994 9,914.57

Bank of Las Vegas #9296 3,478.53

Bank of Las Vegas #9297 5,797.35

Bank of Nevada #2-0859 11,496.12

Nevada State Bank #792 9,763.56

First National Bank of Ely #15408 8,726.04

Valley Bank of Nevada #166 9,082.49 88,329.37 \$125,901.93

FIXED ASSETS

Furniture and office equipment 1.00

Automobiles 1.00 2.00

OTHER ASSETS

Deposit on safety deposit key 2.08

\$125,906.01

LIABILITIES AND SURPLUS

CURRENT LIABILITIES

Accrued payroll taxes \$ 1,245.27

Cash bonds posted by licensees 30,000.00 \$ 31,245.27

SURPLUS

Balance, June 30, 1963 76,267.83

Add: Excess of revenues over expenditures for
the fiscal year ended June 30, 1964

(Exhibit B) 18,392.91 94,660.74

Allocated as follows:

Enforcement Fund, per resolution of
the Board October 13, 1961 \$70,000.00

Unappropriated Surplus 24,660.74

\$94,660.74

\$125,906.01

NEVADA STATE CONTRACTORS BOARD
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1964 AND JUNE 30, 1963

	FISCAL YEAR ENDED JUNE 30, 1964	FISCAL YEAR ENDED JUNE 30, 1963	INCREASE OR (DECREASE)
<u>REVENUES</u>			
License renewals	\$ 90,630.00	\$ 77,745.00	\$12,885.00
New licenses issued	19,445.00	18,605.00	840.00
Application fees	32,220.00	25,530.00	6,690.00
Interest income	3,595.50	2,690.23	905.27
Miscellaneous	1,405.63	1,455.76	(50.13)
	<u>\$147,296.13</u>	<u>\$126,025.99</u>	<u>\$21,270.14</u>
<u>EXPENDITURES</u>			
Board expense and travel	\$ 2,910.77	\$ 3,971.94	\$ (1,061.17)
Legal	3,335.00	2,964.02	370.98
Auditing	700.00	600.00	100.00
Office salaries	40,322.18	32,146.35	8,675.83
Investigator's salaries	30,930.00	28,153.00	2,777.00
Investigators per diem	4,146.06	4,928.12	(782.06)
Rent	9,240.00	6,575.00	2,665.00
Telephone and telegraph	2,323.93	2,552.91	271.02
Office supplies and printing	8,667.29	7,370.21	1,297.08
Postage and freight	5,759.94	4,183.36	1,576.58
Credit reports	3,638.52	2,234.69	1,453.83
FICA taxes	1,919.32	2,018.33	(98.95)
Industrial Insurance	585.56	596.65	(11.09)
Health and welfare insurance	2,457.00	1,916.40	540.60
Car expense	3,492.15	3,215.06	277.09
Miscellaneous	771.12	711.57	59.55
Equipment repair	137.35	141.17	(3.32)
Insurance	228.83	1,381.67	(1,152.84)
Las Vegas Office improvements	1,972.07		1,972.07
	<u>\$124,587.65</u>	<u>\$105,660.45</u>	<u>\$18,927.20</u>
Excess of revenue over operating expense (less purchase of fixed assets)	<u>\$ 22,708.48</u>	<u>\$ 20,365.54</u>	<u>\$ 2,342.94</u>
Purchase of fixed assets:			
Automobiles		\$ 2,500.00	
Office furniture	\$ 2,457.18	381.80	
Office equipment	1,858.39	4,639.78	
	<u>\$ 4,315.57</u>	<u>\$ 7,521.58</u>	<u>\$ (3,206.01)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 18,392.91</u>	<u>\$ 12,843.96</u>	<u>\$ 5,548.95</u>

STATE OF NEVADA
NEVADA STATE BOARD OF COSMETOLOGY

AUDIT REPORT

Fiscal Year ended June 30, 1964

MURLAND E. NEWBOLD
CERTIFIED PUBLIC ACCOUNTANT

October 2, 1964

Mrs. Bernice Randall
Nevada State Board of Cosmetology
948 Plumas Street
Reno, Nevada

Dear Mrs. Randall:

In accordance with the requirements of Section 218.770, Nevada Revised Statutes, I have made an examination of the accounts and records of Nevada State Board of Cosmetology for the fiscal year ended on June 30, 1964, and have prepared therefrom the following exhibits and related schedules:

Balance Sheet as of June 30, 1964	Exhibit A
Statement of Cash Receipts and Disbursements and Fund Balances-July 1, 1963 to June 30, 1964	Exhibit B
Statement of Budgeted Revenues and Expenditures Compared to Actual-July 1, 1963 to June 30, 1964	Exhibit C
Bank Reconciliation as of June 30, 1964	Schedule 1

FUNCTION OF AGENCY

The function of the Nevada State Board of Cosmetology is to administer the provisions of Chapter 644 of the Nevada Revised Statutes pertaining to licensing and regulation of hairdressers, cosmeticians, electroligists 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 check was made on these items to assure that all have been properly accounted for and entered. All checks and bank statements were examined and spot check was made of endorsements on items where no invoices were available for audit.

Internal Control Valuation

The internal control as to receiving and depositing cash receipts is not good in as much as the operations is small and most of the clerical work in regards to this matter is done by one person.

Books and Records

The books and records are comprised of a single entry cash receipts book and a disbursements book that allows for a distribution to the various classified expense accounts.

Status and Conditions of Fund

The fund has a good cash balance on hand in the amount of \$21,308.91 on June 30, 1964, which is an increase over the balance on hand as of June 30, 1963, in the amount of \$5,103.16. Outstanding bills were in the amount of \$994.95.

(True Copy)

Possible Non-Compliance

The amount expended has not been kept in line with the amount budgeted. The amount budgeted was in the amount of \$18,655.00, whereas the amount actually expended was in the amount of \$21,793.80, or there was a difference over expended in the amount of \$3,138.80.

The employees of the board are not covered under the State Retirement System as required by law.

Suggested Changes and Recommendations

It is suggested that two more columns be added to the cash disbursements journal for the amount of check issued and for the amount of withheld taxes deducted from the payroll.

It is suggested that steps be taken to put the employees under the State Retirement System as required by law.

It is suggested that a new filing system recording licenses, etc., should be installed.

It is suggested that certain sections of the law pertaining to the board be changed so that there will be no conflict with the general law. There are some points in law that should be changed clarify questions regarding travel, hiring of personnel, salary rates, setting up of change funds, etc.

It is suggested that the funds be transferred to the State Treasury as required by section 353.250 of Nevada General Law.

It is suggested that the withholding taxes be paid each month as required by law.

Suggested Changes and Recommendations Adhered To:

Some steps have been taken to change the filing system mentioned above.

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, 1964.

Statement of Cash Receipts and Disbursements

Nevada State Board of Cosmetology

Exhibit B

This statement shows the actual cash receipts received and deposited in the bank during the period. It also shows classified disbursements in the period.

Statement of Budgeted Revenues and Expenditures

Nevada State Board of Cosmetology

Exhibit C

This statement shows that \$3,138.80 was expended more than was budgeted.

Bank Reconciliation

Nevada State Board of Cosmetology

Schedule 1

This statement shows the reconciliation of the bank statement with the balance as reflected by the books.

Opinion

I have examined the financial condition of the Nevada State Board of Cosmetology as of June 30, 1964, and the related statement of revenues 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 balance sheet together with other exhibits and schedules reflect a sound financial condition and a true reflection of the operations of the Nevada State Board of Cosmetology for the year ended on June 30, 1964.

/s/ Murland E. Newbold
Murland E. Newbold
Certified Public Accountant

Reno, Nevada
October 2, 1964

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit A

Balance Sheet
June 30, 1964

Assets

Cash in Bank
Equipment

\$21,308.91

1.00

\$21,309.91

Liabilities

Accounts Payable
Fund Equity

\$ 994.95

20,314.96

\$21,309.91

Statement of Cash Receipts & Disbursements
And Fund Balances
July 1, 1963 to June 30, 1964

Balance of Cash in Bank July 1, 1963 \$16,205.75

Cash Receipts

Renewal Fees	\$13,135.00	
Reciprocity Fees	6,885.00	
Delinquent Fees	2,718.00	
Back Fees	233.00	
Examination Fees	2,785.00	
Education Permits	158.00	
New Shops	730.00	
Overpayments	53.00	
Miscellaneous	199.96	26,896.96

Total Available \$43,102.71

Cash Disbursements

Salaries	\$12,455.00	
Office Rent	800.00	
Printing	1,183.19	
Telephone	1,575.20	
Supplies	307.49	
Postage and Freight	344.90	
Travel	2,748.72	
Refunds	140.25	
Rentals for Examinations	411.50	
Legal Services	390.76	
Industrial Insurance	83.16	
Accounting	210.00	
Bond Premium	10.00	
Dues and Fees	159.50	
Moving	32.00	
Repairs	44.91	
Other Labor	70.00	
New Equipment	192.21	
Detective Service	534.27	
Miscellaneous	100.74	\$21,793.80

Cash in Bank, June 30, 1964 \$21,308.91

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit C

Statement of Budgeted Revenues and Expenditures
Compared to Actual for Year
July 1, 1963 to June 30, 1964

	<u>Budgeted</u>	<u>Actual</u>
Salaries	\$11,720.00	\$12,455.00
Travel	3,350.00	2,748.72
Operating	3,385.00	6,397.87
Equipment	<u>200.00</u>	<u>192.21</u>
	<u>\$18,655.00</u>	<u>\$21,793.80</u>

Nevada State Board of Cosmetology
Reno, Nevada

Schedule 1

Bank Reconciliation
June 30, 1964

Balance as per statement			\$22,664.49
Less outstanding Checks:	3139	\$ 15.28	
	3231	10.00	
	3232	25.00	
	3244	270.90	
	3245	133.30	
	3246	20.00	
	3247	166.20	
	3248	62.50	
	3249	15.00	
	3250	258.00	
	3276	19.80	
	3278	<u>359.60</u>	
			<u>1,355.58</u>
Balance as per Books June 30, 1964,			<u>\$21,308.91</u>

STATE OF NEVADA
DAIRY COMMISSION

AUDIT REPORT

June 30, 1964

CARLOS B. BROWN
CERTIFIED PUBLIC ACCOUNTANT
421 Court Street
Post Office Box 1708
Reno, Nevada

CARLOS B. BROWN
Certified Public Accountant

421 Court Street
Post Office Box 1708
Reno, Nevada
Fairview 3-8681

November 10, 1964

State of Nevada Dairy Commission
830 Ryland Street
Reno, Nevada

Gentlemen:

We have examined the statement of cash receipts and disbursements together with the comparative statement of budgeted and actual disbursements and the comparative statement of budgeted and actual equipment purchases of the State of Nevada Dairy Commission for the fiscal year ended June 30, 1964. 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 cash receipts and disbursements, comparative statement of budgeted and actual disbursements, and comparative statement of budgeted and actual equipment purchases present fairly the cash transactions of the State of Nevada Dairy Commission for the fiscal year ended June 30, 1964, on a basis consistent with that of the preceding year.

Yours very truly,

/s/ *Carlos B. Brown*
Certified Public Accountant

STATE OF NEVADA DAIRY COMMISSION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

Cash on deposit with the Nevada State Treasurer,
 July 1, 1963

\$ 45,709.02

Receipts: (Note 1)

Assessments for:

Fluid milk	\$55,556.06
Ice cream	36,522.96
Cottage cheese	6,783.88
Butter	15,570.23
Other	<u>444.05</u>

Total assessments

\$114,877.18

Licenses

381.00

Penalties for late payment

279.13

Fines for violations

500.00

Miscellaneous reimbursements

123.75

Refund from the State Treasurer for
 unused personnel assessment for
 the year 1962-1963

80.00

Total Receipts

116,241.06

Total

\$161,950.08

Disbursements: (Note 2)

Salaries and payroll costs	(Schedule 1)	72,272.98
Out-of-state travel	(Schedule 1)	2,134.99
In-state travel	(Schedule 1)	6,448.95
Operating	(Schedule 1)	22,011.77
Equipment	(Schedule 2)	<u>4,178.68</u>

Total disbursements (Note 3)

107,047.37

Cash on deposit with the Nevada State Treasurer,
 June 30, 1964 (Note 4)

\$ 54,902.71

STATE OF NEVADA DAIRY COMMISSION
FOOTNOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

NOTE 1

On September 29, 1964, the Dairy Commission was notified by the State Controller that \$80.00, representing a refund for unused personnel assessment for the year 1963-64, was entered as a transfer to the Dairy Commission Fund for the fiscal year ended June 30, 1964.

NOTE 2

One voucher, in the amount of \$57.20, was presented to the State Controller's office for payment from the Dairy Commission Fund for the fiscal year ended June 30, 1964. The payment was made July 25, 1964, from the Dairy Commission Fund for the year ended June 30, 1965.

NOTE 3

The State of Nevada does not operate its funds on a strict cash basis. The fund remains open for a period of days after the close of the fiscal year at June 30th, in order to allow the various state agencies to record vouchers for expenditures on this modified cash basis. The period of days allowed runs from July 1st through August 15th. Vouchers paid during this period, and reflected in the attached statements, amounted to \$4,225.76, and consisted of the following:

Salaries and payroll costs	\$3,603.96
Out of state travel	15.80
In state travel	251.11
Operating	354.89
Total	<u>\$4,225.76</u>

NOTE 4

The reconciliation of the Dairy Commission records to the records of the State Controller as follows:

Balance per Dairy Commission records, June 30, 1964	\$54,902.71
Add: State Controller's transfer of funds reported September 29, 1964	80.00
State Controller's payment of 1963-64 voucher on July 25, 1964, from 1964-65 funds	<u>57.20</u>
Balance per State Controller's records June 30, 1964	<u>\$55,039.91</u>

STATE OF NEVADA DAIRY COMMISSION
COMPARATIVE STATEMENT OF BUDGETED AND ACTUAL DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

	<u>BUDGETED</u> <u>DISBURSEMENTS</u>	<u>ACTUAL</u> <u>DISBURSEMENTS</u>	<u>BUDGETED</u> <u>DISBURSEMENTS</u> <u>OVER OR (SHORT)</u> <u>ACTUAL</u> <u>DISBURSEMENTS</u>
Salaries and payroll costs:			
Personnel salaries	\$64,052.00	\$65,892.89	(\$1,840.89)
Commission member salaries	2,400.00	1,600.00	800.00
Industrial insurance	445.00	430.28	14.72
Retirement	3,600.00	3,766.81	(166.81)
Personnel assessment	450.00	400.00	50.00
Group Insurance	324.00	183.00	141.00
Total salaries and payroll costs disbursements	<u>\$71,271.00</u>	<u>\$72,272.98</u>	<u>(\$1,001.98)</u>
Out of state travel disbursements	<u>\$ 5,000.00</u>	<u>\$ 2,134.99</u>	<u>\$2,865.01</u>
In state travel disbursements	<u>\$ 9,000.00</u>	<u>\$ 6,448.95</u>	<u>\$2,551.05</u>
Operating:			
Office supplies	\$ 2,000.00	\$ 1,357.92	\$ 642.08
Postage and freight	800.00	604.61	195.39
Telephone rental	1,120.00	1,103.64	16.36
Telephone tolls and telegraph	2,000.00	803.77	1,196.23
Printing operational	900.00	350.23	549.77
Subscriptions and reference manuals	50.00	61.00	(11.00)
Dues and registrations	150.00	105.00	45.00
Bond and insurance premiums	150.00	320.84	(170.84)
Contract services			
Accountant	1,000.00	1,730.00	(730.00)
Court reporting	300.00		300.00
Other professional	100.00		100.00
Attorney general services	9,000.00	9,000.00	
Office equipment repair	450.00	406.44	43.56
Equipment rental	100.00	84.24	15.76
Building space rental	4,800.00	4,800.00	
Building hall rental-public hearings	200.00	75.00	125.00
Heat	400.00	256.86	143.14
Power	150.00	130.16	19.84
Water	75.00	126.36	(51.36)
Other Utilities	25.00	24.00	1.00
Building maintenance	480.00	480.00	
Advertising	200.00	159.70	40.30
Miscellaneous	125.00	32.00	93.00
Total operating disbursements	<u>\$24,575.00</u>	<u>\$22,011.77</u>	<u>\$2,563.23</u>

STATE OF NEVADA DAIRY COMMISSION
COMPARATIVE STATEMENT OF BUDGETED AND
ACTUAL EQUIPMENT PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

	<u>BUDGETED EQUIPMENT PURCHASES</u>	<u>ACTUAL EQUIPMENT PURCHASES</u>	<u>BUDGETED EQUIPMENT PURCHASES OVER OR (SHORT) ACTUAL EQUIP- MENT PURCHASES</u>
Office Furniture			
File cabinet	\$ 146.00		\$ 146.00
Two desks		\$ 334.14	(334.14)
One chair		62.15	(62.15)
One chair		82.64	(82.64)
Total office furniture	<u>\$ 146.00</u>	<u>\$ 478.93</u>	<u>\$ (332.93)</u>
Office Equipment			
One printing calculator budgeted/ Four SCM Corporation printing calculators	\$ 600.00	\$3,330.00	(\$2,730.00)
Photographic equipment	250.00		250.00
Total office equipment	<u>\$ 850.00</u>	<u>\$3,330.00</u>	<u>(\$2,480.00)</u>
Other furniture and equipment			
Miscellaneous	\$ 100.00		\$ 100.00
One office counter with a gate		\$ 240.35	(240.35)
One office cabinet		129.40	(129.40)
Total other furniture and equipment	<u>\$ 100.00</u>	<u>\$ 369.75</u>	<u>\$ (269.75)</u>
Total equipment purchases	<u>\$1,096.00</u>	<u>\$4,178.68</u>	<u>(\$3,082.68)</u>

STATE OF NEVADA

BOARD OF DENTAL EXAMINERS

JUNE 30, 1964

FRANK AND MARGERUM
CERTIFIED PUBLIC ACCOUNTANTS
RENO, NEVADA

FRANK AND MARGERUM
Certified Public Accountants
35 Stewart Street
Reno, Nevada

September 1, 1964

Nevada State Board of Dental Examiners
Reno, Nevada

Gentlemen:

We have examined the Statement of Financial Condition of the Nevada State Board of Dental Examiners as of June 30, 1964, 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 Revenues and Expenditures present fairly the position of the Nevada State Board of Dental Examiners as of June 30, 1964, and the results of its operation for the year then ended, on a cash basis, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Very truly yours,

FRANK & MARGERUM

181 *Frank & Margerum*

NEVADA STATE BOARD OF DENTAL EXAMINERS
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1964

ASSETS

CASH

Cash on Deposit - Nevada Bank of Commerce \$10,933.34

PROPERTY

Office Equipment 1.00
\$10,934.34

LIABILITIES AND SURPLUS

SURPLUS

\$10,934.34

NEVADA STATE BOARD OF DENTAL EXAMINERS
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

REVENUES

License Fees - Dentists	\$4,915.00	
License Fees - Hygienists	450.00	
Examination Fees - Dentists	3,600.00	
Examination Fees - Hygienists	150.00	
Reimbursements-Nevada State Dental Society	1,361.84	
Miscellaneous	<u>5.00</u>	
Total Revenues		\$10,481.84

EXPENDITURES

Salaries		\$1,530.00	
Travel:			
In-State	\$ 144.22		
Out-of-State	<u>1,847.84</u>		
Total Travel		1,992.06	
Operating:			
Dues & Subscriptions	\$ 107.50		
Examination Expense	933.21		
Industrial Insurance	20.57		
Lab Fees and X-Rays	323.95		
Legal and Accounting	3,139.94		
Postage	50.00		
Post Office Box Rental	24.00		
Printing	419.25		
Rent	700.00		
Stationery and Office Supplies	244.07		
Telephone and Telegraph	<u>282.19</u>		
Total Operating		<u>6,244.68</u>	
Total Expenditures			<u>9,766.74</u>
Excess of Revenue Over Expenditures			\$ <u>715.10</u>

Cash Balance - July 1, 1963	<u>10,218.24</u>
Cash Balance - June 30, 1964	<u><u>\$10,933.34</u></u>

STATE OF NEVADA
BOARD OF DISPENSING OPTICIANS
JUNE 30, 1964

HEPPNER & McCOMBS
CERTIFIED PUBLIC ACCOUNTANTS

Vernon C. Heppner, CPA
Robert P. McCombs, CPA

HEPPNER & McCOMBS
CERTIFIED PUBLIC ACCOUNTANTS
Security National Bank Building
180 West First Street
Reno, Nevada

Telephone
329-3428

September 21, 1964

Nevada State Board of
Dispensing Opticians
134 South Fourth Street
Las Vegas, Nevada

Gentlemen:

We have examined the balance sheet of Nevada State Board of Dispensing Opticians as of June 30, 1964, and the related statement 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 balance sheet and related statement of revenue and expenditures present fairly the financial position of Nevada State Board of Dispensing Opticians at June 30, 1964, and the results of operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,

1st Heppner & McCombs

NEVADA STATE BOARD OF DISPENSING OPTICIANS
BALANCE SHEET
JUNE 30, 1964

ASSETS

CURRENT ASSETS

Cash		<u>\$2,248.96</u>
		<u>\$2,248.96</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable		\$ 150.30
------------------	--	-----------

FUND EQUITY

Balance, July 1, 1963	\$2,177.55	
Less prior period adjustment	<u>120.60</u>	
	\$2,056.95	
Add excess of revenue over expenditures for the year ended June 30, 1964 (Exhibit B)	<u>41.71</u>	
Balance, June 30, 1964		<u>\$2,098.66</u>
		<u>\$2,248.96</u>

NEVADA STATE BOARD OF DISPENSING OPTICIANS
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1964

	FOR THE YEAR ENDED JUNE 30, 1964	
	<u>Budgeted</u>	<u>Actual</u>
<u>REVENUE</u>		
License renewals	\$365.00	\$315.00
Examination Fees		100.00
Interest		78.90
Total revenue	<u>\$365.00</u>	<u>\$493.90</u>
<u>EXPENDITURES</u>		
Salaries	\$ 50.00	
Travel	200.00	167.45
Operating expense	75.00	184.74
Auditing		100.00
Total expenditures	<u>\$325.00</u>	<u>\$452.19</u>
Excess of revenue over expenditures	<u>\$ 40.00</u>	<u>\$ 41.71</u>

STATE OF NEVADA

BOARD OF FUNERAL DIRECTORS AND EMBALMERS

JUNE 30, 1964

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Sam P. Kafoury
Ray E. Armstrong
Lowell C. Bernard
Leroy R. Bergstrom

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Telephone
Fairview 2-9471

August 5, 1964

Nevada State Board of Funeral
Directors and Embalmers
P.O. Box 2407
Reno, Nevada

Gentlemen:

Pursuant to your request, we have audited the accounts and records of the Nevada State Board of Funeral Directors and Embalmers for the fiscal year ended June 30, 1964. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and analyses of the accounting records as we considered necessary under the circumstances.

All receipts appear to have been properly accounted for. All disbursements were made with the approval of the Board's secretary, and the amounts paid were supported by adequate evidences of indebtedness.

Attached hereto and forming a part of this report are the following exhibits which present the cash receipts and disbursements for the fiscal year ended June 30, 1964:

Exhibit A - Statement of Receipts and Disbursements.

Exhibit B - Statement of Receipts and Disbursements As
Compared to Legislative Intent.

In our opinion, the accompanying statements present fairly the receipts and disbursements of the Nevada State Board of Funeral Directors and Embalmers for the fiscal year ended June 30, 1964 on a basis consistent with that of the preceding year.

Respectfully submitted,

181 *Sam P. Kafoury, Ray E. Armstrong, & Lowell C. Bernard*
PUBLIC ACCOUNTANTS

NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 1964

RECEIPTS:

Embalmers License Fees	\$1,230.00
Apprentice License Fees	40.00
Examination Fees	375.00
Rebate - Nevada Industrial Commission	<u>10.39</u>

Total Receipts

\$1,655.39
DISBURSEMENTS:

Salary	\$ 640.00
Travel and Room Allowance	317.65

Operating Expenses:

Meeting Expense	\$32.94	
Examination Grading	9.25	
Treasurer's Bond Premium	10.00	
Industrial Insurance	74.25	
Office Supplies	65.75	
Printing	60.95	
State Dues	50.00	
Telephone	43.67	
Accounting	75.00	
Refund of Examination Fee	75.00	
Office Equipment	<u>62.37</u>	<u>559.18</u>

Total Disbursements

1,516.83

Excess of Receipts over Disbursements

\$ 138.56

Cash Balance, July 1, 1963

3,716.94

Cash Balance, June 30, 1964

\$3,855.50
REPRESENTED BY:

First National Bank of Nevada, First and
Virginia Branch, Reno, Nevada -
Checking Account

\$3,855.50

NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS AS
COMPARED TO LEGISLATIVE INTENT
FOR FISCAL YEAR ENDED JUNE 30, 1964

	<u>LEGISLATIVE INTENT</u>	<u>ACTUAL</u>	<u>OVER OR (UNDER) INTENT</u>
CASH BALANCE, July 1, 1963		\$3,716.94	
<u>RECEIPTS:</u>			
Embalmer's License Fees		\$1,230.00	
Apprentice License Fees		40.00	
Examination Fees		375.00	
Rebate - Nevada Industrial Commission		<u>10.39</u>	
Total Receipts	<u>\$1,835.00</u>	<u>\$1,655.39</u>	<u>\$(179.61)</u>
Total Funds Available		<u>\$5,372.33</u>	
<u>DISBURSEMENTS:</u>			
Salaries	\$ 655.00	\$ 640.00	\$ (15.00)
Travel	760.00	317.65	(442.35)
Operating Expenses	<u>420.00</u>	<u>559.13</u>	<u>139.18</u>
Total Disbursements	<u>\$1,835.00</u>	<u>\$1,516.83</u>	<u>\$(318.17)</u>
CASH BALANCE, June 30, 1964		<u>\$3,855.50</u>	

STATE OF NEVADA

NEVADA LIQUEFIED PETROLEUM GAS BOARD

FISCAL YEARS ENDED JUNE 30, 1963 and 1964

CHANSLOR, BARBIERI & DeWHITT
CERTIFIED PUBLIC ACCOUNTANTS
Professional Building
Reno, Nevada

Leroy H. Chanslor, CPA
Alfred Barbieri, CPA
W. Elmo DeWhitt, CPA
- - - - -

Richard R. Kearney, CPA
Edward W. Montesa, CPA

CHANSLOR, BARBIERI & DeWHITT
CERTIFIED PUBLIC ACCOUNTANTS
Professional Building
Reno, Nevada
Telephone FAirview 2-3467

Members American
Institute of
Certified Public
Accountants-Nevada
Society of Certified
Public Accountants

Board of Directors
Nevada Liquefied Petroleum Gas Board
211 E. 4th Street
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada Liquefied Petroleum Gas Board for the fiscal years ended June 30, 1963 and 1964, and have prepared therefrom the following exhibits:

Statement of Cash Receipts and Dis-
bursements - For the Fiscal Year
Ended June 30, 1963 Exhibit A.

Statement of Budgeted Expenditures
Compared to Actual - For the
Fiscal Year ended June 30, 1963 Exhibit B.

Statement of Cash Receipts and
Disbursements - For the Fiscal
Year Ended June 30, 1964 Exhibit C.

Statement of Budgeted Expenditures
Compared to Actual - For the
Fiscal Year Ended June 30, 1964 Exhibit D.

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.

Opinion

We have examined the statements of cash receipts and disbursements of the Nevada Liquefied Petroleum Gas Board for the fiscal years ended June 30, 1963 and 1964. 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 statements of cash receipts and disbursements present fairly the cash transactions of the Nevada Liquefied Petroleum Gas Board for the fiscal years ended June 30, 1963 and 1964.

1st Hansen, Hansen & Co.
Hansen
Certified Public Accountants

July 9, 1964
Carson City, Nevada

NEVADA LIQUEFIED PETROLEUM GAS BOARDSTATEMENT OF CASH RECEIPTS AND DISBURSEMENTSFOR THE YEAR ENDED JUNE 30, 1963RECEIPTS

License Fees	\$ 14,195.00
Pamphlet Sales	18.75
Travel Expense Refund	142.60
Refunds	33.27
Total Receipts	<u>\$ 14,389.62</u>

DISBURSEMENTS

Salaries	
Inspector	\$ 6,000.00
Executive Secretary	2,340.00
Retirement Expense	278.20
Industrial Insurance	218.41
Travel Expense - In State	4,134.44
Miscellaneous Expense	100.27
Postage	82.20
Supplies	481.88
Telephone and Telegraph	248.73
Equipment - Typewriter	221.95
Refunds - License Fees	620.00
	<u>\$ 14,726.08</u>

Less - Employees' Payroll Tax Deductions

Paid in July, 1963 348.85Total Cash Disbursements 14,377.23

Excess Cash Receipts Over Cash Disbursements 12.39

Cash Balance - June 30, 1962 6,855.22Cash Balance - June 30, 1963 \$ 6,867.61

Represented by:

Cash in Bank - First National Bank, Carson City Branch,
Carson City, Nevada\$ 6,867.61

NEVADA LIQUEFIED PETROLEUM GAS BOARDSTATEMENT OF BUDGETED EXPENDITURES COMPARED TO ACTUALFOR THE FISCAL YEAR ENDED JUNE 30, 1963

	<u>BUDGETED</u>	<u>ACTUAL</u>	(OVER) OR UNDER <u>BUDGET</u>
<u>DISBURSEMENTS</u>			
Salaries			
Inspector	\$ 6,000.00	\$ 6,000.00	
Executive Secretary	2,340.00	2,340.00	
Retirement Expense	350.00	278.20	\$ 71.80
Industrial Insurance	80.00	218.41	(138.41)
Travel Expense - In State (Note 1)	4,000.00	4,134.44	(134.44)
Operating Expenses			
Miscellaneous Expense		100.27	
Postage		82.20	
Supplies		481.83	
Telephone and Telegraph		248.73	
Total Operating Expenses	1,770.00	913.08	856.92
Equipment	660.00	221.95	438.05
Totals	<u>\$ 15,200.00</u>	<u>\$ 14,106.08</u>	<u>\$ 1,093.92</u>

Note 1: Travel expenses were reimbursed by receipts of \$142.60.

NEVADA LIQUEFIED PETROLEUM GAS BOARD
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 1964

RECEIPTS

License Fees	\$ 12,195.00
Pamphlet Sales	28.50
Refunds	30.02
Total Receipts	<u>\$ 12,253.52</u>

DISBURSEMENTS

Salaries	
Inspector	\$ 6,250.00
Executive Secretary	2,250.00
Retirement Expense	374.21
Industrial Insurance	152.58
Travel Expense - In State	4,044.80
Miscellaneous Expense	195.67
Postage	90.00
Supplies	255.78
Telephone and Telegraph	266.53
	<u>\$ 13,879.57</u>

Prior Fiscal Year's Payroll Tax	
Deductions Paid This Year	348.85
	<u>\$ 14,228.42</u>

Less - Employees' Payroll Tax Deductions	
Paid in July, 1964	302.17
Total Cash Disbursements	<u>13,926.25</u>
Excess Cash Disbursements over	
Cash Receipts	1,672.73
Cash Balance - June 30, 1963	6,867.61
Cash Balance - June 30, 1964	<u><u>\$ 5,194.88</u></u>

Represented By:

Cash in Bank - First National Bank, Carson City Branch,
Carson City, Nevada

NEVADA LIQUEFIED PETROLEUM GAS BOARDSTATEMENT OF BUDGETED EXPENDITURES COMPARED TO ACTUALFOR THE FISCAL YEAR ENDED JUNE 30, 1964

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>(OVER) OR UNDER BUDGET</u>
<u>DISBURSEMENTS</u>			
Salaries			
Inspector	\$ 6,000.00	\$ 6,250.00	\$ (250.00)
Executive Secretary	2,340.00	2,250.00	90.00
Retirement Expense	350.00	374.21	(24.21)
Industrial Insurance	80.00	152.58	(72.58)
Travel Expense - In State	4,000.00	4,044.80	(44.80)
Operating Expenses			
Miscellaneous Expense		195.67	
Postage		90.00	
Supplies		255.78	
Telephone and Telegraph		266.53	
Total Operating Expenses	1,770.00	807.98	962.02
Equipment	660.00		660.00
Totals	<u>\$ 15,200.00</u>	<u>\$ 13,879.57</u>	<u>\$1,320.43</u>

STATE OF NEVADA
BOARD OF MEDICAL EXAMINERS

JUNE 30, 1964

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Sam P. Kafoury
Ray E. Armstrong
Lowell C. Bernard
Leroy R. Bergstrom

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Telephone
FAirview 2-9471

August 28, 1964

Nevada State Board of Medical Examiners
3660 Baker Lane
Reno, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada State Board of Medical Examiners for the year ended June 30, 1964. Our examination was made in accordance with generally accepted auditing standards and included such tests and analyses as we deemed necessary in the circumstances.

From the results of our examination, we have prepared the following exhibits:

Exhibit A - Statement of Revenues and Expenditures
and Budget Comparison, For the Year
Ended June 30, 1964.

Exhibit B - Statement of Financial Condition,
June 30, 1964.

During the year under review, the accounts classifications of the Board's records were modified to correspond with its budgeted appropriations.

In our opinion, the attached exhibits present fairly on a cash basis the results of the operations of the Nevada State Board of Medical Examiners for the year ended June 30, 1964 and its financial condition at that date, in accordance with generally accepted accounting principles consistently applied.

Respectfully submitted,
/s/ *Kafoury, Armstrong & Bernard*
PUBLIC ACCOUNTANTS
(True Copy)

NEVADA STATE BOARD OF MEDICAL EXAMINERS
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1964

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>OVER OR (UNDER) BUDGET</u>
<u>REVENUES:</u>			
Annual Registration Fees	\$ 6,400.00	\$ 6,360.00	\$ (40.00)
Permits and Endorsements	600.00	755.00	155.00
Reciprocity Fees	11,000.00	11,600.00	600.00
Examination Fees	300.00	400.00	100.00
Reinstatement Fees	50.00	20.00	(30.00)
Interest and Miscellaneous	670.00	825.17	155.17
Totals	<u>\$19,020.00</u>	<u>\$19,960.17</u>	<u>\$ 940.17</u>
<u>EXPENDITURES:</u>			
Board Salaries	\$ 1,500.00	\$ 1,575.00	\$ 75.00
Clerical Salaries	6,000.00	4,266.70	(1,733.30)
<u>Out-of-State Travel:</u>			
Transportation	1,680.00	1,210.36	(469.64)
Per Diem	700.00	666.01	(33.99)
<u>In-State Travel:</u>			
Transportation	640.00	725.20	85.20
Per Diem	525.00	523.13	(1.87)
Industrial Insurance	200.00	122.07	(77.93)
Buildings and Equipment Rental	2,500.00	2,400.00	(100.00)
Freight and Postage	100.00	345.47	245.47
Printing - Annual Register	300.00	250.00	(50.00)
Printing - Miscellaneous	50.00	116.71	66.71
Printing - Other Forms	300.00	435.39	135.39
Office Supplies and Expenses	250.00	204.80	(45.20)
Telephone - Service Fees	360.00	230.56	(129.44)
Telephone - Tolls	200.00	218.45	18.45
Insurance and Bonding	280.00	325.64	45.64
Legal Service	1,200.00	1,350.00	150.00
Audit and Accounting	900.00	850.00	(50.00)
Meeting Expense	200.00	54.78	(145.22)
Convention Registration and Dues	250.00	200.00	(50.00)
Annuity and Retirement	1,300.00	1,369.81	69.81
Investigation Expense	500.00	-	(500.00)
Miscellaneous	200.00	35.84	(164.16)
Capital Outlay	750.00	1,272.81	522.81
Totals	<u>\$20,885.00</u>	<u>\$18,748.73</u>	<u>\$ (2,136.27)</u>
Excess of Revenues			
Over Expenditures		1,211.44	
Cash Balance, July 1, 1963		26,374.19	
Cash Balance, June 30, 1964		<u>\$27,585.63</u>	

NEVADA STATE BOARD OF MEDICAL EXAMINERS
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1964

REPRESENTED BY:

Commercial Account:

Security National Bank of Nevada,
Reno, Nevada \$ 1,859.90

Savings Accounts:

First National Bank of Nevada, Keystone
Branch, Reno, Nevada 3,410.22

Nevada Bank of Commerce, Reno Branch,
Reno, Nevada 5,383.47

Union Federal Savings and Loan Association,
Reno, Nevada 7,112.03

American Savings and Loan Association,
Reno, Nevada 5,283.26

Frontier Fidelity Savings and Loan Association,
Las Vegas, Nevada 4,573.55 \$27,622.43

Less: Funds Held in Trust, Employees'
Withholding

36.80

\$27,585.63

NEVADA STATE BOARD OF MEDICAL EXAMINERS
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1964

ASSETS

CURRENT ASSETS:

Cash in Banks:

Commercial Account, Security National Bank	\$ 1,859.90
Savings Account, First National Bank of Nevada	\$3,410.22
Savings Account, Nevada Bank of Commerce	5,383.47
Union Federal Savings and Loan Association	7,112.03
American Savings and Loan Association	5,283.26
Frontier Fidelity Savings and Loan Association	<u>4,573.55</u>
	<u>25,762.53</u>

Total Current Assets \$27,622.43

FIXED ASSETS (Nominal Value Only) 1.00

Total Assets \$27,623.43

LIABILITIES AND SURPLUS

CURRENT LIABILITIES:

Employees Withholding Taxes	\$ 36.80
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SURPLUS:

Legal Reserve	\$15,000.00
Unappropriated Surplus	<u>12,586.63</u>

Total Surplus 27,586.63

Total Liabilities and Surplus \$27,623.43

STATE OF NEVADA
STATE BOARD OF NURSING

JUNE 30, 1964

A. N. JACOBSON
PUBLIC ACCOUNTANT
VIRGINIA CITY, NEVADA

August 10, 1964

State Board of Nursing
c/o Mrs. Della Fitzgerald,
P.O. Box 1334,
Reno, Nevada.

Ladies:

An audit of the books and accounts of the State Board of Nursing for the fiscal year ended June 30, 1964.

The examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included such tests of accounting records and supporting evidence, together with procedures, as were considered necessary.

The following statements are included with this report:

Receipts, Fiscal Year Ended June 30, 1964	Schedule 1
Disbursements, Fiscal Year Ended June 30, 1964	" 2
Summary of Receipts & Disbursements, 1st	
National Bank of Nevada, Commercial Account	" 3
Summary of Disbursements by Category, 1st	
National Bank of Nevada, Commercial Account	" 4
Expenditures for Salaries, 1st National Bank of	
Nevada, Commercial Account	" 5
Expenditures for Operating Expense, 1st National	
Bank of Nevada, Commercial Account	" 6
Expenditures for Traveling Expense, 1st National	
Bank of Nevada, Commercial Account	" 7
Expenditures for Equipment, 1st National Bank of	
Nevada, Commercial Account	" 8
Transfer of Funds from 1st National Bank of	
Nevada, Commercial Account	" 9
Funds on Deposit in Savings Accounts	" 10
Summary of Available Funds	" 11

In our opinion, schedules presented herewith correctly reflect the financial transactions of the State Board of Nursing for the fiscal year ended June 30, 1964.

Respectfully submitted,

/s/ *A. N. Jacobson*

A. N. Jacobson,
Public Accountant.

STATE BOARD OF NURSING
Receipts
 Fiscal Year Ended June 30, 1964

	To <u>March 31, 1964</u>	To <u>June 30, 1964</u>	Fiscal Year <u>1963-1964</u>
PROFESSIONAL NURSES			
Fees by Endorsement	\$ 3,622.00	\$1,372.00	\$ 4,994.00
Temporary License Fees	1,593.00	333.00	1,926.00
Renewal Fees	13,984.75		13,984.75
Reinstatement Fees	546.00	515.00	1,061.00
License Examination Fees	421.00	112.00	533.00
Examination Fees Only	138.00	40.00	178.00
	<u>\$20,304.75</u>	<u>\$2,372.00</u>	<u>\$22,676.75</u>
PRACTICAL NURSES			
Fees by Endorsement	\$ 392.00	\$ 270.00	\$ 662.00
Temporary License Fees	306.00	45.00	351.00
Renewal Fees	6,602.90	7.00	6,609.90
Reinstatement Fees	249.74	275.26	525.00
License Examination Fees	1,702.50	562.50	2,265.00
Examination Fees Only	27.50	75.00	102.50
Fees for Duplicate Licenses	2.00		2.00
Misc.	5.00	4.75	9.75
	<u>\$ 9,287.64</u>	<u>\$1,239.51</u>	<u>\$10,527.15</u>
OTHER			
Transferred from State Treasurer	\$ 5,429.44		\$ 5,429.44
Interest Received:			
Union Federal S. & L.		\$ 76.67	76.67
American Savings & Loan		23.00	23.00
1st Natl Bank, Savings a/c		106.33	106.33
Nev. Ind. Com. Refund		5.71	5.71
Totals	<u>\$35,021.33</u>	<u>\$3,823.22</u>	<u>\$38,845.05</u>
4th Quarter Receipts			
Deposited as Follows:			
1st Natl Bank, Com. a/c		\$2,365.75	
1st Natl Bank, Savings a/c		1,328.14	
1st Natl Bank, Sav. a/c (Interest)		106.33	
American Savings & Loan, (Interest)		23.00	
		<u>\$3,823.22</u>	

Note: Interest from 1st National Bank Savings Account and American Savings & Loan due June 30, 1964 not credited to State Board of Nursing accounts until July, 1964.

STATE BOARD OF NURSING

Disbursements

Fiscal Year Ended June 30, 1964

	To <u>March 31, 1964</u>	To <u>June 30, 1964</u>	Fiscal Year <u>1963-1964</u>
Salaries	\$ 5,976.70	\$3,160.70	\$ 9,137.40
Deposited Union-Federal Savings & Loan	10,000.00		10,000.00
Deposited American Savings & Loan	6,000.00		6,000.00
Retirement Contributions	319.20	63.84	383.04
Stationery, Printing & Postage, (regulation hand- books, application forms, misc. stationery & Postage	1,642.65	571.13	2,213.78
Office Expense, Misc.	252.15	135.44	387.59
Office Equipment		250.11	250.11
Office Rent	675.00	225.00	900.00
Travel Expense	976.97	963.91	1,940.88
Telephone & Telegraph	59.05	33.36	92.41
Legal & Audit Fees	202.50		202.50
Examination Expense	92.50	300.98	393.48
Examination Proctoring	30.00	90.00	120.00
Convention Reg. Fees	35.00	5.00	40.00
P.O. Box rent	9.00	9.00	18.00
Fidelity Bond		5.00	5.00
Misc. Refunds	15.00	16.00	31.00
Remitted to Internal Revenue Service for Income Tax Withheld		339.98	339.98
Income Tax Withheld, due to Internal Revenue Service		(550.41)	(550.41)
Totals	<u>\$26,285.72</u>	<u>\$5,619.04</u>	<u>\$31,904.76</u>

STATE BOARD OF NURSING

Summary of Receipts & Disbursements

Fiscal Year Ended June 30, 1964

Total Receipts from All Sources

From Fees		\$33,203.90
Transferred from State Treasurer		5,429.44
Interest Received:		
Union Federal Savings & Loan	\$76.67	
American Savings & Loan	23.00	
1st National Bank Savings a/c	<u>106.33</u>	206.00
Nevada Ind. Comm. Refund		<u>5.71</u>
		<u>\$38,845.05</u>

Deposited as Follows:

1st National Bank of Nevada, Commercial Account	\$37,337.58	
1st National Bank of Nevada, Savings Account	1,434.47	
American Savings & Loan	<u>23.00</u>	<u>\$38,845.05</u>

BANK RECONCILIATION, 1st National Bank of Nevada, Commercial Account:

Balance, July 1, 1963	\$ 622.50
Receipts, Fiscal Year 1963-1964	<u>37,337.58</u>
	\$38,010.08
Disbursements, Fiscal Year 1963-1964	<u>31,904.76</u>
Balance, Commercial Account, June 30, 1964	\$ 6,105.32

Add Outstanding Checks:

No.	Amount	
235	\$ 527.04	
236	8.00	
237	22.75	
238	63.84	
239	36.40	
240	85.40	
241	85.40	
242	35.70	
243	79.55	
244	26.20	
245	89.20	
246	333.88	
247	82.37	
248	<u>102.61</u>	<u>\$ 1,578.34</u>

Balance per Bank, June 30, 1964

\$ 7,683.66

STATE BOARD OF NURSING
Disbursements by Categories
1st National Bank of Nevada
Commercial Account

Salaries	\$ 9,137.40
Operating Expense	4,576.37
Traveling Expense	1,940.38
Equipment (Office)	250.11
Transfer of Funds	<u>16,000.00</u>
Total	<u>\$31,904.76</u>

STATE BOARD OF NURSING

Expenditures for Salaries
1st National Bank of Nevada
Commercial Account

Executive Secretary	\$6,600.00
Board Members	1,035.00
Relief & Temporary Help	<u>1,502.40</u>
Total	<u>\$9,137.40</u>

STATE BOARD OF NURSING

Expenditures for Operating Expense

1st National Bank of Nevada

Commercial Account

Fiscal Year Ended June 30, 1964

Retirement Contributions		\$ 333.04
Stationery, Printing & Postage		2,213.78
Office Expense		387.59
Office Rent		900.00
Telephone & Telegraph		92.41
Legal & Audit Fees		202.50
Examination Expense:		
Materials, answer sheets, etc.,	\$393.48	
Proctoring	<u>120.00</u>	513.48
Convention Registration Fees		40.00
Postoffice Box Rent		18.00
Fidelity Bond		5.00
Misc. Refunds		31.00
Income Tax Withheld 1st quarter 1964		
remitted to Internal Revenue Service		339.98
Income Tax Withheld, 2nd quarter 1964		
to be remitted to I.R.S.		<u>(550.41)</u>
Total		<u>\$4,576.37</u>

STATE BOARD OF NURSING

Expenditures for Traveling Expense
1st National Bank of Nevada
Commercial Account
Fiscal Year Ended June 30, 1964

Out of State	\$ 898.86
In State	<u>1,042.02</u>
Total	<u>\$1,940.88</u>

STATE BOARD OF NURSING

Expenditures for Equipment
1st National Bank of Nevada
Commercial Account
Fiscal Year Ended June 30, 1964

Copying Machine for Office	\$250.11
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STATE BOARD OF NURSING

Transfer of Funds
From 1st National Bank of Nevada
Commercial Account
Fiscal Year Ended June 30, 1964

To Union Federal Savings & Loan	\$10,000.00
To American Savings & Loan	<u>6,000.00</u>
Total	<u>\$16,000.00</u>

STATE BOARD OF NURSING

Funds on Deposit in Savings Accounts
June 30, 1964Union Federal Savings & Loan

Transferred from 1st National Bank of Nevada, Commercial Account	\$10,000.00
(Dividend of \$76.67 deposited in commercial account)	
Balance, June 30, 1964	<u>\$10,000.00</u>

American Savings & Loan

Transferred from 1st National Bank of Nevada, Commercial Account	6,000.00
Interest credited to account	23.00
Balance, June 30, 1964	<u>\$ 6,023.00</u>

First National Bank of Nevada Savings a/c

Transferred from State Treasurer	\$ 5,000.00
Deposits	1,328.14
Interest credited to account	<u>106.33</u>
Balance, June 30, 1964	<u>\$ 6,434.47</u>

STATE BOARD OF NURSINGStatement of Available Funds

June 30, 1964

1st National Bank of Nevada, Commercial Account	\$ 6,105.32
1st National Bank of Nevada, Savings Account	6,434.47
Union Federal Savings & Loan	10,000.00
American Savings & Loan	<u>6,023.00</u>
Total	<u>\$23,562.79</u>

STATE OF NEVADA

BOARD OF PHARMACY

JUNE 30, 1964

GEORGE L. PETTYCREW
139 North Virginia Street
Telephone FA. 2-2439
Reno, Nevada

GEORGE L. PETTYCREW
139 North Virginia Street
Telephone FA. 2-2439
Reno, Nevada

Public Accountant

Licensed Real Estate Broker

November 23, 1964

Mr. W. L. Merithew, Secretary,
Nevada State Board of Pharmacy,
Reno, Nevada


Dear Mr. Merithew:

Upon your request, I have examined the accounts and records of the Nevada State Board of Pharmacy for the fiscal year ending June 30, 1964.

All accounts were not verified in detail. However, the examination was made in accordance with generally accepted auditing standards, including such tests of the accounting records and procedures as were considered necessary. I have no knowledge of misstatements in the accounts or of omission of material facts.

In my opinion, the accompanying statements present fairly the results of the financial operations of the Board for the period in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,

/s/ 
George L. Pettycrew

Nevada State Board of Pharmacy
Reno, Nevada
* * * * *
Audit Report
June 30, 1964

General Comment:

The financial records of the Nevada State Board of Pharmacy are kept on the cash basis. Internal control is quite adequate to assure the accuracy of all records. A combined cash journal is the book of original entry, from which entries are posted to the general ledger. Such records are complete and are correctly maintained.

Records of the individual pharmacists, pharmacies, dealers and other permit holders were test-checked. Payments of the required fees and charges were found to be in order.

Expenditures are properly authorized and are supported by required invoices or other documents. Disbursements are made by check.

Bank statements and related records were examined and were found to be properly reconciled.

Amounts of cash which were recorded as being on hand at the beginning and end of the period were traced to the bank statements. Proper records had been made.

The minutes recording the business transacted by the Board are complete and properly kept.

All of the records show systematic, complete and accurate information.

Nevada State Board of Pharmacy
Reno, Nevada
* * * * *
Statement of Receipts and Disbursements
For the Fiscal Year ending June 30, 1964

Cash on Hand, July 1, 1963 \$46,309.31

Receipts:

Reciprocal, Renewals and Certificates	\$23,485.00
Examinations	5,640.00
Pharmacy Permits	3,675.00
General Dealer Permits	152.00
Wholesalers and Manufacturers	1,800.00
Miscellaneous: Grades, Temporary Permits, etc.	249.00
Interest Earned on Savings Accounts	<u>669.10</u>

Total Receipts \$35,670.10

Total Cash to Account For \$81,979.41

Disbursements:

Salary	\$ 3,896.29
1964 FICA Deductions not paid this period	(39.41)
1964 FICA Deductions paid this period	36.41
Employer's FICA Expense	138.69
Industrial Insurance	134.21
Mileage	1,562.90
Subsistence	1,361.77
Postage	303.99
Printing and Stationery	1,682.01
Telephone	930.46
Rent	260.00
Inspection Expense	250.00
Examination Expense	4.25
Legal	2,425.00
Per Diem	3,300.63
Supplies	364.04
Convention Expense	4,001.35
Miscellaneous	<u>768.42</u>

Total Disbursements \$21,381.01

Cash on Hand, June 30, 1964 60,598.40

Total Cash Accounted For \$81,979.41

NEVADA STATE BOARD OF PHARMACY

Reno, Nevada

Balance Sheet

June 30, 1964

Assets:

Cash Items:

Nevada Bank of Commerce - Commercial Account	\$37,918.72	
Nevada Bank of Commerce - Savings Account	11,116.49	
Security National Bank - Savings Account	10,248.19	
Petty Cash	20.00	
Cash Items for Deposit in Bank	<u>1,295.00</u>	
Total Cash on Hand		\$60,598.40
Office Equipment		<u>742.20</u>
Total Assets		<u>\$61,340.60</u>

Liabilities and Fund Balance:

FICA Deduction not yet paid \$ 39.41

Fund Balance:

Balance, June 30, 1963	\$47,015.10		
Receipts	<u>35,670.10</u>		
Total	\$82,685.20		
Disbursements	\$21,381.01		
Plus FICA Deductions Increase:			
June 30, 1964	\$39.41		
June 30, 1963	<u>36.41</u>	<u>3.00</u>	<u>21,384.01</u>
Fund Balance, June 30, 1964			<u>61,301.19</u>
Total Liabilities and Fund Balance			<u>\$61,340.60</u>

STATE OF NEVADA
DEPARTMENT OF COMMERCE
REAL ESTATE DIVISION

JUNE 30, 1964

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Sam P. Kafoury
Ray E. Armstrong
Lowell C. Bernard
Leroy R. Bergstrom

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Telephone
322-9471

December 11, 1964

State of Nevada
Department of Commerce
Real Estate Division
222 North Carson Street
Carson City, Nevada

Gentlemen:

In accordance with your request, we have audited the accounts and records of the State of Nevada, Department of Commerce, Real Estate Division for the year ended June 30, 1964. Our examination was made in conformity with generally accepted auditing standards and accordingly included such tests and analyses of the accounting records as we deemed necessary in the circumstances.

Attached to and forming a part of this report are the following exhibits which set forth on a cash basis the financial condition of the Real Estate Division at June 30, 1964, and the results of its operations for the year then ended:

Exhibit A - Statement of Financial Condition.

Exhibit B - Statement of Revenues and Expenditures
and Budget Comparison.

Exhibit C - Comparative Statement of Revenues and
Expenditures.

Our comments relating to these exhibits follow.

STATEMENT OF FINANCIAL CONDITION

Cash on deposit with the Nevada State Treasurer was confirmed by direct correspondence and reconciled to the book balance.

The equipment record as maintained by the Nevada State Purchasing Department was compared with the equipment examined at the Division's Carson City office which also included equipment from the closed Reno office, and found to be in agreement therewith.

The unappropriated surplus at June 30, 1964, \$33,515.77, was \$25,809.69 more than that of the previous year end.

STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON

Operations for the year under review resulted in an excess of revenues over expenditures of \$25,309.69 as noted above. The excess in revenue is caused by an increase in various registration fees and the changing of the licensing period from January 1, 1964 to July 1, 1964 resulting in the collection of one and one-half years' fees in one year. We note that the total actual revenues shown by Exhibit B are \$100.00 less than the total revenues reported to the State Treasurer during the year ended June 30, 1964. This amount had been retained in the bank account of the Nevada Real Estate Commission to provide payment for billings not received at the close of business June 30, 1963.

Total Revenues as Reported to State Treasurer	\$126,304.94
Less: Transfer of Funds rather than a Deposit of Receipts	<u>100.00</u>
Total Actual Revenues per Exhibit B	<u>\$126,204.94</u>

As Exhibit B illustrates, expenditures were within the overall limitations provided by the Commission's budget for the year.

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES

Exhibit C compares the operations of the current year with that of the year ended June 30, 1963. We note that the excess of revenues over expenditures was \$31,104.72 more than that of the preceding year.

GENERAL COMMENTS

1. Our examination included a review of the internal control of the Commission's financial operations, and we found this control to be entirely satisfactory. Our tests included correlation of carbons of receipts issued with the Commission's financial records and member files.

2. We found the Commission's licensee files and financial records particularly well maintained.

In our opinion the attached exhibits present fairly the financial condition of the Department of Commerce, Real Estate Division at June 30, 1964, and the results of its operations for the year ended in conformity with generally accepted accounting principles applicable in the circumstances applied on a basis consistent with that of the preceding year.

Respectfully submitted,

1s/ *K. J. G. G. G. G. G.*
E. E. E. E. E.
PUBLIC ACCOUNTANTS

STATE OF NEVADA
DEPARTMENT OF COMMERCE
REAL ESTATE DIVISION
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1964

ASSETS

CURRENT ASSETS:

Cash on Deposit with Nevada State Treasurer	<u>\$38,514.77</u>
--	--------------------

Total Current Assets	<u>\$38,514.77</u>
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FIXED ASSETS:

Office Furniture and Equipment	<u>1.00</u>
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Total Assets	<u><u>\$38,515.77</u></u>
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LIABILITIES AND SURPLUS

LIABILITIES	\$ None
-------------	---------

UNAPPROPRIATED SURPLUS, July 1, 1963	\$12,706.03	
--------------------------------------	-------------	--

Add:

Excess of Revenue Over Expenditures Per Exhibit B	<u>25,809.69</u>	
--	------------------	--

UNAPPROPRIATED SURPLUS, June 30, 1964	<u>38,515.77</u>
---------------------------------------	------------------

Total Liabilities and Surplus	<u><u>\$38,515.77</u></u>
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STATE OF NEVADA
DEPARTMENT OF COMMERCE
REAL ESTATE DIVISION
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
JUNE 30, 1964

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>EXCESS OF ACTUAL OVER BUDGETED</u>
<u>REVENUES:</u>			
Licenses	\$ 82,000.00	\$ 90,021.00	\$ 8,021.00
Examination Fees	12,000.00	13,930.00	6,930.00
Transfers, Penalties and Miscellaneous	600.00	17,253.94	16,653.94
Augmentation - October 1963	301.00	-	(801.00)
Total Revenues	<u>\$ 95,401.00</u>	<u>\$126,204.94</u>	<u>\$30,803.94</u>
<u>EXPENDITURES:</u>			
Salaries and Payroll Costs	\$ 63,003.00	\$ 59,497.53	\$ (3,505.47)
<u>Travel:</u>			
In-State	3,000.00	8,185.28	185.28
Out-of-State	2,000.00	1,900.24	(99.76)
<u>Operating Expenses:</u>			
Office Supplies	3,000.00	2,328.91	(671.09)
Postage and Freight	2,500.00	1,826.63	(673.37)
Telephone and Telegraph	3,000.00	2,965.02	(34.98)
Printing	2,500.00	3,169.63	669.63
Dues, Subscriptions and Registrations	600.00	311.00	(289.00)
Bond and Insurance	200.00	153.00	(47.00)
Building Maintenance	600.00	694.90	94.90
Office Equipment Repairs	400.00	284.59	(115.41)
Equipment Rental	-	34.24	34.24
Building Space Rental	8,500.00	7,850.00	(650.00)
Legal Counsel, Auditors and Hearings	4,000.00	9,001.94	5,001.94
<u>Equipment:</u>			
Office Furniture and Equipment	4,000.00	2,142.34	(1,857.66)
Total Expenditures	<u>\$102,303.00</u>	<u>\$100,395.25</u>	<u>\$ (1,907.75)</u>
Excess of Revenue over Expenditures	<u>\$ (6,902.00)</u>	<u>\$ 25,809.69</u>	<u>\$32,711.69</u>
Cash Balance, July 1, 1963		<u>12,705.08</u>	
Cash Balance, June 30, 1964		<u>\$ 33,514.77</u>	
<u>REPRESENTED BY:</u>			
Cash on Deposit with Nevada State Treasurer		<u>\$ 33,514.77</u>	

STATE OF NEVADA
DEPARTMENT OF COMMERCE
REAL ESTATE DIVISION
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1963 AND JUNE 30, 1964

	<u>YEAR ENDED</u>		INCREASE OR (DECREASE)
	<u>JUNE 30 1963</u>	<u>JUNE 30 1964</u>	
<u>REVENUES:</u>			
Licenses	\$55,385.00	\$ 90,021.00	\$24,136.00
Examination Fees	14,181.00	18,930.00	4,749.00
Transfers, Penalties and Miscellaneous	<u>6,632.20</u>	<u>17,253.94</u>	<u>10,621.74</u>
Total Revenues	<u>\$36,693.20</u>	<u>\$126,204.94</u>	<u>\$39,506.74</u>
<u>EXPENDITURES:</u>			
Salaries and Payroll Costs	\$53,333.75	\$ 59,497.53	\$ 6,108.78
<u>Travel:</u>			
In-State	5,350.04	8,185.28	2,835.24
Out-of-State	4,020.15	1,900.24	(2,119.91)
<u>Operating Expenses:</u>			
Office Supplies	2,298.10	2,328.91	30.81
Postage and Freight	1,645.75	1,826.63	180.88
Telephone and Telegraph	2,746.21	2,965.02	218.81
Printing	3,513.92	3,169.63	(344.29)
Dues, Subscriptions and Registrations	249.20	311.00	61.80
Bond and Insurance	407.64	153.00	(254.64)
Building Maintenance	625.88	694.90	69.02
Office Equipment Repairs	625.88	284.59	(341.29)
Equipment Rental	-	84.24	84.24
Building Space Rental	9,101.28	7,850.00	(1,251.28)
Legal Counsel, Auditors and Hearings	6,093.32	9,001.94	2,908.62
Miscellaneous	785.00	-	(785.00)
<u>Equipment:</u>			
Office Furniture and Equipment	<u>1,142.11</u>	<u>2,142.34</u>	<u>1,000.23</u>
Total Expenditures	<u>\$91,993.23</u>	<u>\$100,395.25</u>	<u>\$ 8,402.02</u>
Excess of Revenues Over Expenditures	<u>\$ (5,295.03)</u>	<u>\$ 25,309.69</u>	<u>\$31,104.72</u>

STATE OF NEVADA
BOARD OF REGISTERED PROFESSIONAL ENGINEERS

JUNE 30, 1964

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Sam P. Kafoury
Ray E. Armstrong
Lowell C. Bernard
Leroy R. Bergstrom

KAFOURY, ARMSTRONG AND BERNARD
PUBLIC ACCOUNTANTS
100 California Avenue
Reno, Nevada

Telephone
Fairview 2-9471

July 31, 1964

Robert W. Millard, Chairman
State Board of Registered Professional Engineers
575 Forest Street
Reno, Nevada

Dear Sir:

Pursuant to your request, we have audited the accounts and records of the State Board of Registered Professional Engineers for the fiscal year ended June 30, 1964. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and analyses of the accounting records as we considered necessary in the circumstances. However, we did not confirm members' dues directly with the members since this was not contemplated in the scope of our engagement.

All receipts appear to have been properly accounted for. All disbursements were made with the approval of the Board's Secretary, and the claims paid were supported by adequate evidences of indebtedness.

Attached hereto and made a part of this report are the following exhibits which present the cash receipts and disbursements for the fiscal year ended June 30, 1964:

Exhibit A - Statement of Receipts and Disbursements.

Exhibit B - Statement of Receipts and Disbursements
As Compared to Legislative Intent.

In our opinion, the accompanying statements present fairly the receipts and disbursements of the State Board of Registered Professional Engineers for the fiscal year ended June 30, 1964 on a basis consistent with that of the preceding year.

Respectfully submitted,

1s/ *K. J. Lawrence, Jr.*
E. B. B. B.
PUBLIC ACCOUNTANTS

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

RECEIPTS:

Professional Engineer Applications	\$ 6,285.00
Engineer in Training Applications	430.00
Professional Engineer Renewal Fees	19,025.00
Engineer in Training Renewal Fees	140.00
Miscellaneous	<u>37.00</u>

Total Receipts

\$25,917.00

DISBURSEMENTS:

Salaries and Per Diem:

Board Secretary	\$4,866.98
Assistant to Board Secretary	4,836.29
Board Members' Per Diem	<u>600.00</u>

Total Salaries and Per Diem

\$10,303.27

Travel:

Board Members	2,508.81
---------------	----------

Office Expenses:

Office Supplies	\$ 776.79
Telephone	466.51
Insurance	35.06
Rent	1,715.00
Postage and Express	615.53
Printing	2,929.02
Preparation, Typing and Scoring of Exams	1,155.40
Office Equipment	438.43
Moving Expense	<u>52.00</u>

Total Office Expenses

8,183.74

Board Investigator:

Investigator	\$ 555.71
Clerical Assistance	<u>98.62</u>

Total Board Investigator

654.33

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

Miscellaneous:

National Dues	\$ 330.00
Legal and Accounting	350.00
Refunds on Applications and Renewals Fees	80.00
Social Security Expense - Current Year	<u>323.53</u>

Total Miscellaneous \$ 1,083.53

Total Disbursements - Current Year \$22,733.68

DISBURSEMENTS APPLICABLE TO PRIOR YEAR:

Social Security Expense - Prior Year	\$ 58.00
Withholding Tax - Prior Year	<u>117.60</u>

Total Disbursements Applicable to
Prior Year 175.60

Total Disbursements 22,909.28

Excess of Receipts Over Disbursements \$ 3,007.72

Bank Balance, Beginning of Fiscal Year 15,599.18

Bank Balance, Ending of Fiscal Year \$18,606.90

REPRESENTED BY:

First National Bank of Nevada,
Keystone Avenue Branch,
Checking Account

\$18,606.90

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS AS
COMPARED TO LEGISLATIVE INTENT
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

	<u>LEGISLATIVE INTENT</u>	<u>ACTUAL</u>	<u>OVER OR (UNDER) INTENT</u>
CASH BALANCE, July 1, 1963		<u>\$15,599.18</u>	
<u>RECEIPTS:</u>			
Professional Engineer Applications		\$ 6,285.00	
Engineer in Training Applications		430.00	
Professional Engineer Renewal Fees		19,025.00	
Engineer in Training Renewal Fees		140.00	
Miscellaneous		<u>37.00</u>	
Total Receipts	<u>\$24,300.00</u>	<u>\$25,917.00</u>	<u>\$ 1,617.00</u>
Total Funds Available		<u>\$41,516.18</u>	
<u>DISBURSEMENTS:</u>			
Salaries	\$12,000.00	\$10,303.27	\$ (1,696.73)
Travel	2,800.00	2,508.81	(291.19)
Operating Expenses	9,200.00	9,653.77	453.77
Equipment	<u>300.00</u>	<u>438.43</u>	<u>138.43</u>
Total Disbursements	<u>\$24,300.00</u>	<u>\$22,909.28</u>	<u>\$ (1,390.72)</u>
CASH BALANCE, June 30, 1964		<u>\$18,606.90</u>	

STATE OF NEVADA
BOARD OF VETERINARY MEDICAL EXAMINERS
JUNE 30, 1964

JOSEPH A. SALOMON
CERTIFIED PUBLIC ACCOUNTANT
320 Flint Street
Reno, Nevada

JOSEPH A. SALOMON
CERTIFIED PUBLIC ACCOUNTANT
320 Flint Street
Reno, Nevada

Telephone 323-2748

Nevada State Board of Veterinary Medical Examiners
350 Capitol Hill Avenue
Reno, Nevada

I have examined the statement of financial condition of the General Fund of the Nevada State Board of Veterinary Medical Examiners as of June 30, 1964, and the related statement of revenue and expenditures for the year then ended. My 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 I considered necessary in the circumstances.

In my opinion, the accompanying statement of financial condition and statement of revenues and expenditures present fairly the financial position of the General Fund of the Nevada State Board of Veterinary Medical Examiners as of June 30, 1964, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

/s/ Joseph A. Salomon

Reno, Nevada
August 4, 1964

NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS
STATEMENT OF FINANCIAL CONDITION
GENERAL FUND
JUNE 30, 1964

ASSETS

Cash in Bank	\$3,660.11
Cash on Hand	<u>.80</u>
<u>Total Assets</u>	<u>\$3,660.91</u>

FUND EQUITY

Vouchers payable	\$ 536.71
Unappropriated surplus	<u>3,124.20</u>
<u>Total Fund Equity</u>	<u>\$3,660.91</u>

NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS
STATEMENT OF BUDGETED REVENUES AND EXPENDITURES COMPARED TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1964

	<u>Estimate</u>	<u>Actual</u>	<u>Excess or (Deficiency) of Actual Compared with Estimate</u>
Unappropriated Fund Equity July 1, 1963	<u>\$2,939.76</u>	<u>\$2,939.76</u>	<u>\$ --0--</u>
<u>Add: Revenue:</u>			
Examination fees	\$1,000.00	\$1,025.00	\$ 25.00
Licenses renewal fees	<u>1,100.00</u>	<u>1,290.00</u>	<u>190.00</u>
Total Revenue	<u>\$2,100.00</u>	<u>\$2,315.00</u>	<u>\$ 215.00</u>
	<u>\$5,039.76</u>	<u>\$5,254.76</u>	<u>\$ 215.00</u>
<u>Deduct: Expenditures:</u>			
Audit	\$ 75.00	\$ 67.50	\$ (7.50)
Dues	25.00	25.00	--0--
Insurance N.I.C.-Net	80.00	66.08	(13.92)
Postage	36.00	29.27	(6.73)
Steno-Secretarial Services	180.00	176.00	(4.00)
Supplies - Office	35.00	32.95	(2.05)
Supplies - Examinations	150.00	146.00	(4.00)
Telephone	72.00	68.20	(3.80)
Travel - Meetings, Board Examinations, etc.	<u>1,382.00</u>	<u>1,519.56</u>	<u>137.56</u>
	<u>\$2,035.00</u>	<u>\$2,130.56</u>	<u>\$ 95.56</u>
Unappropriated Fund Equity- June 30, 1964	<u>\$3,004.76</u>	<u>\$3,124.20</u>	<u>\$ 119.44</u>

A
SUMMARY
OF
APPROPRIATIONS AND AUTHORIZATIONS
MADE BY
THE 52nd AND 53rd SESSIONS OF THE
NEVADA LEGISLATURE

Bulletin No. 62

PREPARED BY
FISCAL ANALYSTS OFFICE
LEGISLATIVE COUNSEL BUREAU

COMPARISON OF APPROPRIATION MADE
BY 52nd AND 53rd SESSIONS OF NEVADA LEGISLATURE

	52nd Session		53rd Session	
	1963-64	1964-65	1965-66	1966-67
<u>GENERAL APPROPRIATION ACT</u>				
<u>General Government</u>				
Governor's Office	\$ 120,890	\$ 121,668	\$ 135,795	\$ 143,146
Governor's Mansion	13,844	14,034	14,846	15,346
Lt. Governor's Ofc.	6,225	6,225	7,669	8,147
Secty. of State	132,921	119,685	136,016	133,631
Secty. of State--				
Spec. Printing	---	---	45,000	---
Attorney General	125,069	127,131	172,435	175,462
Attny. General--				
Spec. Fund	10,000	10,000	10,000	10,000
Supreme Court	138,115	135,659	144,225	143,683
Colo. River Interv.	40,000	40,000	---	---
Judges Salaries &				
Pensions	298,437	298,437	328,497	344,701
Dist. Judges Travel	21,000	21,000	24,550	22,450
St. Cont. Office	95,430	94,594	100,364	102,600
St. Treas. Office	53,935	53,120	56,266	63,188
St. Budget Office	88,944	90,970	106,698	111,412
Bldgs. & Grounds	391,218	441,750	462,459	457,300
Central Mail Serv.	16,138	16,611	16,626	17,154
Central Data Proces.	---	---	17,652	25,252
Planning Board	122,091	124,341	136,348	136,335
Planning Board--				
Preplanning	12,500	12,500	20,000	---
Tax Commission	603,482	610,740	694,739	720,575
Bd. of Finance & Ins.				
Premiums	55,824	56,712	39,312	41,812
Veterans Serv. Comm.	37,523	37,694	47,704	47,607
Economic Develop.	96,996	96,996	111,328	112,160
Indian Affairs Comm.	---	---	10,000	10,000
Equal Rights Comm.	2,500	2,500	18,565	18,386
State Officers Bond Prem.	3,750	3,750	3,750	3,750
Legislative Council Bur.	565,458	541,610	464,091	516,860
<u>Education</u>				
Dept. of Educ.-Admin.	281,665	287,290	316,358	321,638
Voc. Educ.	216,599	216,832	336,140	345,334
Voc. Rehab.	62,301	66,056	94,382	100,274
Voc. Educ-Basic Adult	---	---	5,000	5,000
Dist. School Fund	23,007,380	26,045,420	28,291,948	31,127,754
Emerg. Aid to Schools	15,000	45,000	---	---
Care-Deaf, Dumb & Blind	78,750	80,750	95,075	105,000
Auto. Driver Educ.	---	---	85,000	100,000
Teachers Retirement	1,667,351	1,867,967	1,973,282	2,232,331
State Library	177,970	185,524	197,985	198,493
State Museum	59,313	59,547	66,242	67,162
Historical Soc.	44,750	50,853	41,300	51,496
Lost City Museum	16,769	13,588	13,894	14,494
University of Nev.	5,868,980	6,344,561	7,265,655	7,695,404
Western Reg. Higher Educ.	37,511	64,376	68,752	91,138

	52nd Session		53rd Session	
	1963-1964	1964-1965	1965-1966	1966-1967
<u>Health and Welfare</u>				
Office of Director	\$ 26,169	\$ 24,289	\$ 29,403	\$ 28,637
Old Age Assist. and				
Med. Aid to Aged	1,078,800	1,070,100	1,085,502	1,138,410
Aid to Blind	152,280	148,050	143,820	143,820
Aid to Dep. Children	676,200	690,000	795,000	842,700
Child Welfare Svs.	331,129	374,793	433,028	482,875
Public Assist. and				
Child Wel. Admin.	424,670	427,468	595,698	628,742
Case Svs. Concerning				
Sight	51,329	61,903	61,903	61,903
Svs. to Blind Admin.	29,700	35,205	34,774	34,774
Childrens Home	166,740	172,829	186,716	217,559
Preventive Med. Svs.	124,682	118,058	149,033	155,646
Environmental Health	213,330	210,891	266,319	259,345
Crippled Child. Svs.	98,347	103,849	150,054	159,889
Vital Statistics	29,729	30,537	36,545	36,649
Dental Health	55,229	56,495	66,932	66,182
Special Child. Clinics	23,309	23,344	26,473	27,634
Hospital Services	28,014	28,220	28,680	28,712
Tuberculosis Care	612,652	664,301	324,305	325,760
Tuberculosis Care-				
Mobile Unit	---	---	28,241	28,964
Mental Health Svs.				
and Care	299,916	300,932	320,699	328,577
Nev. State Hosp.	1,721,776	1,752,156	1,869,146	1,897,280
Alcoholism Division	25,498	26,116	29,039	28,989
Nev. Girls Tr. Center	494,641	525,883	596,807	614,151
Nev. Youth Tr. Center	551,883	610,663	785,587	823,678
<u>Public Safety</u>				
State Prison	930,245	1,011,014	1,345,682	1,334,951
State Bd. of Pardon				
Commissioners	4,000	3,041	2,012	3,018
State Bd. of Parole				
Commissioners	75,680	83,452	173,043	179,329
Adjutant Gen. and				
Nev. Nat. Guard	98,005	98,308	119,775	111,115
Civil Defense	20,237	20,237	23,038	23,641
<u>Regulatory Services</u>				
Inspector of Mines	51,385	52,695	51,183	54,673
Pub. Sv. Commission	67,580	67,779	41,000	41,000
Labor Commissioner	37,841	46,079	51,922	55,484
<u>Department of Commerce</u>				
Office of Director	24,292	22,887	21,857	21,997
Insurance Division	106,926	107,692	140,452	141,025
Banking Division	79,588	87,800	106,934	107,976
Savings and Loan Div.	---	---	75,245	75,543
Real Estate Division	---	---	104,421	105,086
State Fire Marshall	---	---	20,200	20,010

	52nd Session		53rd Session	
	1963-1964	1964-1965	1965-1966	1966-1967
<u>Department of Conservation and</u>				
<u>Natural Resources</u>				
Administration	\$ 178,912	\$ 184,119	\$ 192,731	\$ 197,637
Com. on Fed. Land Laws	---	---	6,030	6,030
Water Resources	183,920	183,926	201,892	203,310
Calif.-Nev. Compact	51,677	15,345	30,787	30,787
Forestry Division	80,000	80,000	81,429	81,021
Forest Insect Pest Con.	5,000	5,000	5,000	5,000
Forest Fire Suppression	30,000	30,000	30,000	30,000
Humboldt River Invest.	40,000	30,000	6,853	6,853
Weather Modification	30,000	30,000	30,000	20,000
Div. of State Parks	229,633	201,419	258,724	252,783
<u>Department of Agriculture</u>				
Plant Industry	226,061	230,163	247,449	247,994
Insect Pest and Noxious				
Weed	51,957	53,025	53,472	53,018
Livestock Dis. Control	61,343	61,338	57,113	57,265
Animal Disease Lab.	42,193	41,061	38,697	36,834
Predatory Animal and				
Rodent	112,694	112,694	117,807	119,113
Jr. Livestock Board	2,000	2,000	2,000	2,000
Advisory Mining Bd.	800	800	800	800
State Bur. of Mines	60,000	60,000	60,000	60,000
Fort Mohave Valley				
Development	7,500	7,500	7,500	7,500
<u>Miscellaneous</u>				
State Bd. of Examiners	4,556	---	61,989	---
Statutory Contingency Fund	---	---	780	---
Consolidated Bond Interest				
and Redemption	553,707	770,730	1,061,335	1,223,496
Soil Conservation	750	750	750	750
Motor Vehicles	32,106	15,457	---	---
Colorado River Research	50,000	---	---	---
Park Land Acquisition	21,358	---	---	---
TOTAL GENERAL				
APPROPRIATION ACT	\$45,354,598	\$49,577,884	\$55,049,554	\$ 59,114,390
		<u>45,354,598</u>		<u>55,049,554</u>
TOTAL FOR BIENNIUM		\$94,932,482		\$114,163,944

See following page for additional
General Fund Appropriations

	52nd Session	53rd Session
Total brought forward	\$ 94,932,482.00	\$114,163,944.00
<u>Other General Fund Appropriations</u>		
Effective July 1		
Juvenile Forest Camp		
(Spr. Mt. Youth Camp)	\$ 50,000.00	\$ 36,325.00
Classified Salary Increases	600,000.00	1,072,400.00
Capital Improvements	127,000.00	
Bond Commissions	45,000.00	20,000.00
State Hospital Revolving Fund	5,000.00	
Marlette Lake Study	20,000.00	
University-Technical School	---	123,328.00
University-Books	250,000.00	
Marlette Lake-Working Capital Fund	25,000.00	
Group Insurance Fund	63,600.00	
Bond Commission-Marlette Lake	20,000.00	
Central Mail-Revolving Fund	7,500.00	
<u>Supplemental Appropriations</u>		
Parole and Probation	---	6,881.00
Calif.-Nevada-Compact Commission	20,665.00	13,357.00
State Warrants	---	55.46
Supt. of Banks	1,280.00	
State Prison	---	31,543.27
Nevada Youth Training Center	30,679.00	
Dept. of Education	---	1,249.69
Distributive School Fund	750,000.00	
State Welfare Dept.	---	20,000.00
School Teachers Retirement	12,500.00	
Tuberculosis Care	117,254.00	
<u>Effective on Passage and Approval</u>		
Capital Improvements	2,978,085.00	952,097.00
Land Acquisition-Capitol Complex	20,000.00	
National Guard-L.V. Paving	4,544.00	
Legislature-Costs	360,000.00	430,000.00
Conservation Dept.-,V. Water	15,000.00	
Hospital Construction	50,000.00	235,000.00
Motor Pool-Working Capital Fund	7,500.00	
Central Telephone-Working Capital	20,250.00	
Centennial Fund	260,000.00	
Lake Tahoe-Park Commission	500,000.00	
Limley Estate	246.00	
Return of Convicts	2,485.00	
Statutory Contingency Fund	10,000.00	
Sales Tax-Election	144,221.00	
Lake Tahoe Study Group	---	10,000.00
VA. City-4th Ward School		15,000.00
V.S.S. America		200.00
Insurance Examination Fund		25,000.00
Total All General Fund		
Appropriations	\$101,450,291.00	\$117,156,380.42

COMPARISON OF APPROPRIATIONS
OTHER THAN FROM GENERAL FUND
BY
52nd and 53rd SESSIONS OF NEVADA LEGISLATURE

	52nd Session		53rd Session	
	1963-1964	1964-1965	1965-1966	1966-1967
<u>From Highway Fund, to:</u>				
Tax Commission	\$ 35,000	\$ 35,000	\$ 42,000	\$ 42,000
Public Service Com.	43,027	41,619	75,420	76,768
Dept. of Motor Vehicle	2,286,247	2,185,449	2,564,642	2,607,487
Salary Increases	118,056	---	126,609	133,680
Planning Board	40,000			
Group Insurance	16,200			
Supplemental-Highway				
Patrol	12,020			
P.A. Simon	2,245			
U.S. Air Force	1,057			
Dept. of Motor Vehicles-				
Moving	---	---	12,000	
Pops Oasis			750	
Supplemental-Public Serv.			3,503	
Dept. of Motor Vehicles-Bldg.			810,000	
Dept. of Motor Vehicles-				
Reflector Plates			36,000	
<u>From County Gas Tax Fund, to:</u>				
Tax Commission	12,000	12,000	12,000	12,000
<u>From Fish and Game Fund, to:</u>				
Predatory Animal and				
Rodent Control	40,000	40,000	40,000	40,000
Verdi Hatchery	118,300	---	---	---
Planning Bd.-Ruby Lake	---	---	600,000	
<u>Boat Licensing Fund, to:</u>				
Dept. Motor Vehicles	12,733	14,677	---	---

COMPARISON OF AUTHORIZATIONS TO SPEND
OTHER THAN GENERAL FUND MONIES MADE
BY THE 52nd AND 53rd SESSIONS OF THE NEVADA LEGISLATURE

	<u>52nd Session</u>		<u>53rd Session</u>	
	<u>1963-1964</u>	<u>1964-1965</u>	<u>1965-1966</u>	<u>1966-1967</u>
<u>General Government</u>				
Attorney General	\$ 53,897	\$ 61,958	\$ 78,634	\$ 78,634
Attorney General--				
Special Fund	7,500	7,500	---	---
Personnel Division	131,152	143,359	202,299	214,629
Purchasing Division	122,530	123,089	143,427	161,373
Purchasing-Surplus Prop.	58,336	56,500	49,472	52,474
Buildings & Grounds	2,000	2,000	12,600	12,600
Central Telephone	200,720	208,720	271,819	272,244
Central Mail	43,685	48,189	48,000	48,000
Motor Pool	146,600	161,315	174,777	175,837
Marlette Lake Water Sys.	26,206	26,894	44,600	46,800
<u>State Printing Office</u>	430,593	447,298	515,788	563,806
<u>State Department of Education</u>				
Administration	21,760	21,797	62,000	62,525
Fed. Subven. Prog.	56,000	56,000	59,942	59,936
National Def. Educ. Act	101,195	101,195	125,437	125,437
Voc. Educ.	254,246	254,246	474,277	526,753
Voc. Rehab.	109,926	107,568	162,588	213,675
Voc. Rehab.-Spec. Maint.	---	---	249,564	239,562
OASI Disabil. Deter.	55,231	59,550	64,525	76,448
St. Dist. Sch. Fund	375,000	375,000	310,000	300,000
Grad. Fellowships,				
Mentally Retard. Educ.	13,000	13,000	25,000	35,000
Indian Educ. Scholar.	4,000	4,000	4,000	4,000
Fleischmann Scholar.	67,277	77,606	109,409	116,145
Small Sch. Study	51,722	46,550	48,158	47,162
Area Redevelop.	25,000	25,000	40,000	40,000
Manpower Development				
and Training	60,000	---	433,120	325,179
Vocational Education--				
Basic Adult	---	---	50,000	50,000
<u>State Library</u>	52,935	52,935	140,454	139,254
Library Construction	---	---	120,455	120,455
<u>District Judges Travel</u>	---	---	150	150
<u>University of Nevada</u>				
General Operation	1,437,600	1,420,000	2,297,311	2,199,900
Extension Division	235,579	235,579	306,321	303,876
Experiment Station	271,346	271,346	525,859	533,126
<u>Department of Health and Welfare</u>				
Old Age Assistance and Medical				
Assistance for Aged	1,621,920	1,608,840	2,818,023	3,376,130
Aid to the Blind	101,520	98,700	95,880	95,880
Aid to Dependent Child.	1,205,400	1,230,000	1,303,800	1,382,028
Child Welfare Servs.	84,189	98,947	130,800	146,860
Foster Home Care of				
Indian Children	67,500	69,300	70,560	84,000

	52nd Session		53rd Session	
	1963-1964	1964-1965	1965-1966	1966-1967
Public Assist. and Child Wel. Admin.	\$ 484,383	\$ 491,034	\$ 699,215	\$ 737,746
Case Servs. concerning Sight	13,914	16,267	16,267	16,267
Svs. to Blind Admin.	32,825	38,911	35,067	36,505
Preventive Med. Svs.	175,080	177,562	186,500	186,500
Environmental Health	66,000	66,000	56,000	56,000
Crippled Children's Svs.	144,447	144,476	234,800	234,800
Chronic Illnesses and Aging	52,512	53,276	60,817	61,728
Dental Health	31,822	31,841	37,400	37,400
Hospital Services	700	700	700	700
Veneral Dis. Control	13,778	13,734	22,075	22,308
Spe. Children's Clinics	68,187	68,187	72,000	72,000
Mental Health Services and Care	56,409	56,785	62,500	62,500
Juvenile Delinquency	52,049	53,383	---	---
Nevada State Hospital	30,000	30,000	25,000	25,000
Convalescent Care	52,212	60,200	---	---
Nev. Youth Tra. Center	---	---	12,000	12,000
Nev. Girls Tra. Center	---	---	12,000	12,000
Alcoholism Agency	2,500	2,500	---	---
<u>Public Safety</u>				
Nev. State Prison	17,000	17,000	10,000	10,000
Adjutant Gen. and Nev. National Guard	48,000	48,000	63,400	63,400
Civil Defense	20,237	20,237	23,038	23,641
<u>Regulatory Agencies</u>				
Public Sv. Commission	102,086	115,873	172,166	182,561
Gaming Commission	768,685	774,705	845,407	852,368
Labor Commissioner	7,990	1,000	---	---
Savings and Loan Div.	47,201	45,665	---	---
Real Estate Division	101,477	107,266	---	---
<u>Department of Conservation and Natural Resources</u>				
Division of Forestry	175,167	169,161	219,509	227,143
Forest Pest Control	---	---	5,000	5,000
Humboldt River Water Investigation	3,000	3,000	2,500	2,500
Oil and Gas Conservation	500	500	500	500
State Parks Division	4,000	8,000	40,000	40,000
State Park Planning	---	---	42,750	42,750
<u>State Department of Agriculture</u>				
Division of Plant Industry	20,967	17,900	32,615	32,720
Insect Pest and Noxious Weed Control	4,037	2,870	3,000	3,000

	52nd Session		53rd Session	
	1963-1964	1964-1965	1965-1966	1966-1967
Agri. Regis. and Enforcement	\$ 27,753	\$ 26,128	\$ 33,924	\$ 26,503
Livestock Dis. Control	---	---	100	100
Adiary Inspection	7,286	6,976	7,679	7,328
Livestock Inspection	112,638	123,973	131,873	131,693
Colorado River Com.	130,668	129,489	161,568	165,175
<u>Fish and Game</u>	1,415,372	1,568,297	1,691,460	1,636,003
<u>Department of Highways</u>	37,000,000	41,000,000	57,857,500	63,232,724
<u>Employment Security Dept.</u>	2,275,453	2,565,550	3,235,053	3,653,105
<u>Pub. Empl. Retirement Bd.</u>	89,926	92,296	91,468	90,026
<u>Boards and Commissions</u>				
Bd. of Architecture	9,380	9,905	14,115	13,340
Athletic Commission	16,700	18,700	18,399	17,964
Barbers Heal. and San.	---	---	11,450	11,550
Exam. in Basic Sciences	3,550	3,585	5,200	5,500
Dairy Commission	108,428	110,238	141,642	144,763
Dispensing Opticians	325	325	445	455
Hoisting Engineers	765	765	2,200	2,200
Medical Examinors	13,230	13,230	20,885	20,885
Bd. of Nursing	12,000	12,000	17,800	19,000
Physical Therapy	946	977	500	500
Detective Licensing	6,444	4,444	5,013	5,013
Racing Commission	3,000	3,000	46,520	46,520
Sheep Commissioners	16,000	16,000	16,000	16,000
Woolgrowers Predatory				
Animal	61,465	62,130	64,343	64,391
Public Accountants	5,340	5,540	8,225	8,200
Chiropody	246	246	232	232
Chiropractic Examiners	7,453	7,453	7,680	7,680
Contractors	113,250	116,970	151,000	156,000
Cosmetology	19,305	19,405	27,580	29,000
Dental Examinors	9,655	8,655	13,780	13,825
Funeral Dir. and Embal.	1,835	1,935	2,600	2,870
Liquefied Petroleum Gas	15,200	15,200	15,200	15,200
Optometry	1,468	1,468	1,781	2,058
Pharmacy	30,445	30,965	34,200	34,450
Reg. Prof. Engineers	21,500	24,300	27,600	34,300
Veterinary	1,935	1,935	2,352	2,352
Osteopathy	---	---	500	500
Psychological Examinors	---	---	500	500
Total Authorizations	<u>\$51,641,691</u>	<u>\$56,152,094</u>	<u>\$78,429,642</u>	<u>\$84,906,820</u>

Analysis of Capital Expenditures
Approved by 52nd and 53rd Sessions of
The Nevada Legislature

	52nd Session	53rd Session
<u>General Fund Appropriations</u>		
Capitol Complex-Carson City	\$ 944,685	\$ 97,397
Nevada Girls Training Center	385,000	
Nevada Youth Training Center	429,900	
Nevada State Hospital	210,900	517,200
Nevada State Prison	119,800	197,300
Minimum Security Prison	37,900	
Nevada Southern University	350,000	
University of Nevada-Reno	448,700	
Demolition-Childrens Home	27,000	
Survey-Capitol Complex	24,200	
Remodel Highway Bldg. Capitol Complex	82,000	
Dining Hall and Dorm. Furnishings		
Nevada Southern	45,000	
Peavine Forestry Camp		87,600
Agriculture-Storage Bldgs-Reno		27,600
10,000 acres-Valley of Fire		25,000
Totals	<u>\$3,105,085</u>	<u>\$ 952,097</u>
<u>Bonded Indebtedness</u>		
Minimum Security Prison-Inmate Dorm.	550,000	
Social Science Bldg-Nevada Southern	950,000	
Physical Education Facilities-Reno Campus-		
University of Nevada	650,000	
Marlette Lake Water System	1,650,000	
Social Science Bldg-Reno Campus		
University of Nevada	1,456,000	
University of Nevada-Reno Campus		576,897
University of Nevada-Library-Nevada Southern		1,059,000
Nevada Youth Training Center		531,300
Nevada State Prison		554,000
Childrens Home		73,200
Capitol Complex		5,603
Total Bonus	<u>\$5,256,000</u>	<u>\$2,800,000</u>
Total Capital Improvements	<u>\$8,361,085</u>	<u>\$3,752,097</u>