

**AUDIT REPORTS**  
**of**  
**DEPARTMENTS AND AGENCIES OF**  
**THE STATE OF NEVADA**

**Issued by**  
**THE FISCAL ANALYST**

**BULLETIN NO. 70**



**NEVADA LEGISLATIVE COUNSEL BUREAU**

**July 1, 1966 to June 30, 1967**

**Carson City, Nevada**



ANNUAL REPORT  
and  
AUDIT REPORTS  
of  
DEPARTMENTS AND AGENCIES  
OF THE STATE OF NEVADA

Issued by  
THE FISCAL ANALYST  
DURING THE FISCAL YEAR  
JULY 1, 1966 to JUNE 30, 1967

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
Carson City, Nevada  
July 1967



STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
LEGISLATIVE COMMISSION

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\* \* \* \* \*

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



STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
Carson City, Nevada

July 25, 1967

THE HONORABLE PAUL LAXALT, 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 1966-1967 volume of "Audit Reports of Departments and Agencies of the State of Nevada" which contains audits completed by this office during the period July 1, 1966 to June 30, 1967; 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; (1) covering the financial transactions of the department or agency under review, and (2) 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.

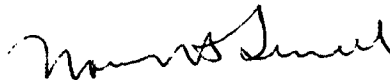
NRS 353.060 requires a quarterly money count of the State Treasury. Such counts have been performed as required and copies of these money counts are on file with the Secretary of State and the State Treasurer.

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 post-audit 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,

A handwritten signature in dark ink, appearing to read "Norman H. Terrell", written in a cursive style.

Norman H. Terrell  
Fiscal Analyst

NHT:ph

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STATE OF NEVADA

NEVADA HISTORICAL SOCIETY

AUDIT REPORT

For the Fiscal Year Ended June 30, 1966

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 Historical Society for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Appropriated and Unappropriated Funds Combined--  
Statement of Financial Condition,  
June 30, 1966 ----- Exhibit A

Administrative Fund--  
Statement of Budgeted Revenues and  
Expenditures Compared to Actual for  
the Fiscal Year ended June 30, 1966 ----- Exhibit B

Commercial Checking Account-Unappropriated Funds--  
Statement of Receipts and Expenditures  
for the Fiscal Year ended June 30, 1966 ----- Exhibit C

Petty Cash Fund-Unappropriated Funds--  
Statement of Receipts and Expenditures  
for the Fiscal Year ended June 30, 1966 ----- Exhibit D

#### Scope of Examination

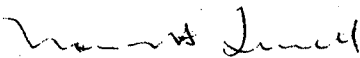
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate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

### Opinion

We have examined the statement of financial condition of appropriated and unappropriated funds combined of the Nevada Historical Society as of June 30, 1966 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.

The accompanying statement of financial condition and statements of revenues and expenditures present fairly the financial position of the administrative fund and the unappropriated funds of the Nevada Historical Society as of June 30, 1966 and the results of its operation for the year then ended, with the exception of the statements of revenues and expenditures for the commercial checking account and the petty cash fund for which we are not expressing an opinion because the records maintained are not adequate to make a determination as to the accuracy of the deposits and the records for the petty cash fund for the period prior to February 1966 were not available.

Carson City, Nevada  
September 27, 1966

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

NEVADA HISTORICAL SOCIETY  
 APPROPRIATED AND UNAPPROPRIATED FUNDS-COMBINED  
 STATEMENT OF FINANCIAL CONDITION  
 JUNE 30, 1966

<u>Assets</u>		
<u>Cash</u>		
First National Bank, Reno		
Commercial Account	\$ 2,370.69	
Savings Account-Bldg. Funds	939.13	
Petty Cash	<u>18.16</u>	\$ 3,327.98
<u>Investment-Bldg. Fund</u>		
U. S. Treasury Bills, Par \$265,000.00		259,067.09
<u>Fixed Assets</u>		
Equipment, Furniture and Fixtures		<u>1.00</u>
Total Assets		<u>\$262,396.07</u>
<u>Surplus</u>		
Arising from Fixed Assets	\$ 1.00	
*Building Funds	260,006.22	
Unappropriated	<u>2,388.85</u>	
Total Surplus		<u>\$262,396.07</u>

\* The building funds were received for the purpose of acquiring new quarters when the State building in Reno was acquired by the Washoe County Fair and Recreation Board.

NEVADA HISTORICAL SOCIETY  
ADMINISTRATIVE FUND  
STATEMENT OF BUDGETED REVENUES AND  
EXPENDITURES COMPARED TO ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
Appropriations	\$41,300.00	\$41,300.00	\$41,300.00	\$ --
Salary Adjustments	365.00	--	365.00	365.00
Miscellaneous Refund	--	--	3.00	3.00
	<u>\$41,665.00</u>	<u>\$41,300.00</u>	<u>\$41,668.00</u>	<u>\$ 368.00</u>
<u>Expenditures</u>				
Payroll Costs				
Salaries	\$29,788.00	\$29,424.00	\$29,248.00	\$ (176.00)
Industrial Insurance	333.00	316.00	420.00	104.00
Retirement	1,714.00	1,712.00	1,648.38	(63.62)
Personnel Assessment	150.00	150.00	150.00	--
Group Insurance	180.00	198.00	144.00	(54.00)
Total	<u>\$32,165.00</u>	<u>\$31,800.00</u>	<u>\$31,610.38</u>	<u>\$ (189.62)</u>
Travel				
Out-of-State	\$ 400.00	\$ 400.00	\$ 139.40	\$ (260.60)
In-State	500.00	500.00	131.44	(368.56)
Total	<u>\$ 900.00</u>	<u>\$ 900.00</u>	<u>\$ 270.84</u>	<u>\$ (629.16)</u>
Operating				
Office Supplies	\$ 550.00	\$ 550.00	\$ 856.85	\$ 306.85
Telephone-Rental	600.00	600.00	474.38	(125.62)
Telephone-Tolls & Telegraph	175.00	175.00	110.95	(64.05)
Printing-Annual Report	200.00	200.00	--	(200.00)
Printing-Operational	2,600.00	2,600.00	2,800.47	200.47
Subscriptions & Ref. Manuals	--	--	19.50	19.50
Dues and Registration	150.00	150.00	83.60	(66.40)
Bond & Insurance Premium	--	--	29.72	29.72
Office Equipment Repair	600.00	600.00	167.35	(432.65)
Equipment Repair-Other	150.00	150.00	1.00	(149.00)
Building Space Rental	1,000.00	1,000.00	1,011.28	11.28
Other Utilities	500.00	500.00	457.48	(42.52)
Janitorial Supplies	75.00	75.00	99.35	24.35
Instructional Supplies	500.00	500.00	1,278.58	778.58
Photos, Prints & Maps	1,500.00	1,500.00	1,080.91	(419.09)
Building Maintenance	--	--	53.26	53.26
Contract Service	--	--	35.00	35.00
Special Services	--	--	196.91	196.91
Postage and Freight	--	--	53.75	53.75
Total	<u>\$ 8,600.00</u>	<u>\$ 8,600.00</u>	<u>\$ 8,810.34</u>	<u>\$ 210.34</u>
Equipment				
Office Equipment	\$ --	\$ --	\$ 117.07	\$ 117.07
Total Expenditures	<u>\$41,665.00</u>	<u>\$41,300.00</u>	<u>\$40,808.63</u>	<u>\$ (491.37)</u>
Excess of Receipts over Expenditures-Reverted to General Fund June 30, 1966			<u>\$ 859.37</u>	

NEVADA HISTORICAL SOCIETY  
 COMMERCIAL CHECKING ACCOUNT-UNAPPROPRIATED FUNDS  
 STATEMENT OF RECEIPTS AND EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>		
First National Bank, Reno		\$ 1,695.79
<u>Receipts</u>		
Sales		
Books	\$ 918.87	
Pictures	147.35	
Society's Quarterly	<u>75.00</u>	\$ 1,141.22
Membership Dues		645.00
Membership-Gift		25.00
Hancock Foundation		6,500.00
Salary Advance Refund		258.00
Travel Advance Refund		<u>89.49</u>
		<u>8,658.71</u>
Total Funds Available		\$10,354.50
<u>Expenditures</u>		
Operating		
Office Supplies	\$ 31.53	
Special Services	39.40	
Building Maintenance	98.00	
Biography-Dr. Weir	150.00	
Gifts and Advertising	29.90	
Books for Resale	423.35	
Flowers-Funerals, etc.	16.63	
Indian Collection, Letters, Relics, etc.	6,865.00	
P. O. Box - Rent	18.00	
Petty Cash (Exhibit D)	280.00	
Equipment		
Office Furniture	<u>32.00</u>	
Total Expenditures		<u>7,983.81</u>
<u>Balance, June 30, 1966</u>		<u>\$ 2,370.69</u>

NEVADA HISTORICAL SOCIETY  
PETTY CASH FUND-UNAPPROPRIATED FUNDS  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Reimbursements</u>		\$280.00
<u>Expenditures</u>		
Supplies-Binders, Notebooks, Labels, etc.	\$ 39.17	
Postage and Stamps	61.75	
Coffee	7.73	
P. O. Box - Rent	4.50	
Parking and Gasoline	1.50	
Office Supplies	5.80	
Janitorial Supplies	3.39	
*Other Expenditures	<u>138.00</u>	
Total Expenditures		<u>261.84</u>
Balance, June 30, 1966		<u><u>\$ 18.16</u></u>

\*There were no records available to substantiate the \$138.00 for the period from July 1, 1965 to February 9, 1966.

STATE OF NEVADA  
NEVADA HISTORICAL SOCIETY  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control Evaluation

The internal control of the Society is in need of improvement. It is realized that due to the small staff of the agency, internal control can become an acute problem. However, we suggest that some segregation of duties be instigated in order to protect State and other funds as well as protecting employees, by assigning specific responsibility for receiving, depositing, and recording of cash receipts.

Since the Society does not have a cash register and the sales of books and copies 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 is not excessively large we feel that a perpetual count can be kept of items received and sold. The person who maintains the inventory should not be the same person or persons who handle the sales.

We also wish to emphasize that the above suggestions are not intended to reflect in any manner on the integrity of the Society's employees but is intended to minimize any chances of losses and possible false accusations should losses occur.

## 2. Books and Records

A bound journal is maintained to record expenditures of appropriated funds. It is maintained on a monthly basis and reconciled with the controller's sheets each month.

No ledger as such is kept; however, the journal is recapped monthly on a 13-column worksheet. The journal and the recap are both well kept and easy to follow.

The records for the commercial account consist of a checkbook, deposit slips and a bound three column cash receipts book. The information as recorded is adequate; however, the supporting information for deposits should be amplified.

Under the present system, no receipts are issued and therefore no means are available to reconcile deposits to actual income received. It is suggested that the Society maintain records which would indicate the quantity of items available for sale or distribution and their disposition. Receipts should be prepared on every sale. Duplicate receipts should be retained as permanent office files. All deposits should be substantiated by copies of receipts being attached to a duplicate deposit slip.

The records for the petty cash fund were adequate subsequent to February 9, 1966; however, there were no records available for the period prior to the above date.

## 3. Leave Records

It was noted that on two of the leave cards maintained by the director that there were more than 30 days of annual leave carried forward on January 1, 1966. This was brought to the attention of the

director who stated that she thought leave time limits were based on a fiscal year rather than a calendar year. In reviewing employees' leave records it was noted that no record exists except the individual card mentioned above. Therefore, we suggest that all employees use the prescribed State form, NPD-21, in applying for annual, sick or compensatory time off, and that such forms be kept as a permanent portion of the office files.

4. Commercial Checking Account and Petty Cash Fund

The checking account and the petty cash fund are not authorized by the Nevada Revised Statutes. The director claims that these are non-State funds; however, copies of pictures and documents and the Society's quarterly are sold with the proceeds being deposited to the commercial account whereas the printing and copying costs are paid from State appropriations.

Cleaning supplies, janitorial, postage and various sundry items which should be paid from appropriated funds have been paid from the checking account and petty cash fund. There were no records available substantiating expenditures from the petty cash fund prior to February 1966.

It is recommended that NRS be amended to provide for a petty cash fund of \$25.00 to be maintained on an imprest system with reimbursement to be made from appropriated funds by a claim and warrant on the State Treasurer as other claims of the State are paid.

It is recommended that a subsection be added to NRS 382.050 to provide for a commercial bank account for deposit of receipts received under this section. The section should be expanded to include receipt

of donations and grants. Expenditures from this account should be limited to costs of publication and distribution of historical papers or reports prepared for sale, and as provided by donations and grants.

5. Sale or Distribution of Quarterly

Starting in 1958, the Society began publication of a quarterly which contains historical articles on Nevada and bordering areas. According to the distribution cards there were 694 copies exchanged, distributed to members, sold, or sent out as complimentary copies. Fifty copies only were sold. There were 350 copies distributed to members and of the 350 only 129 had actually paid annual dues for the 1965-66 year.

It is suggested that if the Society is going to charge non-members for a copy of the quarterly, then they should make some effort to collect the annual dues from the members that receive four issues per year without paying dues.

NRS 382.050 should be amended to authorize the printing and disposition of the Society's historical articles without reference to specific periods, the wording "biennial" should be deleted.

6. Removal of Files, Documents and Records

Under the provisions of NRS 382.100(2), "the secretary of the society or any duly authorized deputy, clerk or employee temporarily may take any of the files, documents or records from the building for use as evidence or for literary or historical purposes". It was noted that in at least one case a non-State employee was allowed to remove bound volumes of old newspapers so that he could further

his research project at home in the evenings. We suggest that the Society take steps to insure full compliance with the above quoted section of the Nevada Revised Statutes.

7. Copies - Certification and Fees Charged

NRS 239.090(3) pertaining to obsolete and noncurrent public records states that "when so surrendered, copies therefrom shall be made and certified by the executive officer of the Nevada Historical Society upon the application of any person interested, which certification shall have all the force and effect as if made by the officer originally in the custody of such records, and for which the same fees shall be charged, to be collected in advance". None of the copies which have been made by the Society have ever been certified. No fees charged have been collected in advance; they are either collected at the time the copy is picked up or they are billed at the same time the copy is mailed to the requesting party. No accounts receivable information is kept by the Society. We suggest that the Society take steps to insure full compliance with the above quoted section of the Nevada Revised Statutes.

8. Inventory of Documents, Relics, Curios, etc.

The Society uses an index card system as a control for all items of personal property owned or loaned to the Society. In recent years the index cards are kept in great detail as is necessary; however, for prior periods such detail is lacking, mainly because there was not sufficient help to review and record all items received or in some instances, donations were deposited directly into storage.

Some of the numbers are duplicated and some of the descriptions on the cards do not match the items which are found under the numbers appearing on the index cards. When a group of items is received from the same person, institute, etc., all of these items are assigned a control number as a group and a detailed index card is made up referencing individual items to the control number; however, the indexing phase was not completely done in earlier years.

Many of the inventory problems have been caused by the Society not having a permanent home the past few years and because their total collection is spread over many locations. During the interval while waiting for completion of new quarters it is suggested that the following steps be taken to bring inventory records up-to-date as much as possible and to be prepared in advance for transfer of all items to the new quarters with as little confusion as possible.

- a. The card index system be brought up-to-date at the time all material is brought out of storage and put on display.
- b. The current numbering system be reviewed to eliminate duplicated numbers.
- c. The staff members put the file drawers in a systematic order so the information can be readily found.
- d. An inventory be taken of books, etc. which exist in the Society's quarters at #10 Artemesia Way, Reno.
- e. The collections, relics, curios and other items in storage be inventoried in detail upon their removal from storage.

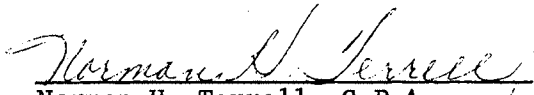
9. Conflict of NRS

During the course of the audit it was noted that NRS 239.090(1) states in part "any state, county, municipal or other official is authorized to turn over to the Nevada historical society, for permanent preservation therein, all obsolete official books, records, documents, original papers, newspaper files and printed books not in current use in his office".

It was further noted that NRS 225.067 states in part "The secretary of state may: 1. Receive into the archives any material from a state agency which he deems to be of historical value---".

From the language used in each of the above quoted statutes it is evident that a state official is authorized to turn over historical material to either the historical society or the secretary of state, at his own discretion. It is therefore recommended that the legislature amend the statutes to clarify which agency is to receive historical documents or to specify by statute which documents are to go to the historical society and which documents are to go to the secretary of state.

Carson City, Nevada  
September 27, 1966

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

NOTE: At a meeting with the director of the Nevada Historical Society held October 5, 1966, agreement was reached on implementation of all the foregoing recommendations.



STATE OF NEVADA  
NEVADA COMMISSIONER FOR VETERANS AFFAIRS  
AUDIT REPORT  
For the Fiscal Year ended June 30, 1966

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 Commissioner for Veterans Affairs for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Commissioner's Guardianship Fund--  
Statement of Financial Condition,  
June 30, 1966 ----- Exhibit A

Veterans Affairs Fund--  
Statement of Budgeted Revenues and  
Expenditures Compared to Actual for  
the Fiscal Year ended June 30, 1966 ----- Exhibit B

Commissioner's Guardianship Fund--  
Statement of Receipts and Disbursements  
for the Fiscal Year ended June 30, 1966 -- Exhibit C

#### Scope of Examination

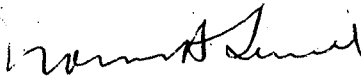
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate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

Opinion

We have examined the statement of financial condition of the commissioner's guardianship fund of the Nevada Commissioner for Veterans Affairs as of June 30, 1966, 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 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 commissioner's guardianship fund and veterans affairs fund of the Nevada Commissioner for Veterans Affairs as of June 30, 1966, and the results of its operation for the year then ended, in conformity with generally accepted accounting principles.

Carson City, Nevada  
September 30, 1966

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

## EXHIBIT A

NEVADA COMMISSIONER FOR VETERANS AFFAIRS  
COMMISSIONER'S GUARDIANSHIP FUND  
STATEMENT OF FINANCIAL CONDITION AS OF  
JUNE 30, 1966

AssetsCash

Security National Bank, Reno Commercial Account	\$12,726.24	
Security National Bank, Reno Savings Accounts	85,429.70	
Union Federal Savings & Loan, Reno Savings Accounts	47,073.68	
Home Savings & Loan, Reno Savings Account	<u>8,995.59</u>	\$154,225.21

Investments

U. S. Series E Savings Bonds (face value)	\$11,025.00	
U. S. Treasury Bonds (face value)	<u>4,000.00</u>	<u>15,025.00</u>
		<u>\$169,250.21</u>

Liabilities

Wards' Estates Payable		<u>\$169,250.21</u>
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NEVADA COMMISSIONER FOR VETERANS AFFAIRS  
VETERANS AFFAIRS FUND  
STATEMENT OF BUDGETED REVENUES AND EXPENDITURES  
COMPARED TO ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
G. F. Appropriation	\$47,704.00	\$47,704.00	\$47,704.00	\$ --
Salary Adjustment	948.00	948.00	948.00	--
Reimbursements	--	--	13.00	13.00
Total	<u>\$48,652.00</u>	<u>\$48,652.00</u>	<u>\$48,665.00</u>	<u>\$ 13.00</u>
<u>Expenditures</u>				
Payroll Costs				
Salaries	\$37,476.00	\$37,522.00	\$37,855.28	\$ 333.28
Industrial Insurance	210.00	205.00	167.48	(37.52)
Retirement	2,177.00	2,125.00	2,183.06	58.06
Personnel Assessment	200.00	200.00	200.00	--
Group Insurance	216.00	216.00	144.00	(72.00)
Total	<u>\$40,279.00</u>	<u>\$40,268.00</u>	<u>\$40,549.82</u>	<u>\$ 281.82</u>
Travel				
Out-of-State	\$ 900.00	\$ 2,224.00	\$ 791.97	\$(1,432.03)
In-State	2,700.00	2,700.00	1,003.65	(1,696.35)
Total	<u>\$ 3,600.00</u>	<u>\$ 4,924.00</u>	<u>\$ 1,795.62</u>	<u>\$(3,128.38)</u>
Operating				
Office Supplies	\$ 589.00	\$ 600.00	\$ 404.58	\$ (195.42)
Postage & Freight	700.00	700.00	363.78	(336.22)
Telephone Rent	500.00	500.00	797.35	297.35
Telephone Tolls & Telegraph	300.00	300.00	274.98	(25.02)
Printing	350.00	350.00	524.08	174.08
Dues & Registrations	150.00	150.00	175.64	25.64
Insurance & Bond Premiums	100.00	100.00	131.06	31.06
Office Equipment Repair	75.00	75.00	67.00	(8.00)
Total	<u>\$ 2,764.00</u>	<u>\$ 2,775.00</u>	<u>\$ 2,738.47</u>	<u>\$ (36.53)</u>
Equipment				
Office Equipment	\$ 685.00	\$ 685.00	\$ 814.56	\$ 129.56
Total	<u>\$ 685.00</u>	<u>\$ 685.00</u>	<u>\$ 814.56</u>	<u>\$ 129.56</u>
Reserve	<u>\$ 1,324.00</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total Expenditures	<u>\$48,652.00</u>	<u>\$48,652.00</u>	<u>\$45,898.47</u>	<u>\$(2,753.53)</u>
<u>Reverted to General Fund</u>			<u>\$ 2,766.53</u>	

NEVADA COMMISSIONER FOR VETERANS AFFAIRS  
 COMMISSIONER'S GUARDIANSHIP FUND  
 STATEMENT OF REVENUES AND EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965

Security National Bank, Reno (Commercial Account)	\$ 14,795.11	
Security National Bank, Reno (Savings Account)	59,439.03	
Union Federal Savings & Loan, Reno	<u>37,551.38</u>	\$111,785.52

Revenue

Commercial Account	\$133,084.93	
Savings Accounts	<u>57,124.18</u>	<u>190,209.11</u>
Total Funds Available		\$301,994.63

Expenditures

Commercial Account	\$135,153.80	
Savings Accounts	<u>12,615.62</u>	
Total Expenditures		<u>147,769.42</u>

Balance, June 30, 1966

\$154,225.21

## Consists of:

Security National Bank, Reno (Commercial Account)	\$ 12,726.24
Security National Bank, Reno (Savings Accounts)	85,429.70
Union Federal Savings & Loan, Reno (Savings Accounts)	47,073.68
Home Savings & Loan, Reno (Savings Account)	<u>8,995.59</u>

Total	<u>\$154,225.21</u>
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STATE OF NEVADA  
NEVADA COMMISSIONER FOR VETERANS AFFAIRS  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Books and Records

The records maintained by the agency concerning the expenditure of State appropriated funds are adequate.

The records maintained to account for funds of the wards under the guardianship program were found to be in need of improvement. One checking account is maintained for all wards with the accounting for each ward's funds maintained on ledger cards. Individual savings accounts are kept for the wards having funds in excess of their immediate needs. A separate ledger sheet is maintained for each ward. Hand postings are made to the ledger sheets directly from the incoming benefit cards for credits to the wards' funds. The benefit card's number is recorded on the ledger sheet; however, no receipt is written.

Charges to the ledger sheets are posted directly from the Commissioner's check book as checks are written in behalf of the wards for maintenance and care. A continuous balance is carried on each ward's ledger sheet indicating funds on deposit in the checking account and in the savings accounts; however, no control accounts are provided for either of the accounts.

The method in use by the agency does not provide for any proofing of balances and lends itself to the element of human error. This was

evidenced by a difference of \$722.06 in the checking account between the ledger sheet totals and the checkbook balance as of June 30, 1966.

Errors in the amount of \$701.23 were located by the auditor.

The auditor did not attempt to locate the remaining difference of \$20.83.

It is recommended that:

- a. The agency initiate the use of pre-numbered receipts to record all money received and for use in posting to the wards' ledger sheets.
- b. A peg-style posting board be obtained with standardized journal sheets for use in conjunction with posting to the ledger sheets now in use. This will provide proof of postings and balances at all times.
- c. Control accounts be set up. Once a correct ledger sheet balance total is arrived at, daily proofed totals can be posted to the control accounts and a correct and continuous balance may be maintained at all times.
- d. The ledger sheet totals be reconciled with the control accounts and bank account at least once a month.
- e. The agency immediately take steps to locate the \$20.83 error on the wards' ledger sheets.

## 2. Internal Control

One person in the agency is responsible for opening and distributing the mail, making up bank deposits, posting entries to the wards' fund accounts, writing checks and reconciling the bank account. It can readily be seen that improvements in the area of internal procedures

are desirable. It is realized that the agency has a very limited staff; however, it is recommended that the monthly reconciling of the bank account be assigned to a person other than the one making deposits and writing checks.

It was also noted that the agency does not permanently retain cancelled checks written on the commissioner's guardianship account. The agency files the cancelled checks of each ward with the court at the time of the required annual accounting.

NRS 160.100, subsection 1, states "Every guardian, who shall receive on account of his ward any moneys from the Veteran's Administration, shall file with the court annually, on the anniversary date of the appointment, in addition to such other accounts as may be required by the court, a full, true and accurate account under oath of all moneys so received by him, of all disbursements thereof, and showing the balance thereof in his hands at the date of such account and how invested".

The statute does not require the cancelled checks to be filed with the annual accounting. It is recommended therefore that photostatic copies of the cancelled checks be filed with future accountings if the agency deems the filing of them to be necessary, as the retention of these documents in their own files is a basic fundamental of accounting standards.

All checks drawn on the commissioner's guardianship checking account are written by hand, which leaves them vulnerable to alterations. It is recommended that the commissioner consider acquiring a check protector in order to eliminate this possibility.

3. Insufficient Bond Provided

NRS 160.090, subsection 2, provides in part "Upon the appointment being made the guardian shall, except as otherwise provided in this section, execute and file a bond to be approved by the court in an amount not less than the value of the personal property of the estate plus the anticipated annual income. Thereafter the amount of such bond shall be equal to the total value of the personal estate plus the annual income".

It was found that the bonds provided for several of the estates under the commissioner's guardianship as of June 30, 1966 were insufficient in the combined amount of approximately \$23,000.00, and it was noted that several other estates would exceed the present bonding during the current fiscal year.

It is therefore recommended that the commissioner review all the estates under his guardianship and accordingly increase the bond amounts of those found to be insufficient in accordance with the formula provided for in NRS 160.090. The commissioner should make such a review annually.

4. Non-adherence to S.A.M.

Section 2710.2 of the State Administrative Manual states in part that office furniture, office supplies and office equipment, regardless of monetary value, are mandatory purchase items from the State purchasing division of the department of administration.

The deputy commissioner in charge of the Las Vegas office purchased \$136.12 worth of office supplies from a private vendor in

violation of this regulation. The purchasing division administrator requested justification of these purchases from the deputy commissioner on November 22, 1965 and again on January 3, 1966 but none was ever received. The claim was approved for payment eventually without justification.

Section 6020 of S.A.M. instructs agencies to number claim lists consecutively beginning with "1" for the first list filed at the beginning of each fiscal year; however, this agency did not number any of its lists.

It is recommended that all personnel of the agency acquaint themselves with the policies, procedures and regulations contained in the State Administrative Manual and follow them to the best of their ability.

5. Equipment Inventory

This agency's office is located in a Veteran's Administration building. The V. A. furnishes some equipment for the agency to use. An accurate and up-to-date inventory of this equipment is maintained by the agency; however, the last inventory of State equipment was dated November 1964.

Only eight of seventeen pieces of equipment charged to the Reno office were found to have correct State inventory numbers affixed to them. Two new pieces of equipment were found in the office that were not listed on State inventory records. We did not check equipment charged to the Las Vegas office.

With the presence of both Federal and State equipment in this office it is particularly important that all equipment be readily

identifiable. It is therefore recommended that the agency set up an accurate, up-to-date inventory as soon as possible, accounting for and properly numbering all State equipment located in both the Reno and Las Vegas offices.

6. F.D.I.C. and Federal Savings & Loan Ins. Corp. Insurance Limits

Each savings account under the commissioner's guardianship is set up in the name of the commissioner as guardian for the individual. The question of whether this constituted the commissioner being one depositor or several depositors for F.D.I.C. or F.S.L.I.C. purposes was asked of a local banking official. This official stated that he felt each account would be classified as a separate entity and therefore entitled to the maximum insurance coverage. Inasmuch as this was an informal opinion given by a non-governmental official, it is recommended that the commissioner make formal inquiry to the F.D.I.C. and F.S.L.I.C. for an official determination.


It was found that the commissioner's commercial banking account, which is in his name only, consistently had a balance in excess of \$10,000 during the 1965-66 fiscal year. It is recommended that the commissioner request the bank to pledge acceptable collateral in the amount of 110% of the average balance in this account.

7. Bonding of Employees

Part of the agency employees are presently bonded by private coverage acquired by the commissioner. The State has recently purchased general fidelity coverage up to \$25,000 for all employees of the State of Nevada except those required specifically by statute to

furnish an individual bond. No employee of this agency is required by statute to furnish an individual bond; therefore, it is recommended that the commissioner cancel the present private bond, other than his own, in order to eliminate this duplication of coverage.

Carson City, Nevada  
September 30, 1966



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

NOTE: At a meeting held on October 11, 1966 between the Fiscal Analyst and the Commissioner for Veterans Affairs, agreement was reached on the implementation of the foregoing recommendations.



STATE OF NEVADA  
STATE BOARD OF SHEEP COMMISSIONERS  
AUDIT REPORT  
For the Fiscal Year Ended June 30, 1966

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 State Board of Sheep Commissioners for the fiscal year ended June 30, 1966, and have prepared therefrom the following exhibit:

State Board of Sheep Commissioners-Sheep Inspection Fund  
Statement of Basis for Authorization  
Compared to Actual Receipts and  
Expenditures for the Fiscal Year  
Ended June 30, 1966 ----- Exhibit A

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.

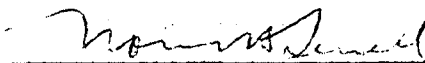
Opinion

We have examined the Statement of Basis for Authorization Compared to Actual Receipts and Expenditures of the Sheep Inspection Fund of the State Board of Sheep Commissioners as of June 30, 1966. 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 Basis for Authorization Compared to Actual Receipts and Expenditures presents fairly the financial position of the Sheep Inspection Fund of the State Board of Sheep Commissioners as of June 30, 1966, and the results of its operation 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 24, 1966



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

STATE BOARD OF SHEEP COMMISSIONERS  
SHEEP INSPECTION FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Funds Available</u>				
Balance, July 1, 1965	\$ --	\$ --	\$24,140.16	\$24,140.16
Direct Tax on Sheep	16,000.00	16,000.00	10,482.43	(5,517.57)
Industrial Insurance Rebate	--	--	6.96	6.96
Total	<u>\$16,000.00</u>	<u>\$16,000.00</u>	<u>\$34,629.55</u>	<u>\$18,629.55</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 8,010.00	\$ 8,010.00	\$ 7,620.00	\$ (390.00)
Industrial Insurance	45.00	45.00	42.28	(2.72)
Total	<u>\$ 8,055.00</u>	<u>\$ 8,055.00</u>	<u>\$ 7,662.28</u>	<u>\$ (392.72)</u>
Travel:				
Out-of-State	\$ 100.00	\$ --	\$ 68.75	\$ 68.75
In-State	1,280.00	1,380.00	718.50	(661.50)
Total	<u>\$ 1,380.00</u>	<u>\$ 1,380.00</u>	<u>\$ 787.25</u>	<u>\$ (592.75)</u>
Operating:				
Office Supplies	\$ 150.00	\$ 150.00	\$ 9.79	\$ (140.21)
Postage and Freight	50.00	50.00	20.00	(30.00)
Combined-Telephone	100.00	100.00	25.80	(74.20)
Combined-Printing	100.00	100.00	4.60	(95.40)
Dues and Registration	45.00	45.00	36.00	(9.00)
Total	<u>\$ 445.00</u>	<u>\$ 445.00</u>	<u>\$ 96.19</u>	<u>\$ (348.81)</u>
Contributions-Nevada Wool-growers Association	<u>\$ 4,500.00</u>	<u>\$ 4,500.00</u>	<u>\$ 4,410.00</u>	<u>\$ (90.00)</u>
Department of Agriculture-Veterinary Service	<u>\$ 1,620.00</u>	<u>\$ 1,620.00</u>	<u>\$ --</u>	<u>\$ (1,620.00)</u>
Total Expenditures	<u>\$16,000.00</u>	<u>\$16,000.00</u>	<u>\$12,955.72</u>	<u>\$ (3,044.28)</u>
Balance, June 30, 1966			<u>\$21,673.83</u>	



STATE OF NEVADA  
STATE BOARD OF SHEEP COMMISSIONERS  
SUPPLEMENTAL LETTER  
FISCAL YEAR ENDED JUNE 30, 1966

1. Sheep Tax Collections

a. NRS 562.180, Section 1 states, "Each county assessor must, on or before the 1st Monday in March of each year, prepare from the assessment records of such year, as corrected by the board of county commissioners, and send to the state board of sheep commissioners, a statement showing the total number and value of all sheep assessed and the names and addresses of the individual owners of the same in the county concerned for the current tax year."

For the year 1965-66 only sixteen of the seventeen county assessors filed the above report with the sheep commissioners, three of these being submitted late. Of the sixteen counties that submitted reports, eight were not in agreement with figures released from the Nevada Tax Commission.

It is recommended that the State Board of Sheep Commissioners, acting for themselves and as the Woolgrowers Predatory Animal Control Committee, contact the Nevada Tax Commission and request their help in order to strengthen the reporting procedures of the county assessors. The Nevada Tax Commission has definite powers over county assessors and their reporting procedures which is stated in NRS 360.250, Section 5.

b. Section 1 of NRS 562.180 requires each county assessor to submit a statement to the State Board of Sheep Commissioners showing the number and value of all sheep assessed. Sheep are no longer taxed on a value basis for the purpose of this section. It is recommended that this section be amended and the words "and value" be deleted in order to comply with the present taxing procedure.

c. NRS 562.180, Section 2 states, "2. Each county treasurer must notify the State Board of Sheep Commissioners at the time of forwarding of all moneys by him to the State Treasurer for placing in the sheep inspection fund, including a final report at the time final settlement is made each year concerning such funds with the State Controller."

The above report is not being submitted as required. This report is no longer necessary as the sheep commission receives the same information from the State Controller on a monthly basis. It is recommended that Section 2 of NRS 562.180 as now written be deleted in its entirety.

## 2. Commission Minutes

The books and records of the sheep commission are adequate with the exception of the minutes of the commission meetings. The minutes were found to be lacking in detail and concurrence of commission members for past actions. Due to the small number of commission members and their close working relationship there is a tendency to settle problems at informal meetings or by telephone. We feel that this type of relationship should not be discouraged but that actions of this nature should be approved in writing at the next formal meeting in order that the minutes reflect the true operation of the commission.

3. Travel and Per Diem Expenses

NRS 562.090, Section 1 and 1(b) states, "1. Each member of the board shall receive: (b) Actual transportation expenses while in the discharge of his duties."

Board members, by their own actions, have elected to receive per diem and expense as do other state employees. This has been at their own option in order to keep expenses down.

It is therefore recommended that NRS 562.090, Section 1(b), be amended to read "(b) Per diem and travel expenses as are other state employees."

4. Biennial Report

NRS 562.150 requires the biennial report to be submitted to the Governor by August 1. For the two fiscal years immediately preceding this date the legislature has extended the time for closing fiscal year accounts to September 30 which makes it impossible to comply with the law as now written.

It is recommended that NRS 562.150 be amended to read: "The board shall render a report of its activities in writing to the Governor on a biennial basis."

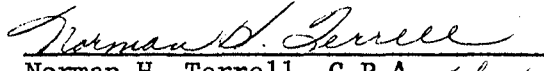
5. Contributions for Promotion and Protection of Sheep Interests

NRS 562.210 authorizes expenditures from the sheep inspection fund for promotion and protection of sheep interests by associations and organizations. The amount authorized is not to exceed the equivalent of 2 cents of the levy collected.

Each year expenditures are made to the Nevada Woolgrowers Association for the above purposes. The number of sheep on the assessment rolls supplied by the Nevada Tax Commission, for the previous year is used as a basis for the amount to be expended. This basis is not in accordance with NRS as the Tax Commission figures do not represent actual collections as required by this statute. For instance, in 1964-65 the amount contributed was \$4,480.50 based on 224,442 sheep on the rolls in 1963-64. Had the contribution been based on collections it would have amounted to \$4,077.70. Actual collections will always differ from the assessment rolls due to delinquencies.

It is recommended that Section 1 of NRS 562.210 be amended to read "not to exceed the equivalent of 2 cents of the levy (collected) assessed pursuant to NRS 562.170."

Carson City, Nevada  
October 24, 1966

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

NOTE: At a meeting held October 27, 1966 between members of the Sheep Commission and the Fiscal Analyst's office, agreement was reached on implementation of the foregoing recommendations.

STATE OF NEVADA  
WOOLGROWERS PREDATORY ANIMAL CONTROL COMMITTEE  
AND  
PREDATORY ANIMAL AND RODENT CONTROL COMMITTEE  
AUDIT REPORT  
For the Fiscal Year Ended June 30, 1966

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 Woolgrowers Predatory Animal Control Committee and the Predatory Animal and Rodent Control Committee for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Woolgrowers Predatory Animal Control Committee-  
Woolgrowers Predatory Animal Control Fund  
Statement of Basis for Authorization  
Compared to Actual Receipts and  
Expenditures for the Fiscal Year  
Ended June 30, 1966 ----- Exhibit A

Predatory Animal and Rodent Control Committee-  
Predatory Animal and Rodent Control Fund  
Statement of Basis for Appropriation  
and Authorization Compared to Actual  
Receipts and Expenditures for the  
Fiscal Year ended June 30, 1966 ----- Exhibit B

#### 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.

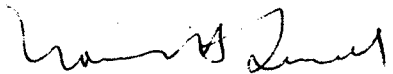
Opinion

We have examined the Statement of Basis for Authorization Compared to Actual Receipts and Expenditures of the Woolgrowers Predatory Animal Control Fund and the Statement of Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures of the Predatory Animal and Rodent Control Fund as of June 30, 1966.

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 present fairly the financial position of the Woolgrowers Predatory Animal Control Fund and the Predatory Animal and Rodent Control Fund as of June 30, 1966, and the results of their 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 24, 1966

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

STATE OF NEVADA  
 WOOLGROWERS PREDATORY ANIMAL CONTROL COMMITTEE  
 WOOLGROWERS PREDATORY ANIMAL CONTROL FUND  
 STATEMENT OF BASIS FOR AUTHORIZATION  
 COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
 FOR FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Funds Available</u>				
Balance, July 1, 1965	\$ --	\$ --	\$42,696.43	\$42,696.43
Authorization	64,343.00	64,343.00	--	(64,343.00)
Salary Adjustment	4,339.00	4,339.00	--	(4,339.00)
County Sheep Tax	--	--	38,279.21	38,279.21
Personnel Assessment Refund	--	--	88.00	88.00
Reimbursement - Wages	--	--	332.00	332.00
Refund-Nevada Industrial	--	--	37.05	37.05
Total	<u>\$68,682.00</u>	<u>\$68,682.00</u>	<u>\$81,432.69</u>	<u>\$12,750.69</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$44,028.00	\$44,286.00	\$42,822.36	\$(1,463.64)
Industrial Insurance	247.00	224.00	237.26	13.26
Retirement	2,561.00	2,326.00	2,489.94	163.94
Personnel Assessment	400.00	400.00	400.00	--
Group Insurance	288.00	288.00	249.00	(39.00)
Total	<u>\$47,524.00</u>	<u>\$47,524.00</u>	<u>\$46,198.56</u>	<u>\$(1,325.44)</u>
Travel:				
In-State	\$18,528.00	\$18,528.00	\$15,438.98	\$(3,089.02)
Operating:				
Office Supplies	\$ --	\$ --	\$ 5.50	\$ 5.50
Postage and Freight	5.00	5.00	--	(5.00)
Printing Operational	25.00	25.00	--	(25.00)
Insurance & Bond Premiums	--	--	36.33	36.33
Predatory Bait Purchases	2,600.00	2,600.00	1,390.93	(1,209.07)
Total	<u>\$ 2,630.00</u>	<u>\$ 2,630.00</u>	<u>\$ 1,432.76</u>	<u>\$(1,197.24)</u>
<u>Total Expenditures</u>	<u>\$68,682.00</u>	<u>\$68,682.00</u>	<u>\$63,070.30</u>	<u>\$(5,611.70)</u>
<u>Balance, June 30, 1966</u>			<u>\$18,362.39</u>	

PREDATORY ANIMAL AND RODENT CONTROL COMMITTEE  
 PREDATORY ANIMAL AND RODENT CONTROL FUND  
 STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
 COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Receipts</u>				
Appropriation General Fund	\$117,807.00	\$117,807.00	\$117,807.00	\$ --
Salary Adjustment	9,811.00	9,811.00	9,811.00	--
Authorizations-Nevada Fish and Game	40,000.00	40,000.00	40,000.00	--
Total	<u>\$167,618.00</u>	<u>\$167,618.00</u>	<u>\$167,618.00</u>	<u>\$ --</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$114,518.00	\$114,944.00	\$112,079.90	\$(2,864.10)
Industrial Insurance	667.00	673.00	698.64	25.64
Retirement	6,661.00	6,121.00	6,483.44	362.44
Personnel Assessment	1,050.00	1,050.00	1,050.00	--
Group Insurance	648.00	756.00	630.00	(126.00)
Total	<u>\$123,544.00</u>	<u>\$123,544.00</u>	<u>\$120,941.98</u>	<u>\$(2,602.02)</u>
Travel:				
In-State	\$ 38,000.00	\$ 38,000.00	\$ 39,429.90	\$ 1,429.90
Operating:				
Office Supplies	\$ 20.00	\$ 20.00	\$ --	\$ (20.00)
Postage and Freight	10.00	10.00	10.25	.25
Printing-Operational	100.00	100.00	--	(100.00)
Insurance Premiums	--	--	92.46	92.46
Office Equipment Repair	--	--	10.25	10.25
Equipment Rental	1,944.00	1,944.00	1,737.00	(207.00)
Airplane Operation	2,000.00	2,000.00	2,390.50	390.50
Raw Material Purchase	2,000.00	2,000.00	332.10	(1,667.90)
Project Supplies	--	--	14.50	14.50
Total	<u>\$ 6,074.00</u>	<u>\$ 6,074.00</u>	<u>\$ 4,587.06</u>	<u>\$(1,486.94)</u>
<u>Total Expenditures</u>	<u>\$167,618.00</u>	<u>\$167,618.00</u>	<u>\$164,958.94</u>	<u>\$ 2,659.06</u>
<u>Amount Reverted to General Fund</u> <u>June 30, 1966</u>			<u>\$ 2,659.06</u>	

STATE OF NEVADA  
WOOLGROWERS PREDATORY ANIMAL CONTROL COMMITTEE  
SUPPLEMENTAL LETTER  
FISCAL YEAR ENDED JUNE 30, 1966

1. Sheep Tax Collections

The State Woolgrowers Predatory Animal Control Committee is comprised of the members of the State Board of Sheep Commissioners under the provisions of NRS 567.110, Subsection 1. Under the provisions of NRS 562.180 each county assessor must submit a statement to these members, showing total number and value of all sheep assessed in such county for the current year.

During our audit it was noted that many statements submitted to the sheep commissioners by the county assessors varied from the statements submitted to the tax commission.

It is recommended that the State Board of Sheep Commissioners, acting for themselves and as the Woolgrowers Predatory Animal Control Committee, contact the Nevada Tax Commission and request their help in order to strengthen the reporting procedures of the county assessors. The Nevada Tax Commission has definite powers over county assessors and their reporting procedures which is stated in NRS 360.250, Section 5.

2. Record Duplication

The Woolgrowers Predatory Animal Control Fund and the Predatory Animal and Rodent Control Fund serve an identical purpose, that is to

pay the wages, travel and supplies needed, of the field men. There are 27 district field assistants doing predatory animal control work in the state, eight are paid from the Woolgrowers Fund and 19 are paid from the Rodent Control Fund. Separate records are maintained for both funds but personnel are transferred back and forth depending on availability of funds. Both funds are maintained by the U. S. Government Bureau of Sports Fisheries and Wildlife. The Woolgrowers Fund is derived from taxes on sheep. The Rodent Control Fund is derived from General Fund appropriations and money transferred from the Nevada Fish and Game Commission Fund. It is apparent that considerable time and effort could be saved if all expenditures were made from one fund.

We recommend that the Woolgrowers Predatory Animal Control Committee authorize a contribution, based on a submitted budget, to the Predatory Animal and Rodent Control Committee. All expenditures then to be made from the latter fund. Proper budgets would insure moneys being used and not reverting to the General Fund.


### 3. Committee Minutes

The Woolgrowers Predatory Animal Control Committee maintains no minutes of committee meetings as such. The State Board of Sheep Commissioners act as and for the Woolgrowers Predatory Animal Control Committee and any notations appear in the sheep commissioners' minutes.

The minutes of the sheep commission were found to be lacking in any detail concerning the functions of the woolgrowers committee. As a matter of good business procedure we recommend that all actions

concerning the woolgrowers fund be noted either separately or in the sheep commission minutes.

Carson City, Nevada  
October 24, 1966

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

NOTE: At a meeting held October 27, 1966 between members of the Predatory Animal and Rodent Control Committee and the Fiscal Analyst's office, agreement was reached on implementation of the foregoing recommendations.



STATE OF NEVADA  
ALCOHOLISM DIVISION  
DEPARTMENT OF HEALTH AND WELFARE

AUDIT REPORT

For the Fiscal Year Ended June 30, 1966

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 Alcoholism Division,  
Department of Health and Welfare for the fiscal year ended June 30, 1966  
and have prepared therefrom the following exhibits:

Administrative Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and  
Expenditures for the Fiscal Year  
Ended June 30, 1966 ----- Exhibit A

Alcoholism Receipts Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

#### 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.

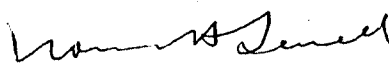
#### Opinion

We have examined the Statement of Receipts and Expenditures of the Alcoholism Receipts Fund and the Statement of Basis for Appropriation

Compared to Actual Receipts and Expenditures for the fiscal year ended  
June 30, 1966.

In our opinion, the accompanying statements of receipts and expenditures present fairly the results of the operations of the Alcoholism Division, Department of Health and Welfare for the fiscal year ended June 30, 1966, in conformity with generally accepted accounting principles.

Carson City, Nevada  
November 14, 1966



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

STATE OF NEVADA  
ALCOHOLISM DIVISION, DEPARTMENT OF HEALTH AND WELFARE  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
Appropriation	\$29,039.00	\$29,039.00	\$29,039.00	\$ --
Other Income	--	--	6.00	6.00
Total Receipts	<u>\$29,039.00</u>	<u>\$29,039.00</u>	<u>\$29,045.00</u>	<u>\$ 6.00</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$16,512.00	\$16,512.00	\$15,144.00	\$ (1,368.00)
Industrial Ins.	240.00	240.00	225.51	(14.49)
Retirement	957.00	957.00	877.92	(79.08)
Personnel Assmt.	50.00	50.00	50.00	--
Group Insurance	--	--	24.00	24.00
Total	<u>\$17,759.00</u>	<u>\$17,759.00</u>	<u>\$16,321.43</u>	<u>\$ (1,437.57)</u>
Travel:				
Out-of-State	\$ 250.00	\$ 250.00	\$ 172.40	\$ (77.60)
In-State	2,600.00	2,600.00	1,978.69	(621.31)
Total	<u>\$ 2,850.00</u>	<u>\$ 2,850.00</u>	<u>\$ 2,151.09</u>	<u>\$ (698.91)</u>
Operating:				
Office Supplies	\$ 250.00	\$ 250.00	\$ 288.50	\$ 38.50
Postage & Freight	250.00	250.00	120.86	(129.14)
Telephone-Rental	300.00	300.00	329.68	29.68
Telephone-Tolls	400.00	400.00	210.95	(189.05)
Printing-Operational	500.00	500.00	19.20	(480.80)
Subscrips. & Ref. Manuals	100.00	100.00	7.50	(92.50)
Dues & Registrations	250.00	250.00	240.00	(10.00)
Bonds & Ins. Premiums	30.00	30.00	9.90	(20.10)
Contract Services	--	--	30.40	30.40
Office Equipment Repair	100.00	100.00	--	(100.00)
Equipment Repair-Other	50.00	50.00	--	(50.00)
Photographs, Prints & Maps	50.00	50.00	--	(50.00)
Special Proj.-Literature	--	--	995.01	995.01
Total	<u>\$ 2,280.00</u>	<u>\$ 2,280.00</u>	<u>\$ 2,252.00</u>	<u>\$ (28.00)</u>
Equipment:				
Office	<u>\$ 150.00</u>	<u>\$ 150.00</u>	<u>\$ 225.38</u>	<u>\$ 75.38</u>
Alcoholism Research and Assistance	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ --</u>
Total Expenditures	<u>\$29,039.00</u>	<u>\$29,039.00</u>	<u>\$26,949.90</u>	<u>\$ (2,089.10)</u>
<u>Reverted to General Fund</u>			<u>\$ 2,095.10</u>	

STATE OF NEVADA  
ALCOHOLISM DIVISION, DEPARTMENT OF HEALTH AND WELFARE  
ALCOHOLISM RECEIPTS FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>		\$4,409.76
<u>Receipts</u>		
Sales		<u>816.52</u>
Total Funds Available		\$5,226.28
<u>Expenditures</u>		
Scholarships to University of Utah	\$690.00	
Assistance, Samaritan House		
Rehabilitation Center	160.00	
Contribution, National Alcohol		
Information Week	75.00	
Literature	<u>112.60</u>	
Total Expenditures		<u>1,037.60</u>
<u>Balance, June 30, 1966</u>		<u><u>\$4,188.68</u></u>

STATE OF NEVADA  
ALCOHOLISM DIVISION, DEPARTMENT OF HEALTH AND WELFARE  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR 1965-1966

1. Recommendations, Prior Audit Report

Recommendation that all purchases of office supplies be made through the State Division of Purchasing is being closely followed. Few outside purchases were made during fiscal 1965-1966 and these were on written authority of the Purchasing Division because of their inability to furnish certain items.

Section 458.230 was amended as recommended and one or more meetings are held each year at the direction of the chairman.

The sale of books and literature has not been discontinued as suggested. The administrator feels it is an economy to the State as this requires only a limited appropriation to cover a portion of the cost; this being compatible with his policy of encouraging recovered and recovering alcoholics to get on a "pay-his-own-way" basis as soon as possible.

2. Accounting

Duplicate accounts with detail accumulating totals and declining fund balance are posted by single entry for the Alcoholism Receipts Fund. One account is kept to record all deposits and claims paid and

reflects a balance in agreement with the State Controller. The second account reflects the balance and expenditures relating only to a grant of \$5,164.67 from the Questa Foundation.

According to the bookkeeper the duplication is for the benefit of the administrator to inform him of remaining balances of the original Questa Grant. A saving in time and materials could be effected by adding a single column to the prime account to show both desired totals. It is recommended that the duplication of accounts be discontinued.

Carson City, Nevada  
November 14, 1966



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

NOTE: At a meeting held November 15, 1966 with the director of the Alcoholism Division agreement was reached on implementation of the foregoing recommendations.

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD

AUDIT REPORT  
For the Fiscal Year Ended June 30, 1966

*Guilford*  
*see also*  
*Lady Thomas*

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, 1966 and have prepared therefrom the following exhibits:

Public Employees Retirement Board--  
Public Employees Retirement Fund  
Statement of Financial Condition  
June 30, 1966 ----- Exhibit A

Public Employees Retirement Board--  
Public Employees Retirement Fund  
Statement of Investments at Book  
Value as of June 30, 1966 ----- Exhibit A-1

Public Employees Retirement Board--  
Revolving Fund - Statement of  
Financial Condition; June 30, 1966 ----- Exhibit B

Public Employees Retirement Board--  
Administrative Fund - Statement of  
Basis for Authorization Compared to  
Actual Revenues and Expenditures for  
the Fiscal Year Ended June 30, 1966 ----- Exhibit C

Public Employees Retirement Board--  
Public Employees Retirement Fund  
Statement of Receipts and Disburse-  
ments for the Fiscal Year Ended  
June 30, 1966 ----- Exhibit D

#### Scope of Examination

Although we did not make a detailed examination of all recorded trans-  
actions, our examination was made in accordance with generally accepted

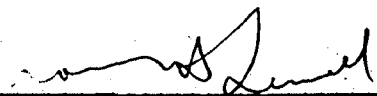
accounting standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

#### Opinion

We have examined the Statement of Financial Condition of the retirement and revolving funds of the Public Employees Retirement Board as of June 30, 1966 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 Statements of Financial Condition and Statement of Revenues and Expenditures present fairly the financial position of the Administrative Fund, the Retirement Fund and the Revolving Fund of the Public Employees Retirement Board as of June 30, 1966, and the results of its operation 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  
November 18, 1966



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

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD  
PUBLIC EMPLOYEES RETIREMENT FUND  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

Cash		\$	905,341.53
Advances to Revolving Fund			350,000.00
Investments at Book Value:			
Bonds	\$41,032,403.44		
Stocks	891,725.00		
U. S. Government Obligations	14,973,884.98		
U. S. Government Insured Mortgages	<u>8,105,018.47</u>		<u>65,003,031.89</u>
Total Assets			<u>\$66,258,373.42</u>

Liabilities

Active Employees Accumulative Contributions	\$25,837,131.82
Inactive Employees Accumulative Contributions	328,524.85
Withdrawn Contributions Partially Repaid	34,741.56
Reserve for Payments to Retired Members	20,509,409.53
Reserve for Post Retirement Increases	3,591,785.31
Employers Equivalent Contribution	26,200,398.23
Current Actuarial Deficit	*(10,243,617.88)
Total Liabilities	<u>\$66,258,373.42</u>

\*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, 1966, based on actuarial studies.

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD  
PUBLIC EMPLOYEES RETIREMENT FUND  
STATEMENT OF INVESTMENTS AT BOOK VALUE  
AS OF JUNE 30, 1966

<u>Bonds</u>	<u>Amount</u>
American Can Co. Debentures, 4-3/4% on 4.70% basis, due 7/15/90	\$ 198,000.00
American Smelting & Refining Co. Sub. Debs. 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 4.55% basis, due 6/1/86	600,000.00
Associates Investment Co. Debentures, 5-1/8%, due 8/1/79	200,000.00
Atlantic Coastline Railroad Equipment Trust Certificates, Series L, 4-5/8% on 4.80% basis, due 7/15/72	200,000.00
Bankers Trust Company - Capital Notes, 4½%, due 12/15/88	480,000.00
Beneficial Finance Co. Debentures, various	1,900,000.00
Bethlehem Steel Subordinate Debentures, 4½%, due 1/1/90-73	1,500,000.00
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
Chase Manhattan Bank Capital Bonds, 4.60%, due 6/1/90	1,000,000.00
Chicago, Milwaukee, St. Paul & Pacific Railroad Equipment Trust Certificates, 4-3/4% to yield 4.90%, due 2/1/68 & 8/1/68	200,000.00
Churchill County Hospital Bonds, 3%, dated 6/1/53	35,000.00
C.I.T. Financial Corp. Debentures, 5-1/8% to yield 5.25%, due 1/15/80	2,000,000.00
C.I.T. Financial Corp. Debentures, 4½% on 4.55% basis, due 9/1/84	400,000.00
City of Carson Maintenance & Equipment Building Bonds, 3½%, dated 7/15/58	11,000.00
City of Carson Swimming Pool Bonds, 3½%, dated 12/15/55	20,000.00
Clark County Airport Bonds, 3½%, dated 6/14/54	5,500.00
Clark County Enterprise School Dist. Bonds, 3½%, dated 3/1/55	43,000.00
Clark County Las Vegas Grammar School Dist. #12 Bonds, 3%, dated 9/1/51	568,000.00
Clark County, Paradise School Dist. Bonds, 3%, dated 6/23/53	20,000.00

EXHIBIT A-1 (CONT.)

Columbia Gas System Debentures, 4-5/8% on 4.66% basis, due 5/1/90	1,000,000.00
Commercial Credit Co. Notes, 5½% to yield 5.25%, due 1/1/80	400,000.00
Commonwealth Edison Sinking Fund Debentures, 4-3/4%, due 12/1/2011	328,901.16
Consolidated Edison Co. of New York, First & Refund Mortgage Bonds, 5½%, due 12/1/89	1,100,000.00
Continental Can Co. Debentures, 4-5/8%, due 10/1/85	197,000.00
Continental Oil Co. Debentures, 4½% on 4.55%, due 5/1/91	800,000.00
Crown Zellerbach Corp. Bonds, 4.55%, due 6/1/1990	400,000.00
Dow Chemical Co. Bonds, 4.50%, due 1990	300,000.00
Duquesne Light Co. Sinking Fund Debentures, 5%, due 3/1/2010	180,955.00
East Ely School General Obligation Building Bonds, 3%, dated 6/16/54	52,000.00
Federal Land Bank Bonds, 5-1/8%, due 7/20/70	1,000,000.00
Federal Land Bank Consolidated Federal Farm Loan Bonds, 4½% on 4.46% basis, due 2/20/74	340,000.00
Federal National Mortgage Association Debentures, average 5%	2,819,946.94
General Telephone Co. of Florida First Mortgage Bonds, 4-5/8% on 4.60% basis, due 11/1/91	400,000.00
City of Hawthorne Paving Bonds, 3½%, dated 7/6/53	54,000.00
City of Henderson General Obligation Water Improvement Bonds, 3½%, dated 2/1/56	60,000.00
Household Finance Co. Debentures, 4-7/8% & 4-3/4%, due 1/1/81	3,300,000.00
International Harvester Credit Corp. Debentures, 4-3/4% on 4.73% basis, due 8/1/81	1,095,000.00
Lander County, Unincorporated Town of Battle Mountain Street Improvement Assessment Dist. Bonds, 4½%, series 9/1/63	124,000.00
City of Las Vegas Assessment Dist. No. 100-35 Street Improvement Bonds, 3-3/4%, dated 6/4/58	6,400.00
City of Las Vegas Assessment Dist. No. 100-44 Street Improvement Bonds, 4.50%, dated 5/1/61	5,100.00
City of Las Vegas Assessment Dist. No. 100-49 Street Improvement Bonds, 4.75%, Series 2/1/61	2,000.00
Lincoln County High School General Obligation Bonds, 2½%, dated 4/15/50	30,000.00
Lincoln County Unincorporated Town of Panaca General Obligation Various Purpose Bonds, 4.35%, Series 12/1/63	36,000.00
Lincoln County, Panaca School Bonds, 4%, dated 9/1/48	3,000.00
Louisville & Nashville Railroad Equipment Trust Certificates, 4½%, due 4/1/71	300,000.00
Lovelock Sewer Bonds, 3½%, dated 3/27/53	10,000.00

EXHIBIT A-1 (CONT.)

Lyon County Mason Valley Swimming Pool Dist. General Obligation Bonds, 3½%, dated 5/1/58	42,250.00
Milwaukee Gas Light Co. First Mortgage Bonds, 5-5/8% to yield 5.45%, due 5/15/85	183,000.00
Minneapolis Honeywell Regulator Co., S.F. Debentures, 4½% on 4.46%, due 4/15/86	500,000.00
Mountain Fuel Supply Co. Debentures, 4.60%, due 6/1/89	800,000.00
Mountain States Tel & Tel Co. Debentures, 5% to yield 4.87%, due 4/1/2000	200,000.00
National Biscuit Co. Sub. Debentures, 4-3/4%, due 4/1/87	600,000.00
National Cash Register Bonds, 4-3/4% on 4.40% basis, due 6/1/85	296,000.00
New England Tel & Tel Co. Debentures, 5-3/4% to yield 5.625%, due 9/1/94	400,000.00
New York Telephone Co. Mortgage Bonds, 4-5/8% to yield 4½%, due 10/1/97	350,000.00
City of North Las Vegas Improvement Dist. #30 Local Improvement Bonds, Series 4/1/66, 4.85%	2,306,975.99
Nye County, Beatty School Dist. Bonds, 4% coupon yields 3%, dated 1/1/48	1,000.00
Pacific Gas & Elec. Co. First and Refund Mortgage Bonds, 4%, due 6/1/91	500,000.00
Quebec Hydro-Electric Commission, Series X Bonds, 5%, due 7/15/84	200,000.00
City of Reno Sterling Village Improvement Dist. Bonds, 2½%, dated 12/1/49	17,600.00
City of Reno 1956 Sanitary Sewer Improvement Dist. No. 2 Bonds, 4%, dated 3/1/57	27,200.00
City of Reno 1956 Sanitary Sewer Improvement Dist. No. 3 Bonds, 4%, dated 3/1/57	1,500.00
Rose School Dist. Bonds, 3%, dated 1/1/55	22,500.00
Shamrock Oil & Gas Corp. Debentures, 4-5/8% to yield 4.70%, due 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 Corp. Convertible Sub. Debentures, 4-3/8%, due 12/1/86	600,000.00
Southern Bell Tel & Tel Debentures, various due dates	700,000.00
Southwestern Bell Telephone Debentures, 4.55%, due 8/1/95	200,000.00
City of Sparks, Special Assessment Dist. #21, 3½%, dated 11/57	14,000.00
City of Sparks, Special Assessment Dist. #20 Bonds, 3½%, dated 9/1/56	6,000.00
Standard Oil Co. of Ohio Bonds, 4.55%, due 1990	1,000,000.00
State of Nevada, Manzanita Hall Remodelling Bonds, University of Nevada, 3%, dated 6/14/55	90,000.00

EXHIBIT A-1 (CONT.)

State of Nevada, Prison Building Bonds, 3%, dated 9/3/48	20,000.00
State of Nevada, Prison Building Bonds, 3%, dated 6/1/49	25,000.00
State of Nevada, Prison Heating Plant, 3%, dated 8/22/55	33,000.00
State of Nevada, State Hospital Bonds, 3%, dated 12/9/53	95,000.00
State of Nevada, State Office Building Fund Bonds, 3%, dated 3/5/54	112,000.00
State of Nevada, State Office Building Bonds, 3%, dated 9/10/57	185,000.00
State of Nevada, University of Nevada, Southern Branch, 3%, dated 10/15/56	95,000.00
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. S. F. Debentures, 4½% on 4.55% basis, due 4/15/86	1,000,000.00
Utah Power & Light Co. First Mortgages 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	184,000.00
Washoe County, Washoe Medical Center Improvement Bonds, 3.25%, due 11/14/57	55,000.00
Washoe County, Consolidated School Dist. #27, General Obligation Bonds, 3%, dated 4/20/55	72,000.00
Washoe County, Huffaker School Dist. #9 Bonds, 2½%, dated 5/1/50	26,000.00
Washoe County, Huffaker School Dist. #9 General Obligation Building Bonds, 3%, dated 7/15/54	13,000.00
Washoe County, Spanish Springs School Dist. #18, 2½%, dated 6/30/51	9,000.00
Washoe County, Sparks School Dist. #29 Bonds, 2.95%, dated 8/13/54	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	4,500.00
Wells Fargo Bank Capital Notes, 4½%, 9/15/89	800,000.00
White Pine County High School Bonds, 2-3/4% to yield 3%, dated 4/1/54	120,000.00
White Pine County General Obligation Swimming Pool Bonds, 3%, dated 5/1/56	11,000.00
City of Winnemucca Street Improvement Dist. #10 Bonds, 3½%, due 6/1/60-69	8,074.35
Youngstown Sheet & Tube Co. First Mortgage S.F. Bonds, Series H, 4½% on 4.60% basis, to mature 10/1/90	400,000.00
Zephyr Heights General Improvement Dist. #1 Street Improvement Bonds, 4½%, Series 7/1/61	<u>72,000.00</u>

Total Bonds

\$41,032,403.44

EXHIBIT A-1 (CONT.)Stocks

Allegheny Power System	\$ 50,287.50
American Tel & Tel	110,443.83
Ford Motor Company	47,037.50
Goodyear Tire & Rubber Company	51,250.00
International Business Machines	104,384.42
International Harvester	69,120.00
International Minerals & Chemicals	78,244.50
International Tel & Tel	85,881.20
Minnesota Mining & Manufacturing	97,491.56
National Steel	50,337.50
Scott Paper Company	66,458.80
Weyerhaeuser Company	80,788.19

## Total Stocks

891,725.00

U. S. Government Obligations

U. S. Treasury Bonds, 5%, due 11/15/70	\$ 2,600,000.00
U. S. Treasury Bonds, 4½%, due 5/15/74	500,000.00
U. S. Treasury Bonds, 4-1/8%, due 5/15/94-89	850,000.00
U. S. Treasury Bonds, 4½% to yield 4.19%, due 1992	5,100,000.00
U. S. Treasury Bonds, 3½%, due 2/15/90	600,000.00
U. S. Treasury Bonds, 4½%, due 2/15/80	3,550,000.00
U. S. Treasury Bonds, 3½%, dated 11/15/98	963,884.98
U. S. Treasury Bonds, 2½%, due 1966-71	130,000.00
U. S. Treasury Bonds, 3½%, due 11/15/98	180,000.00
U. S. Treasury Bonds, 4-1/8%, due 11/15/73	500,000.00

## Total U. S. Government Obligations

14,973,884.98

U. S. Government Insured Mortgages

Alamo Farmstead Water Association, 3½%, dated 6/12/58	\$ 2,115.43
Bunkerville Irrigation Co., 3½%, dated 5/24/57	25,938.93
F.H.A. & Leroy V. & Opal Daniels	30,510.00
F.H.A. & Melvin K. Marshall	6,000.00
F.H.A. & Albert D. Robison	15,000.00
F.H.A. & V.A. Guaranteed Mortgages, 5½%	871,491.41
F.H.A. Mutual Mortgage Ins. Fund Debs., 4%, due 1/1/85	20,450.00
V.A. Vendee Loans	7,133,512.70

## Total U. S. Government Insured Mortgages

8,105,018.47

## Total Investments at Book Value

\$65,003,031.89Investments held by Trust Department, First National  
Bank of Nevada

\$55,886,861.77

Investments held by State Treasurer

9,116,170.12\$65,003,031.89

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD  
REVOLVING FUND  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

Cash	\$ 28,295.85
Receivable from Retirement Fund	<u>321,704.15</u>
Total Assets	<u><u>\$350,000.00</u></u>

Liabilities

Due to Retirement Fund	<u>\$350,000.00</u>
Total Liabilities	<u><u>\$350,000.00</u></u>

EXHIBIT C

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Total Funds Available</u>				
Balance, July 1, 1965	\$ --	\$ --	\$ 46,485.95	\$ 46,485.95
Employer & Employee Contributions	109,682.00	91,468.00	130,984.50	39,516.50
Total	<u>\$109,682.00</u>	<u>\$91,468.00</u>	<u>\$177,470.45</u>	<u>\$ 86,002.45</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 69,815.00	\$61,000.00	\$ 68,154.48	\$ 7,154.48
Industrial Insurance	475.00	409.00	480.00	71.00
Retirement	4,052.00	3,542.00	3,916.94	374.94
Personnel Assessment	525.00	375.00	368.99	(6.01)
Group Insurance	414.00	600.00	270.00	(330.00)
Total	<u>\$ 75,281.00</u>	<u>\$65,926.00</u>	<u>\$ 73,190.41</u>	<u>\$ 7,264.41</u>
Travel:				
Out-of-State	\$ 750.00	\$ 750.00	\$ 751.60	\$ 1.60
In-State	2,100.00	2,100.00	1,868.06	(231.94)
Total	<u>\$ 2,850.00</u>	<u>\$ 2,850.00</u>	<u>\$ 2,619.66</u>	<u>\$ (230.34)</u>
Operating:				
Building Space Rent	\$ 2,400.00	\$ 2,400.00	\$ 2,600.00	\$ 200.00
Freight & Postage	1,600.00	1,600.00	2,688.55	1,088.55
Office Supplies	1,600.00	1,600.00	1,956.86	356.86
Printing	5,457.00	5,457.00	6,302.19	845.19
Heat	200.00	200.00	146.06	(53.94)
Power	300.00	300.00	270.51	(29.49)
Water	75.00	75.00	51.60	(23.40)
Other Utilities	50.00	50.00	26.00	(24.00)
Telephone & Telegraph	500.00	500.00	415.15	(84.85)
Insurance	150.00	150.00	59.44	(90.56)
Office Equip. Repair	300.00	300.00	1,253.14	953.14
Janitorial Supplies	100.00	100.00	18.09	(81.91)
Building Maintenance	150.00	150.00	235.40	85.40
Actuary Fees	4,800.00	4,800.00	4,200.00	(600.00)
Medical Examinations	500.00	500.00	290.50	(209.50)
Bonding Costs	150.00	150.00	125.00	(25.00)
Dues & Subscriptions	225.00	225.00	132.00	(93.00)
Microfilming	1,800.00	1,800.00	1,516.16	(283.84)
Office Equip. Rental	--	--	89.28	89.28
Refunds, cancelled warrants and overpayments	100.00	100.00	66.49	(33.51)
Total	<u>\$ 20,457.00</u>	<u>\$20,457.00</u>	<u>\$ 22,442.42</u>	<u>\$ 1,985.42</u>

EXHIBIT C (CONT.)

Equipment:				
Office Furniture	\$ 210.00	\$ 1,380.00	\$ 514.44	\$ (865.56)
Office Equipment	10,884.00	855.00	14,054.36	13,199.36
Total	<u>\$ 11,094.00</u>	<u>\$ 2,235.00</u>	<u>\$ 14,568.80</u>	<u>\$ 12,333.80</u>
Total Expenditures	<u>\$109,682.00</u>	<u>\$91,468.00</u>	<u>\$112,821.29</u>	<u>\$ 21,353.29</u>
<u>Balance, June 30, 1966</u>			<u>\$ 64,649.16</u>	

EXHIBIT D

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD  
PUBLIC EMPLOYEES RETIREMENT FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965 \$ 1,029,073.03

Receipts

Contributions:

Employer	\$ 7,077,273.13	
Employee	6,696,483.60	
Withdrawn Contributions Repaid	<u>75,171.24</u>	13,848,927.97
Redemption of Bonds and Notes		5,480,786.02
Interest Income		<u>2,592,692.06</u>

Total to account for \$22,951,479.08

Disbursements

Refunds:

To Terminated Employees	\$1,868,239.38	
To Employers	578.92	
Because of Death	<u>59,310.10</u>	\$ 1,928,128.40
Retirement Allowances		2,515,638.68
Survivors Benefits		113,162.81
Post Retirement Benefits		167,009.93
Purchase of Bonds and Notes		16,913,796.40
Investment Counsel Fees & Expense		<u>58,401.33</u>

Total Disbursements 21,696,137.55

Balance, June 30, 1966 \$ 1,255,341.53

*Audited*  
*June 30, 1966*  
*Ben [unclear]*

STATE OF NEVADA  
PUBLIC EMPLOYEES RETIREMENT BOARD  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Books and Records

It was noted in the last audit report, June 30, 1964, that the Public Employees Retirement Board had purchased a Burroughs Sensatronic Accounting Machine and that it was being used exclusively to post individual members' accounts. It was recommended that the hand posted, single entry system of record keeping be converted to a mechanized, double entry system utilizing the Sensatronic Accounting Machine.

Even though a second Sensatronic has been purchased, this recommendation has not been implemented. This is due primarily to the constant demand on the one machine for posting to the individual members' accounts and the high rate of maintenance time encountered on the newer machine. We have been assured that a double entry system will be implemented when this machine is finally in good operating condition.

It is recommended that the Retirement Board contact the Department of Administration, Central Data Processing Services to initiate procedures to enable orderly transfer to data processing of as many accounting functions as possible.

2. Internal Control Evaluation

Internal control in the operation of the Public Employees Retirement Board is adequate. The recommendations from the prior audit have been implemented.

### 3. Surety Bonds

The executive secretary of the Retirement Board is bonded in the amount of \$25,000. It was recommended that this bond be increased to cover the amount of the revolving fund and that two other key members of the staff also be bonded. The state now has its own surety bonding program for all state employees; however, this policy has a limitation of \$25,000. Pursuant to our recommendation request was made to the Board of Examiners for authorization to increase bonding coverage. This request was denied. The auditors are still of the opinion that additional coverage should be obtained and recommend that the request be resubmitted to the Board of Examiners.

### 4. Administrative Fund Classifications

The expenditures made from the administrative fund are maintained in five accounts representing the five categories of the budget. In the June 30, 1964 audit report it was recommended that the classification for individual items be used as prescribed by the State Administrative Manual. As yet this recommendation has not been implemented but we were assured that it would be in the near future.

### 5. Office Supplies

In reviewing the purchase of office supplies by the Retirement Board it was noted that 36% of such purchases were made from vendors other than the State Purchasing Division. In all instances, however, these purchases were authorized by the State Purchasing Division because the requested items were not available through their facilities. This is a considerable improvement compared to our prior audit analysis of office supplies purchased.

6. Calculation of Retirement Benefits

In the June 30, 1964 audit report it was recommended that a standard form be devised for the purpose of showing all pertinent information and the original calculations, thereby doing away with the presently used scratch sheet. As all pertinent information is recapped on a printed form which is used to transmit the data to the actuary, it appears that the scratch sheet as used is adequate as long as it is supplemented with a copy of this printed form and the information on the scratch sheet is labeled so that it may be easily followed step-by-step.

7. Revolving Fund - Amount

It was noted that on several occasions the actual amount of funds remaining in the revolving fund was very small compared to the statutory limit of \$350,000. For example, on June 30, 1966 there was only \$28,295.85 in the fund and reimbursements due of \$321,704.15. Of this amount, \$240,532.94 had been submitted by claim for reimbursement on 6/20/66 and had not been reimbursed as of 6/30/66.

With the lag in reimbursement and the increased demand on this fund due to the rapid growth in retirement and disability allowances and refunds, it is recommended that the statutory limit be increased to \$500,000 by the 1967 legislature.

8. Prior Recommendations

All other recommendations that were made in the prior audit have been implemented or where amendments to the statutes were recommended they were amended by legislative action by the 1965 general session.

9. Post-Retirement Allowance

The 1963 legislature provided for post-retirement increases of 1½% annually on each July 1 following the calendar year of retirement. At this time an additional ¼ of 1 percent was assessed as contributions to defer the cost of the new program. After three years' experience the following results reveal that the program is under-funded:

Receipts (Employee and Employer Contributions)

1963-64	\$ 384,416.77
1964-65	518,264.64
1965-66	<u>598,859.82</u>
Total Receipts	\$1,501,541.23
Add - Interest Assigned (Based on Portion of Investment Capital)	<u>44,023.71</u>
Total Available	<u>\$1,545,564.94</u>

Expenditures

Refunds - 7/1/63 to 6/30/66	\$ 126,674.41
Retirement Payments	
1963-64	21,805.92
1964-65	46,481.11
1965-66	<u>167,009.93</u>
Total Disbursements	<u>\$ 361,971.37</u>
Net Post-Retirement Funds	<u><u>\$1,183,593.57</u></u>

The actuary as assigned the following reserve transfers to fund this program:


July 1, 1963	\$1,788,341.43
July 1, 1964	460,418.34
July 1, 1965	629,046.46
July 1, 1965 Retroactive Increases	724,624.00
July 1, 1966	<u>723,820.52</u>
	<u><u>\$4,326,250.75</u></u>

The above figures indicate that the post-retirement program is under-funded at July 1, 1966 in the amount of \$3,142,657.18. This

situation will continue to increase annually because the annual receipts are less than the reserve transfer requirements and disbursements and because each year more employees retire and become entitled to the annual  $1\frac{1}{2}\%$  increment for which contributions have not been made.

It is recommended that NRS 286.410 and 286.450 be amended to provide for an additional  $\frac{1}{4}$  of 1% contribution by employers and employees effective July 1, 1967. It is also recommended that the post-retirement program again be reviewed in four years to determine if additional adjustments are necessary.

Carson City, Nevada  
November 18, 1966

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

NOTE: At a meeting held November 29, 1966 between the Fiscal Analyst and the executive secretary of the Retirement Board, agreement was reached on implementation of the above recommendations.



STATE OF NEVADA  
MOTOR POOL DIVISION  
DEPARTMENT OF ADMINISTRATION

AUDIT REPORT  
For the Fiscal Year Ended June 30, 1966

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 Motor Pool Division, Department of Administration for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Motor Pool Division-Department of Administration--  
Statement of Financial Condition  
Working Capital Fund for the  
Fiscal Year Ended June 30, 1966 ----- Exhibit A

Motor Pool Division-Department of Administration--  
Statement of Basis for Authorization Compared  
to Actual Receipts and Expenditures for the  
Fiscal Year Ended June 30, 1966 ----- Exhibit B

#### 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 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 Motor Pool Working Capital Fund as of June 30, 1966 and the related Statement of Basis for Authorization Compared to Actual Receipts 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 Working Capital Fund and Statement of Basis for Authorization Compared to Actual Receipts and Expenditures present fairly the financial position of the Motor Pool Division, Department of Administration as of June 30, 1966 and the results of its operation 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  
November 22, 1966

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

MOTOR POOL DIVISION  
DEPARTMENT OF ADMINISTRATION  
STATEMENT OF FINANCIAL CONDITION  
WORKING CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Assets

Cash held in State Treasury	\$21,426.80
Furniture & Fixtures	1.00
Automobiles	1.00
Other Equipment	<u>1.00</u>
Total Assets	<u>\$21,429.80</u>

Liabilities and Fund Equity

Unappropriated Surplus	\$21,426.80
Fixed Assets	<u>3.00</u>
Total Liabilities and Fund Equity	<u>\$21,429.80</u>

MOTOR POOL DIVISION  
DEPARTMENT OF ADMINISTRATION  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Funds Available</u>				
Balance Forward	\$ 9,000.00	\$ --	\$ 14,200.28	\$ 14,200.28
Agency Payments	147,777.00	164,777.00	151,207.92	(13,569.08)
Car Sales	18,000.00	10,000.00	686.61	(9,313.39)
Insurance Payoffs	--	--	368.95	368.95
Miscellaneous	--	--	156.22	156.22
Augmentation for Salary Adjustments	1,601.00	--	--	--
Total Funds Available	<u>\$176,378.00</u>	<u>\$174,777.00</u>	<u>\$166,619.98</u>	<u>\$ (8,157.02)</u>
<u>Expenditures</u>				
Salaries & Payroll Costs				
Salaries	\$ 23,092.00	\$ 21,588.00	\$ 22,042.60	\$ 454.60
Industrial Insurance	142.00	132.00	114.33	(17.67)
Retirement	1,341.00	1,254.00	1,134.34	(119.66)
Personnel Assessment	200.00	200.00	173.64	(26.36)
Group Insurance	250.00	250.00	66.00	(184.00)
Total	<u>\$ 25,025.00</u>	<u>\$ 23,424.00</u>	<u>\$ 23,530.91</u>	<u>\$ 106.91</u>
Travel				
In-State	\$ 120.00	\$ 120.00	\$ 273.63	\$ 153.63
Operating				
Office Supplies	\$ 75.00	\$ 75.00	\$ 256.11	\$ 181.11
Postage & Freight	--	--	32.28	32.28
Telephone-Rental	50.00	50.00	404.48	354.48
Telephone-Tolls & Telegr.	50.00	50.00	50.90	.90
Printing-Operational	250.00	250.00	82.42	(167.58)
Bond & Ins. Premiums	9,200.00	9,200.00	*10,698.51	1,498.51
Building Space Rental	720.00	720.00	1,485.00	765.00
Heat	--	--	147.89	147.89
Janitorial Supplies	--	--	16.90	16.90
Prisoners' Food	--	--	990.50	990.50
Shop Supplies	--	--	2,288.39	2,288.39
Total	<u>\$ 10,345.00</u>	<u>\$ 10,345.00</u>	<u>\$ 16,453.38</u>	<u>\$ 6,108.38</u>
Equipment				
Automobiles	\$ 54,888.00	\$ 54,888.00	\$ 42,931.68	\$ (11,956.32)
Other Furn. & Eqpt.	--	--	1,041.86	1,041.86
Total	<u>\$ 54,888.00</u>	<u>\$ 54,888.00</u>	<u>\$ 43,973.54</u>	<u>\$ (10,914.46)</u>
Special Category				
Vehicle Operation	\$ 86,000.00	\$ 86,000.00	\$ 60,961.72	\$ (25,038.28)
Total Expenditures	<u>\$176,378.00</u>	<u>\$174,777.00</u>	<u>\$145,193.18</u>	<u>\$ (29,583.82)</u>
Balance to be Carried Forward			<u>\$ 21,426.80</u>	

\*Actual expenditure includes \$10,682.00 insurance premium coded to vehicle operation by agency. Vehicle operation expenditure has been reduced by the same amount.

MOTOR POOL DIVISION  
DEPARTMENT OF ADMINISTRATION  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control Evaluation

Internal control procedures of the Motor Pool Division are adequate with the exception of the use of purchase orders and disposal of used tire casings. During the year under review there were numerous instances of purchases being made without issuing a purchase order and in a few cases where purchase orders were issued, improper handling resulted in duplicate payments.

It is recommended that the following procedures be initiated to establish better controls:

- ① a. Purchase orders be issued for all purchases whether for materials, services or a direct purchase authorization.
- ② b. Copies of the purchase orders and drop tickets should go to the executive officer rather than to the budget office because he is responsible for all expenditures from the working capital fund and is more familiar with the purchases.
- ③ c. The executive officer should maintain a numerical file on purchase orders and compare invoices received to orders issued.
- ④ d. Completed purchase orders and invoices should be date stamped and forwarded to claims clerk for payment processing.

5 e. If any invoices are received for which a purchase order is not on file, careful review should be made by the executive officer and if approved it should be forwarded to claims clerk with instructions to check for possible prior payment.

During the fiscal year audited only 12 used tire casings were sold while a minimum of 600 new tires were purchased. The auditors were informed that used casings were cut up and hauled to the dump. The State Purchasing Division, Department of Administration informed the auditors that two tire recappers in Reno would bid on the used tires if they are sorted as to size. It is recommended that tire disposals be so handled in the future.

## 2. Books and Records

Numerous inconsistencies in account coding were noted in the course of the audit. It is recommended that uniformity be established in account coding to conform to paragraph 2, section 6018 of the State Administrative Manual.

The present method of accounting for receipts is a file of the State Treasurer's receipts along with adding machine tapes of the journal entry receipts from other state agencies during each month.

4 It is recommended that receipts be recorded in a ledger by category of receipt as suggested in section 6511 of the State Administrative Manual. Receipts which are actually credits to expense should be transferred by journal entry from income to expense. In calculating the cost per mile of vehicle operation these items must be taken into consideration or both cost and income are overstated.

During the audit year there were instances of glass replacement on automobiles that should have been reimbursed by the comprehensive insurance then in effect. Motor pool personnel could not offer any reason for not filing claims. It was also noted that deposits on major automotive parts are often required until the old part is received. No control of such deposits is maintained in the records.

It is recommended that an account be established to accumulate expenditures, such as auto repairs and core changes, that are to be recovered from insurance companies or suppliers. Then as the reimbursements are received a journal entry would be made to transfer the income to expense. There of course could not be a balance in the account at fiscal year end and any expenditure not reimbursed by that time would have to be transferred to a valid expense category with a corresponding reversal to start the new fiscal year.

### 3. Equipment Inventory

The present equipment inventory control is inadequate. A physical inventory was taken of the office furniture and equipment and compared with the inventory control sheet. Several items of controllable equipment that were not on the control sheet were noted during our physical spot-check. One of these items, an air conditioner, is reportedly the property of the Highway Department but has been in the possession of the Motor Pool for over two years.

The inventory control sheet contains only one item of controllable equipment other than automobiles and office furniture and equipment that was purchased prior to July 1966. The Motor Pool has a number of items of service equipment in Reno which were transferred from the Highway Department and none of this equipment appears on the inventory control.

During the fiscal year 1965-1966 several items of equipment were purchased which would meet State Purchasing Division criteria for controllable equipment having a minimum value of \$25.00. The State Purchasing Division has not been appraised of these purchases and they therefore do not appear on the inventory control.

⑩ It is recommended that the Motor Pool Division take a complete physical inventory of all equipment, supplying the State Purchasing Division with the necessary data to place the equipment on the inventory control sheets. ⑪ It is also recommended that the proper procedures be followed on future equipment purchases to insure that the State Purchasing Division is advised. It should be noted that the State Purchasing Division only controls equipment costing in excess of \$25.00 while section 5010 of the State Administrative Manual advises a control cost of \$15.00. ⑫ It is therefore recommended that the difference between these two amounts be resolved within the Department of Administration in order that agencies may know what is or is not controllable equipment.

#### 4. Administrative Costs

During the course of the audit it was noted that the budget office supplies one clerk to prepare motor pool claim lists, maintain a general ledger, and prepare reports. Another budget office clerk prepares all automotive usage billings and follows up on the billings to make sure payments are received. In addition, Mr. Tutino of the budget office spends a great deal of time on preparing regulations, negotiating with other agencies, etc. ⑬ It is recommended that the budget office determine a monthly charge to the Motor Pool for all services rendered. The

Motor Pool must be able to absorb all actual costs and still provide a dependable and economical service.

5. Unit Costs and Profitability

Unit cost records were not maintained during the period under review. Such records were initiated during the course of the audit and these records will provide information for a more accurate determination of the total usage and profitability of each motor pool unit.

A review was attempted on approximately 70% of the 130 plus units maintained by the Motor Pool, although complete data was not available on all units sufficient information was obtained to provide certain determinations.

Using actual insurance and administration costs incurred for the year and assuming a depreciation factor (cost of \$2,200.00, life of five years) of \$390.00 a year it appears that automobiles assigned or rented on a monthly basis have an annual base cost to the Motor Pool of approximately \$610.00 exclusive of operating costs. Cars rented on a daily basis have an annual base cost of \$900.00 per year. The daily rental rate charged by the Motor Pool is \$3.00 plus 6 cents per mile and the monthly rate of \$44.00 plus 5½ cents per mile.

Based on Motor Pool costs a state agency renting a car on a monthly basis the year-round must put over 10,000 miles on the unit for their cost to exceed what it would have been had they paid the individual 10 cents per mile to use a personal auto. Approximately 50% of the assigned monthly cars were used less than 10,000 miles in the year under review with one being used only 2,070 miles. Although there is an additional cost to the state on these automobiles some of

the loss is off-set by the profit made by the Motor Pool on operating costs. The average operating costs for 1965-1966 on 1,548,966 miles traveled amounted to approximately 4 cents per mile whereas the Motor Pool is charging 5½ cents per mile. In addition many of the remaining 50% traveled well over the 10,000 miles per year, some of them in the high 30,000 figure. It should be noted these were late model automobiles.

The present rental rates allow an agency to rent an automobile for over 14 days at the monthly rate thus making it more profitable to rent an automobile on an assigned monthly basis even though it may be needed or used only 50% of the time.

Our review indicated that approximately 20 automobiles (16%) traveled over 1/3 of the total mileage for the year. The remaining units averaged less than 9,500 miles each.


Although it is recognized that some of the Motor Pool units are very old and others were donated it appears from the above figures that the rental rate structure should be adjusted to place the Motor Pool in a position of absorbing costs on the basis of a 5-year replacement program.

④ It is recommended that the Department of Administration review the rental rate structure of the Motor Pool and also review the individual unit usage of assigned automobiles to eliminate those uneconomical to the state with all factors considered.

⑤ It is also recommended that future additions to the Motor Pool be guided by the estimated break-even point and the information obtained from the unit cost figures now being developed. The unit

cost figures should also be used to review the current units for possible deletions.

Carson City, Nevada  
November 22, 1966



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

NOTE: At a meeting held December 13, 1966 between the Fiscal Analyst and the director of the Department of Administration, agreement was reached on implementation of the foregoing recommendations.



STATE OF NEVADA  
SAVINGS AND LOAN DIVISION  
DEPARTMENT OF COMMERCE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Savings and Loan Division, Department of Commerce for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Savings and Loan Division-Department of Commerce--  
Savings and Loan Administration Fund  
Statement of Basis for Appropriation  
Compared to Actual Receipts and  
Expenditures for the Fiscal Year  
Ended June 30, 1966 ----- Exhibit A

Savings and Loan Division-Department of Commerce--  
Savings and Loan Refund Account  
Statement of Receipts and Expendi-  
tures for the Fiscal Year Ended  
June 30, 1966 ----- Exhibit B

Savings and Loan Division-Department of Commerce--  
Savings and Loan Fees and Assessment Fund  
Statement of Receipts for the Fiscal Year  
Ended June 30, 1966 ----- Exhibit C

#### 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, except that compliance by state chartered associations to the provisions of

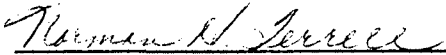
the following statutes could not be confirmed due to confidentiality determinations by the agency: NRS 673.115, NRS 673.324, NRS 673.325, NRS 673.326, NRS 673.330.

Opinion

We have examined the Statement of Receipts and Expenditures of the Savings and Loan Administration Fund, Refund Fund and Fees and Assessment Fund of the Savings and Loan Division, Department of Commerce for the year ended June 30, 1966. 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 Receipts and Expenditures present fairly the financial position of the Savings and Loan Administration Fund, Refund Fund and Fees and Assessment Fund of the Savings and Loan Division, Department of Commerce as of June 30, 1966 and the results of its operation for the year then ended, in conformity with generally accepted accounting principles.

Carson City, Nevada  
December 5, 1966

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

SAVINGS AND LOAN DIVISION  
DEPARTMENT OF COMMERCE  
SAVINGS AND LOAN ADMINISTRATION FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp.	Actual Receipts & Expend.	Over or (Under) Approp.
<u>Receipts</u>				
G.F. Appropriation	\$75,245.00	\$75,245.00	\$75,245.00	\$ --
Salary Adjustment	509.00	509.00	509.00	--
Total Receipts	<u>\$75,754.00</u>	<u>\$75,754.00</u>	<u>\$75,754.00</u>	<u>\$ --</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$50,210.00	\$50,328.00	\$43,964.15	\$ (6,363.85)
Industrial Insurance	379.00	279.00	342.95	63.95
Retirement	2,907.00	2,885.00	2,545.28	(339.72)
Personnel Assessment	125.00	129.00	125.00	(4.00)
Group Insurance	198.00	198.00	135.00	(63.00)
Total	<u>\$53,819.00</u>	<u>\$53,819.00</u>	<u>\$47,112.38</u>	<u>\$ (6,706.62)</u>
Travel:				
Out-of-State	\$ 2,471.00	\$ 2,471.00	\$ 1,241.16	\$ (1,229.84)
In-State	3,000.00	3,000.00	3,774.54	774.54
Total	<u>\$ 5,471.00</u>	<u>\$ 5,471.00</u>	<u>\$ 5,015.70</u>	<u>\$ (455.30)</u>
Operating:				
Office Supplies	\$ 600.00	\$ 600.00	\$ 313.47	\$ (286.53)
Postage & Freight	300.00	300.00	181.46	(118.54)
Telephone-Combined	1,900.00	1,615.00	1,948.85	333.85
Printing-Combined	800.00	800.00	89.52	(710.48)
Subscriptions & Ref. Manuals	300.00	300.00	292.05	(7.95)
Dues & Registrations	100.00	100.00	50.00	(50.00)
Insurance Premiums	230.00	230.00	29.72	(200.28)
Contract Services	2,615.00	3,000.00	164.50	(2,835.50)
Office Equip. Repair	100.00	100.00	157.96	57.96
Building Space Rental	3,600.00	3,600.00	3,687.12	87.12
Professional Services	100.00	--	--	--
Total	<u>\$10,645.00</u>	<u>\$10,645.00</u>	<u>\$ 6,914.65</u>	<u>\$ (3,730.35)</u>
Equipment:				
Office Equipment	\$ 489.00	\$ 489.00	\$ 452.34	\$ (36.66)
Other Furn. & Equip.	330.00	330.00	88.38	(241.62)
Total	<u>\$ 819.00</u>	<u>\$ 819.00</u>	<u>\$ 540.72</u>	<u>\$ (278.28)</u>
Special Investigations & Appraisals				
Appraisals	\$ 5,000.00	\$ 5,000.00	\$ 1,750.00	\$ (3,250.00)
Total Expenditures	<u>\$75,754.00</u>	<u>\$75,754.00</u>	<u>\$61,333.45</u>	<u>\$ (14,420.55)</u>
Excess of Receipts Over Expenditures Reverted to General Fund - June 30, 1966			<u>\$14,420.55</u>	

SAVINGS AND LOAN DIVISION  
DEPARTMENT OF COMMERCE  
SAVINGS AND LOAN REFUND ACCOUNT  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$500.00
<u>Receipts</u>	<u>-0-</u>
Total Available Funds	\$500.00
<u>Expenditures</u>	
Transfer to Fees and Assessment Fund	<u>500.00</u>
<u>Balance, June 30, 1966</u>	<u><u>\$-0-</u></u>

SAVINGS AND LOAN DIVISION  
DEPARTMENT OF COMMERCE  
FEES AND ASSESSMENT FUND  
STATEMENT OF RECEIPTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Receipts</u>	
Fees, Assessments & Refunds	\$112,947.76
Transfer from Refund Fund	<u>500.00</u>
Total Receipts - Deposited in General Fund	<u>\$113,447.76</u>



SAVINGS AND LOAN DIVISION  
DEPARTMENT OF COMMERCE  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control - Books and Records

The division has less than a dozen receipts in a year. Its internal control methods are sufficient and pose no problems. The books are adequate and were well kept, easy to follow and accurate.

Some travel claims lacked substantiating invoices for transportation expenses incurred in renting automobiles and plane fares. It is realized that the transportation firms many times issue only one invoice and that this must be submitted to the budget office when filing claims; however, in order to make its records complete it is recommended that the Savings and Loan Division have a duplicate copy made of each of these invoices for its own files.

2. Attendance and Leave Records

Several errors, omissions and infractions of the State Administrative Manual were found on the division's attendance and leave records. Posting errors affecting sick and annual leave time of employees were found. The amount of overtime earned for two employees could not be substantiated because of the omission of posting entries to their daily cards.

It is recommended that the division require written approval of all overtime work performed and all leave taken, and that it review the applicable sections of S.A.M. in order to prevent further violations.

3. Out-of-State Travel Clearance

Section 0611 of the State Administrative Manual requires in part that state officers and employees must file a written request with the State Budget Director on Form BD-47 at least ten days prior to making an out-of-state trip on official business.

Nine out-of-state trips were made by division employees during the 1965-66 fiscal year. The division did not file a written request with the State Budget Director on any of these trips ten days prior to making them. The request for one trip was not filed until ten days after the trip had been performed. Although out-of-state trips required by F.S.L.I.C. and F.H.L.B. are not known about in advance, it is recommended that the division make every attempt to comply with the regulation in the future.

4. Equipment Inventory

Savings and Loan Division does not maintain an equipment inventory record. All equipment charged to the division by the Purchasing Division, Department of Administration was located, and one piece of equipment is in their possession that is not charged to them. It is recommended that the division set up a suitable equipment inventory record for both its Carson City and Las Vegas offices as soon as possible.

5. Examinations of Savings and Loan Associations

The Commissioner has prescribed a check list form to be followed by division examiners when examining state chartered associations. This check list directs attention to applicable statutes and rules and regulations but is not all inclusive of them.

The Commissioner stated that compliance of statutes closely resembling federal regulations are checked in conjunction with the federal

examiners and these work papers are incorporated into the federal examinations, which were not made available to us.

Our audit included analyzing the state-performed examinations. Approximately 40% of the items included on the check lists of these examinations could not be found in the work papers either as analyses, recaps or comments indicating compliance or non-compliance of the regulations or statutes.

It is felt that all statutes, rules and regulations governing the operations of the associations, except those which are checked each month, should be included on the check list and that some written notation be made opposite each item indicating either compliance or non-compliance. In case of non-compliance, detailed comments should be included plus recommended measures to be taken to effect compliance.

It is recommended that the Commissioner revise the present check list to include all rules, regulations and statutory provisions and issue written instructions therewith.

6. Late Payment of Supervision and Examination Fees

Subsection 4(a) and (b) of NRS 673.430 requires each association to pay to the Commissioner on or before March 1 of each year annual fees for supervision and examination. It was found that all associations were late in paying these required fees for the 1965 calendar year. The payment of one association was more than two months late. This situation results from actual practice differing from statutory requirements. The associations file their annual report timely; however, the Commissioner then determines the fees due and renders a bill to each association. As this is a more practical approach and eliminates

possible errors by the associations, it is recommended that NRS 673.430 be amended to provide for annual filing by associations prior to March 1 and the Commissioner be charged with the responsibility of determining the amount due, for which each association is billed and payment made mandatory prior to April 15.

NRS 673.260 provides for annual license fees and renewal fees based on an identical fee structure as above in NRS 673.430; however, a payment date is not specified. It is recommended that NRS 673.260 be amended to provide for a due date on or before June 30.

Although NRS 673.260 and 673.430 both require payment of fees, no penalties are provided for late or non-payment of such fees. It is recommended that both sections of NRS be amended to provide for penalty for late payment and interest from due date to payment date.

7. Fees on Gross Assets

Each association is assessed annually, 15 cents for each \$1,000 of gross assets under NRS 673.260(2)(a) for license fees, and another 15 cents for each \$1,000 of gross assets under NRS 673.430(4)(a) for supervision and examination fees. All associations were found to be reporting and paying this assessment on the basis of gross assets less depreciation reserves.

It is recommended that the Commissioner appraise all associations of this infraction and take steps to insure that all future assessments are based on gross assets as provided for in the statute. This can best be accomplished by revising the reporting form prescribed by the Commissioner.

8. Conflict of Regulation and Statute

Regulation 1001, purpose and scope under "Administrative Adjudication", filed with the Secretary of State on 7/1/65 in accordance with

Chapter 233B of NRS (Administrative Procedures Act) states, "This subchapter contains procedures to be followed in filings of, and hearings on, applications for approval of new associations under provisions of the savings and loan statutes, as revised in 1963. These rules do not limit the responsibilities or prerogatives of the Commissioner, and additional requirements may be issued verbally or in writing at any time."

NRS 673.043(1) provides that the Commissioner shall have the power to establish such rules and regulations as may be reasonable or necessary to carry out the purposes and provisions of this chapter. Subsection 2 states in part, "Such rules and regulations as originally drafted, and as amended from time to time, shall be printed and distributed by the Commissioner to all associations...." Therefore, the regulation directly conflicts with the statutory provisions of NRS 673.043(1). Furthermore, any regulations or rulings promulgated by the agency must be filed with the Secretary of State in writing under the provisions of NRS 233B to become effective publicly.

In order that the Commissioner will comply with both the provisions of NRS 673.043(1) and Chapter 233B of the Nevada Revised Statutes, it is recommended that regulation 1001 be revised to eliminate the word verbally and in the future all rulings, regulations or requirements promulgated by him, affecting the savings and loan associations, be reduced to writing and filed with the Secretary of State.

#### 9. Federal Rules and Regulations vs. State Regulatory Statutes

Most of the regulatory statutes in Chapter 673 of NRS were originally enacted in the 1950's. In 1961 NRS 673.225 was added to the chapter which states, "1. Notwithstanding any other provision of this chapter,

every company, association or corporation licensed under the provisions of this chapter whose accounts are insured by the Federal Savings and Loan Insurance Corporation or its successor, or which is a member of a Federal Home-Loan Bank or its successor, shall possess the same rights, powers, privileges, immunities and exceptions which are possessed by any federally chartered association.

"2. When more permissive lending and investment privileges and provisions regarding payments of interest and dividends or other powers, privileges, immunities and exceptions are extended to federally chartered associations, the same shall be extended to every company, association or corporation licensed under the provisions of this chapter whose accounts are insured by the Federal Savings and Loan Insurance Corporation or its successor, or which is a member of a Federal Home-Loan Bank or its successor."

The above quoted statute in effect subjected all the regulatory statutes to negation by rules and regulations handed down by F.S.L.I.C. and F.H.L.B. Although we noted many instances of non-adherence to the regulatory provisions of Chapter 673 the Commissioner stated that in each instance the regulations of F.S.L.I.C. and F.H.L.B. were less stringent than the Nevada Revised Statutes. Therefore, the Commissioner administered Chapter 673 strictly in accordance with the provisions of NRS 673.225, wherein the savings and loan associations are allowed the lesser restrictions of the federal regulations.

Since the federal rules and regulations are voluminous and contain many legal technical provisions it is recommended that the Legal Division of the Legislative Counsel Bureau be authorized and directed to make a study to determine which provisions of Chapter 673 should be repealed

or amended. Inasmuch as NRS 673.225 provides the same rights, powers, privileges, immunities and exceptions for state chartered associations which are possessed by federally chartered associations it is recommended that the Commissioner be authorized to administer and enforce all the applicable federal rules and regulations as promulgated by F.S.L.I.C. and F.H.L.B. as they affect state chartered savings and loan associations. He does not now have this power by statute.

10. Non-adherence to Statutes, Rules and Regulations

The examination of the Savings and Loan Division noted several instances of non-adherence by the associations to the statutes, rules and regulations of the Commissioner. It was also noted that the statutes do not provide for any type of penalty or remedial action that the Commissioner may have recourse to when an association does violate such rule, regulation or statute.

It is recommended that this chapter be amended to provide the Commissioner with authority to suspend an association's charter for sufficient cause and/or impose other reasonable penalty provisions.

11. Retention of Examiners' Working Papers

NRS 673.041 provides that all information and data required by the Commissioner to be furnished to him, including information and data relative to earnings or revenue of an existing association or an applicant for a permit or license, shall be confidential and shall not be revealed in whole or in part, except:

1. In the course of the necessary administration of this chapter.
2. Upon the lawful order of a court of competent jurisdiction.

NRS 218.780 provides that upon the request of the Fiscal Analyst or his authorized representative, 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 Commissioner's attitude in making information and files available to us from the outset of the audit was that we could have access to any files, the information of which was obtained by state personnel alone. Information obtained from federal examiners and information obtained by state examiners in conjunction with federal examiners was not made available to us. The Commissioner stated that he was not at liberty to divulge this to anyone, not even another federal agency.

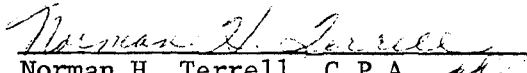
During the fiscal period under audit the Savings and Loan Division had only one examiner employed. This examiner made all examinations of the five state chartered savings and loan associations in conjunction with federal examiners. Consequently, the Commissioner holds all information gained from these audits as confidential. The compliance or non-compliance of many of the statutes could therefore not be determined by us.

At the end of each joint examination all notes, work papers, etc. are collected by the federal examiners and taken to their files. It is a cardinal rule for all accountants and auditors to never, under any circumstances, give up their working papers. Because of the Commissioner giving up these working papers he has no ready reference material when he and his staff make the next state audit.

We recommend that the Commissioner seek to make an agreement with the federal examiners whereby copies of their work papers are exchanged

for copies of his work papers on each joint examination. Thus, both the Federal Government and the state would have satisfactory back-up records for every audit performed. Furthermore, the work papers of the state examiners could be reviewed by the Legislative Counsel Bureau, Fiscal and Audit Division to insure that all applicable statutes were being adhered to and were being checked by the state examiners.

Carson City, Nevada  
December 5, 1966

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

NOTE: At a meeting held December 9, 1966 between the Fiscal Analyst and the Commissioner of Savings and Loan Division, agreement was reached on the implementation of the foregoing recommendations.



STATE OF NEVADA  
NEVADA TAX COMMISSION

AUDIT REPORT  
For the Fiscal Year Ended June 30, 1966

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 Tax Commission for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

Combined Statement of Financial Condition--  
June 30, 1966 ----- Exhibit A

Administrative Fund--  
Statement of Basis for Appropriation Compared  
to Actual Receipts and Expenditures for the  
Fiscal Year Ended June 30, 1966 ----- Exhibit B

Sales and Use Tax Fund--  
Statement of Revenue for the Fiscal Year  
Ended June 30, 1966 ----- Schedule 1

Cigarette Tax Fund--  
Statement of Revenue Received and  
Distributed for the Fiscal Year Ended  
June 30, 1966 ----- Schedule 2

Cigarette Tax Fund--  
Schedule of Total Funds Distributed to  
Incorporated Cities and Counties by County  
For the Fiscal Year Ended June 30, 1966 ----- Schedule 2-A

Cigarette Tax Fund--  
Schedule of Funds Distributed to  
Incorporated Cities for the Fiscal Year  
Ended June 30, 1966 ----- Schedule 2-B

Cigarette Tax Fund--  
Schedule of Funds Distributed to Counties  
For the Fiscal Year Ended June 30, 1966 ----- Schedule 2-C

Liquor Tax Fund-- Statement of Revenue for the Fiscal Year Ended June 30, 1966 -----	Schedule 3
Motor Fuel Tax Suspense Fund-- Statement of Revenue Received and Distributed For the Fiscal Year Ended June 30, 1966 -----	Schedule 4
Combined County Gas Tax Fund and Special County Gas Tax Fund -- Schedule of Revenue and Distribution to Counties for the Fiscal Year Ended June 30, 1966 -----	Schedule 4-A
Special County Gas Tax Administration Fund-- Statement of Receipts and Disbursements for the Fiscal Year Ended June 30, 1966 -----	Schedule 5
Airport Fund-- Statement of Receipts and Disbursements for the Fiscal Year Ended June 30, 1966 -----	Schedule 6
Cash Bond Trust Fund-- Statement of Cash Bonds Received and Refunded for the Fiscal Year Ended June 30, 1966 -----	Schedule 7
Unclaimed Bond Trust Fund-- Statement of Cash Bonds Unclaimed on Deposit with the State Treasurer as of June 30, 1966 -----	Schedule 8
Negotiable Bond Trust Fund-- Statement of Negotiable Securities on Deposit with the State Treasurer as of June 30, 1966 -----	Schedule 9
Combined Gas Tax Refund Fund-- Statement of Receipts and Disbursements for the Fiscal Year Ended June 30, 1966 -----	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

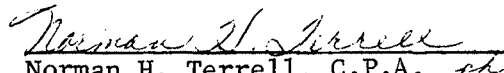
records and other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records.

#### Opinion

We have examined the Statement of Financial Condition of the various funds of the Nevada Tax Commission as of June 30, 1966 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 various funds of the Nevada Tax Commission as of June 30, 1966, 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 13, 1966

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



NEVADA TAX COMMISSION  
COMBINED STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

Cash

Cash in Banks	\$184,766.97	
Cash on Deposit in State Treasury	<u>612,825.22</u>	\$ 797,592.19

Securities

Negotiable Bonds on Deposit in State Treasury		34,450.00
--	--	-----------

Accounts Receivable

Metered Stamp Taxes Receivable		153,216.00
--------------------------------	--	------------

Inventories

Cigarette Stamps on Hand		628,313.28
--------------------------	--	------------

Fixed Assets

Furniture and Fixtures	\$ 1.00	
Automobiles	<u>1.00</u>	<u>2.00</u>

Total Assets		<u>\$1,613,573.47</u>
--------------	--	-----------------------

Liabilities and Fund Equity

Liabilities

Sales Taxes Due General Fund	\$184,766.97	
Funds Held in Trust	<u>422,994.30</u>	\$ 607,761.27

Fund Equity

Current Fund Balances	\$224,280.92	
Cigarette Stamp Inventory	781,529.28	
Fixed Assets	<u>2.00</u>	<u>1,005,812.20</u>

Total Liabilities and Fund Equity		<u>\$1,613,573.47</u>
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NEVADA TAX COMMISSION  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp.	Actual Receipts & Expend.	Over or (Under) Approp.
<u>Receipts</u>				
Appropriation:				
General Fund	\$694,739.00	\$694,739.00	\$694,739.00	\$ --
Highway Fund	42,000.00	42,000.00	42,000.00	--
County Gas Tax Fund	12,000.00	12,000.00	12,000.00	--
Salary Adjustment	45,700.00	45,700.00	45,700.00	--
Miscellaneous Receipts	--	--	336.54	336.54
Total Receipts	<u>\$794,439.00</u>	<u>\$794,439.00</u>	<u>\$794,775.54</u>	<u>\$ 336.54</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$599,135.00	\$599,135.00	\$572,327.51	\$ (26,807.49)
Industrial Insurance	3,182.00	3,182.00	2,810.02	(371.98)
Retirement	32,675.00	32,675.00	32,496.32	(178.68)
Personnel Assessment	3,850.00	3,850.00	3,850.00	--
Group Insurance	2,772.00	2,772.00	1,968.00	(804.00)
Total	<u>\$641,614.00</u>	<u>\$641,614.00</u>	<u>\$613,451.85</u>	<u>\$ (28,162.15)</u>
Travel:				
Out-of-State	\$ 9,550.00	\$ 10,750.00	\$ 9,228.81	\$ (1,521.19)
In-State	62,500.00	62,500.00	45,338.82	(17,161.18)
Total	<u>\$ 72,050.00</u>	<u>\$ 73,250.00</u>	<u>\$ 54,567.63</u>	<u>\$ (18,682.37)</u>
Operating:				
Office Supplies	\$ 10,300.00	\$ 10,000.00	\$ 10,161.25	\$ 161.25
Postage and Freight	10,000.00	10,000.00	8,618.42	(1,381.58)
Telephone Rental	8,000.00	7,000.00	7,515.76	515.76
Telephone Tolls	2,700.00	2,700.00	4,737.83	2,037.83
Printing-Annual Report	500.00	500.00	404.18	(95.82)
Printing-Operational	11,000.00	10,000.00	8,331.17	(1,668.83)
Subscriptions & Ref. Manuals	2,500.00	2,500.00	2,034.25	(465.75)
Dues & Registrations	1,200.00	1,200.00	896.00	(304.00)
Bonds & Insurance Premiums	2,500.00	2,500.00	1,418.31	(1,081.69)
Contract Services	1,000.00	3,000.00	994.40	(2,005.60)
Office Equipment Repairs	3,500.00	3,500.00	2,681.92	(818.08)
Equipment Rental	13,000.00	13,000.00	9,864.00	(3,136.00)
Building Rental	1,900.00	700.00	2,249.00	1,549.00
Advertising	100.00	100.00	479.72	379.72
Special Reports	100.00	100.00	20.00	(80.00)
Licenses and Fees	100.00	100.00	242.20	142.20
EDP Expense	1,200.00	1,200.00	1,966.69	766.69
Lump Sum	--	300.00	--	(300.00)
Photos, Prints & Maps	--	--	543.33	543.33
Special Services & Projects	--	--	311.70	311.70
Total	<u>\$ 69,600.00</u>	<u>\$ 68,400.00</u>	<u>\$ 63,470.13</u>	<u>\$ (4,929.87)</u>

EXHIBIT B (CONT.)

Equipment:				
Automobiles	\$ 4,400.00	\$ 4,400.00	\$ 3,959.85	\$ (440.15)
Office Furniture	2,000.00	2,225.00	2,323.07	98.07
Office Equipment	3,600.00	4,550.00	3,262.78	(1,287.22)
Other Furn. & Equip.	1,175.00	--	1,002.69	1,002.69
Total	<u>\$ 11,175.00</u>	<u>\$ 11,175.00</u>	<u>\$ 10,548.39</u>	<u>\$ (626.61)</u>
Total Expenditures	<u>\$794,439.00</u>	<u>\$794,439.00</u>	<u>\$742,038.00</u>	<u>\$ (52,401.00)</u>
Excess of Receipts over Expenditures			<u>\$ 52,737.54</u>	
Excess of Receipts over Expenditures Reverted:				
To General Fund			\$ 49,151.38	
To Highway Fund			2,789.82	
To County Gas Fund			<u>796.34</u>	
Total Reverted			<u>\$ 52,737.54</u>	

NEVADA TAX COMMISSION  
SALES AND USE TAX FUND  
STATEMENT OF REVENUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Total Sales and Use Tax Revenues Collected	\$23,434,766.97
Less: Refunds	<u>14,876.68</u>
Deposited in General Fund	<u><u>\$23,419,890.29</u></u>

NEVADA TAX COMMISSION  
CIGARETTE TAX FUND  
STATEMENT OF REVENUE RECEIVED AND DISTRIBUTED  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenue

Cigarette Excise Taxes	\$5,450,248.80
Less: Refunds for Stale Cigarettes	<u>8,835.21</u>
Net Cigarette Excise Taxes	\$5,441,413.59
License Fees	2,912.50
Penalties	<u>15.00</u>
Total Revenue	<u><u>\$5,444,341.09</u></u>

Distribution

Transferred to General Fund	\$1,633,302.34
Transferred to Cities & Counties on Population Basis	3,511,599.99
Transferred to Counties on Sale of Cigarettes Basis	<u>299,438.76</u>
Total Distribution	<u><u>\$5,444,341.09</u></u>

NEVADA TAX COMMISSION  
CIGARETTE TAX FUND  
SCHEDULE OF TOTAL FUNDS DISTRIBUTED  
TO INCORPORATED CITIES AND COUNTIES BY COUNTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Funds Distributed to Incorporated Cities in County</u>	<u>Funds Distributed to County</u>	<u>Total Funds Distributed in County</u>
Churchill	\$ 33,653.77	\$ 74,876.98	\$ 108,530.75
Clark	1,223,688.98	503,979.17	1,727,668.15
Douglas	--	52,528.10	52,528.10
Elko	103,300.04	53,557.56	156,857.60
Esmeralda	--	7,921.26	7,921.26
Eureka	--	9,630.07	9,630.07
Humboldt	42,504.05	32,259.51	74,763.56
Lander	--	20,634.45	20,634.45
Lincoln	9,748.90	20,372.44	30,121.34
Lyon	21,713.63	57,246.78	78,960.41
Mineral	--	81,203.31	81,203.31
Nye	9,478.16	46,466.70	55,944.86
Ormsby	63,553.29	45,436.45	108,989.74
Pershing	23,978.61	16,827.04	40,805.65
Storey	--	7,454.80	7,454.80
Washoe	838,122.00	283,325.90	1,121,447.90
White Pine	<u>49,459.13</u>	<u>78,117.67</u>	<u>127,576.80</u>
Total	<u>\$2,419,200.56</u>	<u>\$1,391,838.19</u>	<u>\$3,811,038.75</u>

NEVADA TAX COMMISSION  
CIGARETTE TAX FUND  
SCHEDULE OF FUNDS DISTRIBUTED  
TO INCORPORATED CITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>City</u>	64.5 Percent Based on <u>Population</u>
Las Vegas	\$ 792,786.51
Reno	633,564.63
North Las Vegas	226,763.68
Sparks	204,557.37
Henderson	154,175.04
Elko	77,524.54
Carson City	63,553.29
Boulder City	49,963.75
Ely	49,459.13
Winnemucca	42,504.05
Fallon	33,653.77
Lovelock	23,978.61
Yerington	21,713.63
Wells	13,183.25
Carlin	12,592.25
Caliente	9,748.90
Gabbs	9,478.16
Total Distributed to Incorporated Cities	<u>\$2,419,200.56</u>

NEVADA TAX COMMISSION  
CIGARETTE TAX FUND  
SCHEDULE OF FUNDS DISTRIBUTED TO COUNTIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	64.5 Percent Based on <u>Population</u>	5.5 Percent Based on <u>Cigarette Sales</u>	<u>Total</u>
Churchill	\$ 70,385.46	\$ 4,491.52	\$ 74,876.98
Clark	339,800.68	164,178.49	503,979.17
Douglas	42,849.25	9,678.85	52,528.10
Elko	44,547.81	9,009.75	53,557.56
Esmeralda	7,619.82	301.44	7,921.26
Eureka	9,441.63	188.44	9,630.07
Humboldt	27,757.79	4,501.72	32,259.51
Lander	19,276.58	1,357.87	20,634.45
Lincoln	20,175.20	197.24	20,372.44
Lyon	53,903.06	3,343.72	57,246.78
Mineral	77,906.25	3,297.06	81,203.31
Nye	44,363.10	2,103.60	46,466.70
Ormsby	35,697.52	9,738.93	45,436.45
Pershing	15,399.09	1,427.95	16,827.04
Storey	6,991.95	462.85	7,454.80
Washoe	205,012.81	78,313.09	283,325.90
White Pine	71,271.43	6,846.24	78,117.67
Total	<u>\$1,092,399.43</u>	<u>\$299,438.76</u>	<u>\$1,391,838.19</u>

NEVADA TAX COMMISSION  
LIQUOR TAX FUND  
STATEMENT OF REVENUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenue

Liquor Excise Taxes	\$3,374,600.97
License Fees	<u>20,287.50</u>

Deposited in General Fund	<u><u>\$3,394,888.47</u></u>
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NEVADA TAX COMMISSION  
MOTOR FUEL TAX SUSPENSE FUND  
STATEMENT OF REVENUE RECEIVED AND DISTRIBUTED  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenues

State Motor Fuel Taxes @ 4.5¢		\$10,670,788.85
County Motor Fuel Taxes @ 1.5¢		3,556,930.57
County Special Motor Fuel Taxes @ 1.0¢		
Clark County	\$864,606.28	
Washoe County	<u>469,135.36</u>	1,333,741.64
Petroleum Inspection Fees		129,337.54
License Fees		<u>30.00</u>
 Gross Revenues		 \$15,690,828.60
 Less: Combined Gas Tax Refunds		 <u>401,965.22</u>
 Total Available for Distribution		 <u><u>\$15,288,863.38</u></u>

Distribution

To Highway Fund	\$10,219,818.23
To General Fund (Petroleum Inspection Tax)	129,337.54
To Counties	4,694,032.09
To Fish and Game Commission	30,000.00
To Division of State Parks	30,000.00
To Airport Fund	137,007.00
To Civil Air Patrol	30,000.00
To Combined County Tax Administration	12,000.00
To Special County Tax Administration	<u>6,668.52</u>
 Total Distributed	 <u><u>\$15,288,863.38</u></u>

NEVADA TAX COMMISSION  
COMBINED COUNTY GAS TAX FUND  
AND SPECIAL COUNTY GAS TAX FUND  
SCHEDULE OF REVENUE AND DISTRIBUTION TO COUNTIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenue

Combined County 1.5¢ Fuel Taxes		\$3,556,930.57
Special County 1.0¢ Fuel Taxes: Clark County	\$864,606.28	
Washoe County	<u>469,135.36</u>	<u>1,333,741.64</u>
Total County Fuel Taxes Collected		\$4,890,672.21
Less Reductions to Fund:		
Refunds	\$ 79,085.16	
Motor Fuel Division Administration	12,000.00	
Special County 1.0¢ Tax Administration	6,668.52	
Transferred to Fish and Game Commission	7,500.00	
Transferred to Division of State Parks	7,500.00	
Aviation Fuel Taxes Refunded from		
County Portion		
Combined Tax @ 1.5¢	58,356.32	
Special County Tax @ 1.0¢	<u>25,530.12</u>	<u>196,640.12</u>
Total Available for Distribution to Counties		<u>\$4,694,032.09</u>

Distribution to Counties

Churchill	\$ 88,299.56
Clark	2,155,871.95
Douglas	49,910.04
Elko	250,043.68
Esmeralda	26,840.49
Eureka	35,611.45
Humboldt	142,037.49
Lander	64,709.28
Lincoln	76,567.08
Lyon	58,658.36
Mineral	67,101.31
Nye	153,304.17
Ormsby	97,821.88
Pershing	73,501.38
Storey	6,382.16
Washoe	1,221,167.44
White Pine	<u>126,204.37</u>

Total Distributed to Counties \$4,694,032.09

NEVADA TAX COMMISSION  
SPECIAL COUNTY GAS TAX ADMINISTRATION FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts

Funds Transferred from Suspense Account for:

Clark County	\$4,323.06
Washoe County	<u>2,345.46</u>

Total Receipts	\$6,668.52
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Disbursements

Travel Expenses	<u>408.75</u>
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<u>Balance, June 30, 1966</u>	<u><u>\$6,259.77</u></u>
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NEVADA TAX COMMISSION  
AIRPORT FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>		\$ 81,003.84
<u>Receipts</u>		
Aviation Gasoline Tax Collections		<u>258,955.37</u>
Total to Account for		\$339,959.21
<u>Disbursements</u>		
Transferred to Civil Air Patrol	\$30,000.00	
Refunds	<u>91,948.37</u>	<u>121,948.37</u>
<u>Balance, June 30, 1966</u>		<u>\$218,010.84</u>

NOTE: The Nevada Tax Commission transferred \$141,410.61 to the various County Airport Funds in July 1966.

NEVADA TAX COMMISSION  
CASH BOND TRUST FUND  
STATEMENT OF CASH BONDS RECEIVED AND REFUNDED  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$343,865.54
Bonds Deposited During 1965-1966	<u>154,565.03</u>
	\$498,430.57
Less: Bonds Refunded During 1965-1966	<u>119,753.67</u>
<u>Balance, June 30, 1966</u>	<u><u>\$378,676.90</u></u>

NEVADA TAX COMMISSION  
UNCLAIMED BOND TRUST FUND  
STATEMENT OF CASH BONDS UNCLAIMED  
ON DEPOSIT WITH THE STATE TREASURER  
AS OF JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$ --
Transferred from Current Cash Bond Account	<u>9,867.40</u>
<u>Balance, June 30, 1966</u>	<u>\$9,867.40</u>

NEVADA TAX COMMISSION  
NEGOTIABLE BOND TRUST FUND  
STATEMENT OF NEGOTIABLE SECURITIES  
ON DEPOSIT WITH THE STATE TREASURER  
AS OF JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$24,800.00
Bonds Deposited During 1965-1966	<u>13,400.00</u>
Total to Account for	\$38,200.00
Less: Bonds Returned to Pledgors During 1965-1966	<u>3,750.00</u>
<u>Balance, June 30, 1966</u>	<u><u>\$34,450.00</u></u>

NEVADA TAX COMMISSION  
COMBINED GAS TAX REFUND FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965 \$ 10.31

Receipts

Funds Transferred from Motor Fuel Suspense Account 310,016.85

Total to Account for \$310,027.16

Disbursements

Less Refunds Paid During the Year:

From the 4.5¢ State Motor Fuel Taxes	\$230,931.69	
From the 1.5¢ County Motor Fuel Taxes	<u>79,085.16</u>	<u>310,016.85</u>

Balance, June 30, 1966 \$ 10.31



STATE OF NEVADA  
NEVADA TAX COMMISSION  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Motor Vehicle Fuel Tax Division

1. Examinations, Audits and Inquiries

NRS 365.130 authorizes the Nevada Tax Commission to perform examinations and audits to insure compliance with the motor vehicle fuel tax act. As with all other divisions of the Nevada Tax Commission, except the Sales and Use Tax Division, no field audits of dealers are presently performed by the tax commission.

Since some violations would be almost impossible to detect from desk audits only, we recommend that the tax commission take steps to set up an audit program to insure full compliance with chapter 365 of NRS.

2. Employment of Personnel

NRS 365.120 authorizes the Nevada Tax Commission to employ personnel as it may deem necessary to enforce its powers and perform its duties under this chapter. They may also fix compensation and provide for expenses.

Since all employment is done through the State Personnel Division under the provisions of chapter 284 of NRS, we recommend that NRS 365.120 be amended to conform to the provisions of chapter 284.

3. Allocation of Administration Expenses

NRS 365.150 states, "1. Funds for the administration of the provisions of this chapter shall be provided by direct legislative appropriation

from the state highway fund and the county gas tax fund proportionately, upon the presentation of budgets in the manner required by law.

"2. All costs of administration of this chapter shall be paid from funds provided by direct legislative appropriation from the state highway fund and the county gas tax fund proportionately on claims presented by the tax commission, approved by the state board of examiners, and allowed and paid as other claims against the state are allowed and paid."

In accordance with the above quoted statute the 1965 legislature appropriated \$54,000 for the support of the Motor Vehicle Fuel Tax Division of the tax commission. The county gas tax fund accounted for \$12,000 or 22.22% of the total appropriation and the highway fund contributed \$42,000 or 77.78% of the appropriation. From the language of NRS 365.150 it appears that any funds unexpended should have reverted to the respective funds in the percent originally appropriated. An analysis of the amounts reverted revealed that this was not the case. We present the following analysis to show the amounts that were reverted as opposed to amounts that we believe should have been reverted:

	<u>Highway Fund</u>	<u>Co. Gas Tax Fund</u>	<u>Combined</u>
Appropriation	\$42,000.00	\$12,000.00	\$54,000.00
Total expenditures allocated on the percentage applicable to both funds.	<u>31,780.10</u>	<u>9,078.86</u>	<u>40,858.96</u>
Unexpended balance which should have reverted to respective funds.	\$10,219.90	\$ 2,921.14	\$13,141.04
Amounts actually reverted to the respective funds by tax commission.	<u>2,789.82</u>	<u>796.34</u>	<u>3,586.16</u>
Balances due to Highway Fund and County Fuel Tax Fund.	<u>\$ 7,430.08</u>	<u>\$ 2,124.80</u>	<u>\$ 9,554.88</u>

From the analysis it can be seen that the Highway Fund should have received \$7,430.08 more than it did and the County Fuel Tax Fund should have received \$2,124.80 more than it did for a total of \$9,554.88 which was reverted to the General Fund in error. This error resulted from the Nevada Tax Commission computing the reversion by the use of a percentage figure arrived at by taking the ratio of allocated expenses (\$40,858.96) to total expenses of the Nevada Tax Commission. This percentage was then applied to the total reversion of the tax commission. We believe this method to be in error.

The Highway Fund was not penalized to this full extent because the Nevada Tax Commission did not allocate all overhead items that should be properly borne by the Highway Fund. It is recommended that more comprehensive cost allocation be used and that the Nevada Tax Commission insure that future reversions be in accordance with provisions of NRS 365.150.

#### 4. Refunds to Farmers and Ranchers

NRS 365.445 authorizes the Nevada Tax Commission to refund, to any persons determined by the tax commission to be bona fide farmers or ranchers, 80 percent of their bulk purchases without the necessity of maintaining records of use.

A spot-check of approximately 200 applications for refunds showed that the Nevada Tax Commission does not make field checks to insure that claimants are bona fide farmers or ranchers or that the fuel tax refunded was in fact used for farming or ranching purposes. It was also found that some applicants were being allowed refunds even though application forms were not complete. It is difficult to imagine how Nevada Tax Commission personnel would check usage without knowing just for what the

farmer was claiming a refund. Some applications were also reviewed which had not been signed by the farmer or rancher.

It is recommended that the Nevada Tax Commission take steps to tighten their control in this area to insure that no persons are claiming refunds to which they are not entitled under NRS 365.445. We would also like to point out that the tax commission does not have any rules or regulations defining the exact meaning of bona fide farmers or ranchers. We therefore suggest that some written guidelines be established by the tax commission defining a bona fide farmer or rancher.

## Liquor and Cigarette Tax Division

### 1. Contents of Licenses

NRS 369.210, section 1 and NRS 370.120, section 1 require that licenses shall set forth "the name of the person to whom it is issued. If the license is issued under a fictitious name, the license shall set forth, in addition to the fictitious name, the name or names of each of the persons conducting the business under the fictitious name."

A review of all cigarette and liquor licenses issued on or after June 30, 1962 revealed that all licenses issued under a fictitious name did not contain the name or names of persons actually conducting the business under the fictitious name.

It is recommended that the Nevada Tax Commission take steps to insure compliance of subsection 1 of NRS 369.210 and NRS 370.120.

### 2. Liquor Importers' Bonds

Under the authority of NRS 369.350 each licensed importer of liquors shall furnish a bond to the State of Nevada conditioned for the payment of all excise taxes due the state. Each bond shall be in a principal sum equal to the greatest excise tax paid by the importer in any quarter of the preceding year, or if such standard is not available, then in a sum required from a licensee operating under conditions deemed comparable by the Nevada Tax Commission.

Section 4 of NRS 369.350 also authorizes the Nevada Tax Commission to waive the bond requirement whenever an importer has maintained a satisfactory record of payment for a period of not less than five consecutive years. An analysis of importers' bonds revealed that one importer, licensed in May 1965, had a bond in the amount of \$5,000 and during the first quarter

of operation paid the state \$22,820 in excise taxes. The second and third quarters' taxes were \$11,670 and \$15,470 respectively. Since the business was new no experience figures were available to compute the bond amount required by section 1 of NRS 369.350. Current year figures indicate that the present bond is not sufficient. We recommend that the Liquor Tax Administration take steps to increase the bond as required by NRS 369.350.

3. Cigarette Dealers' Bonds

NRS 370.155 requires that each licensed wholesale cigarette dealer furnish a bond to insure that all excise taxes due under chapter 370 of NRS are collected. After a satisfactory payment record of not less than five years has been demonstrated by a dealer, the Nevada Tax Commission may waive the requirement of posting bond to insure payment.

One dealer, licensed on August 14, 1965 did not have the required bond on file with the Nevada Tax Commission. We also noted another dealer who did not have a bond on file prior to the expiration of the statutory five years satisfactory payment period. Both these dealers are now on a "cash" basis according to the administrator.

The "cash" basis consists of payment by personal non-certified checks. One dealer issued two successive bad checks to the Nevada Tax Commission and was subsequently required to remit by certified checks. If this dealer had left the state or had been adjudged bankrupt the state would have lost tax revenue.

It is recommended that the bonding requirements of NRS 370.155 be adhered to at least during the statutory five year period. All "cash" basis dealers should be required to pay their excise taxes with certified checks.

In the case of both cigarette and liquor dealer bonds it is recommended that the Nevada Legislature consider the feasibility of removing the five year statutory limit and require bonds of all dealers at all times where they are collecting taxes in advance and holding same for the State until remitted.

4. Lack of Field Audits

It was noted during our examination of the Nevada Tax Commission that no field audits of liquor importers were performed by the tax commission.

Chapter 369 of NRS has numerous regulatory sections dealing with inventories, source of supply, transportation and types of imports allowable. The method used by the Nevada Tax Commission to insure compliance relating to these sections is by checking monthly import reports. These forms submitted do not provide the needed information to detect all violations. Certain violations could only be discovered by field auditing procedures.

We recommend that the Nevada Tax Commission set up an audit program of liquor dealers, perhaps in conjunction with sales and use tax audits to insure compliance with chapter 369 of NRS. The above comments apply as well to chapter 370 of NRS pertaining to regulations governing cigarette wholesalers and we recommend that a formal audit program be set up covering this chapter.

5. Procedures Manual

No formal manual of rules and regulations and procedures is maintained by the cigarette and liquor tax division. Most of the rules and regulations concerning taxpayers and the procedures governing the functions of the cigarette and liquor division personnel have been in effect

for many years. This knowledge is possessed by two people, both have been working with cigarette and liquor taxes for over ten years. In the event that it would be necessary to replace one or both of these employees it is possible that a great deal of time would be lost until the new employees could reestablish a routine.

It is recommended that cigarette and liquor tax division take steps to prepare a formal manual outlining procedures in detail in order to facilitate and assist new personnel and to establish a written set of standard procedures for reference by all persons connected with the Nevada Tax Commission.

## Sales and Use Tax Division

### 1. General Comment

The Nevada Tax Commission is responsible for the collection and enforcement of sales and use tax under chapter 372 of NRS. To determine if the policies and procedures of the Nevada Tax Commission are sufficient in administering this chapter we made a detailed examination of approximately 550 accounts out of over 11,500 accounts handled by the sales and use tax division. Although the 550 accounts represented only about 5% of the taxpayers it did represent the largest amount in the terms of money collected. The amounts listed in the following paragraphs and indicated as not assessed or not collected pertain only to audit cases or returns filed considered as closed by the tax commission. We did review pending audit cases but have made no comment thereon in this report.

Taking into consideration the fact that our review covered only a portion of all taxpayers' accounts it would be safe to assume that a more thorough examination would reveal additional amounts not assessed or not collected.

### 2. Exemption of Returnable Containers

NRS 372.290 states, "1. There are exempted from the taxes imposed by this chapter the gross receipts from sales of, and the storage, use or other consumption in this state of:

"(a) Nonreturnable containers when sold without the contents to persons who place the contents in the container and sell the contents together with the container.

"(b) Containers when sold with the contents if the sale price of the contents is not required to be included in the measure of the taxes imposed by this chapter.

"(c) Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling.

"2. As used in this section the term "returnable containers" means containers of a kind customarily returned by the buyer of the contents for reuse. All other containers are 'nonreturnable containers.'"

Under this statute the question was previously raised as to whether the exemption applied to retailers who purchased returnable containers from suppliers outside the State of Nevada and then filled and refilled such containers with their merchandise for sale to consumers. The Nevada Tax Commission has on file an Attorney General's opinion that in this case no use tax was due and the tax commission has accordingly abided by the opinion.

During our audit we requested an opinion from the Legislative Counsel concerning the taxability of such returnable containers. The Legislative Counsel stated that such returnable containers are taxable and should be so treated. As there are differing opinions on this point we recommend that the Nevada Tax Commission begin immediately to apply use tax on such returnable containers. If the taxpayers refuse to pay then the issue should be taken before the courts.

### 3. Due Date of Taxes

NRS 372.355 states that, "The taxes imposed by this chapter are due and payable to the tax commission quarterly on or before the last day of the month next succeeding each quarterly period."

In addition to NRS 372.355 the tax commission has adopted, by Bulletin No. 5, the postmark date as the controlling factor in determining whether a return is filed timely. Any return postmarked on the last day of the month or on the next working day if the tax commission office is closed on the last day of the month will be accepted as timely.

NRS 372.505 states in part that "Any person who fails to pay any tax to the state....within the time required shall pay a penalty of 10 percent of the tax....plus interest at the rate of one-half of 1 percent per month, or fraction thereof, from the date on which the tax.... became due and payable to the state until the date of payment."

The Nevada Tax Commission is not adhering to NRS 372.355, NRS 372.505 or Bulletin No. 5. For example, the due date of tax returns for the third quarter of 1966 was a postmark date of November 1, 1966 because state offices were closed on October 31, 1966. We reviewed all returns postmarked November 2, 1966 and found that the Nevada Tax Commission did not charge penalty and interest on 74 returns postmarked that date.

Discussions with Nevada Tax Commission personnel revealed that it was the policy of the commission to charge penalty and interest on returns postmarked 3 or 4 days after the statutory due date depending on whether the tax commission office was open on the last day of the month following the quarter. The Nevada Tax Commission did bill penalty and interest on all returns postmarked November 3, 1966 after we pointed out that it was mandatory that the penalty and interest be charged under the provisions of NRS 372.505.

We recommend that all returns postmarked after the statutory due date be charged penalty and interest without exception since the Nevada Tax Commission has no authority to waive same.

In addition, we found some returns where taxpayers had sent in less money than was due the state and no penalty or interest was collected on the unpaid balance of the account. Under the provisions of NRS 372.355 all taxes are due and payable by the last day of the month next succeeding each quarterly period. Therefore, penalties and interest on any unpaid balance should be assessed and collected without fail.

From our review of 550 master files we noted 34 returns of firms still in business on which the Nevada Tax Commission had not assessed penalties and interest in the amount of \$12,351.64 over a 2-year period. It is recommended that the Nevada Tax Commission take steps to collect all funds due the state for penalty and interest from taxpayers who did not file timely returns or timely pay the full amount of tax due.

4. Extensions for Filing Returns

NRS 372.395 states in part, "The tax commission for good cause may extend for not to exceed 1 month the time for making any return or paying any amount required to be paid under this chapter." In addition, the commission has adopted the policy that the request for extension must be received prior to the due date of the return.

During our review of taxpayers' files it was noted that one taxpayer was granted an extension 17 days after the return was due. This was done after the same taxpayer had previously written for an extension after the due date and it had been denied by the Nevada Tax Commission. We were unable to determine the date the taxpayer mailed his return; however, the money was deposited on September 8, 1965 thus indicating that the taxpayer was more than 30 days late in filing. Penalty charges of \$412.38 and interest of \$20.62 were not collected nor billed.

5. Late Payment Penalties

During our review it became apparent that Nevada Tax Commission personnel are not consistent in enforcing penalties provided by NRS. Not all personnel understand the various penalty provisions of the act.

Due to the manner in which NRS 372.415 and NRS 372.420, applicable to negligence and fraud respectively, are written it is necessary for the

Nevada Tax Commission to file a formal deficiency determination before these penalties can be imposed upon a taxpayer. In addition to the formal deficiency determination used on audit assessments, the Nevada Tax Commission has adopted a "2-week letter" used to notify the taxpayer of his liability and advising him that if he agrees with the audit findings he may pay the amount shown and terminate his liability on the audit assessment. If the 2-week letter convinces the taxpayer to pay the audit assessment, no negligence or fraud penalty can be assessed.

During the last half of fiscal 1966 we noted many audits where the field auditors had recommended negligence penalties. However, because many of the taxpayers had paid their assessment upon receipt of the 2-week letter no negligence penalties were imposed by the Nevada Tax Commission. Other taxpayers were sent deficiency determinations and again no negligence penalties were assessed even though recommended by the field auditors.

It is recommended that the Nevada Tax Commission cease using this 2-week letter and file deficiency determinations in all cases where negligence or fraud penalties are recommended by the field auditors.

It was noted that in all cases where additional taxes are found to be due, a late payment penalty of 10% was imposed based on an erroneous interpretation of NRS 372.505. We are of the opinion that NRS 372.505 specifically exempts from the late payment penalty, any additional taxes found to be due by the Nevada Tax Commission whether the additional tax liability is discovered by limited or complete examinations of the taxpayers' records in the field or by office personnel in the

processing of returns, since NRS 372.505 states that determinations made by the Nevada Tax Commission under NRS 372.400 to 372.455 are exempt from the penalty. Therefore, it is recommended that the Nevada Tax Commission cease the practice of assessing late payment penalties under NRS 372.505 whenever any tax liability is determined to be due as a result of any type of audit information.

6. Fraud Penalties

NRS 372.420 provides that "If any part of the deficiency for which a deficiency determination is made is due to fraud or an intent to evade this chapter or authorized rules and regulations, a penalty of 25 percent of the amount of the determination shall be added thereto."

Two audits were reviewed where the taxpayers were collecting sales taxes from their customers but were not registered with the Nevada Tax Commission and were not reporting and/or remitting the taxes collected to the state. One audit had the mandatory 10% failure to file penalty assessed on the deficiency determination with no other penalty attached. The other audit had a 45% penalty recommended by the field auditor; 10% for failure to file, 10% for negligence and 25% for fraud or evasion although chapter 372 of NRS precludes a negligence and fraud penalty from being imposed at the same time. The Nevada Tax Commission headquarters personnel did not bill either taxpayer for fraud or negligence but only assessed the 10% failure to file penalty. Both taxpayers who had not registered and did not remit taxes collected until caught by the Nevada Tax Commission were not penalized as required by NRS 372.420.

It is recommended that the Nevada Tax Commission assess the 25% fraud penalty whenever sufficient evidence is present to justify same in

order to insure that all persons will fully comply with the Nevada Tax Commission's regulations as well as the Nevada Revised Statutes.

7. Notice of Determination to be Made Promptly

NRS 372.455 requires that the Nevada Tax Commission give the taxpayer prompt notice of its determination. There has been considerable improvement in the last year in notifying taxpayers of any taxes due as compared with previous periods. Of 330 audits reviewed for the 1965-66 fiscal year, we noted that 37 had been delayed for more than one month from the time the field auditor submitted the audit to the day the notice was mailed by the tax commission. These ranged to a high of 11 months with the average being 2 months.

Since the taxpayer, by law, must pay interest on any taxes due the state until final payment is made, the Nevada Tax Commission should make every effort to bill taxpayers as soon as possible in compliance with NRS 372.455.

8. Jeopardy Determinations

NRS 372.460 through NRS 372.470 authorize the Nevada Tax Commission, when it believes that the collection of any tax will be jeopardized by delay, to make an immediate tax due determination. The taxpayer is allowed to petition for redetermination within a 10-day period before it becomes final, due and payable. The taxpayer is required to post adequate security with the commission before the expiration of the 10-day period.

During our review of audits it was noted in one instance that a taxpayer was bankrupt prior to the filing of the jeopardy determination

in the amount of \$15,500. The taxpayer offered as security a retention due him on a construction contract in the amount of \$11,600 and also assigned a deed of trust worth approximately \$7,200 for total security of \$18,800. Upon investigation the Nevada Tax Commission found that the retention of \$11,600 offered by the taxpayer was worthless. This left the Nevada Tax Commission with a \$7,200 deed of trust to satisfy a \$15,500 tax obligation. As of August 8, 1966 no money had been paid the State of Nevada on this taxpayer's account.

Another company had a jeopardy determination mailed to them on December 9, 1965 which was the official date of notice. The taxpayer mailed his reply petitioning for redetermination and posting security on December 22, 1965 which was accepted by the Nevada Tax Commission even though received three days after the mandatory 10-day limit set by NRS 372.465.

It is recommended that the Nevada Tax Commission attempt to verify as quickly as possible, the validity and actual value of any security posted. It is further recommended that no petition for redetermination be accepted after the time limit set forth in NRS 372.465.

9. Due Date of Determinations

NRS 372.495 makes it mandatory that Nevada Tax Commission assess and collect a 10 percent penalty whenever a determination is due and payable but is not paid within the required time. Our review of audits indicated that the amount of \$25,737.22 was not assessed since July 1, 1963 by the Nevada Tax Commission pursuant to NRS 372.495. The Nevada Tax Commission has not assessed this penalty when applicable during the three years under review. Nevada Tax Commission personnel could give no reason as to why this section of NRS had never been complied with.

It is recommended that the Nevada Tax Commission invoke the penalty provisions of NRS 372.495 where applicable.

10. Interest Not Collected on Audits

Chapter 372 of NRS makes it mandatory for the Nevada Tax Commission to charge any person who fails to pay any tax to the state, interest at the rate of one-half of 1 percent per month, or any fraction thereof, from the date on which the tax became due and payable to the state until the date of payment.

A review of audits completed and billed by the Nevada Tax Commission revealed that the commission is lax in assessing the interest provisions of chapter 372. The following table shows the amount of interest not assessed on audits for the years indicated:

<u>Year</u>	<u>Amount</u>
1963-1964	\$ 9,180.84
1964-1965	2,680.93
1965-1966	<u>2,291.69</u>
Total	<u>\$14,153.46</u>

In many cases when an audit is sent to the sales tax division for billing, the accrued interest is not brought up-to-date to reflect the current status of accrued interest due. This was especially prevalent in past years with improvement being noted during the last six months of fiscal 1966.

In the past, if an audit assessment was not concluded timely and the delay was the fault of the Nevada Tax Commission, they would not charge interest as they felt it would be penalizing the taxpayer. This approach fails to support the theory that interest is charged for the use of money for a period of time and is not a penalty.

Another area where numerous errors in computing interest was noted is the practice of allowing taxpayers to pay audit assessments on the installment basis. Nevada Tax Commission has adopted a policy whereby partial payments submitted by taxpayers to satisfy their audit assessments are apportioned on the following basis:

1. Money first received is used to liquidate the taxes due.
2. Any money left over is then used to liquidate interest and penalties due from the taxpayer.

A review and recomputation of audit assessments paid on this basis revealed that commission personnel were not adhering to the policy. Instances were noted where no interest was charged on taxes remaining unpaid or incorrect interest was computed on the unpaid balances.

Another weak area in collecting interest is the practice of having field representatives assigned to collect deficiency determinations compute the interest from the date shown on the deficiency determination instead of the audit summary. The audit summary in most cases has interest computed to a period ending two or three months previous to the date shown on the formal deficiency determination.

We recommend that the Nevada Tax Commission take steps to insure that all interest due the state on audit assessments is brought up-to-date immediately prior to final billing in order that all funds due the state are collected.

#### 11. Leases and Rentals

NRS 372.385 states, "For the purpose of the sales tax, gross receipts from rentals or leases of tangible personal property shall be reported and the tax paid in accordance with such rules and regulations as the tax commission may prescribe."

During our review of the Nevada Tax Commission's files we found various methods of tax treatment of lessors and/or manufacturers of equipment. For example, one manufacturer was advised by the Nevada Tax Commission that leases of equipment were considered to be in lieu of sales or transfers of title and were subject to the sales tax. Another manufacturer was advised that it would be held liable for the use tax on the machines brought into and leased in the state based on the cost of such machines to the company.

The above opinions were given to the different companies five months apart. The Nevada Tax Commission then gave the second company cited above the option of reporting their sales tax liability by either rental receipts on the leased equipment or by paying use tax on the machines based on the manufacturer's cost of raw materials which became an integral part of the machines. In this case, any fabrication labor used to manufacture the machines was non-taxable because they were using their own labor.

A third manufacturer of equipment wrote to the Nevada Tax Commission asking about the taxability of leases when the lessor was also the manufacturer. The tax commission thereafter sent the taxpayer copies of Ruling Nos. 35, 60 and 61.

Ruling No. 35 stipulates that the sales tax is due on the consumation of the sale, credit sales included.

Ruling No. 60 applies to lease with option to buy contracts. In these instances the taxpayer is given the option of paying the entire sales tax due immediately or paying tax on the rental or lease payments until exercise of the option to purchase. Upon exercising the option,

any sales taxes paid on the rental or lease receipts can be applied to the total tax liability incurred by the sale and the taxpayer is liable for the difference, if any.

Ruling No. 61 states in part, "If a person who purchases property under a resale certificate rents the property to others, he must pay tax to the state upon the cost of the property to him."

Ruling No. 61 was the controlling factor used by the third company in asking for a \$6,500 refund on taxes collected on various leases. The company maintained that it, as a manufacturer, had not purchased the equipment it was leasing and therefore any taxes imposed were in error. Accordingly, the tax commission issued the company a credit memorandum for the amount requested. This manufacturer paid no sales taxes on lease revenue.

Therefore, we have three companies with similar tax situations being taxed by three different methods; sales taxes on rental receipts, use tax on the materials cost of the equipment, and no tax being imposed because the equipment was manufactured by the taxpayer.

In addition, the Nevada Tax Commission has issued Administrative Bulletin No. 2 relating to electrical sign manufacture which states in part, "sale of neon, zeon or similar type signs....will be considered for the purpose of determining sales or use tax, as a sale of tangible personal property. This will be done irrespective of any purported lease or rental contract between the parties." Accordingly, whenever a contract is written with provisions for lease with option to buy any electrical sign, the sales tax is due and payable at the time the contract is entered into.

The conflicting rulings, instructions, bulletins, and methods of taxation cited above indicate that the Nevada Tax Commission should review all its rulings and regulations pertaining to leases and rentals to arrive at a single written set of regulations that may be applied to leases taxed under NRS 372.385. All present methods of taxation as related to similar groups of taxpayers should be carefully reviewed to insure that all taxes are imposed in a consistent manner.

12. Deposit of Security

NRS 372.510 authorizes the Nevada Tax Commission, if it deems necessary, to require that taxpayers pledge security to insure compliance with the sales and use tax act with a limit of \$10,000 imposed by this statute.

Bulletin No. 7, adopted by the Nevada Tax Commission in September 1960, requires certain corporations to post bonds with the Nevada Tax Commission. The Nevada Tax Commission's unwritten policy is not to require contractors, incorporated or otherwise, to post security because such contractors are liable for only use tax on self-consumed items.

A review of 432 corporation accounts revealed that only 150 had security posted with the Nevada Tax Commission. It was also noted that many of the bonds on file were insufficient in relation to the average tax liability of the corporations. We also reviewed 104 single proprietorships and partnership accounts and found that only 37 had security on deposit with the Nevada Tax Commission. Again, it was noted that many of the bonds on file were insufficient when compared with the average tax liability of the taxpayer.

From a spot-check of approximately 550 of the more than 11,500 accounts registered with the tax commission it was found that the state had failed to collect approximately \$20,000 from taxpayers which were no

longer in business because no bonds or insufficient bonds had been posted. In addition, approximately \$97,783 had not been collected on audits of taxpayers due to the inadequacy or absence of bonds. One taxpayer had an \$85.00 cash bond refunded after an audit assessment of \$6,680 had been filed against him. No money was ever collected from this taxpayer. Another taxpayer with an audit assessment of \$26,781.77 had no bond on file. After payment of \$5,914.04 he offered to assign a deed of trust to secure the balance of \$20,867.73. The Nevada Tax Commission accepted his offer but the taxpayer apparently reconsidered and thereafter assigned a water reimbursement agreement earning approximately \$40.00 per month. With interest on the taxes assessed accruing at the rate of \$87.00 per month, the assessment could not possibly be liquidated.

It is recommended that taxpayers who become delinquent or request more than one extension within a year be required to post security or increase their security in accordance with NRS 372.510. A review of all present bonds should be made to determine if they are adequate.

Presently the tax commission auditors, as part of their field examinations, are required to comment on the financial condition of taxpayers. We suggest that if an auditor finds that the financial condition of a taxpayer is weak, he notify the sales and use tax division in order that appropriate steps be taken to secure a bond or increase the taxpayer's bond in conformance with the limitations set forth in NRS 372.510.

It would appear that all taxpayers should be required to post security as provided in NRS 372.510 as they are in the position of collecting taxes for the state, holding same, and have full use of the money until remitted. One protection the state has against loss is a posted bond.

13. Certification of Excess Amounts Collected

Paragraph 1 of NRS 372.630 states, "1. If the tax commission determines that any amount, penalty or interest has been paid more than once or has been erroneously or illegally collected or computed, the tax commission shall set forth that fact in the records of the tax commission and shall certify to the state board of examiners the amount collected in excess of the amount legally due and the person from whom it was collected or by whom paid. If approved by the state board of examiners, the excess amount collected or paid shall be credited on any amounts then due and payable from the person under this chapter, and the balance shall be refunded to the person, or his successors, administrators or executors."

A review of refunds made by the Nevada Tax Commission revealed that they are not following the procedures set forth by this statute. Cash refunds have been made by warrants which are reviewed by the board of examiners prior to payment. Other cases were noted where the taxpayer had been issued a credit memorandum without approval of the board of examiners.

The present policy is not to refund sales taxes over-collected unless the person claiming the refund would in turn reimburse his customers. This is contrary to NRS 372.105 which states, "For the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers at the rate of 2 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this state on or after July 1, 1955." Even though the tax may be passed on to the consumers the tax is imposed on the retailers and it is their responsibility to pay the tax whether collected or not.

It is recommended that the Nevada Tax Commission refund the moneys found to be due retailers in accordance with NRS 372.630.

14. Collection of Use Tax by County Officials

Under NRS 482.225 the Nevada Tax Commission has authorized county assessors to act as agents for the commission in collecting use tax on automobiles registered in the state for the first time. It was noted that one county assessor was not collecting the tax whenever he was in doubt as to the legality of the collection since he felt that collection of tax was the function of the Nevada Tax Commission. The Nevada Tax Commission has informed the county assessor that the collection of use tax is mandatory and if the taxpayer feels and can prove that the tax was collected erroneously or illegally then he can petition the Nevada Tax Commission for refund as provided in NRS 372.630 to NRS 372.720 inclusive.

15. Allowance for Bad Debts and Repossessions

Under the authority of Sales and Use Tax Rules and Regulations, Ruling No. 65, adopted February 26, 1962, it has been the policy of the tax commission to relieve retailers from liability for sales tax to the extent that the measure of their liability is represented by accounts which have become worthless and have been charged off for income tax purposes. In addition, Administrative Bulletin No. 8, amended March 4, 1964, allows retailers, if they repossess the taxable property, to take a bad debt deduction only to the extent that they sustain a net loss of gross receipts upon which the tax has been paid. Again, the deduction is limited to that amount charged off for income tax purposes. We would like to point out some areas where the Nevada Tax Commission is not adhering to Ruling No. 65 and/or Administrative Bulletin No. 8.

Some motor vehicle dealers are deducting repossession losses on the total amounts paid off to finance companies upon repossessing the automobiles. This is contrary to instructions set out in the motor vehicle dealers booklet published in February 1962 and amended by Administrative Bulletin No. 8 in March 1964.

During our review of audits performed by the Nevada Tax Commission it was noted that one audit was made where the field auditor, following the regulations and instructions promulgated by the commission, disallowed approximately \$4,850 in taxes taken on repossessions because the taxpayer had not adhered to the requirements cited in the motor vehicle dealers handbook. The Carson City headquarters thereafter allowed the repossessions as submitted by the taxpayer, stating by memo in July 1966 that this treatment conformed generally to the practices followed by the Nevada Tax Commission as understood by the dealers. The memo further stated that until some decision could be reached concerning the treatment of bad debts and repossessions, no new audits of automobile dealers were to be started. It should be noted that another automobile dealer was not allowed to claim repossessions in this manner as were other motor vehicle dealers. The tax this taxpayer was disallowed was approximately \$270.

The Nevada Tax Commission should establish one set of rules and regulations and then accordingly administer such regulations on a consistent basis to one and all taxpayers.

16. Collection Allowances Taken Erroneously

NRS 372.370 states, "The taxpayer shall deduct and withhold from the taxes otherwise due from him, 2 percent thereof to reimburse himself for the cost of collecting the tax."

It would appear that the 2 percent collection allowance is applicable only to sales taxes collected by the businessman from his customers since the statute states that the allowance is to reimburse himself for the cost of collecting the tax. Use tax on self-consumed items would not be subject to the 2 percent collection allowance since the tax liability is clearly the taxpayer's and he is the one who must pay use tax on items he consumes. The Nevada Tax Commission has allowed collection allowances to be deducted from use taxes due from self-consumers that are also retailers. This stand appears inconsistent with the Nevada Tax Commission's approach to the collection of use tax from a consumer only. This taxpayer who collects no tax but pays tax only on self-consumed items is not allowed a reporting allowance of 2 percent. During the 1965-1966 fiscal year collection allowances on self-consumed items amounted to \$28,925 on taxpayers' returns who were both retailers and self-consumers.

We recommend that the commission redesign their sales tax reporting forms for retailers to provide for the collection allowance only on taxes collected.

#### 17. Analysis of Statutory Discounts

An analysis of statutory discounts for the five year period from 1961 to 1966 disclosed that discounts provided taxpayers in the various taxation and revenue statutes administered by the Nevada Tax Commission amounted to approximately \$4,758,197 as shown on the following schedule:

	<u>Totals</u>	Liquor 3 Percent <u>Actual</u>	Gasoline 2 Percent <u>Estimated</u>	Sales & Use 2 Percent <u>Estimated</u>	Cigarette 4 Percent <u>Actual</u>
1961-62	\$ 762,486.11	\$ 68,287.88	\$ 191,582.00	\$ 325,754.00	\$ 176,862.23
1962-63	907,258.76	82,416.47	222,589.00	402,719.00	199,534.29
1963-64	969,731.28	88,883.86	243,462.00	424,819.00	212,566.42
1964-65	1,018,288.30	94,813.18	258,254.00	445,050.00	220,171.12
1965-66	<u>1,100,432.57</u>	<u>103,167.49</u>	<u>301,617.00</u>	<u>468,937.00</u>	<u>226,711.08</u>
Totals	<u>\$4,758,197.02</u>	<u>\$437,568.88</u>	<u>\$1,217,504.00</u>	<u>\$2,067,279.00</u>	<u>\$1,035,845.14</u>

During the five year period the Nevada Tax Commission expended \$2,930,397.00 collecting taxes of approximately 205 million dollars. This cost of 1.43% includes all functions of the Nevada Tax Commission. The total collection cost to the state consisting of statutory discounts to taxpayers and the cost of operating the Nevada Tax Commission amounted to 3.76% of collections.

18. Audit Evaluation

During the fiscal years ending June 30, 1964, 1965 and 1966 the audit division performed 683 sales and use tax audits, 2 net proceeds of mines audits and no cigarette, liquor or motor vehicle fuel tax audits. Data obtained from a review of audits performed during this period is presented in the following table:

<u>Fiscal Period</u>	<u>No. of Audits</u>	<u>Amount Recovered</u>	<u>Total Audit Cost</u>	<u>Average Recovery Per Audit</u>	<u>Recovery Per \$1.00 Expended</u>
1963-64	207	\$307,845.70	\$151,290.24	\$1,487.17	\$2.03
1964-65	145	294,332.35	134,891.02	2,029.88	2.18
1965-66	331	457,338.41	201,559.20	1,381.69	2.27

During the fiscal year ended June 30, 1966 with an increased staff available the Nevada Tax Commission embarked on an audit program concentrating on smaller taxpayers in geographical areas where no audits had been previously done en masse. The greater number of audits performed thus did not yield the same average recovery per audit as was the case in the past when the audit division tried to concentrate its efforts on the larger taxpayers. The following table shows total amounts assessed on audits performed by the audit division compared with amounts collected.

<u>Fiscal Period</u>	<u>Total Assessed</u>	<u>Total Collected From Taxpayers</u>	<u>Amount Not Collected</u>
1963-64	\$ 393,061.41	\$ 307,845.70	\$ 85,215.71
1964-65	335,771.47	294,332.35	41,439.12
1965-66	<u>514,011.64</u>	<u>457,338.41</u>	<u>56,673.23</u>
Totals	<u>\$1,242,844.52</u>	<u>\$1,059,516.46</u>	<u>\$183,328.06</u>

Of the \$183,328.06 which was not collected, \$97,783.65 was due to taxpayers going bankrupt without having sufficient bonding with the Nevada Tax Commission. The tax commission failed to collect \$2,413.00 because they did not secure the required waivers of limitations as outlined in NRS 372.430. The commission failed to collect \$77,758.20 of the \$183,328.06 simply because of inadequate filing and follow-up procedures. This amount was never even billed by the tax commission.

We recommend that the Nevada Tax Commission concentrate their efforts towards making more audits in those areas where the greatest possibility of tax revenue exists.

We recommend that the Nevada Tax Commission take immediate steps to improve their filing procedures and set up a reliable system of billing and follow-up procedures for all taxes, penalties and interest found to be due through audits. All computations of interest due should be checked at least twice to determine accuracy prior to billing. All taxes and penalties assessed should be compared with applicable statutes to insure that all such amounts have been assessed correctly, consistently with other audit assessments, and in general conformity with Nevada Revised Statutes.

## General

### 1. Bonds of Tax Commission Members

NRS 360.040 requires that each of the commissioners enter into a bond payable to the State of Nevada in the sum of \$10,000 conditioned for the faithful performance of his duties. A check of the commissioners' bonds revealed that one commissioner's bond had expired on August 19, 1966 with no renewal being obtained as of November 11, 1966. It was also found that a newly appointed commissioner (appointed September 13, 1966) had not submitted his bond as of November 11, 1966. We recommend that the Nevada Tax Commission members obtain bonds as required by NRS 360.040.

### 2. Withdrawals from Bank Account

The Nevada Tax Commission is authorized to have a bank account to facilitate the custody and safekeeping of sales and use tax funds received. NRS 360.275 requires that any withdrawals from the bank account be signed by authorized Nevada Tax Commission personnel and the State Treasurer.

Not all checks written against the bank account for the 1965-66 fiscal year were signed by the State Treasurer as required by NRS 360.275. It is recommended that all checks be properly signed before transmitted to the bank in order to afford a better system of control and be in accordance with NRS 360.275.

### 3. Assessment of Property at 35 Percent of Full Cash Value

Article 10, section 1 of the Nevada Constitution states in part, "The legislature shall provide by law for a uniform and equal rate of

assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory...." Under the authority of article 10, section 1 of the Nevada Constitution, the legislature enacted NRS 361.225 which states, "All property subject to taxation shall be assessed at 35 percent of its full cash value."

The following schedule indicates that the provisions of NRS were not fulfilled for the 1965-66 real estate ratio:

<u>County</u>	<u>Full Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
Churchill	\$ 48,593,385	\$ 16,364,887	33.68
Clark	1,896,161,828	605,802,932	31.95
Douglas	137,867,422	29,351,446	21.29
Elko	101,977,356	32,520,438	31.89
Esmeralda	2,547,443	843,859	33.13
Eureka	15,659,211	5,680,670	36.28
Humboldt	40,406,452	13,420,182	33.21
Lander	13,419,051	4,545,503	33.87
Lincoln	10,404,050	3,557,627	34.19
Lyon	47,068,933	14,205,062	30.18
Mineral	12,533,915	4,340,495	34.63
Nye	22,546,156	7,729,302	34.28
Ormsby	77,759,415	26,497,344	34.08
Pershing	24,053,328	8,585,311	35.69
Storey	5,093,079	1,543,760	30.31
Washoe	928,026,009	318,878,421	34.36
White Pine	64,877,727	22,075,814	34.03
Statewide Total	<u>\$3,448,994,760</u>	<u>\$1,115,943,053</u>	<u>32.36</u>

The above figures were taken from the Nevada Tax Commission's report - "Assessments Ratio Study for the 1965-1966 Fiscal Year."

The full value ratio of real estate is determined by the Nevada Tax Commission based on actual sales figures of specific property in

each county. This ratio is then applied to the assessed value which has been determined by the individual county assessor to arrive at full value. Full value is not necessarily full cash value.

Personal property, banks, public utilities and railroad assessments have not been included in the above schedule. Personal property values are determined by county assessors without adjustment or verification by the Nevada Tax Commission. Banks, public utilities and railroad assessments are determined by the Nevada Tax Commission and the final figures do not necessarily bear any firm ratio to full value.

Only 2 counties have fulfilled the requirements of NRS as to 35 percent of full cash value. The lowest county (Douglas) has a ratio of only 21.29 percent. The Nevada Tax Commission, at the request of the Douglas County assessor, appraised the area and submitted the figures to the county assessor. The Douglas County assessor reduced the Nevada Tax Commission appraised values by 40 percent and applied the mandatory 35 percent to the reduced valuations. The county board of equalization then reduced the assessor's figures by 40 percent. The Nevada Tax Commission, sitting as the state board of equalization, did not alter the county board of equalization's assessment even though NRS 361.395 charges them with the duty to do so.

#### 4. Assessment of Bank Shares

Article 10, section 1 of the Nevada Constitution states in part, "The legislature shall provide by law for uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory...."

Under the authority of the Nevada Constitution, the legislature passed NRS 661.110 which states in part, "The shares of stock of any incorporated bank shall be deemed personal property...." In addition, NRS 361.225 made it mandatory that "All property subject to taxation shall be assessed at 35 percent of its full cash value." However, NRS 367.030, subsection 2, requires that shares of stocks in banks be assessed as follows: "All such shares shall be assessed at their full cash value on October 1, first deducting therefrom the proportionate value of the real property belonging to the bank, subsidiary bank building corporation or affiliate bank building corporation and the amount or value of such mortgages and trust deeds owned by the bank and on which the bank has paid the taxes or authorized the assessment thereof in its name, at the same rate and no greater than that at which other moneyed capital in the hands of citizens and subject to taxation is assessed by law."

The Nevada Tax Commission did not follow either NRS 367.030 by taxing bank shares at full cash value, nor did they follow NRS 361.225 and assess bank shares at 35 percent of full cash value. The Nevada Tax Commission has used the following method to assess bank shares for a great number of years:

1. Total deposits held by each bank on the last day of each call date are averaged for the year.
2. Cash on hand at each bank on the last day of each call date is also averaged for the year. From the average cash on hand figure

the Nevada Tax Commission deducts statutory reserves which the bank must have on hand to insure liquidity. The balance, average cash less reserves, is designated "excess cash."

3. Excess cash is then deducted from the average total deposit figures and the result is the base used to designate full cash value of bank shares.

4. The base figure computed in the above mentioned figure is then multiplied by a percentage figure set up by the Nevada Tax Commission. For the 1965-66 fiscal year the figure used was 2.5 percent and 3.0 percent was the figure used for the 1966-67 fiscal year.

No recommendations are made herein since a study concerning the taxation of banks has recently been completed by the legislative commission and appropriate amendments to NRS chapter 367 will be introduced in the 1967 session.

5. Internal Control

An evaluation of the Nevada Tax Commission's internal control procedures revealed that certain areas are weak and should be strengthened in order to segregate responsibilities for controlling cash received and for billing procedures.

The mail opening procedures in use by the Nevada Tax Commission allow persons having access to accounting records to also open mail containing funds, make deposits to the bank, and reconcile the bank account. The Nevada Tax Commission should separate these duties as much as possible.

A tally of incoming funds is not made immediately upon receipt of same. The procedure used by the Nevada Tax Commission is to clip money and tax returns together for transmittal to the accounting section which makes up the deposits. During peak periods the recording and depositing

of funds is sometimes delayed for periods up to one week. Returns of taxpayers with multi-county operations are also held in the Nevada Tax Commission's office until county prorations are calculated before the funds are deposited. This process has on occasion taken up to two weeks before the funds are recorded and deposited. Money received with "odd ball" returns is kept with the return for periods up to six weeks before the funds are deposited in the bank. Some returns had no date received recorded on them, thus affording no method of computing the length of time which had elapsed between the dates received and the dates deposited in the bank. This was especially evident in the "odd ball" returns.

With the volume of returns processed at the end of each quarter we realize that not all of them can be opened and processed on the date received. However, we strongly recommend that all money enclosed with returns actually processed during a day be deposited on the same day. It is recommended that steps be taken to insure that all returns are date stamped, preferably on the date received but in no case later than the date processed.

Mail should be opened by teams with one or more persons opening mail and others making a tally of funds received by account number, bank transit number and amount received. Persons opening mail should under no circumstances be accounting personnel. Upon mail being opened and the amounts received recorded, the money should be separated from the returns and transmitted to the accounting section for daily deposit. The returns should then be sent to accounting for preauditing before processing by the data processing section. The person responsible for opening mail and recording funds received should also receive a copy of the deposit slip to compare with her tally. Any differences should be investigated immediately.

Another area of internal control which is weak is the billing procedures used by the Nevada Tax Commission to collect penalties and interest due from taxpayers. Presently accounting personnel bill taxpayers for delinquencies when they are proof reading returns and making deposits. In the absence of a cashier divorced from accounting functions we suggest that sales and use tax personnel assume the responsibility of billing taxpayers for delinquencies.

The follow-up procedures in use by the Nevada Tax Commission to insure the payment of audit assessments, penalties, interest or delinquent taxes are in need of improvement. Many return and audit assessments were found that had not been collected or in some cases even billed to taxpayers because follow-up procedures used were not effective. Audit assessments are not recorded in the accounting system until the money is actually received from the taxpayers. The auditing department maintains a record of assessments independent of the accounting records. Several instances were noted where auditing failed to record an assessment and in these cases there is no way to insure follow-up on unpaid assessments.

We recommend that the Nevada Tax Commission take steps to have all billings set up in the accounting section by including a taxes receivable account in the general ledger with appropriate subsidiary accounts to facilitate recording.

The Nevada Tax Commission will, in the near future, share an IBM 360 computer with other state agencies. With the capabilities of the new computer the Nevada Tax Commission should investigate the possibility of putting as much information on the computer as possible to eliminate hand posted records.

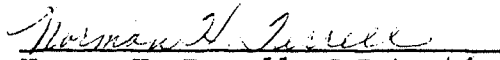
6. Net Proceeds of Mines - Field Audits

The only enforcement power the Nevada Tax Commission has over the net proceeds of mines tax is that of audit and inspection to insure that no mine operators are escaping taxation. During the 1964-65 and 1965-66 fiscal years only two net proceeds of mines audits were performed by the Nevada Tax Commission personnel. Considering the fact that 134 certificates were filed in the 1964-65 fiscal year and 148 certificates were filed in 1965-66, the tax commission should adopt a more vigorous audit program to insure compliance with chapter 362 of NRS.

7. Policy and Procedures Manuals

During our examination of the various divisions of the Nevada Tax Commission we noted the absence of formal policy and procedures manuals. This was especially evident in the tax collecting divisions; cigarette, liquor, motor vehicle fuels and sale and use tax. With the numerous complex problems encountered in administering tax laws of an agency of this size, written guidelines to assist employees in the efficient performance of their duties are a necessity. It is strongly recommended that the Nevada Tax Commission take immediate steps to complete and use the policy and procedures manuals currently being prepared.

Carson City, Nevada  
December 13, 1966

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

NOTE: At meetings held January 6 and January 9, 1967 between the Fiscal Analyst and the Secretary of the Nevada Tax Commission discussions were held concerning all the foregoing findings with concurrence being reached on all items.

STATE OF NEVADA

PROBATION RESTITUTION TRUST FUND

APRIL 7, 1965 THROUGH JANUARY 5, 1967

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 April 7, 1965 through January 5, 1967 and have prepared therefrom the following exhibit:

Department of Parole and Probation--  
Probation Restitution Trust Fund  
Statement of Receipts and Expenditures  
For the Period April 7, 1965 through  
January 5, 1967 ----- Exhibit A

In our opinion, the accompanying exhibit presents fairly the financial position of the Probation Restitution Trust Fund as of January 5, 1967 and the results of its operation for the period April 7, 1965 through January 5, 1967.

Carson City, Nevada  
January 6, 1967


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



EXHIBIT A

DEPARTMENT OF PAROLE AND PROBATION  
PROBATION RESTITUTION TRUST FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE PERIOD APRIL 7, 1965 THROUGH JANUARY 5, 1967

<u>Balance, April 6, 1965</u>	\$2,609.47
-------------------------------	------------

Receipts

Restitution Money Received	<u>6,375.82</u>
----------------------------	-----------------

Total	\$8,985.29
-------	------------

Expenditures

Restitution Money Disbursed	<u>7,088.17</u>
-----------------------------	-----------------

<u>Balance, January 5, 1967</u>	<u><u>\$1,897.12</u></u>
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STATE OF NEVADA  
REAL ESTATE DIVISION  
DEPARTMENT OF COMMERCE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Office of the Director and the Real Estate Division of the Department of Commerce for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and schedule:

Department of Commerce-Office of the Director--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
For the Fiscal Year Ended June 30, 1966 ----- Exhibit A

Department of Commerce-Real Estate Division--  
Administrative Fund  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
For the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Department of Commerce-Real Estate Division--  
Schedule of Revenues Received and Deposited  
to the General Fund for the Fiscal Year  
Ended June 30, 1966 ----- 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

We have examined the Statement of Basis for Appropriation Compared to Actual Receipts and Expenditures and the Statement of Deposits to the General Fund of the Office of the Director and the Real Estate Division of the Department of Commerce as of June 30, 1966. 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 Basis for Appropriation Compared to Actual Receipts and Expenditures and also the Schedule of Revenues Received present fairly the financial position of the Office of the Director and the Real Estate Division of the Department of Commerce as of June 30, 1966 and the results of its operation 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  
January 10, 1967

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

DEPARTMENT OF COMMERCE  
OFFICE OF THE DIRECTOR  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
Appropriation	\$21,857.00	\$21,857.00	\$21,857.00	\$ --
Salary Adjustment	126.00	126.00	126.00	--
Total Receipts	<u>\$21,983.00</u>	<u>\$21,983.00</u>	<u>\$21,983.00</u>	<u>\$ --</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$18,624.00	\$18,608.00	\$18,720.00	\$ 112.00
Industrial Insurance	104.00	103.00	103.89	.89
Retirement	1,076.00	1,068.00	1,081.90	13.90
Personnel Assessment	25.00	25.00	25.00	--
Group Insurance	54.00	54.00	54.00	--
Total	<u>\$19,883.00</u>	<u>\$19,858.00</u>	<u>\$19,984.79</u>	<u>\$ 126.79</u>
Travel Costs:				
Out-of-State	\$ --	\$ --	\$ 201.25	\$ 201.25
In-State	750.00	750.00	598.87	(151.13)
Total	<u>\$ 750.00</u>	<u>\$ 750.00</u>	<u>\$ 800.12</u>	<u>\$ 50.12</u>
Operating:				
Office Supplies	\$ 100.00	\$ 150.00	\$ 10.98	\$(139.02)
Postage and Freight	100.00	75.00	18.69	(56.31)
Telephone-Combined	575.00	500.00	607.15	107.15
Bond & Ins. Premiums	--	--	6.61	6.61
Printing-Combined	268.00	350.00	--	(350.00)
Subscriptions & Ref. Manuals	--	--	6.00	6.00
Office Equipment Repairs	57.00	50.00	60.40	10.40
Total	<u>\$ 1,100.00</u>	<u>\$ 1,125.00</u>	<u>\$ 709.83</u>	<u>\$(415.17)</u>
Equipment:				
Office	<u>\$ 250.00</u>	<u>\$ 250.00</u>	<u>\$ 76.23</u>	<u>\$(173.77)</u>
Total Expenditures	<u>\$21,983.00</u>	<u>\$21,983.00</u>	<u>\$21,570.97</u>	<u>\$(412.03)</u>
<u>Reverted to General Fund</u>			<u>\$ 412.03</u>	

DEPARTMENT OF COMMERCE  
REAL ESTATE DIVISION  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp.	Actual Receipts & Expend.	Over or (Under) Approp.
<u>Receipts</u>				
Appropriation	\$104,421.00	\$104,421.00	\$104,421.00	\$ --
Salary Adjustment	1,210.00	1,210.00	1,210.00	--
Total Receipts	<u>\$105,631.00</u>	<u>\$105,631.00</u>	<u>\$105,631.00</u>	<u>--</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 62,900.00	\$ 62,802.00	\$ 63,833.60	\$ 1,031.60
Industrial Insurance	352.00	345.00	336.00	(9.00)
Retirement	3,649.00	3,574.00	3,468.75	(105.25)
Personnel Assessment	300.00	300.00	300.00	--
Group Insurance	144.00	324.00	78.00	(246.00)
Total	<u>\$ 67,345.00</u>	<u>\$ 67,345.00</u>	<u>\$ 68,016.35</u>	<u>\$ 671.35</u>
Travel:				
Out-of-State	\$ 1,300.00	\$ 1,300.00	\$ 1,282.01	\$ (17.99)
In-State	8,000.00	8,000.00	6,631.38	(1,368.62)
Total	<u>\$ 9,300.00</u>	<u>\$ 9,300.00</u>	<u>\$ 7,913.39</u>	<u>\$ (1,386.61)</u>
Operating:				
Office Supplies	\$ 3,236.00	\$ 3,000.00	\$ 2,256.24	\$ (743.76)
Postage and Freight	2,400.00	2,400.00	1,601.05	(798.95)
Telephone-Combined	3,200.00	3,400.00	3,690.61	290.61
Printing-Combined	3,000.00	2,500.00	3,360.33	860.33
Subscrip. & Ref. Manuals	100.00	100.00	541.43	441.43
Dues & Registrations	240.00	240.00	316.00	76.00
Bonds & Ins. Premiums	200.00	200.00	162.23	(37.77)
Contract Services	--	600.00	--	(600.00)
Office Equip. Repair	400.00	300.00	287.31	(12.69)
Equipment Rental	--	100.00	--	(100.00)
Building Space Rental	3,000.00	7,900.00	3,085.00	(4,815.00)
Other Utilities	--	36.00	--	(36.00)
Professional Services	6,000.00	6,000.00	10,874.04	4,874.04
Appeals, Hearing,				
Court Costs	2,100.00	2,000.00	2,951.78	951.78
Photos, Prints, Maps	--	--	99.90	99.90
Total	<u>\$ 23,876.00</u>	<u>\$ 28,776.00</u>	<u>\$ 29,225.92</u>	<u>\$ 449.92</u>
Equipment:				
Office Furniture	\$ --	\$ --	\$ 95.60	\$ 95.60
Office Equipment	210.00	160.00	30.90	(129.10)
Other	--	50.00	74.29	24.29
Total	<u>\$ 210.00</u>	<u>\$ 210.00</u>	<u>\$ 200.79</u>	<u>\$ (9.21)</u>
Rental Reserve	<u>\$ 4,900.00</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Total Expenditures	<u>\$105,631.00</u>	<u>\$105,631.00</u>	<u>\$105,356.45</u>	<u>\$ (274.55)</u>
<u>Reverted to General Fund</u>			<u>\$ 274.55</u>	

SCHEDULE 1

DEPARTMENT OF COMMERCE  
REAL ESTATE DIVISION  
SCHEDULE OF REVENUES RECEIVED AND DEPOSITED  
TO THE GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts

License Fees	\$76,731.80	
Examination Fees	13,120.00	
Transfer Fees	12,920.00	
Penalties	2,682.50	
Cooperative Agreements	3,563.29	
Prior Year Checks - Redeposited	210.00	
Travel Overpayments	51.50	
Prepayments - Refunded	124.12	
Insurance Dividends	68.64	
Transcript Sales	585.50	
Supplies Reimbursement	<u>32.02</u>	\$110,089.37

Less:

Refunds		
License Fees	\$ 7,440.00	
Cooperative Agreement Fees	80.00	
Examination Fees	<u>80.00</u>	<u>7,600.00</u>

Deposited to General Fund

\$102,489.37



STATE OF NEVADA  
DEPARTMENT OF COMMERCE  
REAL ESTATE DIVISION  
SUPPLEMENTAL LETTER

1. Independent Audit Requirements

NRS 218.825, section 1 requires the Real Estate Advisory Commission to engage the services of an independent certified public accountant or public accountant, or a firm of either of such accountants, to audit all of its fiscal records once each year.

The Real Estate Division has operated as a general fund agency since 1965 and as such is subject to examination by the Fiscal Analyst. It is therefore recommended that NRS 218.825, section 1 be amended, deleting chapter 645 therefrom.

2. Internal Control of Receipts

The present internal control for receipts appears to be adequate with the exception of the method of deposits. Both the Carson City and Las Vegas offices receipt for moneys collected which are deposited with the State Treasurer. No cash is handled as the regulations require payments to be made by check or money order. All receipts of the Las Vegas office are now sent to the Carson City office by regular mail. Until the time such receipts are deposited they are kept in a file cabinet type safe.

We recommend that the Las Vegas office make daily inter-branch deposits of receipts in a Las Vegas branch of the First National Bank of Nevada for inter-branch transfer to the Carson City branch of the First National Bank of Nevada. The deposit receipt should be in

quadruplicate. The bank receives one copy and the Las Vegas office receives three. Las Vegas would retain one for their files and two should be forwarded to Carson City with the serial receipt copies of moneys received. The Carson City office gives one of the copies to the State Treasurer and retains the other. The Carson City office should also make daily deposits of receipts with the State Treasurer. This would insure proper control of receipts.

### 3. Oaths of Commission Members

All members of the Advisory Commission were appointed the same effective date and therefore their terms would expire the same date. Two of the three members signed new oaths as required under the provisions of NRS 645.070, to coincide with their extended appointments, but to date the third member has not. It is recommended that this Commissioner sign a new oath of office to coincide with his present term of appointment as soon as possible.

### 4. Qualifications of Commission Members

NRS 645.090, section 3 states, "Each member of the commission shall:

3. Have been actively engaged in business as a real estate broker within the State of Nevada for a period of at least 3 years next immediately preceding the date of his appointment."

One member now serving does not meet the above requirement. He was a broker-salesman from 1956 until his appointment in 1963. He became a broker in 1966, making him ineligible for appointment until 1969.

### 5. Surety Bond for Administrator

NRS 645.120, section 2 requires the administrator to furnish a corporate surety bond conditioned upon the faithful performance of the duties of his office and a true accounting of all funds.

Presently the administrator is covered by a private company in the amount of \$25,000 for which the division pays the premium. The administrator could be covered under the State Bond Trust Fund if the above subsection was amended. We therefore recommend that section 2 of NRS 645.120 be amended to read "The administrator shall furnish a surety bond in the amount of \$25,000."

6. Per Diem - Commission Members

NRS 645.140, section 2(b) states, "2. Each member of the commission shall receive: (b) Actual expenses for subsistence and lodging, not to exceed \$25 per day, and actual expenses for transportation, while traveling on business of the commission."

The Real Estate Division became a general fund agency in 1965 and as such is being supported by general fund appropriations. Travel and per diem should be paid in the same manner as are other state agencies.

We recommend that section 2(b) of NRS 645.140 be amended as follows: "2. (b) Travel and per diem expenses shall be paid in the same manner as are for other state employees."

7. Annual Directory of Licensees

The annual directory meets all the requirements of NRS 645.220 with the exception of date of publication. The date of February 15 was established when the division was on a calendar year basis. The division is now required by statute to operate on a fiscal year basis. We therefore recommend that NRS 645.220 be amended and the words "on or about February 15" be deleted and in their place the following: "within a reasonable time after the close of the fiscal year."

8. Brokers' Application - Form and Content

NRS 645.350, sections 2(b) and 2(c) require an applicant, for a broker's license, to supply the name under which the business is to be

conducted and also the place or places, including the street number, the city and county where the business is to be conducted. These two requirements cannot be met in most cases as an applicant would be unable to furnish this information until he has passed an examination some three months after his application has been submitted.

We recommend that subsections 2(b) and 2(c) be amended to allow an applicant sufficient time, after successfully passing the examination, to supply the information required.

9. Unimproved Land and Subdivisions

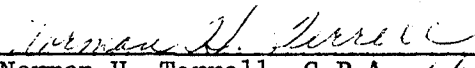
NRS 645.215 was enacted to allow the Real Estate Division to investigate certain transactions concerning unimproved land and subdivision where fraud, deceit or false advertising may be perpetrated. NRS 645.240 appears to defeat the intended purpose of NRS 645.215 as it exempts everyone from the provisions of Chapter 645 except licensees, or those who by their acts are required to be licensees, acting for another for a compensation. In effect, this does not allow the division to have jurisdiction or authority over private land being sold by the owner thereof nor would it have jurisdiction over a broker if he were considered a regular employee thereof with respect to the property so owned.

Many states have enacted in some extent, full disclosure laws which require owners of above mentioned properties to set forth in writing all facts concerning said properties. These laws also set forth regulations concerning brochures, publications and advertising.

Assembly Bill No. 80, introduced in the 1965 legislature, provided for a full disclosure law to protect the unwary purchaser of

unimproved lands or subdivision lands by allowing him to have all the facts available before the intended purchase was made. This bill was not enacted. It is our recommendation that the suggested changes cited in the 1965 Assembly Bill be presented before the next legislature for its consideration.

Carson City, Nevada  
January 10, 1967

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

NOTE: At a meeting held January 23, 1967 between the Fiscal Analyst, the Director of Commerce and the Administrator of the Real Estate Division, agreement was reached on the implementation of the foregoing recommendations.



STATE OF NEVADA  
SECRETARY OF STATE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Secretary of State for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibit and related schedules:

Secretary of State-Administrative Fund-- Statement of Basis for Appropriation Compared to Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Exhibit A
Secretary of State-Archives Division-- Archives Fund - Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Schedule 1
Secretary of State-Nomination Fees Fund-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Schedule 2
Secretary of State-Nevada Reports Printing Fund-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Schedule 3
Secretary of State-Suspense Account-- Statement of Receipts and Distribution for the Fiscal Year Ended June 30, 1966 -----	Schedule 4

#### 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

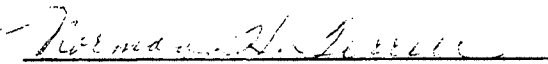
records and other supporting documents to the extent which, in our opinion, were adequate to satisfy ourselves of the general accuracy of the records, except that the operations of the Secretary of State Suspense Account are distorted because the amount of accounts receivable as at June 30, 1966 for services performed and publications sold could not be determined.

#### Opinion

We have examined the Statement of Receipts and Expenditures of the Secretary of State Administrative Fund, Archives Fund, Nomination Fees Fund, Nevada Reports Printing Fund and Statement of Receipts and Distribution of the Secretary of State Suspense Account for the year ended June 30, 1966. 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 Receipts and Expenditures and Statement of Receipts and Distribution present fairly the financial position of the Secretary of State Administrative Fund, Archives Fund, Nomination Fees Fund, Nevada Reports Printing Fund and Suspense Account of the Secretary of State as of June 30, 1966 and the results of its operation for the year then ended, with the exception of the position of the Secretary of State Suspense Account which was known to have accounts receivable on June 30, 1966, the amount of which could not be determined.

Carson City, Nevada  
February 14, 1967

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

SECRETARY OF STATE  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp.	Actual Receipts & Expend.	Over or (Under) Approp.
<u>Receipts</u>				
G.F. Appropriation	\$136,016.00	\$136,016.00	\$136,016.00	\$ ---
Salary Adjustment	2,241.00	2,241.00	2,241.00	---
Total Receipts	<u>\$138,257.00</u>	<u>\$138,257.00</u>	<u>\$138,257.00</u>	<u>\$ ---</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 92,151.00	\$ 92,266.00	\$ 89,923.56	\$ (2,342.44)
Industrial Insurance	516.00	504.00	499.18	(4.82)
Retirement	5,351.00	5,230.00	5,220.82	(9.18)
Personnel Assessment	525.00	525.00	525.00	---
Group Insurance	504.00	522.00	420.00	(102.00)
Total	<u>\$ 99,047.00</u>	<u>\$ 99,047.00</u>	<u>\$ 96,588.56</u>	<u>\$ (2,458.44)</u>
Travel:				
Out-of-State	\$ 725.00	\$ 725.00	\$ 444.90	\$ (280.10)
In-State	1,000.00	1,000.00	821.80	(178.20)
Total	<u>\$ 1,725.00</u>	<u>\$ 1,725.00</u>	<u>\$ 1,266.70</u>	<u>\$ (458.30)</u>
Operating:				
Office Supplies	\$ 4,000.00	\$ 4,000.00	\$ 2,338.17	\$ (1,661.83)
Postage & Freight	4,750.00	4,750.00	3,362.92	(1,387.08)
Telephone-Combined	1,560.00	1,560.00	1,243.35	(316.65)
Printing-Reports	9,500.00	9,500.00	10,891.66	1,391.66
Printing-Operational	3,600.00	3,600.00	3,908.49	308.49
Subscrip. & Ref. Manuals	30.00	30.00	47.27	17.27
Ins. & Bond Premiums	---	---	89.16	89.16
Office Equip. & Repair	250.00	250.00	345.80	95.80
Equipment Rental	175.00	175.00	72.00	(103.00)
Water	---	---	60.00	60.00
Photostat Supplies	2,750.00	2,750.00	1,686.57	(1,063.43)
Ballot Paper	4,250.00	4,250.00	4,695.03	445.03
Advertising	2,500.00	2,500.00	2,187.05	(312.95)
Public Information	1,000.00	1,000.00	---	(1,000.00)
Dues & Registrations	200.00	200.00	200.00	---
Total	<u>\$ 34,565.00</u>	<u>\$ 34,565.00</u>	<u>\$ 31,127.47</u>	<u>\$ (3,437.53)</u>
Equipment:				
Office Furniture	\$ 55.00	\$ 55.00	\$ 75.06	\$ 20.06
Office Equipment	1,044.00	1,044.00	702.25	(341.75)
Other Furn. & Eqpt.	1,821.00	1,821.00	1,642.57	(178.43)
Total	<u>\$ 2,920.00</u>	<u>\$ 2,920.00</u>	<u>\$ 2,419.88</u>	<u>\$ (500.12)</u>
Total Expenditures	<u>\$138,257.00</u>	<u>\$138,257.00</u>	<u>\$131,402.61</u>	<u>\$ (6,854.39)</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 6,854.39</u>	

SECRETARY OF STATE  
ARCHIVES DIVISION  
ARCHIVES FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$ -0-
<u>Receipts</u>	
Appropriation - Chapter 268	<u>\$25,000.00</u>
<u>Expenditures</u>	
Payroll Costs:	
Salaries	\$ 6,744.00
Industrial Insurance	37.77
Retirement	391.44
Personnel Assessment	50.00
Total	<u>\$ 7,223.21</u>
Travel:	
In-State	<u>\$ 14.16</u>
Operating:	
Office Supplies	\$ 363.80
Printing	85.31
Dues & Registrations	37.50
Office Equipment Repair	36.00
Remodel Archives Room	4,378.50
Advertising	42.50
Total	<u>\$ 4,943.61</u>
Equipment:	
Office Furniture	\$ 216.54
Office Equipment	45.73
Other Furniture & Equipment	2,559.09
Total	<u>\$ 2,821.36</u>
Total Expenditures	<u>\$15,002.34</u>
<u>Balance, June 30, 1966</u>	<u>\$ 9,997.66</u>

SECRETARY OF STATE  
NOMINATION FEES FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$ -0-
<u>Receipts</u>	
Nomination Fees	\$4,420.00
<u>Expenditures</u>	<u>-0-</u>
<u>Balance, June 30, 1966</u>	<u>\$4,420.00</u>

NOTE: Additional fees totaling \$2,260 were received subsequent to June 30, 1966. The total nomination fees of \$6,680 were distributed to the counties on 7/20/66 in accordance with NRS 293.450(2).

SECRETARY OF STATE  
NEVADA REPORTS PRINTING FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$ -0-
<u>Receipts</u>	
G.F. Appropriation	\$45,000.00
<u>Expenditures</u>	<u>-0-</u>
<u>Balance, June 30, 1966</u>	<u>\$45,000.00</u>

SECRETARY OF STATE  
SUSPENSE ACCOUNT  
STATEMENT OF RECEIPTS AND DISTRIBUTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Cash in First National Bank of Nevada	\$ 65,983.40	
Returned Checks on Hand	<u>25.00</u>	
<u>Balance, July 1, 1965</u>		<u>\$ 66,008.40</u>
<u>Receipts</u>		
Corporate Filing Fees		\$258,151.00
Amendments to Articles of Incorporation		116,830.00
Certification Fees		44,245.00
Photocopying Fees		7,911.90
Miscellaneous Fees & Charges		26,284.96
List of Officers Filing Fees	\$134,638.50	
Less Refunds	<u>30.00</u>	134,608.50
Dissolution Filing Fees	\$ 3,959.00	
Less Refunds	<u>20.00</u>	3,939.00
Statute & Publication Sales	\$124,999.60	
Less Refunds	<u>317.25</u>	<u>124,682.35</u>
Total Receipts		<u>\$716,652.71</u>
Total to Account For		<u><u>\$782,661.11</u></u>
<u>Distribution</u>		
Transferred to General Fund		\$675,074.49
Balance on Hand, First National Bank of Nevada, 6/30/66	\$107,575.62	
Returned Checks on Hand	<u>11.00</u>	<u>107,586.62</u>
Total Accounted For		<u><u>\$782,661.11</u></u>

NOTE: \$107,575.62 transferred to General Fund 7/5/66.



STATE OF NEVADA  
SECRETARY OF STATE  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Books and Records

The Secretary of State is charged by several statutes to maintain various books and records, which were found to be generally adequate. However, improvements could be effected by changes in certain procedures and forms. Recommendations relative to these implementations will be given throughout the letter as they apply to specific subjects.

In 1947, 668 new corporations filed articles of incorporation in this office; the last five years new corporation filings totaled over 2,000 each year. Today approximately 50 four-drawer legal size file cabinets are required to accommodate an accumulation of 100 years of inactive corporate files.

Nevada's Uniform Commercial Code becomes effective March 1, 1967 and it is estimated that several thousand filings a year will be made pursuant thereto. This increased volume has currently created a space problem which will become more acute in subsequent years.

It is recommended that the microfilming of inactive corporate records be considered in the very near future in order to provide space and file cabinets for current purposes.

2. Internal Control

All receipts are recorded on a cash register which is sub-totaled when collections are deposited. The machine provides nine register keys for

summarization of the various fees collected. Eight keys are utilized for the major types of receipts and the ninth key is used to record all other receipts. Each item rung up on the register is supported by a billing document which is numbered by the register at the time the money is rung up. A serious weakness of this system is that the billing documents are not pre-numbered. Consequently, it is impossible to determine if all collected billings have been properly accounted for.

Requests for certified or photocopies of various documents on file and state publications are frequently received by mail or over the telephone. These requests are honored and the material is mailed to the requesting party along with a bill. The method of handling these receivables is inadequate. The unpaid bills are filed alphabetically in two different file cabinets awaiting payment. These bills are not numbered nor are the amounts recorded on a general ledger control account or any type of accounts receivable ledger. An analysis of the bills in the files on 1/13/67 totaled \$4,083.20 with \$853.70 of the total being unpaid for 90 days and more. The bulk of unpaid items were attributed to governmental units.

We do not know nor suggest that any uncollectible bills existed; however, under the present system of operation, accountability of total billings is not possible. Old bills could be taken out of the files and lost or thrown away and no one would ever know the difference.

It is recommended that the Secretary of State immediately initiate the use of pre-numbered bills. It is also recommended that all existing unpaid bills and all future receivables be recorded in a ledger and that a concerted effort be made to collect them as quickly as possible in order to minimize any loss.

The revenues which will be forthcoming under the new Uniform Commercial Code will have to be rung up on the present cash register under miscellaneous receipts or additional keys must be provided for their segregation from the other types of receipts. In the interest of internal control as well as facilitating greater breakdown of revenues it is recommended that the agency acquire an additional cash register, smaller than the present one, to record the revenues from Uniform Commercial Code filing as well as other revenues now recorded on the miscellaneous key.

### 3. Attendance and Leave Records

Six minor arithmetical errors were found on the attendance records which were pointed out to the agency for correction. It was found that the attendance and leave cards are not maintained on a current basis. Our analysis, which was taken in mid December, revealed that only three of thirteen employees' cards were posted up to 11/30/66 and three of the cards had no postings for the entire calendar year.

It is recommended that the agency bring these records up to date immediately and maintain them on a current basis hereafter.

### 4. Photocopy Room

The photocopy room performs work for private individuals upon request at prescribed rates and also for other state agencies at prescribed rates or on a "replacement of material used basis." No written records of work performed or of work in process are maintained, making it impossible to determine if all work performed was properly billed or collected for.

It is recommended that pre-numbered work orders be prepared in duplicate for all work to be performed. Upon completion of the work, one copy should be sent to the office for billing purposes and one copy retained in the photocopy room. All work orders should also be referenced to specific billings.

5. Biennial Report

NRS 225.120 states that, "On or before August 1, 1954, and in every second year thereafter, the secretary of state shall prepare and render a biennial report to the governor. There shall be included in the report:

"1. An exhibit showing in detail all expenditures made by him or under his direction.

"2. All moneys received by him from whatever source, and the disposition made of the same.

"3. All matters relating to the general business of the office of secretary of state during the period embraced in the report.

"4. An itemized account of all statutes and Nevada Reports distributed by him under the provisions of law, stating to whom such distribution was made and the amount of money received from the sale of any such statutes and reports, and the number of each year's issue remaining on hand."

The Secretary of State has prepared and rendered a biennial report as required, however, it has not always included the required contents. The 1964-66 report does not include the receipt or disposition of the money from the 1964 U. S. Senatorial election recount or the nomination fees received for the 1966 elections through June 30, 1966 as required by subsection 2. The report includes the number of statutes and Nevada Reports of each year's issue remaining on hand, however, it does not include an itemized account of the distribution or the amount of money received from the sale of them as provided in subsection 4.

It is recommended that the Secretary of State take steps to include all information as required by NRS 225.120 in future reports or if he feels the NRS requirements are unnecessary he should request amendments to existing law.

## 6. Distribution of State Publications

At present there are five statutes covering the distribution by the Secretary of State of various state publications to several governmental entities throughout the state at no cost to the recipient. Three of these statutes require the Secretary of State to take receipts upon distribution by him. No current receipts or records of distribution could be located. The most recent records that could be found were for the year 1960. The Secretary of State said that current records have been kept but that they must have been misplaced or inadvertently thrown out. He also stated that many times the recipients of these publications fail to return the receipt provided after distribution is made. It is our belief that the Secretary of State should not be required to take receipts of any publication that must be mailed from his office because he is powerless to force receipt after distribution.

It is recommended that NRS 3.160 and NRS 345.010 be amended by deleting the receipt requirements therein. The Secretary of State has a bill ready for the 54th session of the legislature covering this issue.

It is also recommended that the agency maintain accurate, up-to-date, permanent records of all publications on hand and distributed.

## 7. Inventory of State Publications

The various state publications under the care of the Secretary of State for purposes of distribution and sale by his office are located in several different rooms assigned to him in the basement of the capitol building. All doors are provided with locks, however, the auditor observed several occasions when the doors were left open with no agency personnel left in charge. A physical inventory is taken every two years for the purpose of

inclusion to the biennial report, however, no other inventory controls or records are maintained over this material.

It is recommended that a current physical inventory be taken and the quantities set up on inventory control cards and maintained on a perpetual basis. The adoption of this would also assist the Secretary of State in complying with NRS 225.120(4) which requires in part, to include an itemized account of all statutes and Nevada Reports distributed by him when presenting his biennial report to the Governor.

It is suggested that a policy be set down of keeping all storeroom doors locked when agency employees are not in attendance.

#### 8. Late Filings of Annual List of Officers

NRS 78.150 states in part, "1. Every corporation organized under the laws of this state shall, on or before July 1 of each year, file with the secretary of state a list of its officers and directors and a designation of its resident agent in this state, the list of officers and directors and designation of resident agent to be certified by the president, secretary or other officer of the corporation.

"2. Upon filing the list of officers and directors and designation of resident agent every corporation shall pay to the secretary of state a fee of \$10."

NRS 78.170 provides that any corporation required to make filings provided for in NRS 78.150 which fails to do so within the time provided shall be deemed in default, and for the default there shall be added to the amount of fee a penalty of \$2.50. The Secretary of State allows corporations a grace period of two weeks after July 1 to file their annual lists of officers before he assesses the \$2.50 penalty. An analysis of filings from 7/6/65

through 8/3/65 revealed 1,946 late filings were accepted without penalty. This represents a loss of revenue to the state of \$4,865.

The statutes do not provide for any grace period after July 1 for these filings without assessment of the penalty provided. It is recommended that the Secretary of State accept no future annual lists of officers filings after July 1 without first collecting the penalty as required.

9. Late Filing of 60 Day Lists of Officers and Directors

NRS 78.160, section 1 states, "Every corporation hereafter organized under the laws of this state shall, within 60 days after the filing of its articles of incorporation with the secretary of state:

"(a) File a list of its officers and directors, a designation of its resident agent, and a certificate of acceptance signed by the resident agent so designated. The address of the resident agent shall be the same as that of the principal office.

"(b) Pay to the secretary of state a fee therefor of \$10."

NRS 78.170 states in part, "Any corporation required to make the filings and pay the fee provided in NRS 78.150 to 78.190 inclusive, which shall refuse or neglect to do so within the time provided, shall be deemed in default.

"2. For such default there shall be added to the amount of the fee a penalty of \$2.50."

The Secretary of State has not and does not assess this \$2.50 penalty for delinquent filings of this type as required. It is recommended that the Secretary of State immediately begin collecting these penalties in order to prevent any further loss of revenue to the state and to comply with the statutes.

10. Collection of Penalties and Fees After Default and Revocation of Domestic Corporate Charter

NRS 78.170, subsection 2(b) states in part, "The fee and penalty shall be collected as hereinafter provided." The method of collection is provided for in NRS 78.175.

It was noted that no fees, penalties or costs were ever collected after a corporation had its charter revoked under the provisions of NRS 78.175 except by voluntary reinstatement initiated by the defaulted corporation itself.

NRS 78.175 provides in part, "4. In case of forfeiture of the charter and of the right to transact business thereunder, all the property and assets of the defaulting domestic corporation shall be held in trust by the directors of such corporations as in cases of insolvent corporations, and the same proceedings may be had with respect thereto as are applicable to insolvent corporations. Any person interested may institute such proceedings at any time after a forfeiture has been declared as herein provided, but in case the secretary of state reinstates the charter the proceedings shall at once be dismissed and all property restored to the officers of the corporation.

"5. In case the assets are distributed they shall be applied as follows:

"(a) To the payment of the filing fee, penalties and costs due to the state."

We recommend that the Secretary of State, as an interested party, initiate proceedings to effect distribution of the assets of defaulted corporations in order to recover the unpaid fees, penalties and costs due the state. The Secretary of State feels the requirements of the statutes are impossible to comply with and will ask for statutory revision.

11. Duties of Secretary of State Upon Default by Foreign Corporations

NRS 80.110 provides in part for the annual filing of lists of officers and directors by foreign corporations by July 1 and payment of a \$10 fee to the Secretary of State; and NRS 80.150 provides for a penalty of \$2.50 against any foreign corporation which fails or neglects to file a list and pay the fee required.

Certain duties are required of the Secretary of State after a foreign corporation has defaulted and its right to do business in this state annulled. They are described as follows under NRS 80.160, subsection 4, "In case a foreign corporation makes default as herein provided, the secretary of state shall issue his warrant stating the amount of the filing fee, penalty and costs due the state, and shall deliver the warrant to any sheriff of any county of this state who may seize and sell any property of a foreign corporation as upon execution and apply the proceeds to the payment of the filing fee, penalty, costs and accruing costs. Any balance remaining after such sale shall by the sheriff be paid to the secretary of state, who shall return the same to the corporation whose property was sold. No more than sufficient property to pay the filing, penalty and costs shall be seized and sold."

The Secretary of State has never issued any warrants and delivered them to any sheriff after foreign corporations have defaulted and had their right to do business annulled. It is recommended that the Secretary of State carry out his duties as outlined in this statute and an attempt be made to collect all moneys due the state. The Secretary of State feels the requirements of the statutes are impossible to comply with and will ask for statutory revision.

## 12. Fees for Searching Records and Archives

Subsection 2 of NRS 225.140 provides that the Secretary of State shall charge a reasonable fee for searching records and archives of the state and other records and documents in his office. Requests for information regarding records and documents on file are received constantly. It was found that the agency does charge for copies of material furnished and certification thereof as required by the statute, however, no instance was found where anyone was ever charged a fee for search time required to locate a record or document.

Although we do not believe that all research performed justifies the charging of a fee, we are of the opinion that many instances do arise in which more than a modicum of time is required to be spent in search. We therefore recommend that the Secretary of State should determine the maximum amount of time which could be spent on a search before the applicable charges would be assessed.

## 13. Resident Agents Accepting Appointments

NRS 78.090 states in part, "1. Every corporation shall have a resident agent, who may be either an individual or a corporation, resident or located in this state, in charge of its principal office.

"2. Every such resident agent shall, within 10 days after acceptance of an initial appointment as such, file a certificate thereof in the office of the secretary of state, and a copy of such certificate in the office of the county clerk of the county in which the principal office of the corporation in this state shall be located.


"4. Every corporation organized under this chapter that fails or refuses to comply with the requirements of this section, for a period of 30 days, shall be subject to a fine of not less than \$100 nor more than \$500 to be

recovered with costs by the state, before any court of competent jurisdiction, by action at law to be prosecuted by the attorney general or by the district attorney of the county in which such action or proceeding to recover such fine is prosecuted."

Several instances were noted of resident agents accepting initial appointments as such and not filing certificates of acceptance with the Secretary of State within the time limits prescribed in the above statute. The Secretary of State has never referred a violating corporation to a district attorney or the attorney general for prosecution under the provisions of subsection 4.

It is recommended that the agency notify each new corporation upon filing articles of incorporation and all other corporations of the penalty provisions of this statute. It is also recommended that the Secretary of State refer all offending corporations to the proper prosecuting official of all future violations.

Carson City, Nevada  
February 14, 1967

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

NOTE: At a meeting held February 24, 1967 between the Secretary of State and the Fiscal Analyst, agreement was reached on implementation of the foregoing recommendations.



STATE OF NEVADA  
DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Division of Mental Hygiene of the Department of Health and Welfare for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Division of Mental Hygiene-Administrative Fund-- Statement of Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Exhibit A
Bureau of Mental Retardation-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Exhibit B
Nevada State Hospital-Administrative Fund-- Statement of Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Exhibit C
Nevada State Hospital-Pay Patient Suspense Account-- Statement of Receipts Transferred to the General Fund for the Fiscal Year Ended June 30, 1966 -----	Exhibit D
Nevada State Hospital-General Fund Bank Account-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Exhibit E
Nevada State Hospital-General Fund Bank Account-- Statement of Bank Account Reconciliation with the Fund Ledgers for the Fiscal Year Ended June 30, 1966 -----	Exhibit E-1
Nevada State Hospital-Hospital Gift Fund-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -- -----	Exhibit F

Nevada State Hospital-Revolving Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit G

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

We have examined the Statements of Budgeted Receipts and Expenditures Compared to Actual of the Division of Mental Hygiene, Administrative Fund, Bureau of Mental Retardation Fund and the Nevada State Hospital Administrative Fund as of June 30, 1966, and the related statements of receipts 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 Budgeted Receipts and Expenditures Compared to Actual and Statements of Receipts and Expenditures present fairly the financial position of the Administrative Fund, Bureau of Mental Retardation Fund and the Nevada State Hospital Administrative Fund of the Division of Mental Hygiene as of June 30, 1966, and the results of its operations for the year then ended, with the exception of the Statements of Receipts and Expenditures of the Bureau of Mental Retardation and the General Fund Bank Account, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We are not able to state an opinion as to the accuracy of the accompanying Statements of Receipts and Expenditures of the Bureau of Mental Retardation due to lack of financial records. The accuracy of the hospital's General Fund Bank Account could not be verified due to the lack of internal control involving receipts. Bank balances of June 30, 1966 are not in agreement with the fund ledger cards controlling same.

Carson City, Nevada  
February 23, 1967

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



DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp. or Auth.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Auth.</u>
<u>Receipts</u>				
General Fund	\$320,699.00	\$320,699.00	\$320,699.00	\$ --
Salary Adjustment	5,038.00	5,038.00	5,038.00	--
Authorized-Public Health	65,000.00	65,000.00	67,280.05	2,280.05
Total Receipts	<u>\$390,737.00</u>	<u>\$390,737.00</u>	<u>\$393,017.05</u>	<u>\$ 2,280.05</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$210,081.00	\$210,702.00	\$165,509.39	\$(45,192.61)
Industrial Insurance	1,362.00	1,138.00	1,111.79	(26.21)
Retirement	12,152.00	11,755.00	9,541.31	(2,213.69)
Personnel Assessment	1,000.00	1,000.00	1,000.00	--
Group Insurance	720.00	720.00	255.00	(465.00)
Total	<u>\$225,315.00</u>	<u>\$225,315.00</u>	<u>\$177,417.49</u>	<u>\$(47,897.51)</u>
Travel:				
Out-of-State	\$ 920.00	\$ 920.00	\$ 702.32	\$ (217.68)
In-State	8,250.00	8,250.00	6,922.25	(1,327.75)
Total	<u>\$ 9,170.00</u>	<u>\$ 9,170.00</u>	<u>\$ 7,624.57</u>	<u>\$ (1,545.43)</u>
Operating:				
Office Supplies	\$ 1,650.00	\$ 1,650.00	\$ 1,674.79	\$ 24.79
Postage and Freight	775.00	775.00	339.78	(435.22)
Telephone-Combined	3,650.00	3,650.00	3,815.24	165.24
Printing-Combined	675.00	675.00	171.29	(503.71)
Subscrips. & Ref. Manuals	--	--	145.22	145.22
Dues and Registrations	--	--	124.00	124.00
Bonds & Ins. Premiums	330.00	330.00	258.78	(71.22)
Office Eqpt. Repair	250.00	250.00	662.36	412.36
Building Space Rental	4,200.00	4,200.00	1,372.00	(2,828.00)
Heat	1,300.00	1,300.00	--	(1,300.00)
Power	--	--	143.01	143.01
Other Utilities	--	--	14.83	14.83
Lab. & Technical Supplies	300.00	300.00	--	(300.00)
Educ. & O.T. Supplies	2,350.00	2,350.00	1,095.54	(1,254.46)
Total	<u>\$ 15,480.00</u>	<u>\$ 15,480.00</u>	<u>\$ 9,816.84</u>	<u>\$ (5,663.16)</u>
Equipment:				
Office Furniture	\$ 160.00	\$ 160.00	\$ 316.23	\$ 156.23
Office Equipment	412.00	412.00	499.80	87.80
Other Furn. & Eqpt.	200.00	200.00	--	(200.00)
Total	<u>\$ 772.00</u>	<u>\$ 772.00</u>	<u>\$ 816.03</u>	<u>\$ 44.03</u>

EXHIBIT A (CONT.)

	<u>Work Program</u>	<u>Basis for Approp. or Auth.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Auth.</u>
<u>Expenditures (Cont.):</u>				
Medical Care	<u>\$140,000.00</u>	<u>\$140,000.00</u>	<u>\$ 98,403.26</u>	<u>\$(41,596.74)</u>
Transfer-Bur. Mental Retard.	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,500.00</u>	<u>\$ 12,500.00</u>
Total Expenditures	<u>\$390,737.00</u>	<u>\$390,737.00</u>	<u>\$306,578.19</u>	<u>\$(84,158.81)</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 86,438.86</u>	

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
BUREAU OF MENTAL RETARDATION  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	<u>\$10,159.16</u>
<u>Receipts</u>	
Transferred from Division of Mental Hygiene	\$12,500.00
Federal Matching Funds	<u>7,500.00</u>
Total Receipts	<u>\$20,000.00</u>
Total Funds Available	<u>\$30,159.16</u>
<u>Expenditures</u>	
Payroll Costs:	
Salaries	\$15,234.68
Industrial Insurance	87.33
Retirement	756.87
Group Insurance	<u>27.00</u>
Total	<u>\$16,105.88</u>
Travel:	
Out-of-State	\$ 312.65
In-State	<u>946.31</u>
Total	<u>\$ 1,258.96</u>
Operating:	
Office Supplies	\$ 1,075.69
Postage and Freight	525.00
Telephone-Combined	476.37
Printing-Combined	3,367.61
Subscriptions and Ref. Manuals	181.23
Contract Services	977.20
Other Equipment Repair	22.65
Equipment Rental	466.53
Building Rent	20.00
Advertising	<u>444.00</u>
Total	<u>\$ 7,556.28</u>
Equipment:	
Office Furniture	\$ 625.68
Office Equipment	<u>1,567.51</u>
Total	<u>\$ 2,193.19</u>
Total Expenditures	<u>\$27,114.31</u>
Excess of Available Funds Over Expenditures	\$ 3,044.85
Less Funds Reverted to Federal Government	<u>1,244.76</u>
<u>Balance, June 30, 1966</u>	<u>*\$ 1,800.09</u>

*Controller Balance June 30, 1966	\$2,256.24
Balance Reflected by Records	<u>1,800.09</u>
Unreconciled Difference	** <u>\$ 456.15</u>

\*\*Unreconciled difference due to a lack of financial records.

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
NEVADA STATE HOSPITAL - ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp. or Auth.	Actual Receipts & Expend.	Over or (Under) Approp. or Auth.
<u>Receipts</u>				
Appropriation	\$1,869,146.00	\$1,869,146.00	\$1,869,146.00	\$ --
Salary Adjustment	112,669.00	112,669.00	112,669.00	--
Contingent Receipts	25,000.00	25,000.00	25,290.52	290.52
Total Receipts	<u>\$2,006,815.00</u>	<u>\$2,006,815.00</u>	<u>\$2,007,105.52</u>	<u>\$ 290.52</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$1,412,177.00	\$1,407,584.00	\$1,409,952.12	\$ 2,368.12
Industrial Insurance	21,904.00	20,942.00	21,028.66	86.66
Retirement	85,093.00	78,340.00	74,757.15	(3,582.85)
Personnel Assessment	12,900.00	12,900.00	12,900.00	--
Group Insurance	6,948.00	9,288.00	4,464.00	(4,824.00)
Total	<u>\$1,539,022.00</u>	<u>\$1,529,054.00</u>	<u>\$1,523,101.93</u>	<u>\$ (5,952.07)</u>
Travel:				
Out-of-State	\$ 1,260.00	\$ 1,260.00	\$ 1,281.88	\$ 21.88
In-State	4,015.00	4,015.00	3,983.68	(31.32)
Total	<u>\$ 5,275.00</u>	<u>\$ 5,275.00</u>	<u>\$ 5,265.56</u>	<u>\$ (9.44)</u>
Operating:				
Office Supplies	\$ 4,244.00	\$ 3,500.00	\$ 5,244.42	\$ 1,744.42
Postage and Freight	1,116.00	1,600.00	1,708.92	108.92
Telephone-Combined	7,584.00	10,300.00	11,074.01	774.01
Printing-Combined	2,410.00	3,290.00	1,404.21	(1,885.79)
Subscrip. & Ref. Manuals	1,568.00	1,500.00	1,400.15	(99.85)
Dues & Registrations	572.00	400.00	611.34	211.34
Bonds & Ins. Premiums	920.00	1,000.00	3,833.00	2,833.00
Contract Services	12,392.00	15,000.00	12,476.83	(2,523.17)
Office Eqpt. Repair	1,416.00	800.00	1,466.63	666.63
Equipment Repair-Other	4,896.00	5,000.00	7,328.87	2,328.87
Equipment Rental	552.00	750.00	1,239.12	489.12
Heat	27,492.00	28,000.00	27,742.72	(257.28)
Power	20,728.00	22,000.00	24,160.32	2,160.32
Water	3,300.00	3,800.00	3,407.40	(392.60)
Other Utilities	8,496.00	6,500.00	10,112.50	3,612.50
Janitor Supplies	8,792.00	7,500.00	5,270.25	(2,229.75)
Building Maintenance	37,012.00	41,500.00	33,275.14	(8,224.86)
Grounds Maintenance	3,480.00	3,500.00	1,488.97	(2,011.03)
Truck Operation	1,480.00	2,800.00	1,782.24	(1,017.76)
Medical and Dental Care	14,220.00	14,000.00	5,503.69	(8,496.31)
Transportation of Patients	3,092.00	4,500.00	5,176.83	676.83
Food	135,241.00	135,000.00	141,204.09	6,204.09

EXHIBIT C (CONT.)

	<u>Work Program</u>	<u>Basis for Approp. or Auth.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Auth.</u>
Operating (Cont.):				
Kitchen & Dining Room				
Supplies	4,748.00	4,600.00	7,407.50	2,807.50
Dorm. & Household Supplies	23,748.00	21,500.00	20,132.24	(1,367.76)
Clothing Purchases	16,092.00	10,500.00	16,994.18	6,494.18
Laundry Supplies	1,632.00	3,200.00	3,889.37	689.37
Med. & Dental Supplies	44,287.00	45,000.00	55,067.14	10,067.14
Instructional Supplies	380.00	500.00	48.70	(451.30)
Recreation Supplies	8,228.00	6,000.00	9,045.29	3,045.29
Barber & Beautician Supplies	1,012.00	1,000.00	247.68	(752.32)
Improvements & Betterments	5,116.00	8,000.00	1,506.51	(6,493.49)
Taxes and Assessments	200.00	200.00	316.34	116.34
Lab. & Technical Supplies	3,000.00	2,000.00	2,318.73	318.73
Special Services and Proj.				
Supplies	--	--	424.85	424.85
Farming	20,772.00	25,000.00	22,577.28	(2,422.72)
Autopsies & Funerals	1,546.00	2,000.00	900.00	(1,100.00)
Refunds	--	--	232.02	232.02
Work Program Error	8.00	--	--	--
Total	<u>\$ 431,772.00</u>	<u>\$ 441,740.00</u>	<u>\$ 448,019.48</u>	<u>\$ 6,279.48</u>
Equipment:				
Office Furniture	\$ 1,255.00	\$ 1,255.00	\$ 3,201.59	\$ 1,946.59
Office Equipment	2,649.00	2,649.00	4,420.97	1,771.97
Other Furn. & Eqpt.	26,842.00	26,842.00	22,996.27	(3,845.73)
Total	<u>\$ 30,746.00</u>	<u>\$ 30,746.00</u>	<u>\$ 30,618.83</u>	<u>\$ (127.17)</u>
 Total Expenditures	 <u>\$2,006,815.00</u>	 <u>\$2,006,815.00</u>	 <u>\$2,007,005.80</u>	 <u>\$ 190.80</u>
 <u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 99.72</u>	

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
NEVADA STATE HOSPITAL  
PAY PATIENT SUSPENSE ACCOUNT  
STATEMENT OF RECEIPTS TRANSFERRED TO THE GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	-0-
<u>Receipts</u>	\$236,314.90
<u>Disbursements</u>	<u>1,480.67</u>
<u>Deposited to General Fund</u> <u>Through June 30, 1966</u>	<u>\$234,834.23</u>

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
NEVADA STATE HOSPITAL  
GENERAL FUND BANK ACCOUNT  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965

Security National Bank		
Commercial Account	\$ 16,102.35	
Savings Account	31,661.00	
Petty Cash	<u>100.00</u>	
		\$ 47,863.35

Receipts

Patients Personal Fund	\$135,658.42	
Canteen Fund	62,659.43	
Questa Fund	7.05	
Patients Recreation Fund	3,381.05	
Auxiliary Fund	687.50	
Occupational Therapy Fund	637.66	
Patients Discharged & Deceased	130.25	
Vocational Rehabilitation Fund	3.00	
Vucanovich Childrens Fund	<u>35.00</u>	
Total Receipts		<u>203,199.36</u>
Total Funds To Account For		\$251,062.71

Expenditures

Patients Personal Fund	\$133,144.48	
Canteen Fund	62,019.91	
Questa Fund	98.17	
Patients Recreation Fund	2,925.38	
Auxiliary Fund	591.54	
Occupational Therapy Fund	782.57	
Patients Discharged & Deceased	739.73	
Dry Cleaning Fund	4.00	
Federal Tax	5.45	
Vocational Rehabilitation Fund	<u>3.00</u>	
Total Expenditures		<u>200,314.23</u>

Balance, June 30, 1966\$ 50,748.48

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
NEVADA STATE HOSPITAL  
GENERAL FUND BANK ACCOUNT  
STATEMENT OF BANK ACCOUNT RECONCILIATION  
WITH THE FUND LEDGERS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance on Hand and in Bank, June 30, 1966

Security National Bank		
Commercial Account	\$12,435.11	
Savings Account	33,276.02	
First National Bank		
Commercial Account	5,000.00	
Petty Cash Fund	<u>100.00</u>	
Total		\$50,811.13

Balance Per Ledgers

Patients Personal Fund	\$43,549.99	
Canteen Fund	5,522.70	
Patients Recreation Fund	1,429.84	
Auxiliary Fund	129.06	
Occupational Therapy Fund	81.89	
Vucanovich Childrens Fund	<u>35.00</u>	
Total		<u>50,748.48</u>

Excess in Bank and on Hand Over

<u>Balances on Ledgers</u>		<u>\$ 62.65</u>
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Deposit of Subsistence &amp; Care Check

in Error - April 1965

Unreconciled Difference

\$ 55.00
<u>7.65</u>
<u>\$ 62.65</u>

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
NEVADA STATE HOSPITAL  
HOSPITAL GIFT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$1,000.00
<u>Receipts</u>	<u>-0-</u>
Total Available	\$1,000.00
<u>Expenditures</u>	<u>-0-</u>
<u>Balance, June 30, 1966</u>	<u>\$1,000.00</u>

DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
NEVADA STATE HOSPITAL  
REVOLVING FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$2,006.63
<u>Receipts</u>	
Reimbursements	<u>5,024.26</u>
Total	\$7,030.89
<u>Expenditures</u>	<u>5,210.66</u>
<u>Balance, June 30, 1966</u>	<u>\$1,820.23</u>

STATE OF NEVADA  
DIVISION OF MENTAL HYGIENE  
DEPARTMENT OF HEALTH AND WELFARE  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control

Serial Numbered Receipts - Present receipt books are not numerically sequenced nor do they adequately serve the purpose for which intended. Present receipts are in duplicate in books of 50. Individual books are assigned to serve for subsistence and care, pay patients, contingent and miscellaneous funds. A book of receipts may last for many months for one fund whereas another fund may use several in one month, thus making reconciliation of funds difficult. Used books are not maintained in any type of sequence.

It is recommended that the hospital do away with the present receipt books and replace them with individual serial numbered receipts in triplicate, making only one type of receipt necessary. The new receipts should have individual boxes indicating the type of receipt; pay patient, patients' personal funds, contingent, etc. A receipt should be made for all moneys received. It is also recommended that unused receipts be safeguarded and issued only upon authorized signature.

Incoming Mail - All incoming mail is opened by one person. Mail which includes money is logged in a book and then hand carried to the business office. The clerk in the business office signs the log to indicate receipt

but does not verify the money at that time. Receipts of the business office were in excess of \$485,000 during the fiscal year under review. A major portion of this arrives by mail.

The above procedure does not safeguard the control of receipts. We recommend that incoming mail be opened in the presence of two people and that a receipt in triplicate be prepared. A copy of this receipt should be held in the office where the mail is opened; the remaining two copies of the receipt, with the money, should then be taken to the business office where posting by fund is accomplished and the money deposited to the bank. Verification of the receipts should be made by the business office clerk involved. Receipts used by those opening the mail should be signed out to them by the business office.

Bank and Ledgers Reconciliation - Bank reconciliation with ledger card balances has been very lax in the past. Eleven of the twelve months of the fiscal year under review, the ledgers were not in agreement with bank balances. At the end of the fiscal year the aggregate of these errors amounted to \$129.91 more in the bank than was indicated on ledger cards.

It is recommended that errors uncovered during this examination be corrected in the ledgers and that complete reconciliation of bank and ledgers be accomplished each month. Errors found to exist should be corrected immediately through the use of journal entries.

Incomplete Records - Several instances were noted where adequate records were not being maintained to allow verification of posting to ledgers. Those noted are as follows:

In-Book Transfers - These involve a transfer of funds between book accounts which are maintained in the same bank account. Sales slips

are used for this purpose but these slips could not be located for our verification.

Corrections - Corrections are made by a direct posting as journal entries are not used. There were no source documents explaining such corrections.

Canteen Robbery - The canteen was robbed of an undetermined amount of money. This robbery was not reflected in any way in the records. A change fund of \$65 was maintained and because of the robbery this had to be replaced. The replacement money was taken from cash on hand but the records did not indicate this.

It is recommended that source documents for in-book transfers be maintained intact. Weekly postings of journal entries should be made by the accountant as they are not voluminous. All corrections should be made by journal entry, fully documented, with documentation filed intact. All transactions which affect the financial condition of the funds such as the canteen robbery should be reflected in the records and all source information should be maintained intact.

## 2. Books and Records

The hospital uses an NCR 3300 bookkeeping machine to account for moneys received and disbursed. The records are maintained on the encumbrance system without the use of a general ledger. The system utilizes two sets of control cards; one to control encumbrances and liabilities and the other to control paid claims. Under the present system, distribution to the various accounts is made upon receipt of the invoice rather than receipt of the paid claim lists, making reconciliation with the controller's monthly tab run of distributed expenses a great deal of work because the postings have occurred, for the most part, in different months.

We recommend that posting of the paid claims be made to the distribution columns when received. This would eliminate the control ledger card to which paid claims are now posted. Claims should be referenced on each ledger card making reconciliation easier. We further recommend that monthly reconciliation be made with the controller's tab runs to correct any posting errors.

### 3. Business Management

At the present time the hospital is authorized a business administrator. The business administrator has until recently been serving as superintendent and therefore many of the areas of business operations have had very little direction. The business office is a good example of this. There has been no accountant authorized and for some time now the bookkeeping machine operator has been underfilling the principal account clerk position. She has had to act in a dual capacity, as bookkeeping machine operator and as the accountant. The program specialist position is underfilled by an administrative secretary. Her job has been payroll, attendance records and maintenance rate clerk.

The present system of accounting for moneys received and expended is unsatisfactory. The records now being maintained by the Bureau of Mental Retardation are in such a state of confusion that they will have to be completely reconstructed. There are definite internal control problems in the handling of receipts coming in the mail.

It is our contention that the hospital does not need a business administrator. We feel this position should be converted to a business manager in charge of operations. He should be directly concerned with business office systems and internal control procedures.

#### 4. Perquisites to Employees

NRS 433.135, subsection 1 states, "If the superintendent finds that it is necessary or desirable that any employee reside at the hospital, perquisites granted to such persons or charges for services rendered to such persons shall be at the direction of the governor."

During the fiscal year under review, employees were allowed the privilege of purchasing items from the commissary. This privilege has now been stopped due to abuse from two employees. The budget office questioned certain unusual purchases and as a result losses amounting to approximately \$1,200 were averted. The two employees involved were in administrative jobs and therefore above question.

All employees are furnished meals when on duty. It has been a state policy in other institutions to furnish meals at no charge but only when supervising inmates. We therefore recommend that the perquisites now being given to employees be reviewed and resubmitted for approval as required under NRS 433.135.

#### 5. Bonds of Employees

As all employees of the state are now automatically bonded up to \$25,000, it is recommended that NRS 433.160 be deleted in its entirety. This section of NRS provides for security bonding as prescribed by the superintendent.

#### 6. Hospital Revolving Fund

The 1963 legislature authorized the hospital revolving fund to be increased to \$7,500 from \$2,500. Since that time the extra \$5,000 has never been drawn from the State Treasurer. The fund is used to pay travel claims for those transporting patients, salaries of terminated employees and payment of small bills. The average bank balance for the year was \$1,525.33. The

additional \$5,000 is not needed and we recommend that it be reverted to the general fund and that NRS 433.190 be amended to provide for a \$2,500 revolving fund.

The above recommendation was made in our prior audit report.

7. Patient Subsistence and Care

Under NRS 433.370, 433.380, 433.390 and 433.400 the hospital is required to establish financial responsibility for patients' subsistence and care. The procedures for these collections have been very lax. After responsibility has been established and a rate has been fixed the only collection procedures used are constant billings. The business office has just completed a list of 56 delinquent accounts totaling \$79,916.79 which they considered uncollectible. This list contains many names of persons who reside in the state and may have adequate resources to pay.

It is recommended that an analysis of all delinquent accounts be made to determine collectibility and that legal procedures be instituted where indicated. We would also recommend that the hospital be allowed a fulltime position for collections of patient subsistence and care moneys.

This recommendation was made in our prior audit report.

8. Payments for Support of Voluntary Patients

NRS 433.340 states, "The daily or monthly rate for the care, support and maintenance of voluntary patients shall be determined by the superintendent, and shall be payable to the hospital in advance. In cases where there have been advance payments under this section and such advances or any part thereof should be refunded because of death or discharge of the patient, such amount shall be paid to the person who made payment, upon demand, and the amount refunded shall be itemized, and the aggregate deducted from the amount to be paid into the state treasury from pay patients as provided by law."

No advance payments are being received from voluntary patients. Care for these patients is charged when financial responsibility is established, otherwise they are cared for at state expense.

The hospital receives many voluntary patients but the majority of such persons are indigent. When they arrive at the hospital they are in such a condition that they need medical attention immediately. Therefore, it is not practical to attempt collection in advance. Because of these facts it is recommended that the requirement relating to payment in advance be deleted from the above statute.

#### 9. Surety Bonds of Guardians

NRS 433.400 requires that guardians of estates of committed persons must give a bond running to the State of Nevada to insure payment of moneys due for care. It also requires that they shall supply an inventory of the estate and an income statement. This requirement has not been enforced. It is recommended that the hospital immediately begin requiring the above as required by statute.

This recommendation was made in our prior audit report.

#### 10. Patients' Personal Funds

The workload involving patients' funds is becoming a fulltime job under the present procedures. Patients are allowed to frequent the business office at will, which creates constant disturbances. They are continually requesting information on the status of their funds. They are constantly requesting small sums in cash which is paid from petty cash and then reimbursed from their accounts.

We recommend that regular office hours be established for patient fund transactions whereby they can draw money, ask questions, etc. The office

hours should be no more than two hours, three days each week. This would allow the present clerk sufficient time, unhampered, to perform his regular duties.

11. Excess Money in General Fund Bank Account

Patients' personal funds are carried in the same bank account with five other funds. The average bank statement balance for the year under review was \$16,083.62.

NRS 433.440, subsection 6, authorizes the superintendent to deposit funds in excess of \$3,000 into a savings account which is now maintained. It is recommended that the excess now in the commercial account be transferred to the savings account and that the superintendent make a current review of these balances in order that the maximum interest be received for the patients' recreation account.

This recommendation was made in our prior audit report.

12. Patients' Personal Belongings

NRS 433.450, subsection 1, authorizes the hospital to accept patients' personal belongings for safekeeping if they do not exceed a value of \$300.

NRS 433.450, subsection 2, authorizes the superintendent to sell property at any time after one year of safekeeping when it is determined that the committed person is incurably ill or that he will be required to remain at the hospital for an extended period of time.

Many instances were noted where actual values were far in excess of the authorized amount. All of these instances, with but one exception, involved items stored in the business office safe. It was also noted that the majority of personal belongings were clothing items and that an acute storage problem exists because of such clothing being retained for many years,

either because the patients are still in the hospital, have died and no relative has claimed the items, or because some patients have checked out and never claimed their belongings. Attempting to sell such items would result in little or no remuneration to the individual patients' funds.

We therefore recommend that only items of substantial value other than clothing be sold as directed by the above statute. The valuables now stored at the hospital should be sold accordingly as soon as possible. We further recommend that the above statute be amended to permit the superintendent to deposit all clothing that has been retained for over one year with the hospital's clothing stores to issue to patients as is other donated clothing.

#### 13. Annual Accounting of Patients' Personal Funds

As of February 9, 1967 no accounting had been made to the State Treasurer concerning patients' personal funds held by the hospital as of June 30, 1966. Also, as of this date, there had been no request made to the banks concerned for bank balance confirmation.

NRS 433.470 directs that the above accounting be made at the end of each fiscal year and we therefore recommend that the state hospital immediately make such accounting for the fiscal year ending June 30, 1966.

#### 14. Accounting and Procedures Manuals

The hospital business office does not have an accounting or standard procedures manual. At the present time only the bookkeeping machine operator could adequately handle other office work if the need should arise. The hospital has had a business administrator but this position has been used to underfill the superintendent's job, leaving little time for direction to the business office.

It is recommended that an accounting and procedures manual be written that adequately explains the functions, systems and procedures of the business office so others may fill various positions as the needs arise and to give all employees a current reference. The business office should start a cross-training program so that each person could fill the job of another if the need arose. The hospital is presently requesting an accounting position and we recommend that this position be authorized.

This recommendation was made in our prior audit report.

15. Mental Hygiene Advisory Board

NRS 436.015, subsection 1 states, "The members of the board shall meet at such times and such places as they shall deem necessary, but a meeting of the board shall be held at quarterly intervals. The board shall keep minutes of the transactions of each board meeting, regular or special, which shall be public records and filed with the Nevada State Hospital."

Minutes on file at the hospital indicate that there was no meeting held between December 10, 1965 and June 30, 1966 which is contrary to statute.

As this is an advisory board it is recommended that NRS 436.015 stating "but a meeting of the board shall be held at quarterly intervals" be deleted and allow meetings to be held at such times and such places as they shall deem necessary.

16. Records of Bureau of Mental Retardation

The financial records of the above bureau are not in agreement with the State Controller's records for the fiscal year 1965-1966. The form IA-1, submitted to the Fiscal Analyst, indicated a balance forward of \$597.09, whereas controller figures indicate \$2,256.24. In order to adequately reflect a meaningful financial statement the records would have to be completely reconstructed.

It is recommended that the hospital business office take charge of these accounts and reconstruct them from July 1, 1965.

17. Contracts

The hospital uses a standard form contract for consulting and other medical services from outside professional people. The hospital is now a part of the Division of Mental Hygiene, Department of Health and Welfare. It is recommended that the Division of Mental Hygiene be included as a party to any contract negotiated by the hospital and that each contract be formally approved by the administrator of the Division of Mental Hygiene.

This recommendation was made in our prior audit report.

18. Pay Patient Ledger Cards

An individual ledger card is maintained for each patient with personal funds on deposit. As these accounts are closed or as pages are filled they are transferred from the active file to the inactive file. They are filed in alphabetical order but not segregated by fiscal year. This makes verification of accounts extremely difficult.

It is recommended that inactive cards be filed by fiscal year in alphabetical order so that accounts for a given year can be easily verified.

This recommendation was made in our prior audit report.

19. Action Taken on Recommendations From Prior Audit Report

As may be noted in the above paragraphs, many of the recommendations are repetitions of those made in our prior audit report for the fiscal year 1962-1963. It is evident that little or no attempt has been made to implement the majority of those suggestions even though three fiscal years have expired since that time.

Many of the hospital's problems could be alleviated if the foregoing suggestions were put into effect. We strongly recommend that an immediate attempt be made to do so.

Carson City, Nevada  
February 23, 1967

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

NOTE: At a meeting held March 1, 1967 between a member of the Fiscal Analyst's office and the Superintendent of the Nevada State Hospital, agreement was reached on implementation of the foregoing recommendations.

STATE OF NEVADA  
PURCHASING DIVISION AND SURPLUS PROPERTY SECTION  
DEPARTMENT OF ADMINISTRATION

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Purchasing Division and Surplus Property Section of the Department of Administration for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Purchasing Division-Working Capital and Operating Fund--  
Statement of Financial Condition  
June 30, 1966 ----- Exhibit A

Purchasing Division-Working Capital and Operating Fund--  
Statement of Basis for Authorization  
Compared to Actual Revenues and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Purchasing Division, Surplus Property Section-  
Revolving Fund--  
Statement of Financial Condition  
June 30, 1966 ----- Exhibit C

Purchasing Division, Surplus Property Section-  
Combined Administrative and Revolving Fund--  
Statement of Basis for Authorization  
Compared to Actual Revenues and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit D

#### Scope of Examination


Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted accounting 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 Working Capital and Operating Fund and the Surplus Property Section Revolving Fund of the Purchasing Division, Department of Administration, as of June 30, 1966 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 Statements of Financial Condition and Statements of Revenues and Expenditures present fairly the financial position of the Working Capital and Operating Fund and the Surplus Property Section Revolving Fund of the Purchasing Division, Department of Administration as of June 30, 1966, 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  
February 28, 1967

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

PURCHASING DIVISION  
DEPARTMENT OF ADMINISTRATION  
WORKING CAPITAL AND OPERATING FUND  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

## Current Assets:

Cash in State Treasury	\$303,844.55	
Accounts Receivable	183,541.03	
Merchandise Inventory	<u>244,246.28</u>	
Total Current Assets		\$731,631.86

## Fixed Assets:

Trucks	\$ 1.00	
Furniture and Equipment	<u>1.00</u>	
Total Fixed Assets		<u>2.00</u>

Total Assets		<u><u>\$731,633.86</u></u>
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Liabilities and Fund Equity

## Current Liabilities:

Accounts Payable, Year End Billings	\$ 46,690.44	
Auction Proceeds Payable	<u>7,487.98</u>	
Total Current Liabilities		\$ 54,178.42

## Fund Equity:

Legislative Appropriation	\$500,000.00	
Appropriated Income	<u>200,000.00</u>	
	\$700,000.00	
Less: Amount Reverted to General Fund in Error, 6/30/65	<u>34,182.04</u>	
Net Statutory Balance	\$665,817.96	
Fixed Assets	2.00	
Earned Surplus	<u>11,635.48</u>	
Total Fund Equity		<u>677,455.44</u>

Total Liabilities and Fund Equity		<u><u>\$731,633.86</u></u>
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PURCHASING DIVISION  
DEPARTMENT OF ADMINISTRATION  
WORKING CAPITAL AND OPERATING FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts or Expend.</u>	<u>Over or (Under) Author.</u>
<u>Total Funds Available</u>				
Balance, July 1, 1965			\$ 261,793.96	\$261,793.96
Revenues:				
Cash Receipts from Sales			\$6,753,463.82	
Less: Cash Purchases			6,580,769.11	
Net Sales	\$154,451.00	\$143,427.00	\$ 172,694.71	\$ 29,267.71
Auction Receipts-Gross			\$ 77,891.94	
Less: Payments to Agencies			68,448.81	
*Net Auction Receipts			\$ 9,443.13	9,443.13
Rental Income			4,800.00	4,800.00
Bid Forfeitures & Refunds			610.09	610.09
Total Revenues	\$154,451.00	\$143,427.00	\$ 187,547.93	\$ 44,120.93
Total Funds Available	<u>\$154,451.00</u>	<u>\$143,427.00</u>	<u>\$ 449,341.89</u>	<u>\$305,914.89</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$119,625.00	\$109,185.00	\$ 115,804.44	\$ 6,619.44
Industrial Insurance	670.00	611.00	642.67	31.67
Retirement	6,950.00	6,350.00	6,584.41	234.41
Personnel Assessment	950.00	925.00	824.79	(100.21)
Group Insurance	252.00	702.00	282.00	(420.00)
Total	<u>\$128,447.00</u>	<u>\$117,773.00</u>	<u>\$ 124,138.31</u>	<u>\$ 6,365.31</u>
Travel:				
Out-of-State	\$ 500.00	\$ 150.00	\$ 286.60	\$ 136.60
In-State	3,300.00	3,300.00	1,041.64	(2,258.36)
Total	<u>\$ 3,800.00</u>	<u>\$ 3,450.00</u>	<u>\$ 1,328.24</u>	<u>\$ (2,121.76)</u>
Operating:				
Office Supplies	\$ 2,800.00	\$ 2,800.00	\$ 3,279.46	\$ 479.46
Postage and Freight	4,200.00	4,200.00	3,866.59	(333.41)
Telephone	2,634.00	2,634.00	2,830.93	196.93
Printing	3,060.00	3,060.00	2,275.17	(784.83)
Subscrips. & Ref. Manuals	50.00	50.00	123.85	73.85
Dues & Registrations	70.00	70.00	23.00	(47.00)
Ins. & Bond Premiums	550.00	550.00	157.16	(392.84)
Office Eqpt. Repair	900.00	900.00	1,080.43	180.43
Other Eqpt. Repair	--	--	20.50	20.50
Truck Operations	1,300.00	1,300.00	1,278.25	(21.75)
Heat	1,500.00	1,500.00	1,238.43	(261.57)
Power	900.00	900.00	1,277.64	377.64
Water	390.00	390.00	357.50	(32.50)
Janitorial Supplies	50.00	50.00	33.73	(16.27)
Building Maintenance	800.00	800.00	323.75	(476.25)

EXHIBIT B (CONT.)

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts or Expend.</u>	<u>Over or (Under) Author.</u>
Operating (Cont.):				
Electronic Data Processing				
Expense	1,500.00	1,500.00	--	(1,500.00)
Special Services	--	--	300.00	300.00
Advertising	1,500.00	1,500.00	1,459.00	(41.00)
Total	<u>\$ 22,204.00</u>	<u>\$ 22,204.00</u>	<u>\$ 19,925.39</u>	<u>\$ (2,278.61)</u>
Equipment				
Office Equipment	\$ --	\$ --	\$ 105.40	\$ 105.40
Total Expenditures	<u>\$154,451.00</u>	<u>\$143,427.00</u>	<u>\$ 145,497.34</u>	<u>\$ 2,070.34</u>
**Fund Balance, June 30, 1966			<u>\$ 303,844.55</u>	

\*The net auction receipts as stated on this statement are comprised of \$7,487.98 payable to agencies and \$1,955.15 in administrative charges.

\*\*Reconciliation of the fund balance to the controller's records:

Balance per controller	\$174,630.54
Deposits in transit	129,103.16
Net amount of errors in recording funds in the wrong fiscal year	110.85
Balance per division's records	<u>\$303,844.55</u>

PURCHASING DIVISION-SURPLUS PROPERTY SECTION  
 DEPARTMENT OF ADMINISTRATION  
 REVOLVING FUND  
 STATEMENT OF FINANCIAL CONDITION  
 JUNE 30, 1966

Assets

## Current Assets:

Cash in State Treasury	\$ 26,552.22	
*Accounts Receivable	7,498.85	
**Merchandise Inventory	<u>277,578.08</u>	
Total Current Assets		\$311,629.15

## Fixed Assets:

Trucks	\$ 1.00	
Furniture and Equipment	<u>1.00</u>	
Total Fixed Assets		<u>2.00</u>

Total Assets		<u><u>\$311,631.15</u></u>
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Liabilities and Fund Equity

## Current Liabilities:

***Government Property Held by State Agency (Contra)	\$277,578.08
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## Fund Equity:

Unappropriated Income	<u>34,053.07</u>
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Total Liabilities and Fund Equity	<u><u>\$311,631.15</u></u>
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\*Accounts receivable were overstated on agency records by \$355. \$330 in credit memorandums had not been posted and there was a \$25 difference between the agency's general ledger and individual receivable ledger sheets.

\*\*Inventory valued at 100% of government acquisition cost.

\*\*\*Contra or offsetting account to merchandise inventory.

PURCHASING DIVISION-SURPLUS PROPERTY SECTION  
DEPARTMENT OF ADMINISTRATION  
COMBINED ADMINISTRATIVE AND REVOLVING FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Total Funds Available</u>				
Balance, July 1, 1965			\$18,400.03	\$ 18,400.03
Revenues:				
Cash Receipts from Sales			\$77,120.13	
Less: Refunds			241.40	
Cost to Acquire Property			14,038.87	
Net Cash Receipts from Sales			\$62,839.86	\$ 62,839.86
From Revolving Fund	\$49,772.00	\$49,472.00	--	(49,472.00)
Salary Augmentation (Also from Revolving Fund)	2,832.00	2,832.00	--	(2,832.00)
Total Revenue	<u>\$52,604.00</u>	<u>\$52,304.00</u>	<u>\$62,839.86</u>	<u>\$ 10,535.86</u>
Total Funds Available	<u>\$52,604.00</u>	<u>\$52,304.00</u>	<u>\$81,239.89</u>	<u>\$ 28,935.89</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$36,947.00	\$36,947.00	\$37,368.60	\$ 421.60
Industrial Insurance	209.00	209.00	175.51	(33.49)
Retirement	1,988.00	1,988.00	2,132.21	144.21
Personnel Assessment	300.00	300.00	260.46	(39.54)
Group Insurance	360.00	360.00	144.00	(216.00)
Total	<u>\$39,804.00</u>	<u>\$39,804.00</u>	<u>\$40,080.78</u>	<u>\$ 276.78</u>
Travel:				
Out-of-State	\$ 500.00	\$ 500.00	\$ 527.56	\$ 27.56
In-State	500.00	200.00	1,351.25	1,151.25
Total	<u>\$ 1,000.00</u>	<u>\$ 700.00</u>	<u>\$ 1,878.81</u>	<u>\$ 1,178.81</u>
Operating:				
Office Supplies	\$ 250.00	\$ 250.00	\$ 926.19	\$ 676.19
Postage and Freight	300.00	300.00	250.00	(50.00)
Telephone-Rental	950.00	950.00	943.80	(6.20)
Telephone-Tolls & Telegraph	150.00	150.00	70.15	(79.85)
Printing-Annual Report	100.00	100.00	--	(100.00)
Printing-Operational	500.00	500.00	1,785.54	1,285.54
Subscrips. & Ref. Manuals	75.00	75.00	--	(75.00)
Dues & Registrations	75.00	75.00	75.00	--
Bonds & Ins. Premiums	300.00	300.00	233.13	(66.87)
Office Eqpt. Repairs	100.00	100.00	131.00	31.00
Equipment Rental	--	--	30.65	30.65
Building Space Rental	7,500.00	7,500.00	4,800.00	(2,700.00)
Power	--	--	94.50	94.50
Janitorial Supplies	--	--	3.49	3.49
Building Maintenance	--	--	1.79	1.79
Truck Operation	1,500.00	1,500.00	3,382.84	1,882.84
Total	<u>\$11,800.00</u>	<u>\$11,800.00</u>	<u>\$12,728.08</u>	<u>\$ 928.08</u>
Total Expenditures	<u>\$52,604.00</u>	<u>\$52,304.00</u>	<u>\$54,687.67</u>	<u>\$ 2,383.67</u>
<u>Balance, June 30, 1966</u>			<u>\$26,552.22</u>	



STATE OF NEVADA  
PURCHASING DIVISION  
DEPARTMENT OF ADMINISTRATION  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control

Purchasing Division - Internal control of the division is adequate with the exception of the following:

(a) Receipts received by mail - Due to the small staff in the accounting section, the person acting as cashier should prepare a transmittal slip of the cash and checks received. One copy should be delivered to the accounting section with the receipts, and one copy should be retained on file by someone other than accounting personnel.

(b) Auction sales - The internal control for auction sales is adequate. It is recommended that the auction "Bid Confirmation and Deposit" form be made up in sufficient quantity so that at the time the successful bidder is determined the person acting as auctioneer can retain one copy indicating the bid price.

At present, the auctioneer fills in the amount of the successful bid and gives the form to the bidder to hand carry to the office where he either makes full payment or a deposit. The procedure recommended above would lessen the chance that the bidder could change the bid amount while he is enroute to the office with the bid form.

Surplus Property Section - Internal control of the Surplus Property Section is adequate with the exception of timely deposits and collection of accounts receivable. During our audit year there were many instances where receipts were kept on hand up to 27 days before being deposited. The time elapse has improved since October 1966.

In our audit report dated March 15, 1962 it was recommended that a monthly aging of accounts receivable be established and that this information be used to clear up delinquent accounts. The monthly aging has been accomplished but collection efforts have only slightly improved. It is suggested that more effort be expended toward making collections.

(See comment 1, attached letter)

## 2. Books and Records

Purchasing Division - The books and records of the division are, in general, adequate. There is a duplication of work in billing and collection procedures. At present the Purchasing Division prepares a purchase order and an invoice for all purchases where the vendor makes delivery direct to the using agency. These two documents contain the same basic information. After the certified copy of the receiving report has been received and compared with the vendor's invoice the division prepares a billing claim for purchases which is attached to the invoices for each agency.

The division's biennial report for the period ending June 30, 1964 indicated that there were 18,890 invoices issued for the 1963-64 fiscal year. It is suggested that the possible deletion of the invoices be explored where purchase orders and billing claims are both prepared by the Purchasing Division. This can be done by expanding the present purchase order and warehouse issue sheet by adding one sheet to each set of forms so that space is provided for account coding and signature. One copy, when signed and

returned by the using agency, would become authorization for making the transfer of funds. The using agency's file copy of the purchase order and the warehouse issue sheet would also be their copy of the invoice. This procedure would not only cut down on the division's workload but would also shorten the time between delivery and collection under the present billing system.

The accounting records for auction sales are not adequate. In some instances the files are not complete and the general ledger does not reflect the gross sales or payments to the agencies. It is recommended that the general ledger be set up in such a manner so this information can be readily made available and reflected in the division's monthly financial statements on a basis similar to that for regular and warehouse sales. This would reflect the true accountability of cash, accounts receivable, liabilities, gross sales and payments to agencies rather than just the net amount as reflected at the present time. We have been assured by the division's new accountant that steps will be taken in the near future to set up and maintain adequate records on auction sales.

Surplus Property Section - The books and records of the Surplus Property Section are adequate with the exception of the handling of credit memorandums. The form used is unnumbered. This form is also used for making corrections to the original sales form, and whether it is used as a credit memo or a correction form, it is assigned the same number as the original sales form.

Two instances were noted where credit memos issued to donees had not been posted to the agency's records, thereby overstating sales and accounts receivable at the end of the 1965-66 fiscal year.

It is suggested that a pre-numbered form be obtained to be used solely as a credit memorandum.

The Surplus Property Section Revolving Fund has no statutory authorization. Action should be taken to acquire legal recognition of this fund through legislative amendments, or combine the fund with the Purchasing Division Revolving Fund.

(See comment 1, attached letter)

### 3. Leave Records

It was noted that in eight instances employees were allowed to use sick leave in excess of that earned. In three instances the employees had sufficient annual leave earned to cover the excess sick leave taken, however, the time off was not deducted from annual leave. One employee was allowed to take compensatory time off prior to the time it was earned.

It is recommended that in the future leave be allowed only to the extent of that earned and only after formal approval.

(See comment 2, attached letter)

### 4. Out-of-State Travel

Surplus Property Section - Section 0611 of the State Administrative Manual states in part, "State officers and employees must file a written request with the Budget Administrator on form BD-47 at least ten days prior to making an out-of-state trip on official business."

In reviewing the out-of-state travel it was noted that of the fifteen trips, only two had been submitted for approval in the time required by the above quoted section of SAM. In addition, a number of trips were not approved by the budget office until after the trips were completed.

It is recommended that full compliance be made with the above quoted section of the State Administrative Manual.

## 5. Inventory-Warehouse Control

Purchasing Division - The records at the warehouse were found to be adequate with the exception of a few minor discrepancies. The perpetual inventory cards indicated a number of inventory adjustments were made using the annual inventory as a basis for such adjustments. There were as many as 100 units of a specific item deleted from the card and then added back as an inventory adjustment at a later inventory.

When the sample of the inventory was taken it was noted that there were like items in several locations in the warehouse. This could account for some of the erroneous inventory adjustments that were made in the past.

It is suggested that a more thorough check be made of items showing a difference before the inventory adjustment is allowed and that all like items be stored in the same area.

Surplus Property Section - A spot-check of thirty items of the merchandise inventory was made and compared to the perpetual inventory cards. Ten of the items checked did not agree with the inventory cards. It was indicated by notations on some of the cards and by one of the employees that the only answer to the discrepancies where there were items missing was that they were taken by the donees when they came in to inspect the inventory items. The items in question are all small tools that could be easily concealed without being conspicuous.

As a considerable amount of the inventory is comprised of tools and other small items, it is suggested that either the surplus section be relocated in such a manner that the whole area can be observed from the office area or that an employee be in the immediate area at all times when donees are in the warehouse. Either one of these provisions would lessen the tendency of the donees to pilfer inventory items.

During our inspection of the warehouse, donees were observed wandering all over the warehouse. It is suggested that the limits of the surplus property portion of the warehouse be clearly defined and posted to the effect that donees must stay within these limits. It was also noted that one of the side doors to the warehouse is left unlocked and marked as an exit for the donees to inspect surplus property merchandise stored in the yard. It is suggested that this practice be stopped and that donees, unless accompanied by an employee, be required to exit past the front desk.

(See comment 3, attached letter)

#### 6. Compliance of Federal Regulations

The last audit of the Surplus Property Section by the U. S. Department of Health, Education and Welfare, Division of Surplus Property Utilization, dated May 24, 1965 listed a number of deficiencies which at the present have not been corrected. One of these deficiencies was that the eligibility file was not current. Under federal regulations, if property sold to a donee is misused, the state would have to pay the Federal Government the government's original acquisition cost if the donee was not properly eligible according to his file.

It is recommended that the federal audit mentioned above be reviewed and steps be taken to correct all of the deficiencies.

#### 7. Purchasing Procedures

(a) Warehouse Inventories - Under the provisions of NRS 333.140, "The chief, in all his purchasing and property control activities, shall pursue a policy of securing the greatest possible economy consistent with grades and qualities of supplies and services that are adapted to the purposes to be served."

NRS 333.210 states that, "Supplies, materials and equipment purchased for the various using agencies shall be reduced to the practicable minimum of types, styles and sizes."

There are several items in the warehouse inventory that were purchased prior to 1964 and subsequent purchases have been made with only a small percentage of the initial purchase being issued. There are several items which have been on hand for over a year without a single unit being issued. There are instances where the same item is carried in several different types and styles from several different manufacturers. There are pencils on hand which represent at least 15 brand names and 97 different styles or types. As of 12/31/66 there were 131 dozen of a particular drawing pencil on hand. The initial purchase of such pencils was made 12/7/62 with subsequent purchases in 1963. Only one dozen has ever been issued and that was on 2/10/66.

It is recommended that the chief set up definite standards so that full compliance with provisions of the statutes quoted above can be made. It is further recommended that the chief liquidate the stock on hand before he purchases any similar items. An effort should be made to reduce the various types and styles to a minimum. In excess of \$18,500 of state funds is now tied up in pencil inventories.

(b) Direct Purchase Authorization - NRS 333.150 states that, "The chief shall be required to purchase or contract for all supplies, materials and equipment needed by any and all using agencies, unless otherwise provided by law."

In general, NRS 333.160, subsection 1(e), gives the chief the authority to authorize the using agency to make direct purchases.

It was noted that during the fiscal year ended June 30, 1966 the division issued approximately 1,600 direct purchase authorizations (D.P.A.'s). A number of these were reviewed and it was found that the main reason for issuing them was that the item was "not in the warehouse." It appears that many of the items purchased by the D.P.A.'s should be warehoused since a majority of state agencies use such items. However, there are certain instances where the D.P.A. is the most practical way for the using agency to procure certain supplies, i.e., if they are the only agency using the item and the quantity is small.

It is recommended that all D.P.A.'s currently issued as "good until revoked" be reviewed and terminated if a real necessity cannot be substantiated. It is further recommended that the chief comply with NRS 333.160, subsection 1(e), in having thorough discussions on such matters with an authorized representative of the using agency prior to the time the D.P.A. is issued.

(c) Statutory Requirements-D.P.A.'s - With respect to direct purchase authorizations, NRS 333.390, subsection 4 states, "Using agencies receiving such orders shall report each month in writing to the chief their accounts and expenditures under such authorizations, accompanied with proper evidence that competition has been secured to the extent practicable."

The only attempt that is made to comply with this statute is that using agencies submit copies of the vendors' invoices to purchasing. No written evidence that competitive prices were solicited is submitted. It was noted that most purchases were continuously from the same vendors, thus indicating that little price comparison is being made by the using agencies.

It is recommended that the chief of the Purchasing Division enforce full compliance with the above quoted statutory provisions.

(See comment 3, attached letter)

#### 8. Availability of Information Required by Statutes

NRS 333.200, subsection 2(b) states, "The chief shall produce information, as and when required, respecting quantities on hand, quantities purchased over a specified period, quantities used over a specified period by each using agency, quantities supplied by vendors specified for specified periods, unit prices, average prices, and experience with the vendors supplying the different classes of supplies."

During our audit we checked several items by spot-checking the perpetual inventory cards and the physical inventory items. As pointed out in other parts of this report, we found items in the warehouse that have not moved at all or that have a very low turnover ratio. It is felt that if the chief maintained the information as stated in the above quoted statute that he could use this information to eliminate the non-moving and/or slow moving merchandise.

It is recommended that records summarizing the information called for in the above quoted section of NRS be established as soon as possible.

#### 9. Estimate of Using Agency Requirements

NRS 333.260, subsection 1 states in part, "The chief shall set up and maintain current cumulative purchase records of all materials and supplies purchased for the using agencies."

NRS 333.260, subsection 2 further states, "Prior to the scheduled date for purchasing any class of commodities, the chief shall distribute forms for estimates or requirements among all the using agencies using the commodities included in that class....before the estimate forms are distributed among the using agencies, the names, the specifications and the units of measures of the commodities and the quantities consumed by the several agencies during the past period shall be listed on the forms."

None of the information called for in the provisions of the statutes quoted above could be made available within a reasonable time. Almost all of the information could be extracted from the files but it would be quite a time consuming task.

In general, the chief does not distribute forms for estimates of requirements as required by NRS 333.260, subsection 2, quoted above. The chief prepares his quantity purchases from a summary of the requisitions submitted by each of the several using agencies. This is a workable procedure if all the agencies would submit their requisitions according to the schedule of purchases contained in the State Administrative Manual.

It is recommended that the provisions of NRS 333.260 be amended to authorize the chief to obtain his estimate of requirements by summarizing the requisitions submitted by the using agencies.

10. Prepayments for Supplies, Materials or Equipment

Under the provisions of NRS 333.460, using agencies are not allowed to authorize payment for any supplies, materials or equipment until after actual receipt of such supplies, materials or equipment. At the end of the 1965-66 fiscal year the Purchasing Division had billed and received \$41,639.55 for supplies, materials or equipment which had not been received prior to June 30, 1966.

It is recognized that in certain instances prepayments to obligate a specific year's funds would be justified. For example, an order was placed with a Bay Area electronics firm on 9/24/65 and the items were delivered on 11/4/66.

It is recommended that the Department of Administration, through the Budget Office, establish the following policy:

If an agency has ordered supplies, materials or equipment which has not been delivered prior to the end of the fiscal year and it is felt that the commitment of the fiscal year's funds for the fiscal year just ended is justified, the agency should write to the budget director outlining the justification and other pertinent data. This would include the order date, original estimated delivery date, reason for delay, etc. The budget director will then, if he concurs with the agency, instruct the chief of the Purchasing Division to bill the agency. The Purchasing Division would make no prepayment billings other than those authorized by the budget director.

11. State Property and Equipment Inventory

The identification method established at present is a workable one if carried out properly. This overall plan can be only as good as the accuracy of the original information and the day-to-day changes that take place. Annual inventories or spot-checks should be made but in most instances this has not been done in several years.

As the Purchasing Division does not have adequate personnel to conduct complete inventories of each of the several using agencies, it is recommended that the applicable sections of NRS be amended to provide that each using agency be made responsible for setting up and maintaining their inventory on cards which would become part of their ordinary and necessary records. The Purchasing Division would maintain a master inventory (as they do now) and would periodically issue tab runs of the inventory to the using agencies. It would then be the responsibility of the using agencies to check the tab runs and report any discrepancies.

(See comment 4, attached letter)

## 12. Disposal of Excess Property

The provisions of NRS 333.220 authorize the chief to transfer property from one using agency to another when such property is in excess of the needs of the using agency holding such property. The chief is further authorized to set up rules to prescribe the procedure by which excess property may be condemned and disposed of, by sale or otherwise, when of no further use to the state.

At the present time the following procedures are used for the disposal of excess property:

(a) A circular is sent out to the using agencies describing the excess property available.

(b) If it is not transferred, it is offered to other governmental agencies or to the public by bid or auction sale.

(c) If the item is not disposed of by one of the above procedures, the using agency holding the excess property is advised that they can dispose of the property by any means that they see fit.

It was noted that all excess property remains in the possession of the using agencies until its disposal unless it is offered at a public auction. Under (c) above the ultimate disposal is left up to the using agency and there is a possibility that the excess property could be misused, i.e., converted to personal use. In view of the foregoing, it is recommended that an excess property pool be initiated under the direction of the chief of the Purchasing Division. The pool would receive all excess property and the chief would have control of all such property once it was declared excess. The chief could check the possibility of trading in some of the items on new items for other agencies where as of the present the item is either junked or destroyed. Furthermore, the items would be kept in a central location in

order that representatives from prospective using agencies could view all available excess property at one time.

### 13. Auction Sales

It was noted in one instance that a bidder had submitted a successful bid of \$340. A deposit of \$20 was made with the remaining \$320 being paid by check. The item was released to the bidder before it was noticed that the check was post-dated. At the post-date the check was deposited and returned by the bank because the account had been closed. After several attempts of contacting the bidder, the bidder's brother finally stated that he would pay \$100 a month until the amount was liquidated. The amount of \$150 was paid during November and December. At 2/10/67, nine months after the bad check was received, the remaining \$170 is still unpaid. To prevent this situation in the future it is recommended that all successful bidders make payment by either cash and/or cashiers check, certified check or money order.

The chief of the Purchasing Division has been depositing the auction receipts, received on Saturdays, in the Reno City Police Department's safe until Monday mornings, at which time he has been personally hand carrying the receipts to Carson City. It is recommended that this practice be stopped and that arrangements be made with a Reno bank for immediate deposit of receipts by use of night depository facilities and they be subsequently transferred to the Carson City bank account.

### 14. Office Equipment

A spot-check of the division's office furniture and equipment was made and the following discrepancies were noted:

(a) One adding machine and one calculator were not listed on the tab run even though they had been on hand for several months.

(b) One typewriter had been marked off the tab run with a notation that it had been sent to the Buildings and Grounds Division; the typewriter was found in use by the Purchasing Division accountant.

(c) One additional calculator was marked off the surplus property tab run as it was supposed to be transferred to the Purchasing Division, however, the machine was never picked up on the Purchasing Division's tab run.

(d) The division has a card set up for each piece of furniture or equipment which indicates the person to whom the item is charged. Several of the items are incorrect as they do not reflect the transfers among the personnel that have taken place in the past year.

As this agency is charged by statute with the control of the state's property and equipment items, it is recommended that the agency maintain an up-to-date model system of equipment inventory.

Carson City, Nevada  
February 28, 1967

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

(SEAL)

STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
CARSON CITY, NEVADA 89701

Paul Laxalt  
Governor

Budget Div. Personnel Div. Purchasing Div. Data Processing Div. Buildings & Grounds Div.

May 2, 1967

Mr. Norman Terrell, Fiscal Analyst  
Legislative Counsel Bureau  
Carson City, Nevada

Dear Norm:

I have reviewed the audits of the Buildings and Grounds Division and the Purchasing Division of this Department and since both of the Administrators have come on the scene since the period of time covered by these audits, I am answering the audits as Director of Administration.

First, I should like to report that the staff of both Divisions indicate that your auditors were considerate and business-like at all times.

1. Internal Control and Books and Records.

As you indicate in both reports, some minor improvements can be made in these areas. In order to accomplish this, we are moving all of the accounting people from all of the Divisions of the Department of Administration into a section to be supervised by the accountant in Purchasing. This will have the advantages of having all the accounts under the day to day supervision of a professional accountant and should provide us with better utilization of existing personnel. We should also be able to develop a consistent method for billing agencies by interagency transfers.

2. Leave Records.

The discrepancy in leave records that you note in your audit was discovered by this office in May of last year and I was informed it had been corrected. Yearly a member of the Personnel Division, at my direction, audits all the leave records in all of the Divisions of this Department and as a result of that audit the discrepancies were reported to me and were as I understand corrected.

3. Inventory and Warehouse Control.

This was the first area that the new Administrator made a thorough review of. He has done a complete turnover study on all items in the warehouse and has established minimums and maximums. Because of this, he has ascertained that

(TRUE COPY)

Mr. Norman Terrell  
May 2, 1967  
Page 2

a large amount of the inventory is in slow moving stock. An effort is being made to dispose of this stock which will then free the State for a more orderly arrangement of the stock which will in turn lead to better inventory control.

4. State Property and Equipment Inventory.

State property and equipment inventory is as you are aware a real weak spot in this Department. Time permitting, changes must and will be made in this section.

5. The Prison has been contacted and a written agreement similar to the one between the Motor Pool and the Prison will be entered into outlining the responsibilities of both agencies.

6. Central Mail Working Capital Fund.

This is the only central service in this Department which is still operating from General Fund revenues. All others will, after July 1, be operating from receipts from the agencies. In all probability, at the next session of the Legislature we will make the same recommendation for the Central Mail Fund.

7. Lost City Museum.

We completely agree that the Department of Administration should not be responsible for the Lost City Museum and that perhaps the Museum could find a more appropriate home with some other agency. However, until this can be done this Department will attempt to secure a list of equipment, artifacts and exhibits that are owned by the State.

8. Vending Machine Fund.

I agree that the fund should revert to the General Fund and will make this request to the Board of Examiners.

Sincerely,

/s/ H. Barrett

Howard E. Barrett  
Director of Administration

HEB/md

(TRUE COPY)

STATE OF NEVADA  
BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Buildings and Grounds Division of the Department of Administration for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

Buildings and Grounds Division-Administrative Fund--  
Statement of Basis for Appropriation and Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit A

Buildings and Grounds Division-Central Mailing Room Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Buildings and Grounds Division-Lost City Museum Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit C

Buildings and Grounds Division-Marlette Lake Working Capital Fund--  
Statement of Basis for Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit D

Buildings and Grounds Division-Central Telephone Working  
Capital Fund--  
Statement of Basis for Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit E

Buildings and Grounds Division-Central Mail Working Capital Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 1

Buildings and Grounds Division-Vending Machine Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 2

Buildings and Grounds Division-Sewer Assessment Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 3

Buildings and Grounds Division-Capitol Building Repair Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 4

Buildings and Grounds Division-Furniture Damage Insurance  
Recovery Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 5

#### 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.

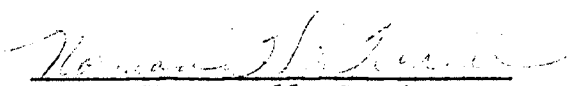
The examination was restricted to the Carson City, Nevada area and did not take into account any subsidiary records that might be maintained in Overton, Reno, Las Vegas and other Nevada points. Physical check of maintenance equipment and office furniture and equipment was not extended beyond the limits of Carson City.

#### Opinion

We have examined the statements of receipts and expenditures of the various funds of the Buildings and Grounds Division of the Department of Administration for the fiscal year ended June 30, 1966. 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 receipts and expenditures present fairly the financial position of the various funds of the Buildings and Grounds Division, Department of Administration as of June 30, 1966, 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 7, 1967

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



BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp. &amp; Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Auth.</u>
<u>Receipts</u>				
General Fund Appropriation	\$475,059.00	\$462,459.00	\$462,459.00	\$ --
Dept. of Motor Vehicles				
Maintenance Authorization	--	12,600.00	12,600.00	--
Salary Adjustment	10,346.00	--	10,346.00	10,346.00
Augmentation	--	--	18,449.55	18,449.55
Excess Deposits of Receipts				
Used Under Augmentation				
Authorization	--	--	299.89	299.89
Total Receipts	<u>\$485,405.00</u>	<u>\$475,059.00</u>	<u>\$504,154.44</u>	<u>\$29,095.44</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$203,208.00	\$184,316.00	\$204,273.24	\$19,957.24
Industrial Insurance	1,138.00	1,032.00	1,065.25	33.25
Retirement	11,684.00	10,728.00	11,195.34	467.34
Personnel Assessment	1,763.00	1,650.00	1,763.00	113.00
Group Insurance	1,300.00	1,296.00	927.00	(369.00)
Total	<u>\$219,093.00</u>	<u>\$199,022.00</u>	<u>\$219,223.83</u>	<u>\$20,201.83</u>
Travel:				
Out-of-State	\$ --	\$ --	\$ 48.75	\$ 48.75
In-State	1,300.00	1,500.00	4,960.33	3,460.33
Total	<u>\$ 1,300.00</u>	<u>\$ 1,500.00</u>	<u>\$ 5,009.08</u>	<u>\$ 3,509.08</u>
Operating:				
Office Supplies	\$ 200.00	\$ 250.00	\$ 300.73	\$ 50.73
Postage & Freight	282.00	300.00	247.77	(52.23)
Telephone-Rental	1,000.00	1,100.00	995.10	(104.90)
Telephone-Tolls	250.00	250.00	179.40	(70.60)
Printing-Annual Report	100.00	100.00	--	(100.00)
Printing-Operational	150.00	150.00	588.32	438.32
Subscrips. & Ref. Manuals	75.00	75.00	42.49	(32.51)
Bonds & Ins. Premiums	450.00	450.00	444.05	(5.95)
*Contract Services	46,500.00	47,500.00	--	(47,500.00)
Office Equipment Repair	225.00	225.00	129.35	(95.65)
Equipment Repair-Other	500.00	500.00	890.10	390.10
Equipment Rental	167.00	1,000.00	980.29	(19.71)
Heat	21,000.00	23,000.00	15,500.82	(7,499.18)
Power	52,000.00	52,000.00	40,678.67	(11,321.33)
Water	17,000.00	17,000.00	21,857.15	4,857.15
Other Utilities	750.00	750.00	1,121.70	371.70
Janitorial Supplies	5,500.00	5,500.00	6,175.90	675.90

EXHIBIT A (CONT.)

	<u>Work Program</u>	<u>Basis for Approp. &amp; Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Auth.</u>
Operating (Cont.):				
Building Maintenance	54,476.00	60,000.00	110,201.01	50,201.01
Grounds Maintenance	3,500.00	3,500.00	5,697.99	2,197.99
Truck Operation	2,000.00	2,000.00	2,831.03	831.03
Licenses & Fees	--	--	13.00	13.00
Special Services or Projects	--	--	9,585.22	9,585.22
Special Services or Projects, Supplies	--	--	73.98	73.98
Clothing Purchases	150.00	150.00	192.34	42.34
Medical & Dental Supplies	150.00	150.00	22.43	(127.57)
Advertising	500.00	500.00	59.55	(440.45)
Taxes & Assessments	1,600.00	1,600.00	4,558.45	2,958.45
Prisoners Stipends	1,000.00	1,000.00	1,839.75	839.75
Prisoners Food	4,500.00	4,500.00	7,135.45	2,635.45
Photos, Prints & Maps	50.00	50.00	37.99	(12.01)
Total	<u>\$214,075.00</u>	<u>\$223,600.00</u>	<u>\$232,380.03</u>	<u>\$ 8,780.03</u>
Equipment:				
Office Furn. & Eqpt.	\$ 755.00	\$ 755.00	\$ 817.45	\$ 62.45
Other Furn. & Eqpt.	1,350.00	1,350.00	2,335.69	985.69
Total	<u>\$ 2,105.00</u>	<u>\$ 2,105.00</u>	<u>\$ 3,153.14</u>	<u>\$ 1,048.14</u>
Rents	<u>\$ 48,832.00</u>	<u>\$ 48,832.00</u>	<u>\$ 44,162.20</u>	<u>\$(4,669.80)</u>
 Total Expenditures	 <u>\$485,405.00</u>	 <u>\$475,059.00</u>	 <u>\$503,928.28</u>	 <u>\$28,869.28</u>
 <u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 226.16</u>	

\*Charges under this classification were directed by the Budget Division, Department of Administration, to be charged to Building Maintenance.

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
CENTRAL MAILING ROOM  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
General Fund Appropriation	\$16,626.00	\$16,626.00	\$16,626.00	\$ --
Salary Adjustment	1,113.00	--	1,113.00	1,113.00
Total Receipts	<u>\$17,739.00</u>	<u>\$16,626.00</u>	<u>\$17,739.00</u>	<u>\$1,113.00</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$15,385.00	\$14,083.00	\$15,514.50	\$1,431.50
Industrial Insurance	86.00	85.00	86.14	1.14
Retirement	896.00	820.00	883.32	63.32
Personnel Assessment	150.00	150.00	150.00	--
Group Insurance	108.00	108.00	108.00	--
Total	<u>\$16,625.00</u>	<u>\$15,246.00</u>	<u>\$16,741.96</u>	<u>\$1,495.96</u>
Travel:				
In-State	\$ --	\$ --	\$ 81.86	\$ 81.86
Operating:				
Office Supplies	\$ 150.00	\$ 150.00	\$ 117.12	\$ (32.88)
Postage & Freight	40.00	40.00	11.71	(28.29)
Telephone-Combined	40.00	40.00	139.22	99.22
Printing-Operational	200.00	250.00	199.95	(50.05)
Bonds & Ins. Premiums	--	--	13.21	13.21
Office Equipment Repair	--	--	22.00	22.00
Equipment Repair-Other	--	--	98.11	98.11
Equipment Rental	250.00	250.00	117.00	(133.00)
Truck Operation	434.00	550.00	166.06	(383.94)
Total	<u>\$ 1,114.00</u>	<u>\$ 1,280.00</u>	<u>\$ 884.38</u>	<u>\$ (395.62)</u>
Equipment:				
Other Equipment	\$ --	\$ 100.00	\$ --	\$ (100.00)
Total Expenditures	<u>\$17,739.00</u>	<u>\$16,626.00</u>	<u>\$17,708.20</u>	<u>\$1,082.20</u>
<u>Reverted to General Fund</u>				
June 30, 1966			<u>\$ 30.80</u>	

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
LOST CITY MUSEUM  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp.	Actual Receipts & Expend.	Over or (Under) Approp.
<u>Receipts</u>				
General Fund Appropriation	<u>\$13,894.00</u>	<u>\$13,894.00</u>	<u>\$13,894.00</u>	<u>\$ --</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 9,190.00	\$ 9,190.00	\$ 9,324.24	\$ 134.24
Industrial Insurance	51.00	51.00	58.95	7.95
Retirement	536.00	536.00	515.55	(20.45)
Group Insurance	72.00	72.00	72.00	--
Total	<u>\$ 9,849.00</u>	<u>\$ 9,849.00</u>	<u>\$ 9,970.74</u>	<u>\$ 121.74</u>
Travel:				
In-State	<u>\$ 180.00</u>	<u>\$ 180.00</u>	<u>\$ 158.50</u>	<u>\$ (21.50)</u>
Operating:				
Office Supplies	\$ 50.00	\$ 50.00	\$ 49.54	\$ (.46)
Postage & Freight	50.00	50.00	46.74	(3.26)
Telephone-Combined	100.00	100.00	101.25	1.25
Telephone-Tolls	50.00	50.00	--	(50.00)
Printing-Operational	--	--	215.25	215.25
*Contract Services	500.00	500.00	--	(500.00)
Office Equipment Repair	40.00	40.00	12.95	(27.05)
Heat	200.00	200.00	100.00	(100.00)
Power	400.00	400.00	376.82	(23.18)
Water	175.00	175.00	150.00	(25.00)
Janitorial Supplies	200.00	200.00	175.01	(24.99)
Buildings and Grounds				
Maintenance (Combined)	250.00	250.00	595.78	345.78
Grounds Maintenance	250.00	250.00	--	(250.00)
Other Utilities	--	--	80.00	80.00
Improvements & Betterments	1,000.00	1,000.00	150.00	(850.00)
Total	<u>\$ 3,265.00</u>	<u>\$ 3,265.00</u>	<u>\$ 2,053.34</u>	<u>\$ (1,211.66)</u>
Equipment:				
Office Equipment	\$ 100.00	\$ 100.00	\$ 67.52	\$ (32.48)
Improvements	\$ 500.00	\$ 500.00	\$ --	\$ (500.00)
Total Expenditures	<u>\$13,894.00</u>	<u>\$13,894.00</u>	<u>\$12,250.10</u>	<u>\$ (1,643.90)</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 1,643.90</u>	

\*Charges under this classification were directed by the Budget Division, Department of Administration, to be charged to Buildings and Grounds Maintenance, Combined.

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
MARLETTE LAKE WORKING CAPITAL FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Author.	Actual Receipts & Expend.	Over or (Under) Author.
<u>Balance, July 1, 1965</u>	\$ --	\$ --	\$ 5,375.00	\$ 5,375.00
<u>Receipts</u>				
Water Sales	\$44,600.00	\$44,600.00	\$28,483.35	\$ (16,116.65)
Reimbursement, Damage to Water System	--	--	888.02	888.02
Civil Defense, Flood Disaster Relief	--	--	7,374.28	7,374.28
Total Receipts	<u>\$44,600.00</u>	<u>\$44,600.00</u>	<u>\$36,745.65</u>	<u>\$ (7,854.35)</u>
Total Funds Available	<u>\$44,600.00</u>	<u>\$44,600.00</u>	<u>\$42,120.65</u>	<u>\$ (2,479.35)</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 8,788.00	\$ 8,788.00	\$ 6,384.00	\$ (2,404.00)
Industrial Insurance	57.00	57.00	37.95	(19.05)
Retirement	511.00	511.00	370.80	(140.20)
Group Insurance	60.00	60.00	36.00	(24.00)
Total	<u>\$ 9,416.00</u>	<u>\$ 9,416.00</u>	<u>\$ 6,828.75</u>	<u>\$ (2,587.25)</u>
Operating:				
Telephone Rental	\$ 157.00	\$ 157.00	\$ 119.10	\$ (37.90)
Bonds & Ins. Premiums	400.00	400.00	6.61	(393.39)
Equipment Repair-Other	760.00	760.00	1,464.41	704.41
Heat	250.00	250.00	336.52	86.52
Power	100.00	100.00	48.06	(51.94)
Truck Operation	1,000.00	1,000.00	1,708.85	708.85
Improvements & Betterments	4,007.00	4,007.00	5,181.21	1,174.21
Prisoners Stipends	--	--	129.75	129.75
Prisoners Food	2,000.00	2,000.00	1,673.80	(326.20)
Postage & Freight	--	--	.66	.66
Equipment Rental	--	--	157.54	157.54
Building Maintenance	--	--	460.44	460.44
Licenses & Fees	--	--	47.50	47.50
Special Services or Projects	--	--	184.38	184.38
Supplies	--	--	59.13	59.13
Clothing Purchases	--	--	2.38	2.38
Ditch Liner	6,000.00	7,000.00	--	(7,000.00)
Pipe & Pump	11,840.00	11,840.00	--	(11,840.00)
Raw Material	200.00	200.00	--	(200.00)
Total	<u>\$26,714.00</u>	<u>\$27,714.00</u>	<u>\$11,580.34</u>	<u>\$ (16,133.66)</u>
Equipment:				
Truck	\$ 1,000.00	\$ --	\$ 2,676.51	\$ 2,676.51
Interest on Bonds	<u>\$ 7,470.00</u>	<u>\$ 7,470.00</u>	<u>\$ --</u>	<u>\$ (7,470.00)</u>
Total Expenditures	<u>\$44,600.00</u>	<u>\$44,600.00</u>	<u>\$21,085.60</u>	<u>\$ (23,514.40)</u>
<u>Balance, June 30, 1966</u>			<u>\$21,035.05</u>	

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
CENTRAL TELEPHONE WORKING CAPITAL FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Balance, July 1, 1965</u>			<u>\$ 15,226.10</u>	<u>\$15,226.10</u>
<u>Receipts</u>				
Using Agencies	\$271,819.00	\$271,819.00	\$269,493.63	\$(2,325.37)
Augmentation, Salary Adjustments	1,395.00	--	--	--
Total Receipts	<u>\$273,214.00</u>	<u>\$271,819.00</u>	<u>\$269,493.63</u>	<u>\$(2,325.37)</u>
Total Funds Available	<u>\$273,214.00</u>	<u>\$271,819.00</u>	<u>\$284,719.73</u>	<u>\$12,900.73</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 21,684.00	\$ 19,398.00	\$ 17,745.43	\$(1,652.57)
Industrial Insurance	121.00	118.00	98.48	(19.52)
Retirement	1,247.00	1,133.00	961.32	(171.68)
Personnel Assessments	225.00	225.00	--	(225.00)
Group Insurance	180.00	180.00	72.00	(108.00)
Total	<u>\$ 23,457.00</u>	<u>\$ 21,054.00</u>	<u>\$ 18,877.23</u>	<u>\$(2,176.77)</u>
Operating:				
Office Supplies	\$ 125.00	\$ 125.00	\$ 76.14	\$(48.86)
Postage & Freight	40.00	40.00	20.32	(19.68)
Printing-Combined	600.00	600.00	213.74	(386.26)
Insurance & Bond Premiums	--	--	19.81	19.81
Office Eqpt. Repair	--	--	50.00	50.00
Total	<u>\$ 765.00</u>	<u>\$ 765.00</u>	<u>\$ 380.01</u>	<u>\$(384.99)</u>
Switchboard Costs	<u>\$248,992.00</u>	<u>\$250,000.00</u>	<u>\$247,394.07</u>	<u>\$(2,605.93)</u>
Total Expenditures	<u>\$273,214.00</u>	<u>\$271,819.00</u>	<u>\$266,651.31</u>	<u>\$(5,167.69)</u>
<u>Balance, June 30, 1966</u>			<u>\$ 18,068.42</u>	

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
CENTRAL MAIL WORKING CAPITAL FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965 - Deficit</u>	<u>\$ (228.89)</u>
 <u>Receipts</u>	
Sales	\$63,976.05
Post Office Refund, Trust Deposit	20.47
Total Receipts	<u>\$63,996.52</u>
Total Funds Available	<u>\$63,767.63</u>
 <u>Expenditures</u>	
Authorized Postage Purchases	\$48,000.00
Postage Purchased in Excess of Authorization	<u>16,000.00</u>
Total Expenditures	<u>\$64,000.00</u>
 <u>*Balance, June 30, 1966 - Deficit</u>	 <u><u>\$ (232.37)</u></u>

\*The summary below reflects the true status of the Central Mail Working Capital Fund after closing on June 30, 1966:

Fund Balance, Deficit	\$ (232.37)
Accounts Receivable, Agencies	337.35
Post Office Trust Funds: Bulk Mail Permit #15	291.32
Postage Due	83.72
Vocation Reflector	18.44
Balance in Postage Meter	<u>7,239.69</u>
 Equity Balance of Fund, June 30, 1966	 <u><u>\$7,738.15</u></u>

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
VENDING MACHINE FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	<u>\$782.78</u>
<u>Receipts</u>	
Sales	<u>\$137.39</u>
 Total Funds Available	 <u>\$920.17</u>
<u>Expenditures</u>	
Purchases, Vending Machine Supplies	\$ 58.00
Repairs to Vending Machines	<u>22.50</u>
 Total Expenditures	 <u>\$ 80.50</u>
<u>Balance, June 30, 1966</u>	<u>\$839.67</u>

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
SEWER ASSESSMENT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts

Appropriation, Special Session  
May 1966, Senate Bill #4  
Approved May 23, 1966

\$10,883.49

Expenditures

City of Carson City, Nevada  
Sewer Taxes for Fiscal Years  
1960-61 - 1964-65, inclusive

10,883.49

Balance, June 30, 1966

\$ -0-

BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
CAPITOL BUILDING REPAIR FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$4,701.17
------------------------------	------------

<u>Expenditures</u>	
Painting Capitol Building	<u>4,701.17</u>

<u>Balance, June 30, 1966</u>	<u>\$ -0-</u>
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BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
FURNITURE DAMAGE INSURANCE RECOVERY FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts

Firemans Fund American Insurance Co.	<u>\$437.50</u>
--------------------------------------	-----------------

Expenditures

State of Nevada, Division of	
Water Resources	\$258.00
State of Nevada, Purchasing Department	<u>179.50</u>
Total	<u>\$437.50</u>

<u>Balance, June 30, 1966</u>	<u>\$ -0-</u>
-------------------------------	---------------



STATE OF NEVADA  
BUILDINGS AND GROUNDS DIVISION  
DEPARTMENT OF ADMINISTRATION  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control Evaluation

Internal control for all funds is satisfactory except for the Central Mail Working Capital Fund. In this department cash and checks are received and deposited by one person. The treasurer's receipt is retained by the same person who also maintains the accounting records.

It is recommended that mail room funds be checked and the treasurer's deposit prepared by a person other than the one maintaining the accounting records.

(See Comment 1, attached letter)

2. Books and Records

Accounting records of the Central Telephone Working Capital Fund consist entirely of file folders and worksheets; no journalizing is done. It is suggested that a claims register be prepared and maintained.

Records for transactions of all other funds are satisfactory in form and system. Errors of omission and extension of transactions were noted. Frequent errors in total footings and cross-balancing of footing totals were also noted. It is recommended that more attention be given to the accounting detail book work, particularly with regard to the balancing out of monthly totals.

(See Comment 1, attached letter)

### 3. Accounting and Operational Manual

The Buildings and Grounds Division has no formal accounting procedures or operational procedures manual. In our opinion, the preparation and use of an accounting procedures manual would be of great benefit to administrative, departmental and accounting personnel. The manual should include a section devoted to the specific functions of each of its many operational activities and the delegation of responsibility and authority in all departments. Responsibilities of the Buildings and Grounds Division are of such size and diversification that written guidelines for accounting procedures, operational structure and procedures, and overall policy decisions are desirable. ✓

It is therefore recommended that an administrative manual for all operations be prepared.

### 4. Inter-Agency Billing for Services

Numerous charges are made by the Buildings and Grounds Division for services and supplies to other state agencies, which are paid by warrants issued through the controller's office. These warrants accomplish only a transfer of state funds from one agency to another and increases bookkeeping work in all agencies concerned, particularly the controller's office. It is recommended that all inter-agency charges be made on agency transfer forms, thus eliminating the use of many controller's warrants. ✓

### 5. Equipment Inventory

No record of maintenance equipment, office equipment or furniture is maintained other than the State Purchasing Division IBM tabulation of such items which our physical inspection and count revealed to be incomplete and erroneous. No individual responsibility for custody of items is indicated on the listing. Regulations require each item of equipment to be

tagged with a state property identification number. Our physical inspection noted numerous omissions of identification.

It is recommended that a card file inventory system be installed to provide control of at least all equipment and furniture. It is suggested that the more expensive repair parts also be controlled. In addition to descriptive information and quantities on hand, the cards should fix individual custodial responsibility for equipment items.

#### 6. Remodeling Costs

Considerable remodeling has been performed by the Buildings and Grounds Division during the fiscal year under audit and subsequent months. Some remodeling has been quite extensive and therefore necessarily costly. This additional cost has put considerable strain on a budget which was prepared only on the basis of maintenance costs. The superintendent adopted a policy in 1966 of requiring state agencies to reimburse the Buildings and Grounds Division the actual cost of such remodeling.

Since the statutes do not now provide for either performing remodeling services or charging for same by the Buildings and Grounds Division, it is recommended that NRS be amended to provide such authority.

#### 7. Employment of Prison Inmates

A number of prisoners are used by Buildings and Grounds under verbal agreement with the State Prison. Under this agreement, prisoners are paid 75¢ per day, furnished free coffee, two meals per day and one package of cigarettes. It was recommended in our last audit for the fiscal year ended June 30, 1961 that this agreement be formalized in writing as a matter of good business practice. This has not been done.

During fiscal year 1965-66, Buildings and Grounds management decided it would be advantageous to work prisoners until shortly before 4:30 p.m. and return them to the prison by 4:30 p.m. as required under their agreement, thereby securing more work production and arranging for the prisoners to have their evening meal at the prison. When the prisoners began having their evening meal at the prison after work, the prison back-charged Buildings and Grounds at the rate of \$2.00 per meal per man. This does not seem to be a justifiable charge, particularly regarding the rate per meal, since the food cost at the prison is 28.9¢ per inmate meal. It is debatable whether or not the Buildings and Grounds Division should be charged anything for meals at the prison since they do pay for all meals of the inmates while such inmates are under their direct supervision.

If our prior recommendation had been followed and all necessary elements inserted in a written agreement, there would be no difficulty at present in ascertaining the price per meal or cost thereof. It is strongly recommended once again that a written agreement be prepared by the agencies and copies kept on file at each agency's business office.

(See Comment 5, attached letter)

#### 8. Central Mail Working Capital Fund

NRS 331.105, subsection 2 states, "Any state officer, department or agency not supported in whole or in part by legislative appropriation from the general fund in the state treasury may use the central mailing room facilities if such state officer, department or agency pays the cost of such use as determined by the superintendent. Moneys collected from such state officers, departments or agencies for use of the central mailing room facilities shall be deposited in the mail service working capital fund in the state treasury."

Presently, only actual postage used is charged to such non-general fund agencies, rather than postage plus other costs. A proportionate part of all costs should be charged to such agencies as provided for in the above quoted statute.

We recommend that rather than just the non-general fund agencies being charged, the above statute be amended to provide that all agencies using the mail room be charged on a pro-rata basis. This would then make the mail room entirely self-supporting as is the central telephone working capital fund. Since the mail room now keeps a record of total pieces of mail by agency, allocation of overhead expenses would be a simple procedure.

It was noted during this audit that an unauthorized change fund was maintained to buy and sell stamps to private individuals. No records are kept of this operation. Since the statutes do not authorize such an operation and the activity is not necessary, we recommend that the sale of stamps be discontinued immediately.

(See Comment 6, attached letter)

9. Lost City Museum

Our last audit of Buildings and Grounds Division noted that no statutory authority had delegated responsibility for the operation of Lost City Museum, and suggested that responsibility be charged by statute to an appropriate department. As this has not been done, we again recommend that responsibility for the custody and operation of the Lost City Museum be specifically delegated to an appropriate state agency by legislative action.

There are no records listing the exhibits on display in the Lost City Museum. Some of the displays belong to the State of Nevada and some to the curator. There is no written agreement concerning ownership or eventual disposition of exhibits. It is recommended that an inventory be taken of state owned exhibits and a written agreement made specifying

ownership, conditions of display of exhibits not owned by the state, and other pertinent matters required under the circumstances.

(See comment 7, attached letter)

10. Vending Machine Fund

The Buildings and Grounds Division now services only restroom vending machines; all other types being serviced by the blind in accordance with chapter 426 of the Nevada Revised Statutes. In recent years the expenditures through the vending machine fund have been small, totaling only \$80.50 for the fiscal year ended June 30, 1966. It is therefore recommended that the balance in this fund be reverted to the general fund and all future expenditures be made from the Buildings and Grounds Administrative Fund, with receipts being deposited direct to the general fund.


(See comment 8, attached letter)

11. Biennial Report

Under the provisions of NRS 331.050 the superintendent is required to prepare and submit a biennial report to the director of administration. No such reports have been filed since our last audit for the year ended June 30, 1961.

From a review of prior biennial reports and a discussion with the Director of the Department of Administration it appears there is little pertinent information that needs to be or can be reflected in a biennial report concerning the operations of the Buildings and Grounds Division. We therefore recommend repeal of NRS 331.050.

Carson City, Nevada  
March 7, 1967

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



STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
CARSON CITY, NEVADA 89701

PAUL LAXALT  
Governor

BUDGET DIVISION PERSONNEL DIVISION PURCHASING DIVISION DATA PROCESSING DIVISION BUILDINGS & GROUNDS DIVISION

May 2, 1967

RECEIVED  
LEGISLATIVE COUNSEL BUREAU

Mr. Norman Terrel, Fiscal Analyst  
Legislative Counsel Bureau  
Carson City, Nevada

MAY 4 1967

ROUTE: AUDIT DIVISION  
LEGAL DIVISION  
RESEARCH DIVISION

(✓)  
( )  
( )

Dear Norm:

I have reviewed the audits of the Buildings and Grounds Division and the Purchasing Division of this Department and since both of the Administrators have come on the scene since the period of time covered by these audits, I am answering the audits as Director of Administration.

First, I should like to report that the staff in both Divisions indicate that your auditors were considerate and business-like at all times.

1. Internal Control and Books and Records.

As you indicate in both reports, some minor improvements can be made in these areas. In order to accomplish this, we are moving all of the accounting people from all of the Divisions of the Department of Administration into a section to be supervised by the accountant in Purchasing. This will have the advantages of having all the accounts under the day to day supervision of a professional accountant and should provide us with better utilization of existing personnel. We should also be able to develop a consistent method for billing agencies by interagency transfers.

2. Leave Records.

The discrepancy in leave records that you note in your audit was discovered by this office in May of last year and I was informed it had been corrected. Yearly a member of the Personnel Division, at my direction, audits all the leave records in all of the Divisions of this Department and as a result of that audit the discrepancies were reported to me and were as I understand corrected.

3. Inventory and Warehouse Control.

This was the first area that the new Administrator made a thorough review of. He has done a complete turnover study on all items in the warehouse and has established minimums and maximums. Because of this, he has ascertained that

a large amount of the inventory is in slow moving stock. An effort is being made to dispose of this stock which will then free the State for a more orderly arrangement of the stock which will in turn lead to better inventory control.

4. State Property and Equipment Inventory.

State property and equipment inventory is as you are aware a real weak spot in this Department. Time permitting, changes must and will be made in this section.

5. The Prison has been contacted and a written agreement similar to the one between the Motor Pool and the Prison will be entered into outlining the responsibilities of both agencies.

6. Central Mail Working Capital Fund.

This is the only central service in this Department which is still operating from General Fund revenues. All others will, after July 1, be operating from receipts from the agencies. In all probability, at the next session of the Legislature we will make the same recommendation for the Central Mail Fund.

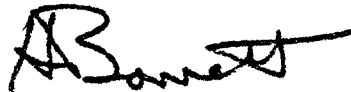
7. Lost City Museum.

We completely agree that the Department of Administration should not be responsible for the Lost City Museum and that perhaps the Museum could find a more appropriate home with some other agency. However, until this can be done this Department will attempt to secure a list of equipment, artifacts and exhibits that are owned by the State.

8. Vending Machine Fund.

I agree that the fund should revert to the General Fund and will make this request to the Board of Examiners.

Sincerely,



Howard E. Barrett  
Director of Administration

HEB/md

STATE OF NEVADA

SUPREME COURT

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Supreme Court for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedule:

Supreme Court-Administrative Fund--  
Statement of Basis for Appropriation  
Compared to Actual Revenues and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit A

Supreme Court-Judges' Salaries and Pensions Fund--  
Statement of Basis for Appropriation  
Compared to Actual Revenues and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Supreme Court-State Board of Pardons Commissioners Fund--  
Statement of Basis for Appropriation  
Compared to Actual Revenues and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit C

Supreme Court-District Judges' Travel Fund--  
Statement of Basis for Appropriation and Authorization  
Compared to Actual Revenues and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit D

Supreme Court--  
Schedule of District Judges' Travel  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit D-1

Supreme Court--  
Statement of Supreme Court Fees Received  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 1

#### Scope of Examination

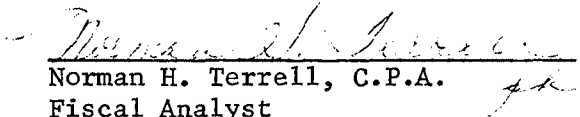
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted

accounting 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 operations of the Supreme Court for the fiscal year ended June 30, 1966, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada  
March 17, 1967

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

## EXHIBIT A

SUPREME COURT  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenues &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
General Fund Appropriation	\$144,225.00	\$144,225.00	\$144,225.00	\$ --
Copy Work (Xerox)	--	--	359.20	359.20
Total Revenues	<u>\$144,225.00</u>	<u>\$144,225.00</u>	<u>\$144,584.20</u>	<u>\$ 359.20</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$119,616.00	\$119,616.00	\$117,852.33	\$ (1,763.67)
Industrial Insurance	671.00	671.00	593.99	(77.01)
Retirement	3,578.00	3,578.00	3,581.61	3.61
Group Insurance	468.00	468.00	285.00	(183.00)
Total	<u>\$124,333.00</u>	<u>\$124,333.00</u>	<u>\$122,312.93</u>	<u>\$ (2,020.07)</u>
Travel:				
Out-of-State	\$ 500.00	\$ 500.00	\$ 532.65	\$ 32.65
In-State	897.00	897.00	381.48	(515.52)
Total	<u>\$ 1,397.00</u>	<u>\$ 1,397.00</u>	<u>\$ 914.13</u>	<u>\$ (482.87)</u>
Operating:				
Office Supplies	\$ 1,000.00	\$ 1,000.00	\$ 1,641.29	\$ 641.29
Postage and Freight	1,250.00	1,250.00	1,579.20	329.20
Telephone	2,050.00	2,050.00	2,974.61	924.61
Printing	9,000.00	9,000.00	8,136.98	(863.02)
Subscrips. & Ref. Manuals	2,005.00	2,005.00	2,527.70	522.70
Dues & Registrations	40.00	40.00	70.00	30.00
Bonds & Ins. Premiums	--	--	161.81	161.81
Office Eqpt. Repair	300.00	300.00	77.60	(222.40)
Equipment Repair, Other	100.00	100.00	--	(100.00)
Equipment Rental	552.00	552.00	1,043.13	491.13
Bldg. & Ground Maint.	--	--	119.00	119.00
Total	<u>\$ 16,297.00</u>	<u>\$ 16,297.00</u>	<u>\$ 18,331.32</u>	<u>\$ 2,034.32</u>
Equipment:				
Office Furniture	\$ 1,086.00	\$ 1,086.00	\$ 1,891.09	\$ 805.09
Office Equipment	1,112.00	1,112.00	833.73	(278.27)
Court Record Book	--	--	175.00	175.00
Total	<u>\$ 2,198.00</u>	<u>\$ 2,198.00</u>	<u>\$ 2,899.82</u>	<u>\$ 701.82</u>
Total Expenditures	<u>\$144,225.00</u>	<u>\$144,225.00</u>	<u>\$144,458.20</u>	<u>\$ 233.20</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 126.00</u>	

EXHIBIT B

SUPREME COURT  
JUDGES' SALARIES AND PENSIONS FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenues &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
General Fund Appropriation	\$328,497.00	\$328,497.00	\$328,497.00	\$ --
Supplemental Appropriation, Board of Examiners Emer- gency Fund	--	--	8,400.00	8,400.00
Total Revenues	<u>\$328,497.00</u>	<u>\$328,497.00</u>	<u>\$336,897.00</u>	<u>\$ 8,400.00</u>
<u>Expenditures</u>				
Payroll Costs:				
District Judges' Salaries	\$280,000.00	\$280,000.00	\$279,809.08	\$ (190.92)
Industrial Insurance	1,568.00	1,568.00	1,529.20	(38.80)
Retirement	2,020.00	2,020.00	2,165.42	145.42
Group Insurance	576.00	576.00	498.00	(78.00)
Total	<u>\$284,164.00</u>	<u>\$284,164.00</u>	<u>\$284,001.70</u>	<u>\$ (162.30)</u>
Pension Payments:				
Supreme Court:				
Justices:				
Edgar Eather	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ --
William E. Orr	5,000.00	5,000.00	1,384.62	(3,615.38)
Frank McNamee	13,333.00	13,333.00	--	(13,333.00)
Widows:				
Dollie Ducker	4,200.00	4,200.00	4,200.00	--
Editha Orr	--	--	3,057.28	3,057.28
Gertrude Badt	--	--	1,021.60	1,021.60
Total	<u>\$ 34,533.00</u>	<u>\$ 34,533.00</u>	<u>\$ 21,663.50</u>	<u>\$ (12,869.50)</u>
District Courts:				
Judges:				
Clark J. Guild	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ --
Harry M. Watson	5,000.00	5,000.00	5,000.00	--
Widows:				
Frances Hawkins	--	--	4,200.00	4,200.00
Ena Henderson	--	--	4,200.00	4,200.00
Total	<u>\$ 9,800.00</u>	<u>\$ 9,800.00</u>	<u>\$ 18,200.00</u>	<u>\$ 8,400.00</u>
Total Expenditures	<u>\$328,497.00</u>	<u>\$328,497.00</u>	<u>\$323,865.20</u>	<u>\$ (4,631.80)</u>
<u>Reverted to General Fund</u>				
June 30, 1966			<u>\$ 13,031.80</u>	

SUPREME COURT  
STATE BOARD OF PARDONS COMMISSIONERS FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Revenues &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Revenues</u>				
General Fund Appropriation	<u>\$2,012.00</u>	<u>\$2,012.00</u>	<u>\$2,012.00</u>	<u>\$ --</u>
 <u>Expenditures</u>				
Salaries	\$2,000.00	\$2,000.00	\$1,999.92	\$ (.08)
Industrial Insurance	12.00	12.00	9.86	(2.14)
Total Expenditures	<u>\$2,012.00</u>	<u>\$2,012.00</u>	<u>\$2,009.78</u>	<u>\$(2.22)</u>
 <u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 2.22</u>	

SUPREME COURT  
DISTRICT JUDGES' TRAVEL FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp. &amp; Author.</u>	<u>Actual Revenues &amp; Expend.</u>	<u>Over or (Under) Approp. &amp; Author.</u>
<u>Revenues</u>				
General Fund Appropriation	\$24,550.00	\$24,550.00	\$24,550.00	\$ --
Disqualification Fees	150.00	150.00	350.00	200.00
Supplemental Appropriation, Board of Examiners Emer- gency Fund	--	--	2,400.00	2,400.00
Total Revenues	<u>\$24,700.00</u>	<u>\$24,700.00</u>	<u>\$27,300.00</u>	<u>\$2,600.00</u>
<u>Expenditures</u>				
Out-of-State Travel	\$ 1,000.00	\$ 1,000.00	\$ 520.06	\$ (479.94)
In-State Travel:				
In-District	6,200.00	6,200.00	6,765.70	565.70
Out-of-District	14,000.00	14,000.00	14,518.39	518.39
Special Travel	3,500.00	3,500.00	5,200.00	1,700.00
Total Expenditures	<u>\$24,700.00</u>	<u>\$24,700.00</u>	<u>\$27,004.15</u>	<u>\$2,304.15</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 295.85</u>	

SUPREME COURT  
SCHEDULE OF DISTRICT JUDGES' TRAVEL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Name</u>	<u>Total Travel</u>	<u>In-State</u>		<u>Out-of- State</u>
		<u>Out-of- District</u>	<u>In- District</u>	
John W. Barrett	\$ 53.00	\$ 53.00		
Grant L. Bowen	229.82	229.82		
Peter Breen	3,294.30	1,893.20	\$1,401.10	
Merwin H. Brown	2,316.50	669.50	1,647.00	
Jon R. Collins	3,505.05	2,779.05	726.00	
William P. Compton	222.44	222.44		
Thomas O. Craven	120.50	120.50		
John E. Gabrielli	47.00	47.00		
Frank B. Gregory	287.70	16.60	271.10	
George E. Marshall	247.40	247.40		
John C. Mowbray	846.50	326.44		\$520.06
John Sexton	4,451.90	3,907.20	544.70	
Clarence Sundean	252.80	252.80		
Richard L. Waters, Jr.	1,055.40	362.80	692.60	
Taylor H. Wines	2,642.42	2,642.42		
*David Zenoff	5,852.14	5,852.14		
Roscoe H. Wilkes	153.20	81.20	72.00	
	<u>\$25,578.07</u>	<u>\$19,703.51</u>	<u>\$5,354.50</u>	<u>\$520.06</u>
Motor Pool Charges	<u>1,426.08</u>	<u>14.88</u>	<u>1,411.20</u>	<u>--</u>
Total Travel Expense	<u>\$27,004.15</u>	<u>\$19,718.39</u>	<u>\$6,765.70</u>	<u>\$520.06</u>

\*Judge Zenoff was appointed to sit in the Supreme Court in Justice McNamee's seat until he returned or the expiration of his term. Judge Zenoff was paid per diem in the amount of \$5,200 while filling the position. This is included in out-of-district travel above.

SCHEDULE 1

SUPREME COURT  
STATEMENT OF SUPREME COURT FEES RECEIVED  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Revenues</u>	
Docket Tax	\$ 420.00
Filing Fees	1,680.00
Attorney Admission Fees	<u>875.00</u>
Total Revenues	\$2,975.00
 <u>Disbursements</u>	
Deposited in General Fund	<u>2,750.00</u>
 <u>Balance, June 30, 1966</u>	 <u>\$ 225.00</u>

NOTE: Balance of \$225 deposited in General Fund on  
July 1, 1966.

STATE OF NEVADA  
SUPREME COURT  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Personnel Rules and Records

The provisions of NRS 284.013, chapter 284 of the Nevada Revised Statutes (State Personnel System) do not apply to the judicial department. As a result, the personnel of the Supreme Court are not governed by any written personnel rules.

NRS 281.110 states in part, "The offices of all state officers, departments, boards, commissions and agencies shall: (a) Maintain not less than a 40-hour workweek; (b) Be open for the transaction of business at least from 8 a.m. until 12 m. and from 1 p.m. until 5 p.m. every day of the year, with the exception of Saturdays, Sundays and public holidays."

The clerk's office maintains a 40-hour workweek compared to the 30-hour workweek maintained by the justices' secretaries.

It is recommended that written rules be set up governing all Supreme Court employees. The rules should include but not necessarily be limited to the following:

- (a) Travel and subsistence
- (b) Policy and duration of employment
- (c) Policy on overtime or compensatory time
- (d) Vacations
- (e) Sick leave
- (f) Leaves of absence
- (g) Types of records to be maintained to properly reflect the above

## 2. Salaries of Justices

On February 17, 1965 one of the justices of the Supreme Court was disabled. On that date and until the end of his elective term he has remained totally incapacitated. During this period of time from 2/17/65 to 1/1/67 he was paid his full annual salary.

Under the provisions of NRS 2.060 the justices may retire after certain periods of time in service and after 60 years of age. However, the retirement is voluntary. We recommend that the statute be amended to provide for enforced retirement where a justice has become totally incapacitated.

## 3. District Judges' Travel

The district judge in the 3rd judicial district claims Battle Mountain as his official duty station and has been claiming travel expenses from that point for both in-district and out-of-district travel.

Article 6, Section 7 of the Nevada Constitution provides that the terms of the district courts will be held at the county seat, which is either Austin or Eureka for the 3rd district.

It is recognized that the judge can live anyplace that he chooses, however, any travel expense to and from his official duty station is personal and should be borne by him, not the Nevada taxpayer. The only in-district travel allowable would be the 70 miles between Austin and Eureka. Of \$237.20 claimed for in-district mileage, \$167.20 was for travel between Battle Mountain and one of the county seats in the district.

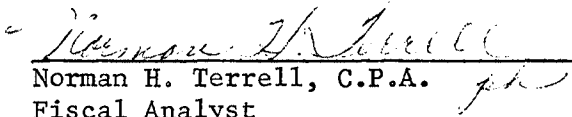
During the 1965-66 fiscal year the judge spent only 21 days in the 3rd district on official duty. The remainder of the year was spent in Las Vegas where he holds forth as district judge in the 8th judicial district. He owns his own home in Las Vegas. During the audit year the judge was paid

\$3,907.20 for out-of-district travel expenses and of this amount \$3,202 was paid for meals and lodging while he was in Las Vegas.

In view of the small amount of time that is necessary to handle the official duties of the 3rd judicial district, it is recommended that the district be abolished and the counties of Lander and Eureka be annexed to one of the other judicial districts.

In view of the fact that the district judge of the 3rd judicial district is spending approximately 90% of his time in Las Vegas, it is recommended that Las Vegas be made his official duty station and that he be allowed travel expense only when he is in travel status on official business away from the Las Vegas area.

Carson City, Nevada  
March 17, 1967

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

NOTE: At a meeting held March 23, 1967 between a member of the Fiscal Analyst's office and members of the Supreme Court, agreement was reached on implementation of the foregoing recommendations.



STATE OF NEVADA  
STATE LABOR COMMISSIONER

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 State Labor Commissioner for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibit and related schedules:

State Labor Commissioner-Administrative Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit A

State Labor Commissioner-Private Employment Agency Fund--  
Statement of Receipts Deposited to General Fund  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 1

State Labor Commissioner-Wage Claim Fund-Carson City Office--  
Statement of Receipts and Expenditures  
for the Period July 1, 1964 through  
February 28, 1967 ----- Schedule 2

State Labor Commissioner-Wage Claim Fund-Las Vegas Office--  
Statement of Receipts and Expenditures  
for the Period July 1, 1964 through  
February 28, 1967 ----- Schedule 3

#### 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 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 Basis for Appropriation Compared to Actual Receipts and Expenditures of the State Labor Commissioner, Administrative Fund, Statement of Receipts Deposited to the General Fund of the Private Employment Agency Fund and Statement of Receipts and Expenditures of the Wage Claim Funds for the Carson City and Las Vegas offices as of June 30, 1966 and February 28, 1967 respectively. 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 Basis for Appropriation Compared to Actual Receipts and Expenditures and Statements of Receipts and Expenditures present fairly the financial position of the State Labor Commissioner's Administrative Fund, Private Employment Agency Fund and Wage Claim Funds of Carson City and Las Vegas as of June 30, 1966 and February 28, 1967 respectively, and the results of its operations for the years then ended, with the exception of the Wage Claim Fund of Las Vegas, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The records of the Las Vegas Wage Claim Fund prior to July 1, 1964 were not adequate to determine if proper controls were maintained to insure controls of receipts and expenditures. The major portion of the current check register balance is for receipts of this prior period of which claimants for this money are not known at this time.

Carson City, Nevada  
April 5, 1967

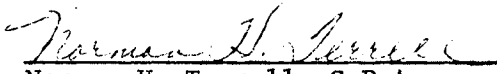
  
Norman H. Terrell, C.P.A. *jr*  
Fiscal Analyst

EXHIBIT A

STATE LABOR COMMISSIONER  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
Appropriation	\$51,922.00	\$51,922.00	\$51,922.00	\$ --
Salary Adjustment	757.00	757.00	757.00	--
Total	<u>\$52,679.00</u>	<u>\$52,679.00</u>	<u>\$52,679.00</u>	<u>\$ --</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$38,781.00	\$38,798.00	\$37,770.07	\$ (1,027.93)
Industrial Insurance	356.00	350.00	348.19	(1.81)
Retirement	2,219.00	2,208.00	2,146.13	(61.87)
Personnel Assessment	184.00	184.00	175.00	(9.00)
Group Insurance	216.00	216.00	144.00	(72.00)
Total	<u>\$41,756.00</u>	<u>\$41,756.00</u>	<u>\$40,583.39</u>	<u>\$ (1,172.61)</u>
Travel:				
Out-of-State	\$ 600.00	\$ 600.00	\$ 599.65	\$ (.35)
In-State	5,000.00	5,000.00	4,863.29	(136.71)
Total	<u>\$ 5,600.00</u>	<u>\$ 5,600.00</u>	<u>\$ 5,462.94</u>	<u>\$ (137.06)</u>
Operating:				
Office Supplies	\$ 450.00	\$ 450.00	\$ 906.90	\$ 456.90
Postage and Freight	450.00	450.00	568.31	118.31
Telephone-Combined	1,100.00	1,100.00	1,076.72	(23.28)
Printing-Combined	900.00	900.00	259.10	(640.90)
Subscrips. & Ref. Manuals	125.00	125.00	119.50	(5.50)
Dues and Registrations	100.00	100.00	120.00	20.00
Bonds & Ins. Premiums	125.00	125.00	36.33	(88.67)
Office Equipment Repair	50.00	50.00	171.89	121.89
NRS Supplement	65.00	65.00	74.00	9.00
Total	<u>\$ 3,365.00</u>	<u>\$ 3,365.00</u>	<u>\$ 3,332.75</u>	<u>\$ (32.25)</u>
Equipment:				
Office Furniture	\$ 215.00	\$ 215.00	\$ 186.50	\$ (28.50)
Office Equipment	443.00	443.00	443.21	.21
Total	<u>\$ 658.00</u>	<u>\$ 658.00</u>	<u>\$ 629.71</u>	<u>\$ (28.29)</u>
Apprenticeship Council				
In-State Travel	<u>\$ 1,300.00</u>	<u>\$ 1,300.00</u>	<u>\$ 859.55</u>	<u>\$ (440.45)</u>
Total Expenditures	<u>\$52,679.00</u>	<u>\$52,679.00</u>	<u>\$50,868.34</u>	<u>\$ (1,810.66)</u>
<u>Reverted to General Fund</u>			<u>\$ 1,810.66</u>	

SCHEDULE 1

STATE LABOR COMMISSIONER  
PRIVATE EMPLOYMENT AGENCY FUND  
STATEMENT OF RECEIPTS DEPOSITED TO GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$1,631.44
<u>Receipts</u>	
License Fees	<u>1,300.00</u>
Total Deposited to General Fund	<u><u>\$2,931.44</u></u>

NOTE: Because of a statute change this fund was changed from an authorized fund to a revenue fund and the balance was not reverted until this fiscal year.

STATE LABOR COMMISSIONER  
WAGE CLAIM FUND-CARSON CITY OFFICE  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE PERIOD JULY 1, 1964 THROUGH FEBRUARY 28, 1967

<u>Balance, July 1, 1964</u>	\$ 2,428.04
<u>Receipts</u>	<u>35,914.03</u>
Total Available	\$38,342.07
<u>Expenditures</u>	<u>34,885.23</u>
<u>Balance, February 28, 1967</u>	<u>\$ 3,456.84</u>

SCHEDULE 3

STATE LABOR COMMISSIONER  
WAGE CLAIM FUND-LAS VEGAS OFFICE  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE PERIOD JULY 1, 1964 THROUGH FEBRUARY 28, 1967

<u>Balance, July 1, 1964</u>	\$ 656.49
<u>Receipts</u>	<u>17,119.66</u>
Total Funds Available	\$17,776.15
<u>Expenditures</u>	<u>17,157.44</u>
<u>Balance, February 28, 1967</u>	<u>\$ 618.71</u>

STATE OF NEVADA  
STATE LABOR COMMISSIONER  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Publication of Bulletin

NRS 607.100 states, "With the approval of the state board of examiners, the labor commissioner is authorized to complete and issue such bulletins pertaining to labor and industry 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. This would not require any new equipment as addressing could be done by data processing and printing would be done by the state printing office.

The labor commissioner noted in his message contained in the 1964-66 biennial report, "Many Nevada residents are not aware of the wide range of services provided by the labor department to the state's growing work force and to the employers who provide the industrial productivity of the state, although the services, either directly or indirectly, affect every man, woman and child in Nevada."

It is recommended that a bulletin or newsletter be issued covering the current problems of labor and industry. This would eventually relieve the staff for a more complete coverage of the laws they are responsible for.

The publication should be prepared enough times during the year to economize on bulk mail rate charges. Included in each mailing should be local district attorneys of the state, law enforcement agencies requesting information of this type, unions within the state and local employment agencies.

This recommendation was made in our prior audit report.

## 2. Inspections of Places of Employment

NRS 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 condition of the buildings and surroundings, and make a record thereof."

There are no records maintained indicating that the above inspections have been made. It is recommended that such inspections be made periodically to insure that employers are complying with the law. Written evidence of such inspections should be maintained in the permanent files.

Subsection (b) of the above mentioned law is presently being adequately covered by the Nevada Industrial Commission and the State Health Department. Inspections made by either of these agencies could be used to supplement the labor commissioner's records if and when required.

This recommendation was made in our prior audit report.

## 3. Minimum Wage and Maximum Hour Law

NRS 609.150 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 609.180, 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 records could be in conjunction with other inspections that are required by law.

This recommendation was made in our prior audit report.

#### 4. Inspection of Employment Agency Records

NRS 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 now 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 and/or refunded.

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 reports sent in by employment agencies be changed to reflect the total wages earned. Such form could then be audited in the office by personnel in conjunction with field inspections conducted by the commissioner and his deputy.

This recommendation was made in our prior audit report.

5. Employment Fees

NRS 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% 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 are made to determine if this law is being complied with. It is recommended that inspections of these agencies be made and that written records be prepared and maintained in the permanent files.

This recommendation was made in our prior audit report.

6. Notice of Limitation of Fee

NRS 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% of the first month's salary or compensation.'"

There are no records maintained in the labor commissioner's office indicating this portion of the law is being complied with. 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.

This recommendation was made in our prior audit report.

7. Repayment of Fees

NRS 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 therefor."

Formal inspections as mentioned in previous paragraphs of this supplemental letter could insure that repayment of these fees is in accordance with the statutes. 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 be handled in conjunction with those previously mentioned in this supplemental letter.

This recommendation was made in our prior audit report.

#### 8. Expense Reimbursement

NRS 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 method of bringing the matter to the attention of the commissioner. It is recommended that this inspection be included with inspections previously recommended in this supplemental letter and that formal records of these be maintained.

This recommendation was made in our prior audit report.

#### 9. Wage Claim Fund-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 February 28<sup>th</sup>, 1967 has a balance of \$3,456.84. Of this balance, \$330.69 represents payments due claimants whose addresses are unknown. This amount has been accumulated from 1940 through 1962.

Chapter 2 of the 54th Legislature provides that any balance held more than seven years be transferred to the general fund and all subsequent balances likewise transferred where the claimants have not been located within a seven-year period. It is recommended that all accounts be analyzed and the proper amount transferred to the general fund.

10. Wage Claim Fund-Las Vegas Office

The Las Vegas office is still having problems concerning the wage claim fund bank account. The Las Vegas office initiated our prior audit recommendations and thus the control of receipts and expenditures from July 1, 1964 to February 28, 1967 were quite adequate. The person maintaining the account felt the bank balance of June 30, 1964 was in error so from that point on, no checkbook balance was maintained. Checks written from that time on were cross-referenced to corresponding receipts to insure proper control of current receipts and current expenditures. Thus, the actual prior bank balance was not considered in any reconciliation. It is therefore recommended that the following procedures be initiated by the labor commissioner to correct the above noted deficiencies:

(a) Thorough inspections of wage claims prior to July 1, 1964 to determine claimants who have not been paid the money which is reflected in the current bank balance.

(b) A current monthly listing of all moneys on deposit noting payor and claimant to whom money is owed.

(c) Cancellation of all stale dated checks.

(d) Current balances reflected in the check register after each check is written.

(e) Cancelled and voided checks filed in numerical sequence after bank reconciliation.

(f) Balances of claimants held in excess of seven years due to their unknown location should be transferred to the general fund.

#### 11. Need for Additional Personnel

The statutes pertaining to the labor commissioner's office require a great deal of investigative work. This office presently has only two people in a traveling capacity to cover the entire state, one of which is the labor commissioner. This office has no legal staff to determine legal propriety of claims which are being submitted to various district attorneys for prosecution. Many claims are being held until the district attorneys can determine if they are proper in order to proceed with court action. The investigative work on claims submitted to district attorneys is only part of the job as legal research plays an important role as to whether a claim would be proper.

It is recommended that the labor commissioner be authorized to employ an investigator for the northern area of the state which would relieve him for the many administrative functions which are required of him. At the present time the majority of his time is spent on field work.

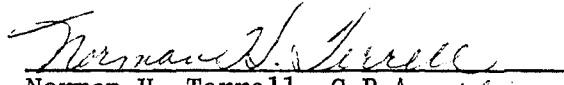
It is also recommended that this office be authorized a deputy attorney general on a half-time basis in order that wage claims submitted to the various district attorneys shall be ready for prosecution when submitted. His services could also be used in other areas of legal questions.

This recommendation was made in our prior audit report.

12. Implementation of Recommendations

From the foregoing report it is evident that little or no attempt has been made to implement the majority of our prior recommendations. This is because the labor commissioner has not had sufficient personnel to cover the extensive field work required of his office. Regardless of the lack of personnel, we feel that the major recommendations can be initiated with a little extra effort. Since a new commissioner has recently been appointed we urge that he make a serious concentrated effort to comply with all recommendations in this report.

Carson City, Nevada  
April 5, 1967

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

NOTE: A meeting was held on April 10, 1967 between the State Labor Commissioner and a member of the Fiscal Analyst's staff. Many of the foregoing recommendations have been implemented since the new commissioner took over. The balance of the recommendations will be implemented as soon as possible.

STATE OF NEVADA  
COLORADO RIVER COMMISSION

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Colorado River Commission for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

Colorado River Commission--  
Statement of Financial Condition-Combined Funds  
June 30, 1966 ----- Exhibit A

Colorado River Commission-Administrative Fund--  
Statement of Basis for Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Colorado River Commission-Power Account--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 1

Colorado River Commission-Research and Development Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 2

Colorado River Commission-Fort Mohave Valley Development Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 3

Colorado River Commission-Eldorado Valley Development Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 4

Colorado River Commission-Petty Cash Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 5

#### 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

We have examined the Statement of Basis for Authorization Compared to Actual Receipts and Expenditures of the Colorado River Commission's Administrative Fund and the Statements of Receipts and Expenditures of the Power Account, Research and Development Fund, Fort Mohave Development Fund, Eldorado Valley Development Fund and the Petty Cash Fund for the fiscal year ended June 30, 1966. 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 Basis for Authorization Compared to Actual Receipts and Expenditures of the Colorado River Commission's Administrative Fund and the Statements of Receipts and Expenditures of the Power Account, Research and Development Fund, Fort Mohave Development Fund, Eldorado Valley Development Fund and the Petty Cash Fund as of June 30, 1966 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  
April 10, 1967

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

COLORADO RIVER COMMISSION  
STATEMENT OF FINANCIAL CONDITION-COMBINED FUNDS  
JUNE 30, 1966

Assets

Cash on Deposit in State Treasury	
Administrative Fund #10015	\$ 59,069.40
Power Account #10021	30,006.49
Research and Development Fund #10030	14,278.81
Eldorado Valley Development Fund #10060	25,255.87
Cash on Hand	
Petty Cash	50.00
Furniture, Equipment and Automobiles	<u>1.00</u>
Total Assets	<u><u>\$128,661.57</u></u>

Liabilities and Fund Balances

Fund Balances	
Invested in Furniture, Equipment & Automobiles	\$ 1.00
Unappropriated	<u>128,660.57</u>
Total Liabilities and Fund Balances	<u><u>\$128,661.57</u></u>

EXHIBIT B

COLORADO RIVER COMMISSION  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Balance, July 1, 1965</u>	\$	\$	\$113,445.29	\$113,445.29
<u>Receipts</u>				
CRC Research & Dev. Fund			6,159.70	6,159.70
Eldorado Valley Dev. Fund			3,390.45	3,390.45
Fort Mohave Fund			4,534.60	4,534.60
Sale of Power and Water	161,568.00	161,568.00	78,686.17	(82,881.83)
Testing Meters			266.33	266.33
Refunds			260.22	260.22
Salary Adjustment	10,338.00	10,338.00	--	(10,338.00)
Other Augmentation	11,117.00	--	--	--
Total Receipts	<u>\$183,023.00</u>	<u>\$171,906.00</u>	<u>\$ 93,297.47</u>	<u>\$ (78,608.53)</u>
Total Funds Available	<u>\$183,023.00</u>	<u>\$171,906.00</u>	<u>\$206,742.76</u>	<u>\$ 34,836.76</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 98,487.00	\$ 98,555.00	\$ 73,989.63	\$ (24,565.37)
Industrial Insurance	552.00	494.00	363.76	(130.24)
Retirement	5,527.00	4,933.00	4,144.63	(788.37)
Personnel Assessment	450.00	400.00	450.00	50.00
Group Insurance	252.00	324.00	147.00	(177.00)
Total	<u>\$105,268.00</u>	<u>\$104,706.00</u>	<u>\$ 79,095.02</u>	<u>\$ (25,610.98)</u>
Travel:				
Out-of-State	\$ 5,000.00	\$ 4,500.00	\$ 1,614.76	\$ (2,885.24)
In-State	4,500.00	4,500.00	2,328.65	(2,171.35)
Total	<u>\$ 9,500.00</u>	<u>\$ 9,000.00</u>	<u>\$ 3,943.41</u>	<u>\$ (5,056.59)</u>
Operating:				
Office Supplies	\$ 1,200.00	\$ 1,200.00	\$ 952.97	\$ (247.03)
Postage & Freight	600.00	600.00	532.82	(67.18)
Telephone-Combined	3,900.00	3,900.00	3,372.67	(527.33)
Printing-Combined	500.00	500.00	405.02	(94.98)
Subscrips. & Ref. Manuals	400.00	400.00	518.50	118.50
Dues & Registrations	1,000.00	1,000.00	277.25	(722.75)
Bonds & Ins. Premiums	400.00	400.00	235.68	(164.32)
Contract Services	37,000.00	34,000.00	36,480.64	2,480.64
Attorney General Service	9,000.00	9,000.00	11,750.00	2,750.00
Office Equipment Repair	400.00	400.00	347.08	(52.92)
Equipment Rental	100.00	100.00	24.00	(76.00)
Building Space Rental	9,000.00	2,500.00	9,000.00	6,500.00
Advertising	100.00	100.00	33.00	(67.00)
Professional Services	800.00	800.00	--	(800.00)
Miscellaneous	100.00	100.00	--	(100.00)
Total	<u>\$ 64,500.00</u>	<u>\$ 55,000.00</u>	<u>\$ 63,929.63</u>	<u>\$ 8,929.63</u>

EXHIBIT B (CONT.)

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
Equipment:				
Trucks	\$ 2,100.00	\$ 2,100.00	\$ --	\$ (2,100.00)
Office Furniture	555.00	--	163.25	163.25
Office Equipment	1,100.00	--	317.44	317.44
Other Furn. & Eqpt.	--	1,100.00	224.61	(875.39)
Total	<u>\$ 3,755.00</u>	<u>\$ 3,200.00</u>	<u>\$ 705.30</u>	<u>\$ (2,494.70)</u>
Total Expenditures	<u>\$183,023.00</u>	<u>\$171,906.00</u>	<u>\$147,673.36</u>	<u>\$ (24,232.64)</u>
<u>Balance on Hand, June 30, 1966</u>			<u>\$ 59,069.40</u>	

COLORADO RIVER COMMISSION  
POWER ACCOUNT  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	<u>\$ (7,164.23)</u>
 <u>Receipts</u>	
Sale of Power and Water	\$4,052,334.11
Transformer Replaced	1,718.80
Total Receipts	<u>\$4,054,052.91</u>
Total Funds Available	<u>\$4,046,888.68</u>
 <u>Expenditures</u>	
Cost of Power	\$4,015,163.39
Transformer Replaced	1,718.80
Total Expenditures	<u>\$4,016,882.19</u>
 <u>Balance on Hand, June 30, 1966</u>	 <u><u>\$ 30,006.49</u></u>

NOTE: Controller balance as of June 30, 1966 was (\$356,947.10).  
This was caused by the controller incorrectly reflecting  
\$386,953.59 being paid from prior year funds.

COLORADO RIVER COMMISSION  
RESEARCH AND DEVELOPMENT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	<u>\$31,890.15</u>
 <u>Receipts</u>	
Sale of Power and Water	\$ 2,223.16
Transformer Replaced	257.82
Total Receipts	<u>\$ 2,480.98</u>
Total Funds Available	<u>\$34,371.13</u>
 <u>Expenditures</u>	
Operating:	
Printing	\$ 12.00
Subscriptions & Ref. Manuals	35.00
Contract Services	1,141.40
Engineering Services	12,744.22
Transferred to CRC Administrative Fund	6,159.70
Total Expenditures	<u>\$20,092.32</u>
 <u>Balance on Hand, June 30, 1966</u>	 <u><u>\$14,278.81</u></u>

COLORADO RIVER COMMISSION  
FORT MOHAVE VALLEY DEVELOPMENT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Receipts</u>	<u>\$7,500.00</u>
Appropriation	
 <u>Expenditures</u>	
Payroll Costs:	
Salaries	<u>\$ 125.00</u>
Travel:	
Out-of-State	\$ 778.90
In-State	235.70
Total	<u>\$1,014.60</u>
Operating:	
Telephone	\$ 36.04
Printing	224.76
Total	<u>\$ 260.80</u>
Contract Services:	
Engineering Services	<u>\$1,565.00</u>
Transferred to CRC Admin. Fund	<u>\$4,534.60</u>
 Total Expenditures	 <u>\$7,500.00</u>

COLORADO RIVER COMMISSION  
 ELDORADO VALLEY DEVELOPMENT FUND  
 STATEMENT OF RECEIPTS AND EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	<u>\$44,432.86</u>
<u>Receipts</u>	
Southern California Edison Co.	\$ 500.00
Nevada Industrial Commission Refund	40.30
Total Receipts	<u>\$ 540.30</u>
Total Funds Available	<u>\$44,973.16</u>
<u>Expenditures</u>	
Payroll Costs:	
Salaries	<u>\$ 237.60</u>
Travel:	
In-State	<u>\$ 4.60</u>
Operating:	
Printing	\$ 38.80
Subscrips. & Ref. Manuals	18.75
Advertising	2,806.42
Total	<u>\$ 2,863.97</u>
Category VI:	
Engineering Services	<u>\$13,220.67</u>
Transferred to CRC Fund	<u>\$ 3,390.45</u>
Total Expenditures	<u>\$19,717.29</u>
<u>Balance on Hand, June 30, 1966</u>	<u>\$25,255.87</u>

COLORADO RIVER COMMISSION  
PETTY CASH FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES.  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	<u>\$ 25.00</u>
 <u>Receipts</u>	
Fund Increased January 11, 1966	\$ 25.00
Reimbursements	<u>331.80</u>
Total Receipts	<u>\$356.80</u>
Total Funds Available	<u>\$381.80</u>
 <u>Expenditures</u>	
Postage	\$306.06
Auto Maintenance	10.50
Reference Manuals	8.30
Office Supplies	<u>6.94</u>
Total Expenditures	<u>\$331.80</u>
 <u>Balance on Hand, June 30, 1966</u>	 <u><u>\$ 50.00</u></u>

STATE OF NEVADA  
COLORADO RIVER COMMISSION  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control

The internal control for handling and safeguarding moneys received is adequate with one exception. The commission does not maintain pre-serial numbered receipts. The receipts now being used were printed especially for commission use and are adequate with the exception that the receipt number is typed in at the time of use. This does not allow true accountability for all receipts that may have been written.

We therefore recommend that the commission use receipts with numerical sequence imprinted at printers. Receipts which are voided or spoiled should be maintained intact in serial sequence.

Colorado River Commission's Comment - "Prenumbered receipts, in duplicate sets, have been requested from the State Printer and will be put into use commencing with the new fiscal year."

2. Contractors' Bonds

NRS 538.180, subsection 2 states, "2. Every applicant, except a federal or state agency or political subdivision, for power or water to be used within the State of Nevada shall, before the application is approved, provide an indemnifying bond by a corporation qualified under the laws of this state, or other collateral, approved by the state board of examiners, payable to the State of Nevada in such sum and such manner as the commission may require, conditioned for the full and faithful performance of such lease, sublease, contract or other agreement."

Of 15 customers on power and water sales contracts only 10 have posted bonds. Of the 10, only 2 had bonds on file that were in excess of the average monthly purchases. The average monthly purchases of these 15 contractors amounted to approximately \$343,128, whereas the total of bonds on file amounted to only \$131,500.

The purpose of requiring bonds is to insure that moneys due this state agency will be secure. It is therefore our recommendation that all bonds be increased to 110% of the average monthly purchase of the prior year. Periodic review of such bonds should be made to insure that the amounts of such bonds are increased where necessary.

Colorado River Commission's Comment - "The problem of indemnity bonds from the Commission's contractors has been long-standing in the Commission. The Commission has considered the matter of bonds from its contractors in view of the size of the monthly bills and the cost of obtaining indemnifying bonds. This matter is being given further consideration by the Commission and some satisfactory arrangements will be made including a recommended change in legislation if this is deemed necessary."

### 3. Out-of-State Travel Requests

NRS 281.160, subsection 5 states, "Before any...state officer... representative or other employee of the state shall travel on official business outside the state, he shall make a written request for and receive permission for such travel.... Requests shall be submitted...to the director of the budget at least ten working days prior to the beginning of travel.... In emergencies, the budget division, upon good cause shown by the applicant, may consider requests for travel submitted to it less than ten working days prior to the beginning of travel...."

Of the 12 out-of-state trips performed, none met the requirement of ten working days prior approval. We realize that emergency travel situations do exist but we feel that when 100% of the out-of-state travel for a particular fund is classified as emergency, then there is a definite lack of planning. We therefore recommend that in the future a more definite plan be established by the commission whereby out-of-state travel requests shall be submitted at the first notice that travel may be required and that all possible effort be made to secure the ten working days prior approval as required.

Colorado River Commission's Comment - "The Commission staff is well aware of the requirement for submission of travel requests to the Budget Division 10 days prior to the start of out-of-state travel. In this connection a recent memorandum has been written to all office employees reiterating the requirement for prior approval of out-of-state travel. The nature of the meetings which necessitate out-of-state travel is such that it is unusual for the office to receive more than a few days notice. These meetings are primarily with other agencies, both Federal and State, and are arranged telephonically on relatively short notice. Wherever possible we will seek at least the 10 days notice of out-of-state travel and will justify those instances for which we have less than 10 days."

#### 4. Administrator's Contract


Under the provisions of NRS 538.140 the Colorado River Commission has the authority to employ such persons as they may need and to set their salaries. Accordingly, they have employed an administrator on a contract basis. Such contract reads in part, "Commission shall pay all travel and lodging expense and other authorized expenses."

During our audit it was noted that sometimes the administrator was paid actual travel expenses and sometimes paid at the regular per diem rate as provided for in NRS 281.160. Claims submitted by the administrator contain actual hotel expenses but meal allowances and some travel are claimed on the basis as provided for in NRS 281.160. Additional items were claimed for entertainment expenses. Since these amounts were authorized for payment by the commission, presumably they were regarded as "other authorized expenses."

In order to eliminate confusion which has existed in the past with respect to the administrator's travel payments by the budget division and also to be consistent with NRS 284.173 wherein it states in part, "travel, subsistence and other personal expenses may be paid to an independent contractor, if provided for in the contract, in such amounts as provided for in the contract;" it is recommended that the contract with the administrator be amended to specifically enumerate dollar amounts of travel, subsistence and any other expenses the commission is to pay.

Colorado River Commission's Comment - "The Commission recognizes the desire for consistency in travel allowances and has agreed with the contractor that his meal reimbursement be limited to the \$2.00, \$3.00 and \$5.00 amounts recently approved by the Board of Examiners for State employees and reimbursement for other expenses be on an actual cost basis."

Carson City, Nevada  
April 10, 1967

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

STATE OF NEVADA  
CIVIL DEFENSE AND DISASTER AGENCY

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 State of Nevada  
Civil Defense and Disaster Agency for the fiscal year ended June 30, 1966  
and have prepared therefrom the following exhibits and related schedules:

Civil Defense and Disaster Agency--  
Statement of Financial Condition  
June 30, 1966 ----- Exhibit A

Civil Defense and Disaster Agency-Administrative Fund--  
Statement of Basis for Appropriation and Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Civil Defense and Disaster Agency-  
Emergency Resources Management Planning Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 1

Civil Defense and Disaster Agency-  
O.C.D.M. (Hardware) Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 2

Civil Defense and Disaster Agency-  
Personnel and Administrative (Federal) Program Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 3

Civil Defense and Disaster Agency-  
RADEF Maintenance Shop Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 4

Civil Defense and Disaster Agency-  
Western Nevada Flood Relief Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 5

### Scope of Examination

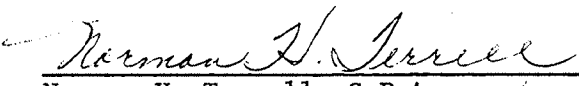
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted accounting standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate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

### Opinion

We have examined the consolidated statement of financial condition of the Administrative and Federal Contract Funds of the Civil Defense and Disaster Agency as of June 30, 1966 and the related statements of receipts 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 Receipts and Expenditures present fairly the financial position of the Administrative Fund, Emergency Resources Management Fund, O.C.D.M. (Hardware) Fund, Personnel and Administrative (Federal) Program Fund, RADEF Maintenance Shop Fund and Western Nevada Flood Relief Fund of the State of Nevada Civil Defense and Disaster Agency as of June 30, 1966 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  
April 17, 1967

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

CIVIL DEFENSE AND DISASTER AGENCY  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

AssetsCurrent Assets

Funds on Deposit with State Treasurer:	
RADEF Maintenance Shop	\$ 776.21
Emergency Resources Management Planning	2,410.52
Personnel & Administrative (Federal)	
Program Fund	<u>9,980.60</u>
Total Current Assets	<u>\$13,167.33</u>

Fixed Assets

Furniture and Equipment	<u>1.00</u>
Total Assets	<u><u>\$13,168.33</u></u>

LiabilitiesCurrent Liabilities

Personnel & Administrative (Federal)	
Program Accounts Payable	\$ 3,668.62
*Refund to U.S. Treasurer	6,311.98
**Advances from U.S. Treasurer	<u>3,186.73</u>
Total Current Liabilities	<u>\$13,167.33</u>

Fund Equity

	<u>1.00</u>
Total Liabilities	<u><u>\$13,168.33</u></u>

\*Refund to U.S. Treasurer was the excess amount advanced by the Federal Government for the 1965-66 fiscal year. This account is cleared annually.

\*\*Advances from U.S. Treasurer is the balance in the RADEF Maintenance Shop and Emergency Resources Management Funds. The moneys in these two funds are 100% Federal and, according to the contracts, if the programs were terminated the fund balance would have to be reverted to the Federal Government.

EXHIBIT B

CIVIL DEFENSE AND DISASTER AGENCY  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp. or Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Author.</u>
<u>Revenues</u>				
General Fund Appropriation	\$23,038.00	\$23,038.00	\$23,038.00	\$ --
Federal Subventions (Public Law 606)	23,038.00	23,038.00	22,443.28	(594.72)
Personnel Assessment Refund	--	--	9.88	9.88
Total Revenues	<u>\$46,076.00</u>	<u>\$46,076.00</u>	<u>\$45,491.16</u>	<u>\$ (584.84)</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$38,046.00	\$37,762.00	\$37,039.96	\$ (722.04)
Industrial Insurance	312.00	584.00	385.89	(198.11)
Retirement	2,200.00	2,190.00	2,144.92	(45.08)
Personnel Assessment	150.00	200.00	150.00	(50.00)
Group Insurance	144.00	180.00	108.00	(72.00)
Total	<u>\$40,852.00</u>	<u>\$40,916.00</u>	<u>\$39,828.77</u>	<u>\$ (1,087.23)</u>
Travel:				
Out-of-State	\$ 533.00	\$ 533.00	\$ 533.00	\$ --
In-State	1,750.00	1,750.00	1,590.59	(159.41)
Total	<u>\$ 2,283.00</u>	<u>\$ 2,283.00</u>	<u>\$ 2,123.59</u>	<u>\$ (159.41)</u>
Operating:				
Office Supplies	\$ 550.00	\$ 300.00	\$ 835.66	\$ 535.66
Postage and Freight	375.00	275.00	263.65	(11.35)
Telephone	1,052.00	1,652.00	683.33	(968.67)
Printing	300.00	150.00	709.10	559.10
Subscrips. & Ref. Manuals	85.00	85.00	120.00	35.00
Dues and Registrations	85.00	85.00	95.00	10.00
Ins. and Bond Premiums	100.00	100.00	15.83	(84.17)
Office Eqpt. Repair	150.00	150.00	71.81	(78.19)
Public Information	100.00	--	--	--
Lump Sum Reduction	--	(64.00)	--	64.00
Total	<u>\$ 2,797.00</u>	<u>\$ 2,733.00</u>	<u>\$ 2,794.38</u>	<u>\$ 61.38</u>
Equipment:				
Office Furniture	\$ 144.00	\$ 144.00	\$ 87.21	\$ (56.79)
Office Equipment	--	--	127.53	127.53
Total	<u>\$ 144.00</u>	<u>\$ 144.00</u>	<u>\$ 214.74</u>	<u>\$ 70.74</u>
Total Expenditures	<u>\$46,076.00</u>	<u>\$46,076.00</u>	<u>\$44,961.48</u>	<u>\$ (1,114.52)</u>
<u>Excess of Receipts over Expenditures</u>			<u>\$ 529.68</u>	
Reversions:				
Federal Government			\$ 498.62	
State Treasurer			31.06	
			<u>\$ 529.68</u>	

SCHEDULE 1

CIVIL DEFENSE AND DISASTER AGENCY  
EMERGENCY RESOURCES MANAGEMENT PLANNING FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Funds Available

Fund Balance, July 1, 1965	\$ 1,750.48	
Revenue:		
Federal Funds	<u>18,054.89</u>	
Total Funds Available		\$19,805.37

Expenditures

## Payroll Costs:

Salaries	\$13,944.00	
Industrial Insurance	290.19	
Retirement	808.80	
Personnel Assessment	86.82	
Group Insurance	<u>72.00</u>	
Total		\$15,201.81

## Travel:

Out-of-State	\$ 190.30	
In-State	<u>1,190.83</u>	
Total		1,381.13

## Operating:

Office Supplies	\$ 145.37	
Postage and Freight	79.69	
Telephone	321.57	
Printing	<u>265.28</u>	
Total		<u>811.91</u>

Total Expenditures		<u>17,394.85</u>
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Fund Balance, June 30, 1966\$ 2,410.52

CIVIL DEFENSE AND DISASTER AGENCY  
O.C.D.M. (HARDWARE) FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenues

Federal Funds	\$34,217.71	
Clark County-Refund	760.00	
Las Vegas-Refund	<u>1,587.50</u>	
Total Revenues		\$36,565.21

Expenditures

Civil Defense and Disaster Agency	\$ 257.11	
Clark County	2,603.83	
Lyon County	2,887.50	
City of North Las Vegas	4,275.75	
Ormsby County	1,921.57	
Washoe County	20,305.45	
White Pine County	1,966.50	
O.C.D. - U.S. Department of Defense	<u>2,347.50</u>	
Total Expenditures		<u>36,565.21</u>

Fund Balance, June 30, 1966\$ -0-

Balance per Controller	\$ .09
1966-67 Expenditure Deducted in 1965-66	88.71
1965-66 Expenditure Treated as 1966-67	
Expenditure	<u>(88.80)</u>
Fund Balance Above	<u>\$ -0-</u>

CIVIL DEFENSE AND DISASTER AGENCY  
PERSONNEL AND ADMINISTRATIVE (FEDERAL) PROGRAM FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenues

Federal Funds

\$118,093.00

Expenditures

Civil Defense and Disaster Agency

\$22,186.17

State Highway Department

9,326.16

Clark County

30,814.04

Douglas County

3,581.63

Elko County

1,105.26

Esmeralda County

783.50

City of Henderson

5,285.77

Lyon County

953.89

City of North Las Vegas

7,688.83

Nye County

951.79

Ormsby County

4,793.59

Washoe County

20,641.77

Total Expenditures

108,112.40Fund Balance, June 30, 1966\$ 9,980.60

Per Controller

\$9,990.49

Less: 1965-66 Expenditure Recorded in 1966-67

9.89\$9,980.60

CIVIL DEFENSE AND DISASTER AGENCY  
RADEF MAINTENANCE SHOP FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenues

Federal Funds

\$20,909.59

Expenditures

## Payroll Costs:

Salaries	\$14,481.96	
Industrial Insurance	71.17	
Retirement	748.04	
Personnel Assessment	86.82	
Group Insurance	6.00	
Total		\$15,393.99

## Travel:

Out-of-State	\$ 276.94	
In-State	2,393.91	
Total		2,670.85

## Operating:

Office Supplies	\$ 176.99	
Postage and Freight	112.51	
Telephone	418.12	
Printing	69.70	
Technical Supplies	113.53	
Total		890.85

## Equipment:

Office Furniture	\$ 142.91	
Office Equipment	912.08	
Other Equipment	122.70	
Total		1,177.69

Total Expenditures

20,133.38Fund Balance, June 30, 1966\$ 776.21

CIVIL DEFENSE AND DISASTER AGENCY  
WESTERN NEVADA FLOOD RELIEF FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Revenues

Federal Funds	\$89,541.32
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Expenditures

Department of Buildings & Grounds	\$ 7,374.28	
Department of Conservation	37,368.04	
Department of Highways	10,750.00	
City of Reno	18,455.79	
Washoe County	13,105.38	
Storey County	<u>2,487.83</u>	
Total Expenditures		<u>89,541.32</u>

<u>Fund Balance, June 30, 1966</u>	<u>\$ -0-</u>
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STATE OF NEVADA  
CIVIL DEFENSE AND DISASTER AGENCY  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control Evaluation

The overall internal control of the agency is adequate considering their small staff. All U.S. warrants are deposited directly with the State Treasurer's office. However, there is some cash received from individuals who attend an occasional meeting or conference that is sponsored by the State Civil Defense and Disaster Agency. In October 1964 one such conference was held. The person who was the administrative officer at the time was put in charge of handling the fiscal affairs of the conference. No formal records of receipts and expenditures were maintained.

The conference was to be self-supporting by collecting adequate fees from those in attendance. The two-day program included coffee and pastry, one lunch, one banquet and one round trip to the Nevada Test Site.

The following is a breakdown of fees received and related expenditures based on available records:

Fees Received (By Administrative Officer)	\$1,285.00
Amount Paid to Hotel	<u>952.75</u>
Funds Remaining	\$ 332.25
Funds Deposited with State Treasurer	<u>152.00</u>
Funds Unaccounted For	<u>\$ 180.25</u>

The funds were received by the administrative officer on or about October 29, 1964. At the conclusion of the conference the administrative officer turned over \$152 to the agency's secretary. The \$152 was not deposited with the State Treasurer until February 17, 1965.

The stage line that provided the round trip to the Nevada Test Site was paid \$335 by claim list #11 dated 5/11/65. The claim carried the following footnote: "Reimbursement for test site bus trip at Governor's Conference. Funds to cover state share deposited on 2/16/65."

The invoice from the stage line dated October 31, 1964 carried the following handwritten footnote: "Transportation of administrative personnel to NTS for orientation purposes."

The footnote on the claim list is false as none of the functional expenses of the conference should have been chargeable to the state as the funds were all collected in advance. The footnote on the invoice was also false as this was not for the "transportation of administrative personnel" but was for the transportation of those persons in attendance at the conference. The conference was attended by persons from several states.

The agency personnel attending the conference were allowed transportation and per diem for the trip to Las Vegas. In addition, the conference cost to the state was \$183, i.e., \$335 paid the stage line for the test site trip less the \$152 deposited as shown above.

On June 14, 1965 a work program augmentation was issued from the Budget Division increasing the expenditure for operating expenses by \$335. The indicated source of funds for the augmentation was \$153 from the Federal Government and that the state had been reimbursed for \$152. (This adds up to only \$305.)

The Federal Government would not, under any circumstances, pay any portion of this expense as it was collected in full by the administrative officer at the conference.

It is recommended that in the future the extent of the state's liability, if any, for such conference expense be determined prior to any conference. This would alleviate the situation related above where the state has erroneously paid such expenses because the funds were mishandled by agency personnel.

## 2. Books and Records

The "Federal Civil Defense Guide" requires that the state "keep such books, records and papers as are in accordance with generally accepted or prescribed methods of accounting...."

The "books" maintained by the civil defense office consist of only a summary sheet for each fund. These summary sheets were used only in conjunction with the Controller's print-out sheets in establishing categorical totals and the proper period for recording the revenues and expenditures. The Controller's print-out sheets have never been reconciled to the agency's records.

It is recommended that a separate book be maintained for each fund since the agency has a separate contract with the Federal Government for each fund and revenues and expenditures should be accounted for separately. It is recommended that the books be maintained by the secretary for each of the funds under the direct supervision of the administrative officer. It is further recommended that the administrative officer reconcile the Controller's print-out sheets to the agency records monthly.

## 3. Emergency Operating Center

The basement of the Blasdel Building is to serve as the emergency operating center for the Nevada State Government in the event of a national emergency. This area is fairly well protected from radiation fallout except the four windows in the north wall which should be covered.

According to Federal regulations, to qualify as an emergency operating center, the center must have a generator that is sufficient in size to run all receivers, emergency lighting and an adequate ventilation system. There will be approximately 70 people in the emergency operating center in the event of a national emergency. As far as can be determined, the present generator has not been started since it was installed and it is not known whether the unit will run or whether it will carry the necessary load.

To provide for continuity of state government in the event of a national emergency and to comply with Federal regulations, it is recommended that the necessary steps be taken to insure that the emergency operating center will have sufficient auxiliary power equipment to be fully operational during any power loss or emergency. Testing of equipment should be instigated at regular intervals.

It is further recommended that the four windows in the north wall be covered in an adequate manner to afford equal protection from radiation throughout the basement area, in accordance with the provisions of the Federal contract.

#### 4. Equipment Identification

The "Federal Civil Defense Guide," March 1966, part F, chapter 5, appendix 1, paragraph 1.12 states, "Each item of equipment obtained with Federal contributions must, whenever practicable, be marked with the official civil defense insignie."

The agency has the decals but has not placed them on some of the equipment. The RADEF Maintenance Shop has an ample supply of decals designed specifically for their equipment, however, most of their equipment remains unmarked.

It is recommended that all furniture and equipment governed by the above section of the "Federal Civil Defense Guide" have the appropriate decals placed on it as soon as possible.

Carson City, Nevada  
April 17, 1967

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

NOTE: At a meeting held April 24, 1967 between the Director of the Civil Defense and Disaster Agency and a member of the Fiscal Analyst's staff, agreement was reached on implementation of the foregoing recommendations.





APR 11 1967

STATE OF NEVADA  
OFFICE OF THE GOVERNOR ROUTE:  
CIVIL DEFENSE AND DISASTER AGENCY  
CARSON CITY, NEVADA 89701

April 11, 1967

Mr. Norman Terrell, Fiscal Analyst  
Legislative Counsel Bureau  
State Capitol Building  
Carson City, Nevada 89701

Dear Mr. Terrell:

Please accept this expression of appreciation from myself and staff for the very fine work and exceptional attitude shown by Mr. Marvin Kirkpatrick, who recently audited our Agency.

Mr. Kirkpatrick was unusually courteous, cooperative and understanding and offered suggestions for improvement of our fiscal procedures, which we appreciated very much.

I know that our Agency will be greatly benefited by the work done by Mr. Kirkpatrick and sincerely hope that future audits will be less arduous because of improved procedures as a result of his suggestions.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "N. H. Carver".

N. H. Carver  
Director

NHC:b



STATE OF NEVADA  
NEVADA GIRLS' TRAINING CENTER  
DEPARTMENT OF HEALTH AND WELFARE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Girls' Training Center of the Department of Health and Welfare for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibit and related schedules:

Nevada Girls' Training Center-Administrative Fund--  
Statement of Basis for Appropriation and Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit A

Nevada Girls' Training Center-Girls' Fund--  
Statement of Receipts and Expenditures  
for the Period July 1, 1964 through  
March 31, 1967 ----- Schedule 1

Nevada Girls' Training Center-Girls' Fund Bank Account--  
Statement of Bank Reconciliation with Fund Ledgers  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 2

#### 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


We have examined the Statement of Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures of the Nevada Girls'

Training Center Administrative Fund and the Statement of Receipts and Expenditures of the Girls' Fund. 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 Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures and the Statements of Receipts and Expenditures present fairly the financial position of the Administrative Fund of the Nevada Girls' Training Center as of June 30, 1966 and the results of its operation for the year then ended, with the exception of the Statement of Receipts and Expenditures of the Girls' Fund, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We are not able to state an opinion as to the accuracy of the accompanying Statement of Receipts and Expenditures of the Girls' Fund due to lack of proper reconciliation of the individual girls' ledger accounts, the bank account and the check register, none of which are in agreement.

Carson City, Nevada  
May 2, 1967

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

NEVADA GIRLS' TRAINING CENTER  
DEPARTMENT OF HEALTH AND WELFARE  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp. or Author.	Actual Receipts & Expend.	Over or (Under) Approp. or Author.
<u>Receipts</u>				
Appropriation	\$596,807.00	\$596,807.00	\$596,807.00	\$ --
Salary Adjustment	2,381.00	2,381.00	2,381.00	--
Authorized	12,000.00	12,000.00	--	(12,000.00)
Meal Tickets	--	--	72.50	72.50
Refunds	--	--	278.05	278.05
Trailer Space Rental	--	--	80.00	80.00
Care Payments	--	--	425.00	425.00
Total Funds Available	<u>\$611,188.00</u>	<u>\$611,188.00</u>	<u>\$600,043.55</u>	<u>\$ (11,144.45)</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$344,848.00	\$343,328.00	\$293,777.76	\$ (49,550.24)
Industrial Insurance	2,073.00	1,956.00	1,555.69	(400.31)
Retirement	20,462.00	20,288.00	16,929.67	(3,358.33)
Personnel Assessment	2,750.00	2,750.00	2,750.00	--
Group Insurance	1,080.00	2,016.00	279.00	(1,737.00)
Total	<u>\$371,213.00</u>	<u>\$370,338.00</u>	<u>\$315,292.12</u>	<u>\$ (55,045.88)</u>
Travel:				
Out-of-State	\$ 350.00	\$ 350.00	\$ 95.24	\$ (254.76)
In-State	8,000.00	8,000.00	5,046.42	(2,953.58)
Total	<u>\$ 8,350.00</u>	<u>\$ 8,350.00</u>	<u>\$ 5,141.66</u>	<u>\$ (3,208.34)</u>
Operating:				
Office Supplies	\$ 1,200.00	\$ 1,200.00	\$ 1,226.92	\$ 26.92
Postage and Freight	970.00	1,125.00	978.04	(146.96)
Telephone-Combined	6,000.00	5,820.00	6,334.67	514.67
Printing-Combined	200.00	1,000.00	--	(1,000.00)
Subscrips. & Ref. Manuals	50.00	100.00	152.17	52.17
Bonds & Ins. Premiums	600.00	50.00	549.61	499.61
Contract Services	11,300.00	12,000.00	14,950.00	2,950.00
Office Eqpt. Repair	150.00	100.00	212.10	112.10
Eqpt. Repair-Other	1,000.00	1,200.00	2,227.23	1,027.23
Equipment Rental	100.00	515.00	1,414.32	899.32
Building Space Rental	2,248.00	--	--	--
Heat	600.00	--	838.72	838.72
Power	14,000.00	12,000.00	12,696.00	696.00
Water	500.00	1,500.00	543.90	(956.10)
Other Utilities	1,400.00	1,800.00	1,974.00	174.00
Janitorial Supplies	1,000.00	3,000.00	2,404.88	(595.12)
Building Maintenance	2,000.00	2,000.00	6,123.27	4,123.27
Grounds Maintenance	500.00	600.00	--	(600.00)
Truck Operation	1,000.00	1,200.00	467.06	(732.94)
Medical & Dental Care	12,470.00	12,000.00	7,579.02	(4,420.98)

## EXHIBIT A (CONT.)

	<u>Work Program</u>	<u>Basis for Approp. or Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Author.</u>
<u>Expenditures (Cont.)</u>				
<u>Operating (Cont.):</u>				
Transportation-Patients, Inmates	\$ 4,300.00	\$ 3,600.00	\$ 4,287.67	\$ 687.67
Food	34,000.00	35,000.00	33,017.74	(1,982.26)
Kitchen-Dining Room Supplies	1,548.00	1,800.00	729.36	(1,070.64)
Dorm-Household Supplies	6,000.00	2,000.00	2,112.11	112.11
Clothing Purchases	8,000.00	12,000.00	8,302.47	(3,697.53)
Laundry Supplies	600.00	800.00	1,138.69	338.69
Medical-Dental Supplies	1,600.00	1,796.00	6,760.07	4,964.07
Instructional Supplies	6,000.00	4,000.00	2,167.52	(1,832.48)
Recreation Supplies	1,000.00	1,540.00	1,334.20	(205.80)
Maintenance Shop	1,000.00	1,590.00	1,666.92	76.92
License and Fees	--	--	15.00	15.00
Total	<u>\$121,336.00</u>	<u>\$121,336.00</u>	<u>\$122,203.66</u>	<u>\$ 867.66</u>
Equipment:				
Automobiles	\$ 4,150.00	\$ 4,000.00	\$ 4,899.87	\$ 899.87
Office Furniture	320.00	1,413.00	479.54	(933.46)
Office Equipment	751.00	1,432.00	1,667.89	235.89
Other Furn. & Eqpt.	7,640.00	7,070.00	4,597.56	(2,472.44)
Total	<u>\$ 12,861.00</u>	<u>\$ 13,915.00</u>	<u>\$ 11,644.86</u>	<u>\$ (2,270.14)</u>
Outside Agency Care	<u>\$ 65,228.00</u>	<u>\$ 65,049.00</u>	<u>\$ 60,649.11</u>	<u>\$ (4,399.89)</u>
Vocational Training	<u>\$ 12,000.00</u>	<u>\$ 12,000.00</u>	<u>\$ 1,256.11</u>	<u>\$ (10,743.89)</u>
Reserve for Growth	<u>\$ 20,200.00</u>	<u>\$ 20,200.00</u>	<u>\$ --</u>	<u>\$ (20,200.00)</u>
Total Expenditures	<u>\$611,188.00</u>	<u>\$611,188.00</u>	<u>\$516,187.52</u>	<u>\$ (95,000.48)</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 83,856.03</u>	

NEVADA GIRLS' TRAINING CENTER  
GIRLS' FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE PERIOD JULY 1, 1964 THROUGH MARCH 31, 1967

<u>Balance, July 1, 1964</u>	\$ 6,862.85
<u>Receipts</u>	<u>11,817.15</u>
Total Funds Available	\$18,680.00
<u>Expenditures</u>	<u>16,174.57</u>
<u>Balance, March 31, 1967</u>	<u>\$ 2,505.43</u>

NEVADA GIRLS' TRAINING CENTER  
GIRLS' FUND BANK ACCOUNT  
STATEMENT OF BANK RECONCILIATION WITH FUND LEDGERS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance in Bank, June 30, 1966</u>	
Nevada Bank of Commerce	
Commercial Account	<u>\$2,505.43</u>
 <u>Balance Per Ledgers</u>	 <u>\$2,491.83</u>
 <u>Excess in Bank Over Balance on Ledgers</u>	 <u>\$ 13.60</u>
 Welfare Check Issued from Wrong Fund	\$ (15.00)
Insurance Check Deposited in Error	<u>6.00</u>
	\$ (9.00)
 <u>Unreconciled Difference</u>	 <u>\$ (4.60)</u>

STATE OF NEVADA  
NEVADA GIRLS' TRAINING CENTER  
DEPARTMENT OF HEALTH AND WELFARE  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Books and Records - Girls' Fund

The Girls' Fund consists of committed girls' personal funds deposited in an authorized bank account. Individual ledger cards are maintained for each girl with funds on deposit. A cash book is maintained which reflects all receipts and expenditures of the Girls' Fund.

Controls on these funds have been very lax. Although bank reconciliations were noted in the work papers, the bank account, checkbook and individual girls' accounts were not in agreement as of March 31, 1967. Outstanding checks were not listed on the monthly reconciliations. Cancelled and voided checks were not safeguarded nor were they maintained in serial sequence. Checks dating back to 1962 were still listed as outstanding as of March 31, 1967.

Active individual ledger cards were checked for mathematical accuracy and several of these were found to be in error. Inactive ledger cards dating back to July 1964 were not verified. All inactive ledger cards are filed together and not by fiscal year. Deposits are not made as often as desirable due mainly to the 25-mile distance to the bank. Because of the foregoing reasons we were unable to reconcile the Girls' Fund as indicated in schedule 2, attached.

In order to improve controls concerning the Girls' Fund bank account, we recommend the following controls be initiated:

(a) All checks and money orders should be deposited by mail immediately upon receipt. Cash should be deposited as soon as possible but at no time should there be more than \$25 on hand. All receipts should be kept in a locked drawer until deposited.

(b) Proper reconciliations of the bank account, checkbook and girls' individual ledger cards should be made each month to insure they are in agreement. All outstanding checks should be listed by number and amount with each bank reconciliation.

(c) Girls individual ledger cards, both active and inactive, should be verified for postings and mathematical accuracy for the period July 1, 1964 to the current date. In the future all inactive ledger cards should be filed by fiscal year in order that reconciliations can be made for the period under review. A ledger control card should be initiated as an added step to insure that individual ledger cards are in balance.

(d) Cancelled and voided checks should be safeguarded and filed in numerical sequence. All outstanding checks over 90 days old should be voided and the moneys posted back to individual active ledger cards. Funds of those girls whose whereabouts are unknown should be deposited with the State Treasurer after a period of five years.

(e) In order to keep outstanding checks at a minimum, checks issued to girls being discharged should, if possible, be cashed by the school before the girls' departure.

The recommendations above were made in our prior examination.

## 2. Advisory Board Meetings

Section 1 of NRS 210.420 states, "The members of the board shall meet at such times and in such places as they shall deem necessary, but a meeting of the board shall be held at quarterly intervals."

Only one board meeting was held during fiscal year 1965-66. One meeting scheduled in April 1965 did not have enough members present to constitute a quorum. As this is an advisory board, it is recommended that the portion of NRS 210.420 stating "but a meeting of the board shall be held at quarterly intervals" be amended to allow meetings to be held at such times and places as the chairman of the board shall deem necessary.

### 3. Advisory Board Minutes

Minutes of the advisory board meetings are maintained in folders. The minutes are mimeographed and maintained in loose leaf fashion. We were advised by the superintendent that a meeting was held in January 1967, however, no typed minutes were available as of March 31, 1967.

It is recommended that minutes be at all times up-to-date and maintained in a permanent, bound volume which shall be on file at the school as provided for by NRS 210.430.

This recommendation was made in our prior examination.

### 4. Contract for Research, Personnel Training

NRS 210.490 states in part, "The superintendent may, with the approval of the director, enter into contracts with colleges, universities and other organizations for the purpose of...training special workers, including teachers, probation and parole officers, social workers and others...."

The superintendent entered into a contract with an associate professor of the University of Washington as an individual independent contractor to conduct courses of instruction for employees. This contract did not meet the requirements of the above quoted statute since the professor was acting as an individual and not for a college, university or

other organization. The contract required payment of \$350 each month for services rendered one day per month. Payment for these services was made on a monthly basis even though the contractor did not show up for periods up to three months, at which time he would then spend several days. He was thus receiving payment in advance for services not yet rendered.

We recommend that future contracts of this nature meet all the requirements of NRS 210.490 and that all conditions of any contract be strictly enforced.

#### 5. Subsistence Payments

Parents who are financially able are ordered by the courts to pay specified amounts toward the care of a girl committed. When parents become delinquent in these payments, notification is sent to the probation officer where the parents reside. No further action is then taken by the girls' school. It is felt that more favorable results could be obtained if the girls' school was made responsible for these collections. Upon a parent becoming delinquent, a letter should be issued to the parent with copies forwarded to the court and the probation officer where the parent resides. The probation officer should then follow-up and report back to the school on progress of delinquent accounts.

This recommendation was made in our prior examination.

#### 6. Commitments to Private Institutions

As of February 28, 1967 the Nevada Girls' Training Center had facilities to care for 100 girls. As of this same date there were only 53 girls in residence, leaving two cottages vacant. It has been the policy of some of the courts to commit girls directly to the Home of the Good Shepherd in Las Vegas. The girls' training center pays \$200 per month per girl committed to the Home of the Good Shepherd. As of February 28, 1967

there were 33 girls at this private institution, the monthly cost to the state being \$6,600. Projected on the present payments being made, the Nevada Girls' Training Center will be overspent in excess of \$12,000 in their "Outside Agency Care" category by July 1, 1967.

The girls' school could open the two vacant cottages by adding only four more people to their staff at a cost of approximately \$24,500 per year. The annual payments for the 33 girls now located in private institutions total \$79,200. If these girls were committed to the girls' school the annual savings to the state would be approximately \$54,700.

Subsection 1(b) of NRS 62.200 states in part, "The court shall not commit a female child to a private institution without prior approval of the superintendent of the Nevada Girls Training Center...." NRS 62.230, subsection 1, states in part, "No commitment shall be made to such a private institution until the court has ascertained from the superintendent of such school that sufficient moneys are available to pay such compensation..."

Not all courts have complied with the above quoted statutes. It is therefore recommended that the director of health and welfare issue a written statement to the various courts, notifying them that all commitments of girls shall be to the Nevada Girls' Training Center unless prior approval has been given for other placement. Any placement of girls in private institutions should be done through the facilities of the Nevada Girls' Training Center and the Department of Health and Welfare if it is felt to be in the best interest of the girl and the state. The courts should also be notified that if they continue to ignore the statutory provisions of NRS 62.200 and 62.230, as well as the written requests of the Director of Health and Welfare, then payments to the private institutions may be termi-

nated for those children whom the courts committed in violation of NRS 62.200 and 62.230.

At the present time state authorities have no control over the girls committed to the Home of the Good Shepherd as to educational programs, rehabilitation, length of stay, etc. The state is billed by invoice, \$200 per month for each girl committed by the courts and recently the courts have ordered responsible parents or guardians to make payments direct to the Home of the Good Shepherd. This procedure should allow credit to the state on its \$200 per month cost, however, to the date of this audit no credit had been received. The girls are kept at the home until officials of the home recommend parole or release; state officials have no say in this matter.

There is no written contract between the State of Nevada and the Home of the Good Shepherd. Because of the foregoing reasons, it is recommended that prior to the start of the next fiscal year a contract be negotiated, outlining duties of both parties and setting forth fee schedule, supervision responsibilities, parole arrangements, etc.

#### 7. Inventories, Foodstuffs, Clothing, Drugs

Inventories of foodstuffs, clothing and drugs are being maintained on a perpetual inventory system. Physical inventories are taken to insure proper controls. The only area of concern is that in the case of clothing and drugs, the cards are maintained and posted in the same room by the person in charge. In the case of foodstuffs the cards are kept by the cook. This defeats good inventory control as the persons using the items are also charged with accounting for them.

We recommend that the inventory cards be maintained by the business office and that they arrange for periodic inventories to insure proper

inventory control as an additional internal control measure. All issues and receipts should be covered by requisitions or invoices.

This recommendation was made in our prior examination.

#### 8. Accounting Manual

The Nevada Girls' Training Center presently maintains a manual of operations which does not include a section on accounting. Accounting standards and procedures should be included in this manual to serve as a training guide for incoming personnel as well as serving as a cross-training aid for other office staff who might have to perform certain accounting functions when accounting personnel are on leave. We therefore recommend that a section on accounting and business procedures be added to the present manual of operations as quickly as possible.

This recommendation was made in our prior examination.

#### 9. Commitments to Nevada State Hospital

NRS 210.650 states in part, "Upon request of the superintendent, a person committed to the school shall be accepted by the Nevada state hospital for observation, diagnosis and treatment for a period not to exceed 90 days."

From October 8, 1964 to April 11, 1967 there were 31 girls committed to the State Hospital for observation. These commitments ranged in duration from 3 days to 262 days. All confinements over 90 days were upon State Hospital recommendations. As of April 11, 1967 two girls have not yet been discharged from the hospital. One was committed on February 17, 1967 and the other on April 5, 1967. Girls are committed to the hospital on the basis of psychiatric reports and observations of all staff members of the training center.

10. General Comments - Drugs and Medicines

The medication lists of the girls of the Nevada Girls' Training Center for the calendar year 1966 indicated that 105 girls were treated for various medical reasons. Medical costs appeared high for the year under audit when compared to other state institutions' medical costs. All treatments are prescribed by a local doctor and medication is given by a registered nurse.

The highest cost for one girl was approximately \$178.36. This was an extreme case as this girl had been in the Nevada State Hospital for 196 days of the preceding year and was still on tranquilizers.

Of the 105 girls receiving medication, 55 did not receive tranquilizers of any kind. Twenty-eight girls received some type of tranquilizers between one and thirty days, two girls between sixty and ninety days, five girls between ninety and one hundred days, three girls between one hundred twenty and one hundred fifty days and two girls over one hundred fifty days. According to a pharmacist working for the state, tranquilizers can be given in doses up to 400 mg's without being under hospital conditions. The Nevada State Hospital gives doses up to 1,600 mg's per day.

Of the 50 girls receiving tranquilizers, 40 of these were receiving from 40 to 100 mg's per day. Five were receiving up to 200 mg's per day, two were receiving up to 400 mg's per day and three were receiving up to 1,600 mg's per day.

The auditors cannot state whether the use of tranquilizer drugs is a needed item of control as this falls within the scope of medical knowledge and training.

11. Implementation of Recommendations

From the foregoing report it is evident that little attempt has been made to implement the majority of our prior recommendations. The present business manager was not even aware of a prior examination and thus he had no copy of the report. Since there is now a new superintendent we urge that he make a serious concentrated effort to comply with all recommendations in this report as soon as feasible.

Carson City, Nevada  
May 2, 1967

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

NOTE: At a meeting held May 19, 1967 between the Director of Health and Welfare, the Superintendent of the Nevada Girls' Training Center and the Fiscal Analyst, agreement was reached on implementation of the foregoing recommendations.



STATE OF NEVADA  
ATTORNEY GENERAL

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Attorney General for the State of Nevada for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits:

Attorney General-Administrative Fund--  
Statement of Basis for Appropriation and Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit A

Attorney General-Special Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Attorney General-Colorado River Commission Counsel Fund--  
Statement of Basis for Authorization  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit C

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 receipts and expenditures present fairly the financial position of the Attorney General's office as of June 30, 1966 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 16, 1967


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

EXHIBIT A

ATTORNEY GENERAL  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp. or Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Author.</u>
<u>Receipts</u>				
G. F. Appropriation	\$172,435.00	\$172,435.00	\$172,435.00	\$ --
Group Insurance Adjustment	--	--	423.00	423.00
Salary Adjustments	1,080.00	--	657.00	657.00
Highway Department	13,433.00	13,433.00	13,355.54	(77.46)
Gaming Commission	13,433.00	13,433.00	12,647.16	(785.84)
Welfare Division	13,426.00	11,587.00	13,426.90	1,839.90
Motor Vehicle	11,587.00	11,587.00	11,580.24	(6.76)
Fish and Game	6,000.00	4,800.00	6,000.00	1,200.00
Dairy Commission	9,000.00	9,000.00	9,000.00	--
Public Service Commission	5,794.00	5,794.00	5,790.12	(3.88)
Total Receipts	<u>\$246,188.00</u>	<u>\$242,069.00</u>	<u>\$245,314.96</u>	<u>\$ 3,245.96</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$196,505.00	\$193,593.00	\$190,666.28	\$ (2,926.72)
Industrial Insurance	1,087.00	1,088.00	945.72	(142.28)
Retirement	11,224.00	11,193.00	11,026.28	(166.72)
Personnel Assessment	200.00	200.00	200.00	--
Group Insurance	648.00	648.00	423.00	(225.00)
Total	<u>\$209,664.00</u>	<u>\$206,722.00</u>	<u>\$203,261.28</u>	<u>\$ (3,460.72)</u>
Travel:				
Out-of-State	\$ 1,700.00	\$ 1,700.00	\$ 1,367.23	\$ (332.77)
In-State	4,250.00	4,250.00	3,257.92	(992.08)
Total	<u>\$ 5,950.00</u>	<u>\$ 5,950.00</u>	<u>\$ 4,625.15</u>	<u>\$ (1,324.85)</u>
Operating:				
Office Supplies	\$ 2,500.00	\$ 2,500.00	\$ 1,565.70	\$ (934.30)
Postage & Freight	1,050.00	1,050.00	682.92	(367.08)
Telephone	4,200.00	4,200.00	2,741.47	(1,458.53)
Printing	4,777.00	4,800.00	2,808.12	(1,991.88)
Subscrips. & Ref. Manuals	910.00	910.00	660.28	(249.72)
Dues & Registrations	100.00	100.00	60.00	(40.00)
Bonds & Ins. Premiums	--	--	95.77	95.77
Contract Services	15,000.00	13,800.00	15,000.00	1,200.00
Office Equipment Repair	325.00	325.00	82.58	(242.42)
Other Equipment Repair	--	--	10.50	10.50
Equipment Rental	390.00	390.00	451.10	61.10
Fees	--	--	11.00	11.00
Total	<u>\$ 29,252.00</u>	<u>\$ 28,075.00</u>	<u>\$ 24,169.44</u>	<u>\$ (3,905.56)</u>

EXHIBIT A (CONT.)

	<u>Work Program</u>	<u>Basis for Approp. or Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Author.</u>
Equipment:				
Office Furniture	\$ 505.00	\$ 505.00	\$ 82.06	\$ (422.94)
Office Equipment	603.00	603.00	1,023.36	420.36
Other Furn. & Eqpt.	214.00	214.00	628.75	414.75
Total	<u>\$ 1,322.00</u>	<u>\$ 1,322.00</u>	<u>\$ 1,734.17</u>	<u>\$ 412.17</u>
Total Expenditures	<u>\$246,188.00</u>	<u>\$242,069.00</u>	<u>\$233,790.04</u>	<u>\$ (8,278.96)</u>
<u>Reverted to General Fund</u>				
<u>June 30, 1966</u>			<u>\$ 11,524.92</u>	

ATTORNEY GENERAL  
SPECIAL FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>
<u>Receipts</u>			
G. F. Appropriation	<u>\$10,000.00</u>	<u>\$10,000.00</u>	<u>\$10,000.00</u>
 <u>Expenditures</u>			
Travel:			
Out-of-State			\$ 66.55
In-State			<u>1,805.73</u>
Total			<u>\$ 1,872.28</u>
Operating:			
Contract Services			\$ 7,231.19
Witness Fees			5.15
Court Reporters			239.10
Transcripts			34.80
Xerox Expense			606.29
Photos			<u>11.00</u>
Total			<u>\$ 8,127.53</u>
Total Expenditures	<u>\$10,000.00</u>	<u>\$10,000.00</u>	<u>\$ 9,999.81</u>
 <u>Reverted to General Fund</u>			
<u>June 30, 1966</u>			<u>\$ .19</u>

ATTORNEY GENERAL  
 \*COLORADO RIVER COMMISSION COUNSEL FUND  
 STATEMENT OF BASIS FOR AUTHORIZATION  
 COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Author.</u>
<u>Fund Balance, July 1, 1965</u>			\$ 1,627.76	\$1,627.76
<u>Receipts</u>				
Colorado River Commission	\$11,750.00	\$9,000.00	11,750.00	2,750.00
Total Available	<u>\$11,750.00</u>	<u>\$9,000.00</u>	<u>\$13,377.76</u>	<u>\$4,377.76</u>
<u>Expenditures</u>				
Contract Services	<u>\$11,750.00</u>	<u>\$9,000.00</u>	<u>\$11,750.00</u>	<u>\$2,750.00</u>
<u>Balance, June 30, 1966</u>				
<u>(Non-Reverting)</u>			<u>\$ 1,627.76</u>	

\*The money in this fund was provided under the budget and work program for the Administrative Fund.

STATE OF NEVADA  
ATTORNEY GENERAL  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Books and Records

The present accounting records consist of a bound columnar book which does not have sufficient columns to allow a proper spread across the columns so that claim lists may be entered in numerical order by total. Under the present system, totals for the columns are on the page of last entry. This system staggers totals on four different pages. For example, salaries are entered in the first column on the first page for each month and because there is not sufficient room to list all the salaries on the first page, the remaining salaries end up being listed four pages later by themselves.

It is recommended that a more comprehensive accounting binder be purchased. This binder should be set up in three parts, (1) disbursement journal, (2) monthly summary of expenditures by categories, and (3) budget control. This would give all the information needed and provide availability of the accumulated monthly totals and control by claim list total, thus making it easier to find posting errors if the need should arise.

2. Equipment Inventory

A spot-check of the overall office equipment inventory was made from the IBM print-out sheets supplied by the Purchasing Division. All major items of equipment such as typewriters, adding machines, tape recorders, etc. were inventoried. All items selected for verification were accounted for except one old manual (Remington) typewriter which was not located.

It is recommended that the office equipment inventory be maintained on cards which would indicate the physical location of the equipment and the person charged with custody of the specific item.

### 3. Reimbursements for Services Rendered

Under the provisions of NRS 422.275, section 2, the moneys to reimburse the Attorney General's office for services rendered to the Welfare Division are to be transferred on or before the first day of each month. The Welfare Division has been transferring the moneys by controller warrant on a quarterly basis. All other agencies making such reimbursements do so by warrant on either a quarterly or annual basis.

To eliminate considerable paper work it is recommended that the Department of Administration be requested to provide the transfer of the funds as approved by the Legislature to the Attorney General's fund from those agencies that a deputy is provided for in a lump sum amount at the beginning of each fiscal year. It is recommended that the applicable provisions of NRS be amended to allow this transfer.

### 4. Travel and Per Diem

An analysis of travel and per diem was made and it was found to be in order. However, it was noted that all of the investigator's travel and per diem has been charged to the state except for three days. Approximately 30% of the investigator's time is spent investigating cases for counties and cities at their request.

It is recommended that the investigator's travel and per diem be charged to the city or county for whom he is doing investigative work. It is recommended that NRS 228.130 be amended to accomplish this purpose.

## 5. Investigator's Automobile

The special investigator is using his own automobile in his employment as a staff member of the Attorney General's office. There is a state-owned two-way radio installed in this private automobile. The agency has acquired two sets of special "undercover" license plates from the Motor Vehicle Department for use on this private vehicle.

The provisions of NRS 482.365, section 2, do not provide for the issuance of special "undercover" plates for any public-owned vehicle for the Attorney General's office. Further, the statute does not provide for the issuance of this type of plate for use on a privately owned vehicle used by a state agency.

It is recommended that the applicable provisions of NRS be amended to allow the Attorney General to acquire an unmarked, state-owned automobile for use of the Attorney General's special investigator in his official work.

## 6. Leave and Time Records


Forms NPD-21 and NPD-30, as outlined by the State Administrative Manual, are not currently being used for all employees. It is recommended that form NPD-21 be used for requesting and granting approval of all types of leave taken. The form NPD-21, properly filled out and approved, should become part of the employees' permanent records.

Form NPD-30 should be used by all employees to indicate time worked or time off. These forms should be submitted at least monthly to the secretary so that she can maintain final summaries of all compensatory and leave time. By properly recording the compensatory time and leave time it can be controlled and adjusted at the end of the year in compliance with the provisions of the State Administrative Manual.

7. Storage Area

The Attorney General has a storage room in the basement of the State Library building in which old files, etc. are placed. This is where the typewriter mentioned in the paragraph on equipment inventory disappeared from. The door has a lock on it but it is not locked during the normal working day. Since many people have access to the basement, it is recommended that the door be kept locked at all times when a member of the Attorney General's staff is not present.

Carson City, Nevada  
May 16, 1967

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

NOTE: At a meeting held May 24, 1967 between the Attorney General and the Fiscal Analyst, agreement was reached on implementation of the foregoing recommendations.

STATE OF NEVADA  
NEVADA STATE CHILDREN'S HOME  
DEPARTMENT OF HEALTH AND WELFARE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Children's Home for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

Nevada State Children's Home--  
Statement of Financial Condition  
June 30, 1966 ----- Exhibit A

Nevada State Children's Home--  
Statement of Securities Owned  
June 30, 1966 ----- Exhibit A-1

Nevada State Children's Home-Administrative Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit B

Nevada State Children's Home-Care of Children Funds--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 1

Nevada State Children's Home-Educational Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 2

Nevada State Children's Home--4-H Club Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 3

Nevada State Children's Home-Gift Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 4

Nevada State Children's Home-Henry Wood Christmas Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 5

Nevada State Children's Home-Landscaping Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 6

Nevada State Children's Home-Savings Account--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 7

Nevada State Children's Home-Scholarship Trust Fund--  
Statement of Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Schedule 8

Scope of Examination

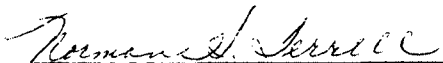
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate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

Opinion

We have examined the Statement of Financial Condition, Savings Account, Henry Wood Christmas Fund and the Scholarship Trust Fund of the Nevada State Children's Home as of June 30, 1966 and the related statements of receipts 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 receipts and expenditures present fairly the financial position of the administrative and donated funds of the Nevada State Children's Home as of June 30, 1966 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 25, 1967

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

NEVADA STATE CHILDREN'S HOME  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

AssetsCurrent Assets

## Cash:

On Deposit With State Treasurer		\$ 1,708.72	
In Banks:			
Savings Account	\$ 925.59		
Trust Fund	<u>2,922.02</u>	<u>3,847.61</u>	\$ 5,556.33
Securities:			
Henry Wood Christmas Fund			
(Exhibit A-1)		\$30,192.00	
Scholarship Trust Fund			
(Exhibit A-1)		<u>12,678.04</u>	42,870.04

Fixed Assets

Furniture and Equipment	\$ 1.00	
Vehicles	<u>1.00</u>	<u>2.00</u>

Total Assets		<u>\$48,428.37</u>
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Fund EquitiesFund Equities

Funds With State Treasurer	\$31,900.72
Funds With Banks	16,525.65
Fixed Assets	<u>2.00</u>

Total Fund Equities	<u>\$48,428.37</u>
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NOTE: A trust fund was established by the Saturno brothers of Reno with a corpus of \$100,000. The income from the corpus is to provide the Children's Home with one educational vacation trip per year. The corpus is not included on this statement as the trust is accountable to the Saturno brothers and not to the State Children's Home.

NEVADA STATE CHILDREN'S HOME  
STATEMENT OF SECURITIES OWNED  
JUNE 30, 1966

Henry Wood Christmas Fund - In Custody of State Treasurer

San Antonio Medical Arts Co.	
Second Mortgage Note, 5½%	\$ 395.00
Third Mortgage Note, 4%	297.00
Pershing County Consolidated School District	
No. 1 Bonds, 3½%	6,000.00
U. S. Treasury Savings Bonds, Series H	16,500.00
U. S. Treasury Savings Bonds, Series K	7,000.00
Total	<u>\$30,192.00</u>

Other Securities Held Where Cost or  
Fair Market Value is not Available:  
    Orpheum Building Co., 424 Shares, \$4 Par Value  
    810 Spring St. Building Co., 10 Shares, \$1 Par Value

Scholarship Trust Fund - In Custody of Trust Department,  
Security National Bank of Nevada, Reno, Nevada

General Motors Corporation, 50 Shares	
Fair Market Value - June 30, 1966	\$ 3,987.00
Standard Oil of New Jersey, 100 Shares	
Fair Market Value - June 30, 1966	7,691.04
Time Certificate of Deposit, 5%, Matures 11/13/66	
Security National Bank of Nevada	1,000.00
Total	<u>\$12,678.04</u>

NEVADA STATE CHILDREN'S HOME  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
<u>Receipts</u>				
G. F. Appropriation	\$186,716.00	\$186,716.00	\$186,716.00	\$ --
Salary Adjustments	214.00	--	214.00	214.00
Room & Board Reimbursement	--	--	583.85	583.85
Total Receipts	<u>\$186,930.00</u>	<u>\$186,716.00</u>	<u>\$187,513.85</u>	<u>\$ 797.85</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$100,444.00	\$100,244.00	\$ 98,579.28	\$ (1,664.72)
Industrial Insurance	563.00	561.00	720.00	159.00
Retirement	5,848.00	5,836.00	5,728.60	(107.40)
Personnel Assessment	900.00	900.00	900.00	--
Group Insurance	720.00	720.00	396.00	(324.00)
Total	<u>\$108,475.00</u>	<u>\$108,261.00</u>	<u>\$106,323.88</u>	<u>\$ (1,937.12)</u>
Travel:				
Out-of-State	\$ 355.00	\$ 355.00	\$ 68.95	\$ (286.05)
In-State	1,400.00	1,700.00	919.49	(780.51)
Total	<u>\$ 1,755.00</u>	<u>\$ 2,055.00</u>	<u>\$ 988.44</u>	<u>\$ (1,066.56)</u>
Operating:				
Office Supplies	\$ 275.00	\$ 275.00	\$ 428.42	\$ 153.42
Postage and Freight	375.00	375.00	295.54	(79.46)
Telephone	2,400.00	2,400.00	2,247.44	(152.56)
Printing	200.00	200.00	36.39	(163.61)
Subscrips. & Ref. Manuals	75.00	75.00	54.47	(20.53)
Dues and Registrations	120.00	120.00	19.00	(101.00)
Bond & Ins. Premiums	400.00	400.00	473.97	73.97
Contract Services-Tutoring	2,000.00	2,000.00	1,467.50	(532.50)
Office Eqpt. Repair	60.00	60.00	60.50	.50
Equipment Repair-Other	1,500.00	1,500.00	2,218.84	718.84
Equipment Rental	--	--	16.00	16.00
Utilities:				
Heat	5,000.00	6,000.00	5,381.06	(618.94)
Power	5,400.00	5,400.00	6,021.72	621.72
Water	90.00	90.00	24.80	(65.20)
Garbage	525.00	525.00	562.00	37.00
Buildings and Grounds:				
Buildings Maintenance	3,800.00	3,800.00	1,919.80	(1,880.20)
Grounds Maintenance	750.00	750.00	224.00	(526.00)
Janitorial Supplies	600.00	600.00	1,019.57	419.57
Truck Operation	750.00	750.00	660.10	(89.90)

EXHIBIT B (CONT.)

	<u>Work Program</u>	<u>Basis for Approp.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp.</u>
Personal and Custodial:				
Medical and Dental	\$ 7,500.00	\$ 7,500.00	\$ 4,851.39	\$ (2,648.61)
Transportation of Children	250.00	250.00	119.48	(130.52)
Food	26,000.00	26,000.00	29,915.46	3,915.46
Kitchen & Dining Supplies	1,500.00	1,500.00	1,049.75	(450.25)
Dorm & Household Supplies	2,000.00	2,000.00	4,408.27	2,408.27
Clothing Purchases	7,000.00	6,000.00	6,272.14	272.14
Laundry Supplies	1,000.00	1,000.00	1,254.64	254.64
Medical & Dental Supplies	1,800.00	1,800.00	1,368.65	(431.35)
Instructional Supplies	800.00	800.00	752.12	(47.88)
Recreational Supplies	3,000.00	3,000.00	2,879.00	(121.00)
Barber & Beautician	650.00	650.00	743.50	93.50
Prisoners Stipends	80.00	80.00	--	(80.00)
Children's Work Money	300.00	--	28.65	28.65
Total	<u>\$ 76,200.00</u>	<u>\$ 75,900.00</u>	<u>\$ 76,774.17</u>	<u>\$ 874.17</u>
Equipment:				
Other Eqpt. & Furn.	\$ 500.00	\$ 500.00	\$ 659.90	\$ 159.90
Total Expenditures	<u>\$186,930.00</u>	<u>\$186,716.00</u>	<u>\$184,746.39</u>	<u>\$ (1,969.61)</u>
Reverted to General Fund				
<u>June 30, 1966</u>			<u>\$ 2,767.46</u>	

NEVADA STATE CHILDREN'S HOME  
CARE OF CHILDREN FUNDS  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts

Fees Received From Counties	\$35,857.98
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Expenditures

Fees Deposited in General Fund	
Account #01060	<u>35,857.98</u>

<u>Fees on Hand, June 30, 1966</u>	<u>\$ -0-</u>
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NEVADA STATE CHILDREN'S HOME  
EDUCATIONAL FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Fund Balance, July 1, 1965</u>		\$134.74
<u>Expenditures</u>		
University Entrance Examination	\$10.00	
University Application Fee	<u>10.00</u>	
Total Expenditures		<u>20.00</u>
<u>Fund Balance, June 30, 1966</u>		
<u>Non-Reverting</u>		<u>\$114.74</u>

NEVADA STATE CHILDREN'S HOME  
4-H CLUB FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Fund Balance, July 1, 1965</u>		\$269.60
<u>Expenditures</u>		
Camp Fees	\$107.56	
Materials for 4-H Projects	<u>162.04</u>	
Total Expenditures		<u>269.60</u>
<u>Fund Balance, June 30, 1966</u>		<u>\$ -0-</u>

NEVADA STATE CHILDREN'S HOME  
GIFT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Fund Balance, July 1, 1965 \$ 698.22

Receipts

Transfer from Savings Account	500.00
Donations-Various Organizations	<u>3,252.16</u>
Total Funds Available	\$4,450.38

Expenditures

Funds Returned to Jack Kogan	\$ 370.00
Girl Scout Fees	19.00
Pictures & Film Processing	133.76
Special Gifts & Clothing for Children	1,260.33
Misc. Gift Repairs, T.V.'s, Radios	276.31
Transfer to Scholarship Fund	<u>797.00</u>
Total Expenditures	<u>2,856.40</u>

Fund Balance, June 30, 1966

Non-Reverting \$1,593.98

NEVADA STATE CHILDREN'S HOME  
HENRY WOOD CHRISTMAS FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Fund Balance, July 1, 1965</u>	\$ 4.29
<u>Receipts</u>	
Interest from Investments	<u>1,241.78</u>
Total Amount Available	<u>\$1,246.07</u>
<u>Expenditures</u>	
Christmas Gifts and Decorations	<u>1,246.07</u>
<u>Fund Balance, June 30, 1966</u>	<u>\$ -0-</u>

NEVADA STATE CHILDREN'S HOME  
LANDSCAPING FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Fund Balance, July 1, 1965</u>	\$76.95
<u>Expenditures</u>	
Pest Control	<u>76.95</u>
<u>Fund Balance, June 30, 1966</u>	<u>\$ -0-</u>

Balance Per State Controller	\$76.95
Pest Control Expenditure	
Recorded in 1966-67 Year	<u>76.95</u>
Fund Balance Per Agency	<u>\$ -0-</u>

NEVADA STATE CHILDREN'S HOME  
\*SAVINGS ACCOUNT  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Fund Balance, July 1, 1965</u>	\$1,376.08
<u>Receipts</u>	
Interest	<u>49.51</u>
Total Amount Available	<u>\$1,425.59</u>
<u>Expenditures</u>	
Transfer to Gift Fund	<u>500.00</u>
<u>Fund Balance, June 30, 1966</u>	
<u>Non-Reverting</u>	<u>\$ 925.59</u>

\*Account with Union Federal Savings and Loan Association,  
Reno, Nevada.

NEVADA STATE CHILDREN'S HOME  
\*SCHOLARSHIP TRUST FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Fund Balance, July 1, 1965 \$12,872.28

Receipts

Private Donations	25.00
Wards' Accounts - Closed	160.63
Transfer from Gift Fund, 1964-1965 Receipts	1,133.83
Transfer from Gift Fund, 1965-1966 Receipts	797.00
Dividends Earned	585.00
Interest Earned	95.82
Total Funds Available	<u>\$15,669.56</u>

Expenditures

Trust Fee	<u>69.50</u>
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Fund Balance, June 30, 1966 \$15,600.06

\*On Deposit with Security National Bank of Nevada, Main Branch,  
Reno, Nevada.

STATE OF NEVADA  
NEVADA STATE CHILDREN'S HOME  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Books and Records

a. Receipts - All receipts are recorded showing dates, from whom received and amount, but are not totaled at the end of each month or even at the end of each fiscal year. Furthermore, the chief assistant does not reconcile her receipt records with those of the Controller because no tab-runs are received from the Controller's office. During the course of our audit it was noted that the Controller had erroneously posted receipts to the credit of the Children's Home which were actually receipts of another state agency. The error was not noted until our audit.

It is recommended that all receipts be totaled monthly and so recorded in the books of record. It is also recommended that the Controller's office be requested to send monthly tab-runs of all receipts received to the Children's Home and that the chief assistant reconcile her records with the Controller's records each month.

b. Register of Securities - The only records of securities held for safekeeping by banks and the State Treasurer's office are letters or reports. It is recommended that a securities register be set up which would indicate the type of security, who holds it, and when and how it was acquired. Any entries in this register increasing or decreasing the amount on hand should be made only when there is a written document to support each entry.

The securities register could be utilized to provide the necessary confirmation data requested each time the Fiscal Analyst makes a money count

at the State Treasurer's office. The present practice of the Children's Home calling the State Treasurer's office for the confirmation data completely circumvents the established state internal control measures.

## 2. Bank Accounts

The Nevada State Children's Home has two savings accounts; a Scholarship Trust Fund with the Security National Bank of Nevada and a Savings Account with the Union Federal Savings and Loan Association. Neither is authorized by statute.

It is recommended that these accounts be consolidated and the necessary statute be amended to provide for legal existence of the resulting account.

## 3. Storeroom Control

In our prior audit it was recommended that all storeroom withdrawals or deliveries be restricted to the hours of the day when the administrative office is open, that only one key to the storeroom should be used and it should be under the control of the administrative office at all times, that withdrawal requisitions should be signed by both the issuing and receiving parties, that a perpetual inventory be maintained on all items, that records be maintained showing the items issued to each particular cottage, and that the accountant make periodic physical inventories.

All of the above recommendations have been implemented except that perpetual inventory records are not maintained and there is no written evidence that there have been any physical counts made of the storeroom inventory. The only records maintained are the withdrawal requisitions by cottage and a summary showing total food, milk and bread used by each cottage. Without adequate records it is not possible to prove the validity of the amount of any item sitting on the shelves.

It is recommended that a perpetual inventory system be installed as soon as possible and that a written physical inventory of the entire storeroom or commissary be taken semiannually. The perpetual inventory system can be established by preparing cards on each item in the storeroom. These cards should show date, quantity received, quantity disbursed and balance on hand. The cards could be posted at the end of each shopping day, using the withdrawal requisition slips as the source data. If the Budget Office is unable to help establish such a system the Fiscal and Audit Division of the Legislative Counsel Bureau will be glad to assist the accountant for the Children's Home.

#### 4. Purchasing

In the prior audit it was recommended that quantity purchases be made through competitive bids in order to realize substantial savings. The home still purchases all foodstuffs and clothing at individual stores by direct purchase authorizations granted by the purchasing director. However, the home is currently working closely with the Purchasing Division of the Department of Administration on price structures and where savings can be made by use of quantity purchases it will be accomplished. The use of individual stores does provide the home with donations of day old goods and reduced prices on dented cans.

#### 5. Annual Report

In the prior audit it was recommended that the superintendent issue his report to the Director of Health and Welfare on an annual basis as required in NRS 423.100 rather than on a biennial basis as has been the practice in the past. The report is still issued on a biennial basis, however, an informal annual statistical accounting is prepared.

As it appears to be unnecessary to print a formal report on an annual basis, it is recommended that NRS 423.100 be amended to provide for a biennial report.

#### 6. Children's Personal Savings Accounts

A number of the children have savings accounts for deposit of moneys received from Social Security, G.I. benefits and their own earnings. The present practice for withdrawal of funds allows the superintendent and chief assistant to sign the withdrawal slips and make the withdrawals. The child is supposed to sign a receipt in duplicate upon being given the money. One copy of the receipt is to be retained in the office file and the other copy placed in the child's personal file folder.

During the audit it was noted that the signature slips supposedly signed by the children were not in their personal files nor were they maintained elsewhere in the office files. In many instances a cottage parent acknowledged receipt of a withdrawal rather than the child.

To establish better control over these funds we recommend the following procedure be installed:

a. New signature cards be prepared and signed by each child in the presence of a member of the staff of the office of the Director of Health and Welfare. One copy of the signature card be retained by the Director of Health and Welfare.

b. Withdrawals to be made only on withdrawal slip prepared in triplicate and signed by child, superintendent of Children's Home and a member of the staff of the office of the Health and Welfare Director. One copy of the slip to be retained in files of the office of Health and Welfare for audit purposes. These copies will be turned over to Legislative auditors each time an audit is made of the Children's Home.

The present practice of the children signing a receipt for the money should be continued and the signed receipt should be attached to a copy of the withdrawal slip and filed in the child's personal file in the business office of the Children's Home.

The above remarks are not made to cast any reflections on any member of the present staff of the Children's Home, but are made to provide flexible internal control for changing staff conditions and to provide audit trails for fiduciary funds not deposited with the State Treasurer.

#### 7. State Welfare Board

In the prior audit it was recommended that salary, per diem and travel expenses for members of the State Welfare Board, meeting to discuss policy for the State Children's Home, be paid from the Welfare Fund as required in NRS 422.130 and NRS 422.240. This recommendation has not been implemented.

We again recommend that the Welfare Board be paid strictly from the Welfare Fund in accordance with chapter 422 of the Nevada Revised Statutes. Since the travel expenses for members of the Welfare Board paid from the Children's Home funds amount to less than \$500 annually, it is suggested that the Budget Division, the Welfare Division and the Children's Home work together to provide that the necessary amounts will be paid from the Welfare Fund starting July 1, 1967.

#### 8. Apprenticeship


NRS 423.240 provides that the superintendent may apprentice any child in the Children's Home. The last amendment to this law was written in 1919. Presently, most apprenticeship programs require the apprentice to be 18 years of age or older before being accepted, the same age children leave the State Children's Home.

Since the statute is archaic and the superintendent has no legal means or desire to apprentice any children under 18, it is recommended that NRS 423.240 be repealed.

9. Prior Recommendations

All recommendations made in our prior audit report dated April 1964, not specifically commented on in this current report, have been fully implemented by the Children's Home. However, there are still a number of our recommendations which have not been implemented as may be noted by the foregoing paragraphs. We strongly urge that efforts be made as quickly as possible to fully put into effect all recommendations contained in this report. Implementation of these suggestions will conserve work time at the Children's Home, conserve state funds and provide information in the books and records for immediate availability for needed reports.

Carson City, Nevada  
May 25, 1967

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

NOTE: At a meeting held June 7, 1967 between the Fiscal Analyst, the Superintendent of the Nevada State Children's Home and the State Director of Health and Welfare, agreement was reached on implementation of the foregoing recommendations not already initiated.

STATE OF NEVADA  
STATE CONTROLLER

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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



STATE OF NEVADA  
STATE CONTROLLER  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

The Controller of the State of Nevada requested that the Audit Division of the Legislative Counsel Bureau make a study of the procedures and systems in effect in his office with recommendations for improving same, in order to streamline the system and cut costs wherever possible. In addition, the Controller wanted to update the present accounting system in order to have meaningful financial information on a timely basis for all state agencies.

The following are the examination findings with recommended changes in procedures. In many instances the Controller has instituted the recommendations or is in the process of changing over to the recommended procedures.

We wish to acknowledge the complete cooperation received from the Controller and the Department of Administration and their many timely suggestions concerning procedures and system changes which are incorporated in this report.

The most significant change which the Controller must make in his operation is the conversion of the present single entry cash basis accounting system into a double entry fund accounting system which records assets, liabilities, income and expenses, in accordance with generally accepted governmental accounting principles. The present single entry cash basis accounting system used by the State of Nevada makes it virtually impossible to have a true financial picture of the state's operations without weeks or even months of auditing and verifying transactions. This stems from the

inherent weakness of the present system to distinguish between revenues and other receipts and expenses of operations as compared to purchases of assets or liquidation of indebtedness.

For example, funds used by agencies to purchase investments such as TCD's, bonds or Federal securities are recorded as expenses when the actual cash outlays are made instead of reflecting the true nature of the transactions; in this case, the exchanging of one type of asset for another. Conversely, when investments are redeemed, the accounting system records the cash received as income while in reality an exchange of assets has again taken place.

Once an asset has been purchased, the present accounting system does not make provisions for recording the asset within its basic structure. Assets are carried as memorandum entries in various locations throughout the state.

Although the present system records the flow of cash, the nature of the expenditure with certain limitations and the available balance of legislative appropriation or authorization, in many instances the information is not timely and/or insufficient to be useful to agency executives for proper management of their respective operations. This has led to the situation where each agency in the state is keeping its own accounting records in order to manage its fiscal activities. There is a tremendous duplication of work being done which cannot be eliminated until a new double entry fund accounting system is instituted in the Controller's office. Not only must the system be accurate and timely, but provisions must also be made to have all financial information needed by all agencies incorporated in the system in order to minimize the need for accounting or bookkeeping services within each agency.

It should be noted that the words "fund accounting system" as used in this discussion correspond to the National Committee of Municipal Accounting definition which states:

"A fund is a....sum of money or other resources (gross or net) set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations and constituting an independent fiscal and accounting entity."

The Controller and the Department of Administration presented legislation to the 54th session of the Nevada Legislature for authority to convert the present system to a fund accounting system which was approved and is to serve as the legal basis for setting up the new system. The Controller and the Department of Administration are in the process of converting the present system into a fund accounting system.

In conjunction with the proposed double entry accounting system, the procedures study of the various methods of handling existing paper work needed to generate accounting information has revealed that in certain areas as many as three offices process the same pieces of paper in recording accounting information. This has not only created duplication and wasted motion, but has also had the effect of making firms reluctant to do business with the state due to the slowness with which claims against the state are paid to vendors.

It should further be noted that NRS 227.160 makes it mandatory upon the Controller to audit all claims against the state with the exception of those claims fixed by law. From available information it appears that this provision of NRS has not been adhered to for at least the past 16 years.

However, under the present system, having the Controller's office audit claims as required by statute would just add another clerical check point to the accounting process and in turn slow down payment of vendors' claims even more. Therefore, the Controller and the Department of Administration have tentatively agreed to institute a central accounts payable division wherein all vendors' claims will be processed once, bypassing the agencies; thus cutting costs of handling and lag time in payment of claims. In addition, a study will be made in an effort to arrive at a solution on the division or consolidation of preauditing responsibilities which the Controller and the Board of Examiners are charged with.

The Controller's office has an IBM computer and plans to acquire a newer model in April of 1967. To date the computer facilities have not been utilized to their full capabilities. There are various reasons for this, but the primary reason has been the lack of training, experience and supervision of personnel responsible for the operation of the machine. This is also the reason for not computerizing many operations now being done by hand.

It is the intent of the Controller's office to computerize all operations possible. In addition, the new double entry fund accounting system will be completely processed by the computer. Further, it is the Controller's intent to institute a program whereby other state agencies having machine oriented problems can use the computer on a rental basis, thus reducing the necessity for other computer installations in state government as well as utilizing the tremendously high speed capabilities of computers in solving modern business problems.

The following paragraphs list areas which were reviewed by the Legislative Counsel Bureau with recommended changes being enumerated.

## Receipts

The present procedures for processing receipts of cash received in the State Treasury necessitate two coding operations prior to processing by the computer. The first coding of receipts is done by the agency originating the receipt prior to transmission to the State Treasury. The Treasurer, upon receiving the funds, sends a copy of the agency's receipt to the Controller's office which then recodes the information in the format used by the data processing section.

It is recommended that all state agencies depositing funds in the State Treasury be given specific written instructions on format and coding information so that they can code the information in the manner needed by the Controller. This will eliminate the need for an employee of the Controller's office to recode receipts a second time, thus leaving the employee free to perform other duties and speeding up the flow of paper work in the office.

In conjunction with new coding instructions, provisions should be made for explaining in detail the accounting definitions of revenues compared to receipts. This will help eliminate the tendency of some agencies to designate as revenue all money received, regardless of whether the funds are in fact revenue or merely an exchange of assets.

## Accounts Payable

Payment of the state's accounts payable account for approximately 60% of the Controller's daily operations. In the past, there have been serious problems in processing claims on a timely basis due to the following reasons:

Agencies having district offices in Carson City have been handling vendors' invoices two or more times before the claims are sent to the budget

office for preauditing. Many agencies have not been processing claims on a regular, timely basis but submit them for payment at intervals of one week or longer with the bulk of the claims submitted at the end of a month.

The Controller's office has not had a regular schedule for processing of warrants, therefore, no provisions have been made for consistent processing of warrants. Claims have been processed whenever sufficient amounts have been accumulated without regard for the length of time the claims have been in process.

The typing of information from invoices to the state's list of claims has further increased paper work and handling time. Information typed on the list of claims has not been readily adaptable to machine processing and more time and paper handling has been necessary to code and edit the lists in the Controller's office in order to process the information.

Once warrants have been written, signed and made for distribution, the procedure has been to send them back to the agency for final distribution to vendors.

The following recommendations have been made in order to speed up payment of claims:

In order to eliminate the handling of invoices by district offices and main offices prior to submission to the budget office, the Controller and the Department of Administration, at our suggestion, have been investigating the possibility of setting up a central accounts payable clearing house where all vendors can send their invoices, eliminating one or two clerical handling points. In order to retain agency accountability, it is proposed to adopt a receiving document for agencies to submit to the budget office acknowledging receipt of the goods or services and authorizing payment for same.

From an analysis made of the month of December 1966, it was noted that the Purchasing Division billed 108 state agencies using 232 transfer statements. Some agencies received as many as 30 statements during the month with the number of invoices per statement ranging from 1 to 85 and the average being 6. It was also noted that in some instances one invoice in the amount of 20 cents was put on a statement and processed. Considering the time, paper and handling involved in processing statements, expenses incurred in processing these small amounts far exceed the actual cost of the items purchased.

It is recommended that the Controller and the Purchasing Division look into the possibility of billing agencies once a week for all purchases. The forms needed to requisition supplies and billing forms should be redesigned in order to incorporate all pertinent accounting information on as few forms as possible.

#### Payroll Procedures

The office of the Controller is converting its payroll operations to a biweekly system from the semimonthly system used presently. In conjunction with the change, provisions are being made to have the computer calculate the payroll instead of the present system which merely uses the computer as a high speed typewriter for writing warrants and the warrant register. In addition, annual leave, sick leave and compensatory time accrued and used will be incorporated in the check stub and a master file will be produced in order to enable the Personnel Division to audit for leave accrued and used during any given period. Social Security numbers are to be used for employee number, facilitating employee identification and providing better control over the various deductions the Controller is contemplating putting into effect.

In conjunction with the above proposal, the Controller and the Department of Administration are in the process of solving the requirements of NRS 227.160 which makes it mandatory for the Controller to audit all claims against the state (except those set by statute) independent of the Board of Examiners. The proposed central accounts payable clearing house and the addition of an encumbrance control under the new accounting system will be coordinated with NRS 227.160 in order to speed up paper flow, reduce handling and preaudit claims as required by statute.

It is further recommended that daily schedules be adopted for processing of accounts payable claims. Within certain limitations, this recommendation has been adopted and appears to be working satisfactorily.

In order to eliminate typing of information from invoices to lists of claims, it has been recommended that the list of claims form be deleted and invoices used as the original source documents. This is still in the preliminary stages and will be implemented at a later date.

At the request of the State Controller, the last session of the Legislature amended Chapter 227 whereby the Controller would have the option of mailing warrants directly from his office if practical. This provision is also being implemented as soon as all the details are worked out.

#### Transfer Billings

The present methods used to bill the various state agencies for services or materials purchased from the intergovernmental service agencies such as the Purchasing Division, Motor Pool, Printing Office and the mail and telephone service group are presently very cumbersome and time consuming. Because the Purchasing Division generates the largest amount of paper work we confined our discussion to this agency. However, improvements can be made in all intergovernmental service agencies.

Studies are being made by the Controller and the Department of Administration to eliminate the excessive paper work necessitated by the present payroll procedures. It is contemplated using some type of exception document to report any changes in payrolls. If there are no changes in a payroll, the agency will simply submit a document stating that fact instead of the present change sheets.

#### Bank Reconciliation

The present method of reconciling bank statements is very awkward and time consuming. The present method consists of writing warrants and two copies of each warrant. One copy goes to the State Treasurer's office for use as a control document and the other copy is kept in the Controller's office.

When a warrant is paid by the bank it is returned to the State Treasurer where it is matched against the copy. Any duplicates remaining unmatched then become the outstanding warrant file. The warrants matched by the Treasurer are then sent to the Controller's office which also matches its duplicate copy against the cancelled check. The duplicate is then discarded and the cancelled check filed in numerical order. Any duplicates remaining unmatched again constitute the outstanding warrants file.

Under the present system it is almost impossible for the Fiscal Analyst to perform a money count at any given time, but must wait until the end of a month because the Controller does not have an up-to-date outstanding warrants list.

It was recommended that the Controller and the Treasurer look into the possibility of having the bank perform the reconciliation. However, because the Treasurer insists on reconciling his bank account daily, this did not prove feasible. The Controller is therefore putting his Controller

bank reconciliation on the computer, thus deleting one person from the agency payroll and enabling him to reconcile the bank accounts at any given time.

#### County Tax Settlement Statements

County remittances of taxes and fees collected for the state are transmitted to the State Controller on tax settlement statements. The statements are hand posted in a ledger showing the various sources of receipts by counties. From the information submitted by the counties, a clerk in the Controller's office also codes the information for inclusion in the machine posted fund status report. The figures shown in this report are in total only with no breakdown as to source and county.

It is recommended that the Controller do away with the hand posted ledger and the information needed for fiscal control be done by the computer.

#### Savings Bonds

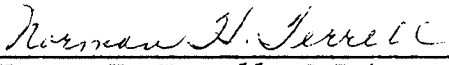
The present method of accounting for bond purchases and issues in the Controller's office is a combination of hand and machine operations. A clerk in the Controller's office posts each deduction made for a bond purchase from the deduction register which is a by-product of the payroll operation. This posting is made to individual subsidiary ledgers by hand. When the ledger shows that sufficient funds have been accumulated to purchase bonds, the clerk then types up a bond purchase form and submits it to the bank which issues the bond.

The Controller is in the process of setting up the bond accounts on the computer which will show the deduction amounts, purchase price of the bond and any balance left after bonds have been purchased. This balance will also be shown on the purchaser's payroll check stub for better control purposes.

# SUMMARY

The foregoing recommendations and their implementation had a decided impact on the state's accounting system and procedures. The major changes such as converting to a double entry fund system are far-reaching and cannot be accomplished overnight. Many modifications will have to be made as progress is accomplished. Through the cooperation of the Department of Administration, the Controller and the Fiscal Analyst, giant steps have been taken towards the State of Nevada having a modern model state accounting system in the future.

Carson City, Nevada  
June 22, 1967

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



STATE OF NEVADA  
NEVADA YOUTH TRAINING CENTER  
DEPARTMENT OF HEALTH AND WELFARE

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Youth Training Center for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

Nevada Youth Training Center-Boys' Fund-- Statement of Financial Condition June 30, 1966 -----	Exhibit A
Nevada Youth Training Center-Farm Contingent Fund-- Statement of Financial Condition June 30, 1966 -----	Exhibit A-1
Nevada Youth Training Center-Gift Fund-- Statement of Financial Condition June 30, 1966 -----	Exhibit A-2
Nevada Youth Training Center-Administrative Fund-- Statement of Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Exhibit B
Nevada Youth Training Center-Farm Contingent Fund-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Schedule 1
Nevada Youth Training Center-Gift Fund-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Schedule 2
Nevada Youth Training Center-Care of Boys Receipts-- Statement of Receipts and Expenditures for the Fiscal Year Ended June 30, 1966 -----	Schedule 3
Nevada Youth Training Center-- Funds on Deposit - Boys in Residence June 30, 1966 -----	Schedule 4
Nevada Youth Training Center-- Funds on Deposit - Boys on Parole June 30, 1966 -----	Schedule 5

Nevada Youth Training Center--  
Funds on Deposit - Boys on Out-of-State Placement  
June 30, 1966 ----- Schedule 6

Nevada Youth Training Center--  
Funds on Deposit - Boys Released from Jurisdiction  
June 30, 1966 ----- Schedule 7

Nevada Youth Training Center--  
Statement of Runaway Sacrifices  
June 30, 1966 ----- Schedule 8

Scope of Examination

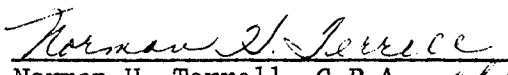
Although we did not make a detailed examination of all recorded transactions, our examination was made in accordance with generally accepted auditing standards. It included test-checks and analyses of the accounting records and other supporting documents to the extent which, in our opinion, were adequate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

Opinion

We have examined the statements of financial condition of the Boys' Fund, Farm Contingent Fund and Gift Fund of the Nevada Youth Training Center as of June 30, 1966 and the related statements of receipts 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 Administrative Fund, Boys' Fund, Farm Contingent Fund and Gift Fund of the Nevada Youth Training Center as of June 30, 1966, 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  
June 21, 1967

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

NEVADA YOUTH TRAINING CENTER  
BOYS' FUND  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

Cash in Bank \$6,655.78

Liabilities

Funds on Deposit:  
Boys in Residence (Schedule 4) \$1,076.96  
Boys on Parole (Schedule 5) 3,855.09  
Boys on Out-of-State Placement (Schedule 6) 5.00  
\$4,937.05

Surplus

Remaining Balance of Funds Retained  
from Accounts of Runaways and Boys  
Released Prior to 1962 (See Note) 1,718.73  
Total Liabilities and Surplus \$6,655.78

NOTE: Prior to 1962 - Funds of Runaway  
Boys Retained by School (Schedule 8) \$3,125.44  
Prior to 1962 - Funds of Boys Released  
from Jurisdiction Not Claimed (Net)  
(Schedule 7) 809.64  
\$3,935.08  
Less: Surplus Noted Above 1,718.73  
Deficit in Boys' Fund \*\$2,216.35

\*Resulted from practice of agency expending funds of boys who ran away from the center. This practice discontinued prior to 1962.

NEVADA YOUTH TRAINING CENTER  
FARM CONTINGENT FUND  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

Cash on Deposit with State Treasurer	<u>\$1,664.26</u>
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Liabilities

Fund Equity	<u>\$1,664.26</u>
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NEVADA YOUTH TRAINING CENTER  
GIFT FUND  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

Assets

Cash on Deposit with State Treasurer	<u>\$71.24</u>
---	----------------

Liabilities

Fund Equity	<u>\$71.24</u>
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NEVADA YOUTH TRAINING CENTER  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>Work Program</u>	<u>Basis for Approp. or Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Author.</u>
<u>Revenue</u>				
General Fund Appropriation	\$785,587.00	\$785,587.00	\$785,587.00	\$ --
Salary Adjustments	23,859.00	--	23,859.00	23,859.00
Federal Vocational	12,000.00	12,000.00	--	(12,000.00)
Receipts:				
Transfer from Forestry Div.	--	--	985.63	985.63
Utility Reimbursement-Staff	--	--	1,770.00	1,770.00
Meals	--	--	175.50	175.50
Total Revenue	<u>\$821,446.00</u>	<u>\$797,587.00</u>	<u>\$812,377.13</u>	<u>\$ 14,790.13</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$483,472.00	\$461,714.00	\$407,466.12	\$(54,247.88)
Industrial Insurance	3,450.00	2,650.00	2,707.88	57.88
Retirement	28,689.00	27,438.00	23,096.42	(4,341.58)
Personnel Assessment	3,800.00	3,750.00	3,800.00	50.00
Group Insurance	2,736.00	2,736.00	879.00	(1,857.00)
Total	<u>\$522,147.00</u>	<u>\$498,288.00</u>	<u>\$437,949.42</u>	<u>\$(60,338.58)</u>
Travel:				
Out-of-State	\$ 350.00	\$ 350.00	\$ 178.30	\$ (171.70)
In-State	8,500.00	8,500.00	8,926.37	426.37
Total	<u>\$ 8,850.00</u>	<u>\$ 8,850.00</u>	<u>\$ 9,104.67</u>	<u>\$ 254.67</u>
Operating:				
Office Supplies	\$ 1,800.00	\$ 1,300.00	\$ 1,801.32	\$ 501.32
Freight and Postage	1,500.00	1,500.00	1,340.11	(159.89)
Telephone	7,200.00	8,000.00	7,031.21	(968.79)
Printing	28.00	528.00	--	(528.00)
Subscrips. & Ref. Manuals	75.00	75.00	64.00	(11.00)
Dues & Registrations	75.00	75.00	15.00	(60.00)
Bond & Ins. Premiums	750.00	750.00	1,031.99	281.99
Contract Service	3,000.00	3,000.00	2,560.00	(440.00)
Office Equipment Repair	500.00	500.00	592.37	92.37
Equipment Repair-Other	1,500.00	1,500.00	1,385.23	(114.77)
Equipment Rental	100.00	100.00	81.00	(19.00)
Heat	18,000.00	18,000.00	17,813.54	(186.46)
Power	22,000.00	22,000.00	19,431.20	(2,568.80)
Janitorial Supplies	1,400.00	1,500.00	1,467.82	(32.18)
Building Maintenance	7,000.00	7,000.00	7,107.86	107.86
Grounds Maintenance	1,000.00	500.00	1,000.77	500.77
Truck Operation	1,800.00	1,800.00	1,789.28	(10.72)
Medical & Dental Care	23,000.00	25,000.00	18,053.86	(6,946.14)
Transportation of Wards	5,000.00	4,500.00	5,898.02	1,398.02

## EXHIBIT B (CONT.)

	<u>Work Program</u>	<u>Basis for Approp. or Author.</u>	<u>Actual Receipts &amp; Expend.</u>	<u>Over or (Under) Approp. or Author.</u>
<u>Expenditures (Cont.)</u>				
Operating (Cont.):				
Food	\$ 75,000.00	\$ 75,000.00	\$ 65,144.90	\$ (9,855.10)
Kitchen & Dining Room				
Supplies	2,184.00	1,684.00	2,064.21	380.21
Dorm & Household Supplies	5,000.00	4,000.00	2,344.52	(1,655.48)
Clothing	11,500.00	10,500.00	11,638.63	1,138.63
Laundry Supplies	1,044.00	1,056.00	811.54	(244.46)
Medical Supplies	2,000.00	2,688.00	1,667.96	(1,020.04)
Instructional Supplies	6,100.00	5,500.00	5,421.76	(78.24)
Recreational Supplies	4,500.00	4,500.00	4,181.51	(318.49)
Barber Services	1,100.00	1,600.00	1,161.00	(439.00)
Farming	2,000.00	2,000.00	1,620.69	(379.31)
Total	<u>\$206,156.00</u>	<u>\$206,156.00</u>	<u>\$184,521.30</u>	<u>\$ (21,634.70)</u>
Equipment:				
Automobiles	\$ 4,000.00	\$ 4,000.00	\$ 1,964.93	\$ (2,035.07)
Trucks	2,200.00	2,200.00	3,051.96	851.96
Office Furniture	1,561.00	1,561.00	1,563.71	2.71
Office Equipment	1,010.00	1,010.00	1,044.95	34.95
Other Furniture & Eqpt.	37,522.00	37,522.00	15,394.99	(22,127.01)
Total	<u>\$ 46,293.00</u>	<u>\$ 46,293.00</u>	<u>\$ 23,020.54</u>	<u>\$ (23,272.46)</u>
Other:				
Outside Agency	\$ 26,000.00	\$ 26,000.00	\$ 11,871.05	\$ (14,128.95)
Vocational Education	12,000.00	12,000.00	3,611.08	(8,388.92)
Total	<u>\$ 38,000.00</u>	<u>\$ 38,000.00</u>	<u>\$ 15,482.13</u>	<u>\$ (22,517.87)</u>
Total Expenditures	<u>\$821,446.00</u>	<u>\$797,587.00</u>	<u>\$670,078.06</u>	<u>(\$127,508.94)</u>
<u>Fund Balance, June 30, 1966</u>				
<u>Reverted to General Fund</u>			<u>\$142,299.07</u>	

NEVADA YOUTH TRAINING CENTER  
FARM CONTINGENT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>		\$ 793.85
<u>Revenue</u>		
Sales-Hay and Seedings	\$1,344.61	
Sign Rental	<u>30.00</u>	
Total Revenue		<u>1,374.61</u>
Total Funds Available		<u>\$2,168.46</u>
<u>Expenditures</u>		
Repairs	\$ 96.76	
Poles for Corrals	<u>407.44</u>	
Total Expenditures		<u>504.20</u>
<u>Balance, June 30, 1966 (Non-Reverting)</u>		<u><u>\$1,664.26</u></u>

NEVADA YOUTH TRAINING CENTER  
GIFT FUND  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Balance, July 1, 1965</u>	\$164.22
<u>Revenue</u>	
Donations	<u>474.98</u>
Total Funds Available	\$639.20
<u>Expenditures</u>	
Gifts and Recreational Supplies	<u>567.96</u>
<u>Balance, June 30, 1966 (Non-Reverting)</u>	<u>\$ 71.24</u>

NEVADA YOUTH TRAINING CENTER  
CARE OF BOYS RECEIPTS  
STATEMENT OF RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

<u>Revenue</u>	
Receipts from Parents	\$2,280.00
 <u>Expenditures</u>	
Deposits to General Fund Acct. #01360	<u>2,280.00</u>
 <u>Balance, June 30, 1966</u>	 <u>\$ -0-</u>

Reconciliation to Controller's Records

Balance per Controller	\$7,128.45
Less: State Advalorem Tax Coded to Acct. #01360 in Error	<u>4,848.45</u>
Amount per Agency Records	<u>\$2,280.00</u>

NEVADA YOUTH TRAINING CENTER  
FUNDS ON DEPOSIT - BOYS IN RESIDENCE  
JUNE 30, 1966

<u>Name</u>	<u>Amount</u>	<u>Name</u>	<u>Amount</u>
Allen, James	\$ 65.00	Knittle, David	\$ .05
Allen, Steve	.10	Knutson, Robin	1.50
Annis, Roger	2.13	Langford, Tom	24.50
Askew, Gary	.12	Lay, Charles	6.28
Banks, Allen	.51	Lera, Jack	6.07
Barnes, John	4.00	Love, Gary	1.49
Berry, John	8.00	McBride, Gary	5.26
Bess, Donald	3.00	McCullough, John	3.50
Block, Richard	6.00	McKines, James	1.00
Booth, Bob	6.00	McNallen, Mike	2.50
Bragg, Jerry	.60	Manning, Benny	1.00
Burch, David	.22	Marciano, James	4.00
Burcholzer, Frank	2.00	Mattern, Terry	1.00
Burkhart, Randy	3.80	Medders, Larry	1.50
Butt, Jimmy	2.93	Miller, Paul	.12
Charleson, Allen	11.54	Monroe, Robert	.45
Choate, Darrell	5.40	Morse, Thomas	10.69
Cooper, O. C.	2.00	Mosley, Roxell	6.00
Craig, Robert	12.33	Mulcahy, Gary	1.10
Davis, Gerald	8.30	Parker, Ray	1.00
Davis, Leroy	10.11	Patterson, Richard	3.00
Day, E.	4.00	Peterson, Craig	.26
Dixon, Dennis	4.92	Ponds, Terry	9.00
Dixon, Henry	.53	Prather, Gilbert	8.00
Eshman, Alleny	.26	Richardson, Martin	.32
Farzad, Charles	16.00	Riley, Billy	6.00
Gallerani, Jaro	388.59	Robertson, Early	2.73
Gonzales, Tony	7.04	Rowe, Eugene	4.00
Gray, John	15.60	Sapp, Robert	8.50
Gray, Paul	15.18	Sims, Clifton	15.75
Griffith, Robert	48.00	Sliger, Dennis	5.00
Haley, Rickey	15.00	Smith, Terry	1.00
Hampton, Donald	1.00	Taylor, James L.	10.00
Hampton, Sid	15.10	Terry, Francis	2.00
Hankins, Floyd	39.34	Thompson, Harold	5.00
Hodge, Richard	.50	Ureno, Ralph	13.00
Hodges, Jack	.32	Vanderhook, Steven	22.25
Holloway, Darrell	.04	Walker, Richard	53.37
Howerton, Tom	.19	Ward, Ronald	.25
Jackson, Ned	1.00	Warehime, Fred	11.02
James, Marvin	13.00	Washington, Gerald	28.80
Jarecki, Marvin	4.56	Weatherspoon, Larry	9.00
Johnson, George	15.69	Wheeler, Neil	1.00
Johnson, Phillip	9.75	Williams, Raymond	2.00
Jones, Johnny	7.00		
			<u>\$1,076.96</u>

NEVADA YOUTH TRAINING CENTER  
FUNDS ON DEPOSIT - BOYS ON PAROLE  
JUNE 30, 1966

<u>Name</u>	<u>Amount</u>
Burkey, Bill	\$ (3.00)
Dixon, Wayne	14.00
Earhart, Thomas	.19
Garcia, Ben	5.00
Garrett, Danny	356.26
Griffin, David	(2.00)
Harney, Riley	.02
Holmes, Terry	.14
Horst, J. B.	(3.60)
Houck, Joel E., Jr.	.02
Johnson, Albert E.	3.00
Kinzey, Perry M.	3,474.54
Lee, Michael A.	2.50
Meyers, Kim aka Angeloh	1.00
More, John	4.00
Trott, Robert	.02
Walker, Bernard	1.00
Wren, C. R.	2.00
	<u>\$3,855.09</u>

NEVADA YOUTH TRAINING CENTER  
FUNDS ON DEPOSIT - BOYS ON OUT-OF-STATE PLACEMENT  
JUNE 30, 1966

<u>Name</u>	<u>Amount</u>
Biggs, John	\$5.00

NEVADA YOUTH TRAINING CENTER  
FUNDS ON DEPOSIT - BOYS RELEASED FROM JURISDICTION  
JUNE 30, 1966

<u>Name</u>	<u>Amount</u>	<u>Name</u>	<u>Amount</u>
Allan, J. J.	\$(16.62)	Fitzpatrick, D.	\$ 9.40
Anderson, L. M.	(3.50)	Forisha, Lynn	(.19)
Antunovich, W.	(14.03)	Forrest, M.	6.26
Avlicino, T.	21.34	Galloway, Mike	6.59
Barnes, L.	7.89	Garrison, B.	6.45
Belles, A.	(17.15)	Gay, J.	85.83
Bennett, Paul	(1.75)	Ghen, R.	4.50
Benson, J.	5.00	Gillespie, D.	(6.09)
Billingsly, D.	15.14	Giordano, D.	2.08
Bitt, E.	17.10	Grewsing, G.	2.01
Blackeye, F.	59.97	Grub, C.	(17.39)
Blackburn, H.	10.44	Haas, E.	(3.00)
Bliss, F.	(42.32)	Hall, C.	4.00
Blomley, William	(1.00)	Hardin, D.	6.24
Boland, L.	(14.13)	Hardin, M.	(15.22)
Bolden, J. B.	(.05)	Hardison, F.	18.97
Bradley, C.	6.00	Hargrove, S.	8.45
Bragg, C.	(17.80)	Harris, H.	(20.51)
Brown, Mike	14.65	Haskins, R.	4.50
Brown, Wallace	.45	Hogan, J.	33.00
Bunnt, R.	4.32	Holden, J.	(2.96)
Burson, R.	(19.63)	Jim, S.	20.81
Burt, T.	(.68)	Johnson, J.	(.11)
Burton, B.	12.17	Jones, M.	10.00
Burton, E.	(1.00)	Kaye, D.	(5.63)
Callaway, J.	27.39	Kelley, M.	(.95)
Cambell, J.	(3.34)	Laswell, K.	(22.00)
Case, Richard	3.80	Laube, G.	(11.82)
Collins, D.	6.00	Lawrence, B.	31.19
Compton, B.	(10.94)	Lenard, E.	(30.10)
Cooper, B.	(7.85)	Leyva, H.	4.50
Corum, B.	(26.42)	Linza, M.	(4.80)
Danielson, W.	2.55	Lucas, C.	4.00
Darnell, D.	(7.02)	Lyles, J.	4.82
Davbes, P.	23.81	McConlery, J.	.50
Day, R.	1.19	McConley, T.	2.50
Della, L.	(2.16)	McGuffey, D.	3.25
Denton, D.	50.47	McIntosh, F.	(1.84)
Dick, V.	.32	McKinney, J.	2.00
Dolsman, C.	(9.25)	McQueen, K.	3.60
Easley, G.	.55	Malone, L.	15.32
Erickson, B.	(32.36)	Martin, W.	.28
Evans, Ira	(12.72)	Martinez, M.	79.56
Fairweather, J.	30.10	Mathews, M.	4.50
Favrfoxe, S.	8.26	Mauley, T.	8.00
Felton, Tom	(2.29)	Melton, J.	4.00

SCHEDULE 7 (CONT.)

<u>Name</u>	<u>Amount</u>	<u>Name</u>	<u>Amount</u>
Miles, F.	\$ 4.50	Summerlin, H.	\$ 26.88
Miller, T.	(17.59)	Swofford, R.	14.50
Mitchell, E.	4.85	Sylvester, J.	(1.15)
Mitchell, L.	(67.00)	Tamburano, M.	.75
Morris, Ralph	172.16	Tanner, C.	(9.95)
Morris, Robert	(14.43)	Tarter, D.	(.26)
Mouday, Rollard	18.01	Taylor, Bill	2.50
Nash, E.	(16.06)	Taylor, Bobby	3.58
Natzman, G.	3.58	Thomas, E.	16.50
Neilson, L.	23.71	Thompson, G.	8.32
Niswander, H.	6.58	Thompson, R.	(2.00)
Oldfield, R.	3.48	Tomlinson, T.	.04
O'Neal, Robert	64.76	Tooley, C.	15.21
O'Neal, Clifton	3.50	Tybo, A.	(3.93)
Ormand, R.	2.00	Urbaner, A.	47.41
Pablo, J.	1.74	Vallion, G.	(25.04)
Padilla, P.	.25	Van Cleave, J.	(126.39)
Parker, D.	2.58	Vegas, Carlos	2.56
Payne, J.	(1.35)	Vogliotte, L.	.43
Powell, R.	(7.42)	Wade, R.	16.12
Price, T.	8.80	Walker, D.	(2.73)
Rae, R.	(9.85)	Wallace, B.	(1.63)
Ramedell, R.	(4.22)	Washington, B.	20.71
Ramos, J.	36.46	Watson, R.	(2.25)
Rassmussen, D.	(15.94)	Watson, W.	60.77
Rennert, P.	19.34	Weisbrod, G.	8.59
Roberson, G.	(3.90)	Wehrheim, A.	19.35
Robinson, E.	6.00	Welch, L.	(9.59)
Rything, A.	(2.58)	Welch, V.	(.79)
Salaz, D.	(17.83)	Wheeler, W.	(1.55)
Sears, H.	13.96	White, R.	3.32
Seekford, J.	.64	Wiles, W.	(13.08)
Sharp, W.	.40	Wilkin, H.	2.50
Short, R.	11.89	Williams, Ernest	7.10
Shrackengauet, E.	(3.99)	Williams, Ronald	(8.50)
Shriver, C.	4.14	Williams, Wayne	2.50
Sicco, G.	157.29	Winap, M.	13.10
Sisemore, W.	1.00	Wofford, K.	(25.00)
Slocum, J.	4.32	Wofford, R.	.14
Smith, C.	(7.42)	Wolford, M.	14.12
Smith, D.	(7.25)	Wooley, R.	7.05
Smith, R.	12.24	Zillick, J.	6.42
Snyder, F.	(4.71)	Zunio, B.	.53
Somerville, W.	24.63		
Spearman, B.	(6.44)		
Stevens, J.	(1.44)		
Summerlin, C.	(.31)		
			<u>\$809.64</u>

NEVADA YOUTH TRAINING CENTER  
STATEMENT OF RUNAWAY SACRIFICES  
JUNE 30, 1966

<u>Name</u>	<u>Amount</u>
Astor, Lawrence	\$ 152.91
Beatty, James	54.50
Benson	18.43
Campbell, Jerry	65.52
Davis, Melvin	136.86
Davis, Stephen	21.89
Devensenzi, Frank	79.14
Dodd, Chuck Brookins	12.00
Elmer, Bill	37.43
Fike, Richard	5.53
Geer, Tom	4.67
Gillette, Dean	24.02
Gordon, Earl	7.63
Guffy, Perry	57.65
Harrington, Joseph	11.25
Hebblethwaite, James	190.23
Hovietz, Leslie	124.82
Kay, David	185.38
Kendall, Bob	39.94
Kiley, Dale	10.30
Lanham, Ralph	36.76
Miller, Elmer	60.00
Mitchell, Lee	74.72
Morris, Ralph	214.38
McCray, George	108.07
McGee, Richard	55.72
McKim, Ken	23.18
O'Brien, Terry	20.00
Oster, Leslie	17.10
Outland, Charles	231.29
Parks, George	2.37
Pete, Hardy	323.18
Petosky, Anthony	45.95
Rice, Jack	69.95
Sanchez, Ruben	53.66
Simpson, Leroy	.05
Spearman, Bob	22.64
Stone, John	20.00
Thompson, Gene	25.65
Turnipseed, Jack	97.01
Van Horn, Allen	18.73
Watson, Eldon	8.20
Welch, Lloyd	25.30
Whitehead, Paul	7.72
Williams, Donald	137.02
Winap, Marvin	186.69
	<u>\$3,125.44</u>

STATE OF NEVADA  
NEVADA YOUTH TRAINING CENTER  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Internal Control

All mail is received and opened by one employee. This includes the boys' mail which at times has cash in it. The boys' mail is opened and if it has cash in it, the money is removed and a receipt is made out and put in its place in the envelope. To afford protection to both the boys and the staff, it is recommended that the mail be opened in the presence of two persons and the receipt should be prepared at this time.

It was noted that several boys' funds receipts were voided with no accompanying explanation. It is recommended that an adequate explanation be made on all voided receipts. The voided receipt should be initialed by the person voiding it and verified by a second person.

2. Boys Fund

The Nevada Youth Training Center records indicate a total of \$9,730.92 due to inmates who either are in residence at the school or have been under its jurisdiction since May 1951. The records also indicate that inmates who were released prior to 1962 owe the school \$858.79. These amounts are summarized as follows (details are outlined in Exhibit A and Schedules 4 through 8 attached):

(a) Inmates in residence 6/30/66	\$1,076.96
(b) Inmates on parole still under jurisdiction 6/30/66	3,855.09
(c) Inmate on out-of-state placement 6/30/66	5.00
(d) Inmates released prior to 1962	1,668.43
(e) Runaway inmates' funds sacrificed prior to 1962	<u>3,125.44</u>
	\$9,730.92
(f) Less: Funds due from boys released prior to 1962	<u>858.79</u>
Total	<u><u>\$8,872.13</u></u>

There is cash on deposit in the amount of \$6,655.78 in this fund. The difference of \$2,216.35 was expended prior to 1962 by the school for recreational facilities, equipment and supplies. There is little chance that claims will ever be made for items (d) or (e) above, or that collection will be made on item (f) as all items date back prior to 1962 and the addresses of the claimants are unknown.

It is recommended that the following steps be taken as soon as possible to bring ledger cards in balance with the bank account and to prevent further cash shortages:

(a) Write off the deficit ledger card balances in the amount of \$858.79 as being uncollectible.

(b) All ledger cards totaling \$4,793.87 due boys who have been released or who have run away should be closed out. These cards should then be removed from the active ledger card file. Amounts due these boys should be noted and retained in the files in the event they subsequently request payment.

(c) The Director of Health and Welfare and the Superintendent of the Nevada Youth Training Center should consult with the Director of the Department of Administration as to the disposition of the resulting surplus in the bank account in the amount of \$1,718.73. Possible disposition could be:

(1) \$1,718.73 be transferred to the Gift Fund and be used for additional recreational supplies.

(2) \$1,718.73 be transferred to the State General Fund and subsequent claims for funds, if any, be referred to the State Board of Examiners.

(d) Reconciliations should be made each month between the cash journal, the bank balance, and all active ledger cards.

### 3. Care of Wards Receipts

The care of wards receipts are deposited in the General Fund, Account #01360. The amount shown by the agency records was out of balance with the Controller's records by \$4,848.45, which was found to be an error by the Controller's office. It is recommended that the Youth Training Center request that the Controller send them a monthly IBM print-out sheet and that a monthly reconciliation be made by the bookkeeper.

### 4. Storeroom Keys

There are at least four persons who have keys to the foodstuffs storeroom in the basement of the "old building." A similar situation prevails in respect to other store areas. It is recommended that the keys to these areas be turned in to the superintendent and that access be limited to the normal 8:00 a.m. to 5:00 p.m. working day under the supervision of the administrative office.

### 5. Advisory Board

NRS 210.030, section 1, states in part that "...; but a meeting of the board shall be held at quarterly intervals." During the 1965-66 year the board met only three times.

NRS 210.040, section 7, states that the board has the duty "to keep minutes of the transactions of each board meeting, regular or special, which shall be public records and filed with the school." Minutes of the board meetings have not been prepared and filed with the school for all meetings. There were no minutes on file for meetings held from 1962 to March 1964 and for one meeting held between March 1964 and March 1965. There were no minutes on file after September 1966. It is recommended that the advisory board review the provisions of the statutes pertaining to their powers and duties and adhere to them.

## 6. Medical Officer

The Nevada Youth Training Center has a contract with a local physician to perform duties as their medical officer. For the performance of the duties outlined in the agreement the medical officer is to receive a fee of \$200 per month. Under article #5 of the contract, "The medical officer, or another medical doctor designated to perform such service by the medical officer, shall provide office services for emergency cases due to illness, injury, etc. This service to be performed without additional charge except for necessary materials used in the performance of such service."

The medical officer has requested and received payment for fees on several occasions for treating emergency cases. This fee was in addition to the cost of materials used. Many of the emergency cases are treated by the medical officer at the Elko General Hospital and any supplies or materials used are billed directly by the hospital.

Under article #6 of the contract, "The medical officer will make regular inspections of the culinary department and food storage areas as well as the sleeping areas and sanitary facilities of the school and keep the administration advised of any unsanitary practices or of sanitary needs." As far as could be determined, this service is not being performed by the medical officer. The only indication of such service was a letter dated in October of 1960.

Article #8 of the contract states in part that the "medical officer will give all necessary immunizations to the wards of the Nevada School of Industry without charge for his services...." In his monthly statements, the medical officer billed and was paid \$1.00 per immunization

given during the period from August 1965 through March 1966. During this period the total charge for this service was \$327. The charge was stopped when the Nevada Youth Training Center's nurse started giving all such immunizations.

It is recommended that the contractual agreement be reviewed and brought up to date to reflect the correct name of the agency and the actual services the medical officer is required to perform for his monthly fee. It is further recommended that an annual review be made of all continuing contracts in order that the agency heads and other necessary personnel be constantly aware of all provisions of such contracts. Over-payment would not then be made.

#### 7. Operations Manual

During the last audit it was noted that an operating manual was in the process of being prepared, however, the project was never completed as the superintendent felt that the manual would be outdated prior to its completion because their operating procedures change from day-to-day. It is recommended that the superintendent take the necessary action to have a manual prepared as soon as possible, setting forth all basic operating procedures. The manual should be updated each time a change is made in procedures by the superintendent.

#### 8. Sale and Inventory of Supplies

No inventories of foodstuffs, vocational supplies, clothing, hay or livestock are currently maintained by the agency. It is not possible to determine from fiscal records if all sales are reported or all hay, livestock and other supplies fully accounted for.

It is recommended that the responsibility be delegated for establishing and maintaining a perpetual inventory system of all supplies,

foodstuffs, clothing, etc. A perpetual inventory system should also be established for all commodities held for use or sale, such as hay and livestock.

It is recommended that a prenumbered sales book be used for all sales. Each sales slip should reflect the total tonnage of hay sold, total number of livestock and their designation, buyer's signature, signature of seller, total amount of sale and amount paid thereon. The sales book should be maintained by someone other than the bookkeeper or the person in charge of inventories. Items consumed at the training center should be so indicated on a transfer slip from inventory.

#### 9. Files

Information relative to boys sent to the State Hospital for evaluation is completely inadequate. Some of the files indicate that the State Hospital had accepted a boy for evaluation but there was nothing in the file to indicate the exact date sent, the duration of the stay or when the boy was returned. Some files contained no information about the boy being sent to the hospital.

When a boy is sent to the California Youth Authority for confinement his entire file is forwarded, leaving the Nevada Youth Training Center with no records on hand pertaining to such boys. When a boy is returned to Nevada, we were informed that occasionally some of the information and/or documents originally forwarded to California are not returned with the file.

Under the provisions of NRS 210.070, subsection 2(e), the superintendent is "to keep a complete and accurate record of all proceedings, record and file all bonds and contracts, and assume responsibility for the custody and preservation of all papers and documents pertaining to his office." Therefore, no records should be removed from the agency's files.

In order to adequately provide sufficient information to cover both situations mentioned above, it is recommended that a form be devised showing the boy's name, date he left residence at Elko, destination, purpose for which

he was sent and date returned. This form should be maintained in a separate file where a quick scrutiny would disclose the location of any non-resident boy immediately. A copy of the form could be filed in the boy's individual file jacket.

With reference to the files forwarded to the California Youth Authority, it is recommended that copies of all pertinent information be made from the file material and such copies forwarded to California. The original information would thus remain in the boy's folder in Elko at all times.

#### 10. Violation of Statute

NRS 482.365, subsection 3, states in part that, "...no plate or plates shall be issued until a certificate shall have been filed with the department showing that the name of the department, board, bureau, commission, county, city, town, school district or irrigation district, as the case may be, and the words 'For Official Use Only' have been permanently and legibly affixed to each side of the vehicle,...."

At the start of the audit there were three vehicles which were not properly marked. After inquiry by the auditor as to why the vehicles were not properly marked, the wording "For Official Use Only" and the Great Seal of the State of Nevada were affixed to the vehicles on 5/26/67. Two vehicles had been licensed in April 1966 and one vehicle had been licensed and remained unmarked since November 27, 1964. In the future, all vehicles licensed with exempt state plates should be marked immediately after purchase in accordance with NRS 482.365, subsection 3.

#### 11. Surety Bonds

NRS 210.110 requires that the superintendent post a \$2,000 surety bond. As the state has purchased general fidelity coverage up to \$25,000 for all employees except those "required by statute to furnish an individual bond," it is recommended that NRS 210.110 be repealed so the superintendent may be covered under the state's general fidelity coverage.

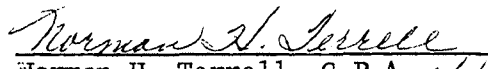
NRS 210.120 allows the superintendent to execute surety bonds for any other school employees. As stated above, all of these employees are covered under the general fidelity coverage purchased by the state and therefore any additional coverage would not be necessary. It is recommended that NRS 210.120 be repealed.

12. Medical Examinations

NRS 210.180, subsection 3, requires that "the court shall order, before commitment, that such minor person be given a physical examination, which examination shall include a blood test, x-ray examination for tuberculosis, urinalysis and an examination for venereal disease, by some licensed physician. The physician shall, within 5 days after such examination, make a written report of the results thereof to the superintendent. Such examination shall be paid for by the county wherein such commitment was ordered."

The reports are very seldom received within the 5-day period required by the above quoted section of the statute. Sometimes the medical reports are as much as a year old when they are received. Since the superintendent has no control over the physicians, it is recommended that NRS 210.180, subsection 3, be amended to provide that the counties must receive all medical reports before payment is authorized for examinations, and that such counties be required to immediately forward a copy of the medical report to the superintendent.

Carson City, Nevada  
June 21, 1967

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

NOTE: At a meeting held July 20, 1967 between the Fiscal Analyst, the Acting Director and the newly appointed Director of the Department of Health and Welfare, agreement was reached on implementation of the foregoing recommendations.

STATE OF NEVADA  
DEPARTMENT OF ECONOMIC DEVELOPMENT

AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

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 Economic Development for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibit:

Department of Economic Development-Administrative Fund--  
Statement of Basis for Appropriation  
Compared to Actual Receipts and Expenditures  
for the Fiscal Year Ended June 30, 1966 ----- Exhibit A

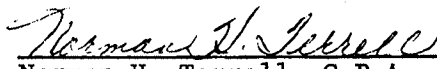
Scope of Examination

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 statement of receipts and expenditures presents fairly the operation of the Department of Economic Development for the fiscal year ended June 30, 1966 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Carson City, Nevada  
July 17, 1967

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



STATE OF NEVADA  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
ADMINISTRATIVE FUND  
STATEMENT OF BASIS FOR APPROPRIATION  
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Work Program	Basis for Approp.	Actual Receipts & Expend.	Over or (Under) Approp.
<u>Receipts</u>				
General Fund Appropriation	\$111,328.00	\$111,328.00	\$111,328.00	\$ --
Salary Adjustment	368.00	--	368.00	368.00
Total Receipts	<u>\$111,696.00</u>	<u>\$111,328.00</u>	<u>\$111,696.00</u>	<u>\$ 368.00</u>
<u>Expenditures</u>				
Payroll Costs:				
Salaries	\$ 36,932.00	\$ 36,454.00	\$ 36,207.26	\$ (246.74)
Industrial Insurance	543.00	544.00	528.34	(15.66)
Retirement	2,026.00	2,115.00	2,031.56	(83.44)
Personnel Assessment	188.00	163.00	188.00	25.00
Group Insurance	144.00	189.00	45.00	(144.00)
Total	<u>\$ 39,833.00</u>	<u>\$ 39,465.00</u>	<u>\$ 39,000.16</u>	<u>\$ (464.84)</u>
Travel:				
Out-of-State	\$ 5,500.00	\$ 5,500.00	\$ 3,789.82	\$ (1,710.18)
In-State	6,500.00	6,500.00	6,297.59	(202.41)
Total	<u>\$ 12,000.00</u>	<u>\$ 12,000.00</u>	<u>\$ 10,087.41</u>	<u>\$ (1,912.59)</u>
Operating:				
Office Supplies	\$ 1,000.00	\$ 1,000.00	\$ 1,283.84	\$ 283.84
Postage and Freight	7,000.00	7,000.00	6,337.19	(662.81)
Telephone	2,600.00	2,600.00	2,032.48	(567.52)
Printing	21,109.00	16,000.00	33,206.76	17,206.76
Subscrips. & Ref. Manuals	600.00	600.00	286.85	(313.15)
Dues & Registrations	800.00	800.00	842.00	42.00
Contract Service	--	--	168.10	168.10
Contract Services-National				
Advertising	--	5,109.00	--	(5,109.00)
Office Equipment Repair	200.00	200.00	60.03	(139.97)
Building Space Rental	900.00	900.00	214.36	(685.64)
Advertising-Outdoor Signs	7,000.00	7,000.00	5,482.98	(1,517.02)
Photos, Prints & Maps	1,000.00	1,000.00	289.45	(710.55)
Special Service or Projects	10,000.00	10,000.00	6,195.13	(3,804.87)
Public Information	6,300.00	6,300.00	4,421.95	(1,878.05)
Host Fund Expense	600.00	600.00	311.43	(288.57)
Total	<u>\$ 59,109.00</u>	<u>\$ 59,109.00</u>	<u>\$ 61,132.55</u>	<u>\$ 2,023.55</u>
Equipment:				
Office Furniture	\$ 227.00	\$ 227.00	\$ 202.37	\$ (24.63)
Office Equipment	527.00	527.00	440.62	(86.38)
Total	<u>\$ 754.00</u>	<u>\$ 754.00</u>	<u>\$ 642.99</u>	<u>\$ (111.01)</u>
Total Expenditures	<u>\$111,696.00</u>	<u>\$111,328.00</u>	<u>\$110,863.11</u>	<u>\$ 464.89</u>
Balance June 30, 1966				
Reverted to General Fund			<u>\$ 832.89</u>	



STATE OF NEVADA  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
SUPPLEMENTAL LETTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

1. Working Capital Fund

The state economic development and publicity fund was created by NRS 231.140 when the department was authorized in 1955. As this fund has not been used since the original appropriation was expended, it is recommended that NRS 231.140 be repealed.

2. Equipment Inventory

The agency has three air conditioning units listed on their inventory sheets which they have not had in their possession for at least a year. The Buildings and Grounds Division has these units in use in other buildings. It is recommended that the agency contact the Purchasing Division and have these three units transferred to the Buildings and Grounds Division.

The inventory sheets do not list a Kodak Carousel slide projector, model #550, which was given to the agency over two years ago. It is recommended that the agency fill out the proper form and forward it to the Purchasing Division so the item will be properly accounted for. It is recommended that inventory records be maintained by agency personnel to insure a complete and accurate equipment inventory record at all times.

3. Part-Time Employee

The department employs a part-time employee to answer the large amount of mail from school children. She performs almost all of this work in her home. In our prior audit it was recommended that production or

piecework standards be established for this type of work and the employee be paid on a "work performed" basis, or that all work be performed in the office of the department. This recommendation has not been implemented.

#### 4. Leave Records

Even though there are only four full-time employees of the department, the leave records contain many errors. Some of these errors are administrative and others are mathematical.

The prior director used 5-3/4 days of sick leave before it was earned. Two people took compensatory time off when they did not have compensatory time earned. One employee took two days of annual leave prior to his being employed by the state agency for six months. One employee has for several years carried compensatory time to subsequent years even though the State Administrative Manual states it cannot be carried past December 31 of any year unless earned in the last quarter of the calendar year. One employee's sick leave is overstated by 40 hours and her annual leave is understated by 10 hours. Another employee's leave time is overstated by 90 hours of sick leave and 32 hours of annual leave. The over or understatement of leave time was due to mathematical errors.

In view of the many errors related above, it is recommended that the agency personnel responsible for such records review the applicable sections of the State Administrative Manual so they are familiar with state procedures.

It was noted on June 30, 1967 that the leave records have not been posted since April 30, 1967. There are no supplemental records of leave time taken indicating that such time was approved prior to its being taken. It is recommended that these records be posted currently and that Form NPD-21 be used to indicate leave time used and its authorization. The form should be filed in the individual employee's personnel file.

## 5. Travel

(a) Under section 0611 of the State Administrative Manual, all "State officers and employees must file a written request with the budget administrator on Form BD-47 at least ten days prior to making an out-of-state trip on official business."

There were nine instances found where the department did not file Form BD-47 ten days prior to making the out-of-state trip. In two instances the staff member had departed on the trip prior to the date the Form BD-47 was approved. It is recommended that, unless it is an "emergency," the department adhere to the above quoted section of the State Administrative Manual.

(b) On a number of the travel claims if the trip purpose was listed then the departure point and destination were omitted. In at least one case the travel claim did not contain the time of departure nor the time of return. It is recommended that all travel claims contain the departure point, destination, time of departure and the time the traveler returned.

## 6. Form and Filing of Contracts

NRS 284.173, subsection 5, states in part that "The form of the contract shall be first approved by the attorney general, and, except as provided in subsection 6, an executed copy of each contract shall be filed with the legislative commission and the clerk of the state board of examiners."

There was one contract which was not filed with the Legislative Commission and there were three copies of contracts that were not signed by the Attorney General indicating approval of form. It is recommended that the department comply fully with the above quoted subsection of the statute.

It was further noted that there were six contracts filed with the Legislative Commission which were not in the agency's contract file. It is recommended that the agency retain a copy of all contracts in their files.

7. Contract Payments

Under the terms of one contract, one-half of the amount was to be paid after the agreement was signed and the other one-half was to be paid "after performance of this contract." The contractual obligation was not completed until the close of the Portland show on 2/27/66, however, final payment was made on 2/16/66. It is recommended that the agency adhere to the terms of their written contractual agreements.

8. Board Approval of Contracts

In the prior audit it was recommended that the State Board of Economic Development consider each and every contract for its approval or disapproval. Each contract should be ratified by the board and such ratification appear in the minutes of board meetings. This recommendation has not been implemented.

9. Contract Service Not Used

There were three contracts let totaling \$500 for the translation of certain tourist pamphlets from the English language to French, Italian, German and Dutch. The translations were completed and forwarded for approval to the United States Travel Service, a division of the U. S. Department of Commerce. There were several translation errors found and by the time they were corrected and the material was returned to the agency, it was too late to have the pamphlets printed for distribution by the Governor's party on their visit to the above mentioned countries.

The original translations and the corrected copies received from the U. S. Travel Service were given to the individuals who made the original

translations. Because of poor planning the agency expended \$500 which was not of economic benefit to the State of Nevada. The agency failed to retain a copy of such translations in the event such literature might be useful in a subsequent period.

#### 10. Data and Material Identification

In our prior audit it was recommended that pamphlets and other descriptive material prepared by the department show the source of the data, an identification number and an indication of how the data applies to Nevada. Statistical material should show date of data. This recommendation has not been implemented.

#### 11. Annual Report

NRS 231.090, subsection 3, requires the director to "make an annual report regarding the work of the department and such special reports as he may consider desirable to the board and to the governor."

The last such report prepared and submitted to the Governor's office was for the three month period ending May 31, 1964. It is recommended that the director comply with the above quoted section of the statutes.

#### 12. Films

The department has 12 different films on hand. Records have been maintained on only five of them. One film was loaned to the Job Corps camp and when it was "returned" the container was empty. Four copies of the film "Contrast" have been loaned. The records indicate that one person does not know where the film is as he loaned it to another person, two people have not answered the inquiries and the fourth person claims the film was never received.


In view of the above, it is recommended that the department consider requiring a deposit on all films prior to loaning them out. It is further

recommended that the department exercise better record control over the films by setting up a card file system. The individual card for each film should have space for the name of the film, the date acquired and how the film was acquired. In addition, the card should have columns to show the date checked out, date checked in, the name of the user and the amount of the deposit received.

13. Prior Recommendations

It was noted that none of the recommendations made in our previous audit report for the year ended June 30, 1963 have been implemented. We strongly urge that the new director of the Department of Economic Development take steps immediately to see that the foregoing recommendations are initiated as soon as possible in order that the agency fully complies with state statutes and state operating procedures.

Carson City, Nevada  
July 17, 1967

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

NOTE: At a meeting held July 19, 1967 between the Fiscal Analyst and the Director of the Department of Economic Development, agreement was reached on implementation of the foregoing recommendations.

STATE BOARD OF ARCHITECTURE OF NEVADA

JUNE 30, 1966

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
Certified Public Accountants  
100 California Avenue  
Reno, Nevada



RAY E. ARMSTRONG  
LOWELL C. BERNARD  
LEROY R. BERGSTROM  
DONALD E. MCGHIE

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
CERTIFIED PUBLIC ACCOUNTANTS  
100 CALIFORNIA AVENUE  
RENO, NEVADA

TELEPHONE  
(AREA CODE 702)  
322-9471

August 15, 1966

State Board of Architecture of Nevada  
137 Vassar  
Reno, Nevada

Gentlemen:

We have examined the statement of financial condition of the State Board of Architecture of Nevada at June 30, 1966, and the related statement of revenues and expenditures for the period 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 under the circumstances.

In our opinion the accompanying statement of financial condition and statement of revenues and expenditures present fairly the financial position of the State Board of Architecture of Nevada at June 30, 1966, arising from cash transactions, and the revenues collected and expenditures made by it during the period then ended, applied on a basis consistent with that of the preceding year.

Respectfully submitted,

*Kafoury, Armstrong, Bernard and Bergstrom*



STATE BOARD OF ARCHITECTURE OF NEVADA  
JUNE 30, 1966

INDEX TO FINANCIAL STATEMENTS

PAGE  
NO.

1	Comments on Financial Statements.
3	Statement of Financial Condition.
4	Statement of Revenues and Expenditures and Budget Comparison.
6	Comparative Statement of Revenues and Expenditures.



STATEMENT OF FINANCIAL CONDITION

The balance in the Board's commercial account at Nevada Bank of Commerce, \$1,509.61, 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, \$9,053.69, and American Savings and Loan Association, \$6,587.68, were confirmed by direct correspondence with the respective depositories.

Unappropriated surplus at June 30, 1966 of \$13,421.28 represented a \$1,504.31 increase over that of the previous year end. We analyze this account below:

Balance, July 1, 1965	\$11,916.97
Add: Net Revenue per Exhibit	<u>1,504.31</u>
Balance, June 30, 1966	<u>\$13,421.28</u>

STATEMENT OF REVENUES AND EXPENDITURES  
AND BUDGET COMPARISON

Operations for the year under review resulted in an excess of revenues over expenditures of \$1,504.31. Part of this net revenue is attributable to an increase in renewals of certificates of registration. As Exhibit B illustrates, expenditures were held within the overall limitations provided by the Board's budget for the year. Unfortunately, certain travel costs, dues, and the Board's secretary's salary which were incurred during the 1965-1966 fiscal period were not paid within the year under review. Since these costs were budgeted for the 1965-1966 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 these expenditures will be paid in the 1966-1967 fiscal period.

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES

Exhibit C presents in detail 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 part time 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. 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.

3. We found the Board's permanent files and financial records to be adequately maintained during the first nine months of the fiscal year. During the balance of the year the financial records were not maintained in an acceptable manner. This condition resulted from the resignation of the Board's clerk and the subsequent employment of a new clerk unfamiliar with the Board's bookkeeping procedure. This condition has been corrected subsequent to the close of the year under review.

STATE BOARD OF ARCHITECTURE OF NEVADA  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

ASSETS

CURRENT ASSETS:

Cash in Bank -- Commercial	\$ 1,509.61	
Cash in Bank - Savings	<u>15,641.37</u>	\$17,150.98

FIXED ASSETS:

Office Furniture and Equipment (At Nominal Value)		<u>1.00</u>
---	--	-------------

Total Assets		<u>\$17,151.98</u>
--------------	--	--------------------

LIABILITIES, RESERVES AND SURPLUS

LIABILITIES:

Employees' Withheld Taxes	\$	51.50
Deferred Credits		25.00

RESERVES AND SURPLUS:

Legal Reserve	\$ 3,654.20	
Unappropriated Surplus	<u>13,421.28</u>	<u>17,075.48</u>

Total Liabilities, Reserves and Surplus		<u>\$17,151.98</u>
---	--	--------------------

STATE BOARD OF ARCHITECTURE OF NEVADA  
STATEMENT OF REVENUES AND EXPENDITURES  
AND BUDGET COMPARISON  
FOR THE YEAR ENDED JUNE 30, 1966

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>EXCESS OF ACTUAL OVER BUDGETED</u>
<b><u>REVENUES:</u></b>			
Examinations	\$ 2,600.00	\$ 1,680.00	\$ (920.00)
Reexaminations	1,400.00	1,325.00	(75.00)
Certificate of Registration	2,200.00	775.00	(1,425.00)
Annual Renewals	6,600.00	8,775.00	2,175.00
Restorations	325.00	1,075.00	750.00
Treatise	200.00	175.00	(25.00)
Miscellaneous Income	50.00	721.55	671.55
Total Revenues	<u>\$13,375.00</u>	<u>\$14,526.55</u>	<u>\$ 1,151.55</u>
<b><u>EXPENDITURES:</u></b>			
Board Salaries	\$ 625.00	\$ 195.00	\$ (430.00)
Secretary's Salary	200.00	-	(200.00)
Clerk's Salary	2,600.00	2,670.50	70.50
Extra Help	400.00	1,040.00	640.00
<b><u>Travel - Out-of-State:</u></b>			
Transportation	1,200.00	906.40	(293.60)
Per Diem	350.00	356.85	6.85
<b><u>Travel - In-State:</u></b>			
Transportation	550.00	381.20	(168.80)
Per Diem	450.00	130.45	(319.55)
Examination Expense	1,600.00	1,025.63	(574.37)
Industrial Insurance	100.00	117.39	17.39
Building Rental	600.00	1,100.00	500.00
Equipment Rental	75.00	83.20	8.20
Freight and Postage	375.00	258.70	(116.30)
<b><u>Printing:</u></b>			
Annual Register	225.00	404.50	179.50
Other Forms	150.00	582.45	432.45
Miscellaneous	400.00	85.72	(314.28)
Office Equipment Repairs and Maintenance	50.00	53.50	3.50
Office Supplies and Expense	500.00	325.91	(174.09)
<b><u>Telephone:</u></b>			
Service Fee	35.00	33.66	(1.34)
Tolls	350.00	299.95	(50.05)

STATE BOARD OF ARCHITECTURE OF NEVADA  
STATEMENT OF REVENUES AND EXPENDITURES  
AND BUDGET COMPARISON  
FOR THE YEAR ENDED JUNE 30, 1966

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>EXCESS OF ACTUAL OVER BUDGETED</u>
General Insurance and Bonding	\$ 80.00	\$ 51.75	\$ (28.25)
Legal Services	1,000.00	1,670.00	670.00
Audit and Accounting	500.00	450.00	(50.00)
Meeting Expense	100.00	9.60	(90.40)
Convention Registration	125.00	-	(125.00)
NCARB Dues and Fees	225.00	180.00	(45.00)
Investigation Expense	50.00	-	(50.00)
Capital Outlay	<u>1,200.00</u>	<u>609.88</u>	<u>(590.12)</u>
Total Expenditures	<u>\$14,115.00</u>	<u>\$13,022.24</u>	<u>\$(1,092.76)</u>
Excess of Revenues Over Expenditures	<u>\$ 740.00</u>	<u>\$ 1,504.31</u>	

STATE BOARD OF ARCHITECTURE OF NEVADA  
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30, 1965 AND JUNE 30, 1966

	YEAR ENDED		INCREASE OR (DECREASE)
	JUNE 30, 1965	JUNE 30, 1966	
<b>REVENUES:</b>			
Examinations	\$ 1,995.00	\$ 1,680.00	\$ (315.00)
Reexaminations	1,350.00	1,325.00	(25.00)
Certificate of Registration	1,575.00	775.00	(800.00)
Annual Renewals	7,275.00	8,775.00	1,500.00
Restorations	550.00	1,075.00	525.00
Treatise	450.00	175.00	(275.00)
Miscellaneous Income	671.62	721.55	49.93
Total Revenues	<u>\$13,866.62</u>	<u>\$14,526.55</u>	<u>\$ 659.93</u>
<b>EXPENDITURES:</b>			
Board Salaries	\$ 360.00	\$ 195.00	\$ (165.00)
Secretary's Salary	400.00	-	(400.00)
Clerk's Salary	2,600.00	2,670.50	70.50
Extra Help	316.00	1,040.00	724.00
<b>Travel - Out-of-State:</b>			
Transportation	1,089.15	906.40	(182.75)
Per Diem	495.31	356.85	(138.46)
<b>Travel - In-State:</b>			
Transportation	507.00	381.20	(125.80)
Per Diem	177.89	130.45	(47.44)
Examination Expense	1,628.27	1,025.63	(602.64)
Industrial Insurance	114.51	117.39	2.88
Building Rental	683.33	1,100.00	416.67
Equipment Rental	70.20	83.20	13.00
Freight and Postage	322.94	258.70	(64.24)
<b>Printing:</b>			
Annual Register	265.00	404.50	139.50
Other Forms	622.00	582.45	(39.55)
Miscellaneous	48.95	85.72	36.77
Office Equipment Repairs and Maintenance	45.64	53.50	7.86
Office Supplies and Expense	237.77	325.91	88.14
<b>Telephone:</b>			
Service Fee	33.66	33.66	-
Tolls	390.25	299.95	(90.30)

STATE BOARD OF ARCHITECTURE OF NEVADA  
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30, 1965 AND JUNE 30, 1966

	YEAR ENDED		INCREASE OR (DECREASE)
	JUNE 30, 1965	JUNE 30, 1966	
General Insurance and Bonding	\$ 43.75	\$ 51.75	\$ 8.00
Legal Services	1,230.00	1,670.00	440.00
Audit and Accounting	500.00	450.00	(50.00)
Meeting Expense	96.79	9.60	(87.19)
Convention Registration	40.00	-	(40.00)
NCARB Dues and Fees	180.00	180.00	-
Investigation Expense	191.35	-	(191.35)
Capital Outlay	-	609.88	609.88
Western Conference Dues	25.00	-	(25.00)
<b>Total Expenditures</b>	<u>\$12,714.76</u>	<u>\$13,022.24</u>	<u>\$ 307.48</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 1,151.86</u>	<u>\$ 1,504.31</u>	<u>\$ 352.45</u>



NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

JUNE 30, 1966

HUGH TEMPLETON  
Certified Public Accountant  
3121 Industrial Road - Las Vegas, Nevada



NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

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REPORT OF CERTIFIED PUBLIC ACCOUNTANT

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HUGH TEMPLETON  
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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, 1966 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, 1966 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.



September 6, 1966



NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

STATEMENT OF FINANCIAL CONDITION

GENERAL FUND

June 30, 1966

ASSETS

Cash in bank	\$5,729.94
Cash on hand	37.00
Fixed Assets-Office Equipment	<u>320.20</u>
Total Assets	<u>\$6,087.14</u>

Reserves and Fund Equity

Reserve for encumbrances	\$ 404.39
General Fixed Assets	320.20
Unappropriated Fund Equity	<u>5,362.55</u>
Total Reserves and Fund Equity	<u>\$6,087.14</u>

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD  
STATEMENT OF REVENUES AND EXPENDITURES  
GENERAL FUND

For the Fiscal Year Ended June 30, 1966

	<u>ESTIMATE</u>	<u>ACTUAL</u>	<u>Excess or (Deficiency) of Actual Compared with ESTIMATE</u>
Unappropriated Fund Equity- June 30, 1965	\$5,666.38	\$5,666.38	
Add:			
<u>REVENUE</u>			
Registration and examination fees		6,360.00	
License renewal fees including Penalties on late fees		6,024.80	
Fee for Shop License List		20.00	
Nevada Industrial Commission- Refund		8.53	
Total Revenue	<u>\$11,300.00</u>	<u>\$12,413.33</u>	<u>\$1,113.33</u>
Total Balance and Revenue	<u>\$16,966.38</u>	<u>\$18,079.71</u>	<u>\$1,113.33</u>
Deduct:			
<u>EXPENDITURES AND RESERVE FOR     ENCUMBRANCES</u>			
Salaries	\$ 5,300.00	\$ 6,462.50	\$1,162.50
Subsistence Allowed and in State Travel	4,000.00	3,739.30	(260.70)
Travel (Out of State)	500.00	900.00	400.00
Operating Expenses	<u>1,650.00</u>	<u>1,615.36</u>	<u>(34.64)</u>
Total Deductions	<u>\$11,450.00</u>	<u>\$12,717.16</u>	<u>\$1,267.16</u>
Unappropriated Fund Equity- June 30, 1966	<u>\$ 5,516.38</u>	<u>\$ 5,362.55</u>	<u>\$ (158.83)</u>

SUPPLEMENTARY INFORMATION



## 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, 1966.

### EFFICIENCY OF SUBORDINATE EMPLOYEES

The administration and accounting functions are performed by three salaried board members:

Elmo H. Martinelli	President
Daniel N. Arrate	Vice President
Kenneth R. Shaddy	Secretary-Treasurer

### Duplication of Work With Other Departments

None

### Status and Conditions of Fund

The present unappropriated balance is \$5,362.55. The increase of fees during 1966 should be adequate for the board.

### 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

No suggested changes or recommendations.

## FINANCIAL INFORMATION

### Cash in Bank-\$5,729.94

The cash in bank was \$5,729.94 at June 30, 1966 and was verified by reconciling the amount confirmed to me by the depository.

Bank of Las Vegas

\$5,729.94

### Reserve for Encumbrances-\$404.39

This balance represents the audit fee of \$75.00 for the post audit of the records and \$329.39 for salaries, subsistence, travel, and operating expenses occurred in June 1966.

### Unappropriated Fund Equity-\$5,362.55

The unappropriated fund equity at June 30, 1966 was \$5,362.55 as compared with \$5,666.38 at June 30, 1965, a decrease of \$303.83, which is analyzed in the statement of revenues and expenditures.

### Revenue-\$12,413.33

The actual revenues of \$12,413.33 as compared to the estimated expected revenue of \$11,300.00 was over by 9.85%. The actual revenues are summarized as follows:

Registration and Examination Fees	\$6,360.00
License Renewal Fees-Shops, Journeymen, and Apprentice, including penalty fees on Late License renewals	6,024.80
Other Income, Insurance refund and Shop Listing Fee	28.53
	<u>\$12,413.33</u>

Expenditures-\$12,717.16

The actual expenditures and encumbrances of \$12,717.16 were 11.07% above the estimated expected expenditures of \$11,450.00.

The expenditures as segregated in budget categories are compared to the estimates as follows:

Actual salary expenses and encumbrances of \$5,462.50 was 3.07 % above the estimate of \$5,300.00.

Actual travel and subsistence expenses and encumbrances of \$4,639.30 were 3.10% above the estimate of \$4,500.00.

Actual operating expenses and reserve for encumbrances totaling \$1,615.36 were 2.1% below the estimate of \$1,650.00.



NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES

JUNE 30, 1966

ALBERT E. CARTLIDGE  
Certified Public Accountant  
1440 Haskell Street  
Reno, Nevada



ALBERT E. CARTLIDGE

*Certified Public Accountant*

MEMBER AMERICAN INSTITUTE  
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MEMBER NEVADA SOCIETY  
OF CERTIFIED PUBLIC ACCOUNTANTS

1440 HASKELL STREET  
RENO, NEVADA 89502

FAIRVIEW 9-3496  
AREA CODE 702

November 18, 1966

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, 1966. I have prepared the following exhibits:

Statement of Financial Condition of the Nevada State Board  
of Examiners in Basic Sciences as of June 30, 1966

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, 1966,  
and June 30, 1965

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 according to the date deposited. The total of each deposit is entered in the income journal. Claims are paid by check and entered numerically in columnar form in three categories. The categories are Expenditures for Salaries, Expenditures for Travel, and Expenditures for Operating Expenses. Receipts and disbursements are summarized annually and 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, 1966, was \$9,408.92 and the annual requirements of the board are approximately \$4,900.00. The fund balance decreased \$847.73 during the year ended June 30, 1966.

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 STATEMENTSSTATEMENT OF FINANCIAL CONDITION OF THE NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES AS OF JUNE 30, 1966 - EXHIBIT A

Cash on deposit in the checking account at the First National Bank of Nevada, Second and Virginia Office, Reno, Nevada, totaled \$251.13 at June 30, 1966. Cash on deposit in a savings account at Union Federal Savings and Loan Association, Reno, Nevada, totaled \$9,157.79 as of that date. I received direct confirmation of both balances.

The board did not purchase office fixtures during the year ended June 30, 1966. Purchases prior to the current year are reflected in 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, 1966.

Unappropriated surplus decreased from \$10,257.65 to \$9,409.92, or \$681.34. The decrease represented the excess of expenditures over revenues for the year ended June 30, 1966.

REVENUES AND EXPENDITURES COMPARED WITH ACTUAL FOR THE NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES FOR THE YEARS ENDED JUNE 30, 1966, AND JUNE 30, 1965 - EXHIBIT B

Actual revenues for the year ended June 30, 1966, were \$1,243.99 less than budgeted and \$1,024.27 less than budgeted for the year ended June 30, 1965. Expenditures, however, for the year ended June 30, 1966 were \$396.26 less than the amount budgeted and \$342.93 less than the amount budgeted for the year ended June 30, 1965.

There were no significant differences between budgeted and actual expenditures for the two years with the exception of salaries for the year ended June 30, 1966 and out-of-state travel expenditures for the year ended

June 30, 1965. Salaries for the current year were budgeted at \$4,000.00, however, \$3,750.00 was expended, a difference of \$250.00. Out-of-state travel was budgeted at \$562.50 for the year ended June 30, 1965, however, \$275.00 was expended or a difference of \$287.50.

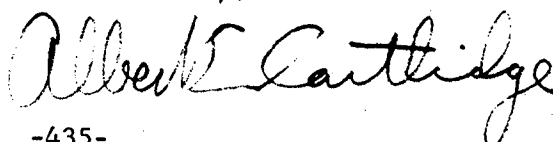
Budgeted revenue for the two years totaled \$10,100.00 as compared to actual revenue of \$7,831.74, a difference of \$2,268.26. Expenses, however, were budgeted at \$10,100.00 for the two years whereas actual expenditures totaled \$9,360.81 or a difference of \$739.19. The two differences resulted in a net excess of expenditures over receipts for the two years of \$1,529.07.

#### OPINION

I have examined the Statement of Financial Condition of the Nevada State Board of Examiners in the Basic Sciences as of June 30, 1966, and the related Statement of Budgeted Revenues and Expenditures Compared with Actual for the Years Ended June 30, 1966 and June 30, 1965. My examination was made in accordance with generally accepted auditing procedures 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 Comparative 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, 1966 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,





NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

EXHIBIT A

ASSETS

Cash

\$ 9,408.92

Office Fixtures

1.00

\$ 9,409.92

LIABILITIES

None

-

UNAPPROPRIATED SURPLUS

9,409.92

Represented by:

Balance, July 1, 1965

10,257.65

Less: Excess of Expenditures over  
Revenue for the Year Ended  
June 30, 1966 - Exhibit B

847.73

Balance, June 30, 1966

9,409.92

NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES  
COMPARATIVE STATEMENT OF BUDGETED REVENUES AND EXPENDITURES COMPARED WITH ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1966 AND JUNE 30, 1965

EXHIBIT B

	<u>June 30, 1966</u>			<u>June 30, 1965</u>			<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Difference</u>
<b><u>REVENUES</u></b>									
Licenses and Fees	\$ 4,770.00	\$ 3,525.00	\$(1,245.00)	\$ 4,500.00	\$ 3,465.00	\$(1,035.00)	\$ 9,270.00	\$ 6,990.00	\$(2,280.00)
Interest Earned on Savings Account	<u>430.00</u>	<u>431.01</u>	<u>1.01</u>	<u>400.00</u>	<u>410.73</u>	<u>10.73</u>	<u>830.00</u>	<u>841.74</u>	<u>11.74</u>
	<u>5,200.00</u>	<u>3,956.01</u>	<u>(1,243.99)</u>	<u>4,900.00</u>	<u>3,875.73</u>	<u>(1,024.27)</u>	<u>10,100.00</u>	<u>7,831.74</u>	<u>(2,268.26)</u>
<b><u>EXPENDITURES</u></b>									
Salaries	4,000.00	3,750.00	250.00	3,800.00	3,750.00	50.00	7,800.00	7,500.00	300.00
Travel - Out of State	575.00	621.16	( 46.16)	562.50	275.00	287.50	1,137.50	896.16	241.34
Travel - In State	175.00	117.00	58.00	137.50	133.25	4.25	312.50	250.25	62.25
Dues and Registrations	50.00	50.00	-	50.00	50.00	-	100.00	100.00	-
Rent	-	4.80	( 4.80)	-	4.80	( 4.80)	-	9.60	( 9.60)
Postage	70.00	47.00	23.00	70.00	50.20	19.80	140.00	97.20	42.80
Printing	80.00	37.03	42.97	80.00	127.76	( 47.76)	160.00	164.79	( 4.79)
Telephone and Toll Charges	10.00	-	10.00	10.00	2.37	7.63	20.00	2.37	17.63
Supplies	60.00	46.75	13.25	60.00	33.69	26.31	120.00	80.44	39.56
Contract Services	175.00	125.00	50.00	125.00	125.00	-	300.00	250.00	50.00
Bond Premium	<u>5.00</u>	<u>5.00</u>	<u>-</u>	<u>5.00</u>	<u>5.00</u>	<u>-</u>	<u>10.00</u>	<u>10.00</u>	<u>-</u>
	<u>5,200.00</u>	<u>4,803.74</u>	<u>396.26</u>	<u>4,900.00</u>	<u>4,557.07</u>	<u>342.93</u>	<u>10,100.00</u>	<u>9,360.81</u>	<u>739.19</u>
Excess of Expenditures over Receipts	<u>-</u>	<u>( 847.73)</u>	<u>( 847.73)</u>	<u>-</u>	<u>( 681.34)</u>	<u>( 681.34)</u>	<u>-</u>	<u>(1,529.07)</u>	<u>(1,529.07)</u>

NEVADA STATE BOARD OF CHIROPRACTIC EXAMINERS

JUNE 30, 1966

ROGERS & MERITHEW  
Public Accountants  
Post Office Box 1087 - Reno, Nevada 89504



ROGERS & MERITHEW  
*Public Accountants*  
PHONE 329-1171 • POST OFFICE BOX 1087  
RENO, NEVADA 89504

August 22, 1966

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, 1966, and a statement of receipts and disbursements is attached.

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, 1965 through June 30, 1966.

Respectfully submitted,

ROGERS & MERITHEW

By Earl W. Rogers  
Earl W. Rogers

EWR:pg  
Enc.







NEVADA STATE CONTRACTORS BOARD

JUNE 30, 1966

SEMENZA, KOTTINGER & MC MULLEN  
Certified Public Accountants  
320 South Virginia Street  
Post Office Box 30  
Reno, Nevada  
89504



William B. Kottlinger  
Joseph W. Mc Mullen  
James L. Murphy  
John F. Rhodes  
Robert J. Somps

SEMENZA, KOTTINGER & MC MULLEN  
Certified Public Accountants  
320 South Virginia Street  
Post Office Box 30  
Reno, Nevada  
89504

Telephone 323-6113

--  
John R. Sinkey  
Richard R. Bennett  
Glen N. Mauldin

September 12, 1966

Members of the Contractors Board  
State of Nevada  
Reno, Nevada

Gentlemen:

Pursuant to your instructions, we have examined the accounts of the Nevada State Contractors Board for the period July 1, 1965 to June 30, 1966 and in connection therewith present the following exhibits:

Statement of Financial Condition,  
June 30, 1966 - Exhibit A

Statement of Revenues and Expenditures  
for the fiscal year ended June 30, 1966 - 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 authorizes its fund. The functions of the Nevada State Contractors Board are to license and to 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 the Board are maintained on a fiscal year basis and on a cash basis of accounting in accordance with the provisions of Section 1, Article IX, of the 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 have 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 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 the aggregate amount of \$10,000.00 as stated in the policy.

An "Errors and Omission" policy indemnifies the members of the Board and/or their employees, all sums which they may become legally liable to pay for personal injury, property damage or claims for breach of professional duty by reason of any negligent act, error or omission committed in conduct of Board business. The policy was issued by Cravens, Dargan and Company for the period January 26, 1966 to November 29, 1966, and provides for coverage of \$25,000.00 for any one claim and an aggregate amount of \$100,000.00 during the period of the policy.

Automobiles owned by the Board are covered by a Glens Falls Insurance Company policy expiring June 30, 1966 written in limits as follows:

Bodily injury	\$100,000/300,000
Property damage	25,000
Medical	2,000
Comprehensive	Actual cash value

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 amount of \$16,000.00 with a 90% co-insurance clause.

Previous audit reports have suggested that the Board should seek legal opinion on all insurance coverages in force in light of state sovereignty. Attention is also called to the fact that the State Administrative Manual, Section 0901, states, "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

Leases for the office premises located at 700 Ryland Avenue, Reno, Nevada, and 3141 Industrial Road, Las Vegas, Nevada, have expired during the fiscal year 1965 to 1966. Presently these two locations are being rented for \$575.00 per month and \$324.00 per month respectively. The Board intends to terminate their tenancy at 3141 Industrial Road, and to lease new office premises with more area at a lower monthly rate.

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. At the Board meeting of January 24-26, 1963, it was unanimously approved to increase the fund by the sum of \$10,000.00, and at the Board meeting of July 29, 1965, it was unanimously approved to reduce the fund by \$10,000.00. Expenditures for 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 preceeding fiscal year.

The following tabulation is presented for a comparison of the actual receipts and expenditures for the fiscal year 1965-1966 with the Work Program for the fiscal year 1965-1966:

	ACTUAL FISCAL YEAR 1965-1966	WORK PROGRAM FISCAL YEAR 1965-1966	OVER OR UNDER AMOUNTS AUTHORIZED
<u>Revenue</u>			
Renewals	\$ 96,150.00	\$100,000.00	(\$ 3,850.00)
New license and application	32,710.00	50,000.00	( 17,290.00)
Miscellaneous and interest	5,090.10	4,000.00	1,090.10
	<u>\$133,950.10</u>	<u>\$154,000.00</u>	<u>\$20,049.90</u>
<u>Expenditures</u>			
Salaries	\$ 87,512.68	\$ 78,000.00	\$ 9,512.68
Travel	10,138.37	15,000.00	( 4,861.63)
Operating expenses	46,693.38	48,000.00	( 1,306.62)
Equipment	3,925.87	10,000.00	( 6,074.13)
	<u>\$148,270.30</u>	<u>\$151,000.00</u>	<u>(\$ 2,729.70)</u>
Excess of expenditures over revenues			<u>(\$ 14,320.20)</u>

Non-Compliance with Statutes

Our examination disclosed the following facts:

NRS 287.010 authorizes a state department to pay health and welfare insurance for its employees not to exceed fifty per cent of the cost of the insurance. A previous audit report indicated the Board had been paying the entire premium. During the fiscal year 1965-1966 the Board paid approximately but less than fifty percent of the premiums, and the remainder of the premiums were paid by the Associated General Contractors.

Statement of Financial Condition - Exhibit A

The funds available to the Board at June 30, 1966 are set forth in Exhibit A and totaled \$109,909.10. 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 the Board, in the Surplus Section of the Statement of Financial Condition.

You will note that the 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, 1965 to June 30, 1966 are summarized as follows:

Balance, June 30, 1965	\$87,313.76
Deduct: Excess of expenditures over revenues for the fiscal year ended June 30, 1966	<u>14,320.20</u>
	<u>\$72,993.56</u>
Appropriated as follows:	
Enforcement Fund	\$60,000.00
Unappropriated surplus	<u>12,993.56</u>
	<u>\$72,993.56</u>

Statement of Revenues and Expenditures - Exhibit B

A comparison of revenues and expenditures for the fiscal years ended June 30, 1966 and June 30, 1965 is reflected in Exhibit B. The revenue for the fiscal year ended June 30, 1966 totaled \$133,950.10 as compared to revenues of \$142,733.59 for the previous year. Expenditures for normal operating costs totaled \$144,344.43 for the fiscal year ended June 30, 1966 as compared to \$133,291.67 for the previous year. Expenditures for fixed assets during the fiscal year ended June 30, 1966 amounted to \$3,925.87 as compared to \$16,788.90 for the preceeding year. License renewal and application fees remained at \$20.00 and \$30.00 respectively for the fiscal year ended June 30, 1966, therefore, the decrease in revenues for the fiscal year ended June 30, 1966 as compared to that of the previous year is due primarily to a decrease in the number of new applicants. The excess of expenditures over revenues for the fiscal year ended June 30, 1966 totaled \$14,320.20 as compared

to the prior years excess of expenditures over revenues of \$7,346.98.

Opinion

We have examined the Statement of Financial Condition of the Nevada State Contractors Board as of June 30, 1966 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 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 Revenues and Expenditures present fairly, on a cash basis of accounting, the financial position of the Nevada State Contractors Board as of June 30, 1966, 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,

/s/ Semenza, Kottinger & McMullen



NEVADA STATE CONTRACTORS BOARD  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

EXHIBIT A

ASSETS

CURRENT ASSETS

Cash in banks

Security National Bank of Reno		
Checking account	\$ 1,682.28	
First National Bank of Nevada		
Checking account	4,019.14	
Security National Bank of Reno		
Savings accounts	5,881.56	
First National Bank of Nevada		
Bond checking account	8,000.00	
First National Bank of Nevada		
Bond savings account	<u>27,501.94</u>	\$ 47,084.92

Reserve savings accounts

Union Federal Savings and Loan Association	8,265.82	
First National Bank of Nevada	4,572.43	
Nevada Bank of Commerce	4,354.94	
American Savings and Loan Association	5,704.60	
First National Bank of Ely	4,085.18	
Valley Bank of Nevada	3,606.17	
Home Savings and Loan Association	<u>10,287.55</u>	40,876.69

Time certificate of deposits

Bank of Las Vegas #1350	3,700.00	
Bank of Las Vegas #1351	6,200.00	
Nevada State Bank #618	5,100.00	
Bank of Nevada	<u>6,947.49</u>	<u>21,947.49</u>
		109,909.10

FIXED ASSETS

Furniture and office equipment	1.00	
Automobiles	<u>1.00</u>	2.00

OTHER ASSETS

Deposit on safety deposit key		<u>2.08</u>
		<u>\$109,913.18</u>

LIABILITIES AND SURPLUS

LIABILITIES

Accrued payroll taxes		\$ 1,919.62
Cash bonds posted by licenses		<u>35,000.00</u>
		36,919.62

SURPLUS

Balance June 30, 1965	\$87,313.76	
Deduct: Excess of expenditures over		
revenues for the fiscal year		
ended June 30, 1966	<u>14,320.20</u>	<u>72,993.56</u>
Allocated as follows:		
Enforcement fund	\$60,000.00	
Unappropriated	<u>12,993.56</u>	
	<u>\$72,993.56</u>	<u>\$109,913.18</u>

NEVADA STATE CONTRACTORS BOARD  
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30, 1966 AND JUNE 30, 1965

	FISCAL YEAR ENDED JUNE 30, 1966	FISCAL YEAR ENDED JUNE 30, 1965	INCREASE OR (DECREASE)
<u>REVENUES</u>			
License renewals	\$ 96,150.00	\$ 97,310.00	(\$ 1,160.00)
New licenses issued	11,590.00	14,540.00	( 2,950.00)
Application fees	21,120.00	25,470.00	( 4,350.00)
Interest income	3,897.40	4,120.29	( 222.89)
Miscellaneous	1,192.70	1,293.30	( 100.60)
	<u>133,950.10</u>	<u>142,733.59</u>	<u>8,783.49</u>
<u>EXPENDITURES</u>			
Board expense and travel	3,181.36	3,647.99	( 466.63)
Legal	4,772.95	4,953.40	( 180.45)
Auditing	525.00	515.00	10.00
Office salaries	55,562.68	49,248.15	6,314.53
Investigators' salaries	31,950.00	29,565.00	2,385.00
Employees travel expense	3,980.52	3,875.02	105.50
Rent	10,788.00	10,164.00	624.00
Telephone and telegraph	2,965.47	3,037.53	( 72.06)
Office supplies	2,348.84	1,796.05	552.79
Printing	6,421.07	7,460.78	( 1,039.71)
Credit reports	2,205.46	2,888.84	( 683.38)
FICA taxes	3,178.55	390.15	2,788.40
Industrial insurance	491.12	518.52	( 27.40)
Automobile insurance	10.00	1,992.00	( 1,982.00)
Health and welfare insurance	1,846.18	2,768.00	( 921.82)
Other insurance	782.50	335.00	447.50
Car expense	2,976.49	2,929.66	46.83
Miscellaneous	590.07	460.28	129.79
Equipment repair	160.82	132.10	28.72
Reno office improvements		443.50	( 443.50)
Postage and freight	4,839.52	5,528.20	( 688.68)
Dues and subscriptions	895.95	162.50	733.45
Las Vegas office maintenance	437.40	480.00	( 42.60)
Secretarial	287.00		287.00
Twenty-fifth Anniversary expense	3,147.48		3,147.48
Total	<u>144,344.43</u>	<u>133,291.67</u>	<u>11,052.76</u>
Excess of revenue over operating expense	( 10,394.33)	9,441.92	( 19,836.25)
<u>PURCHASES OF FIXED ASSETS</u>			
Automobiles	2,295.00	6,770.69	( 4,475.69)
Office furniture		1,190.77	( 1,190.77)
Office equipment	1,630.87	8,827.44	( 7,196.57)
EXCESS OF REVENUES OVER EXPENDITURES	<u>(\$ 14,320.20)</u>	<u>(\$ 7,346.98)</u>	<u>(\$ 6,973.22)</u>

NEVADA STATE BOARD OF COSMETOLOGY

JUNE 30, 1966

MURLAND E. NEWBOLD  
Certified Public Accountant  
Reno, Nevada



December 19, 1966

Mrs. Bernice Randall, Secretary-Treasurer  
State Board of Cosmetology  
P. O. Box 1814  
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, 1966, and have prepared therefrom the following exhibits and related schedules:

Balance Sheet as of June 30, 1966	Exhibit A
Statement of Cash Receipts and Disbursements and Fund Balances - July 1, 1965 to June 30, 1966	Exhibit B
Statement of Budgeted Revenues and Expenditures Compared to Actual - July 1, 1965 to June 30, 1966	Exhibit C
Bank Reconciliation as of June 30, 1966	Schedule 1

#### FUNCTION OF AGENCY

The function of the agency is to administer the provisions of Chapter 644 of the Nevada Revised Statutes pertaining to licensing and regulation of hair-dressers, cosmeticians, eletroligists 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 fees was not made, but sufficient sample check was made on these items to assure that these had been properly accounted for and entered. All checks and bank statements were examined and spot check was made of indorsements 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 inasmuch as the operation 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 check disbursements book that allows for a distribution to the various classification of accounts.

##### Status and Condition of Fund

The fund has a good cash balance on hand in the amount of \$24,366.80 on June 30, 1966, which is a decrease in the balance on hand on June 30, 1965, in the amount of \$3,137.26. There were outstanding bills in the amount of \$774.24. A portion of these were paid within a few days after the close of the period and the balance have since been paid.

#### Possible Non-Compliance

The amount expended has not been kept in line with the amount budgeted as far as individual items of the budget were concerned. The amount spent was less than the amount budgeted in the amount of \$794.28.

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, and that this cash disbursements journal be totaled and balanced each month.

It is suggested that the cash receipts journal be totaled and balanced for each page.

It is suggested that steps be taken to put the employees under the State Retirement System as required by law.

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.

It is suggested that bad checks returned by the bank be deposited as separate items and not be included in the regular deposits.

#### Suggested Changes and Recommendations Adhered to

The change in filing system has been made and is being used.

Some sections of the law have been changed to clarify questions regarding hiring of personnel, salary rates, travel, etc.

### 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, 1966.

#### 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 the actual expenditures as compared to the amount of funds budgeted.

Bank Reconciliation  
Nevada State Board of Cosmetology  
Schedule 1

This statement shows the reconciliation for the balance of cash in bank as per books to the balance of cash as shown by the bank statement on June 30, 1966.

OPINION

I have examined the financial condition of the Nevada State Board of Cosmetology as of June 30, 1966, 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 balances as reflected by 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, 1966.

/s/ Murland E. Newbold  
Murland E. Newbold  
Certified Public Accountant

Reno, Nevada  
December 19, 1966



Nevada State Board of Cosmetology  
Reno, Nevada

Exhibit A

Balance Sheet  
June 30, 1966

Assets

Cash in Bank  
Equipment

24,366.80

1.00

24,367.80

Liabilities

Accounts Payable  
Fund Equity

774.24

23,593.56

24,367.80

Statement of Cash Receipts and Disbursements  
And Fund Balances  
July 1, 1965 to June 30, 1966

Balance of Cash in Bank July 1, 1965 27,504.06

Cash Receipts

Renewal Fees	16,250.00	
Reciprocity Fees	4,525.00	
Delinquent Fees	4,333.00	
Examination Fees	4,220.00	
Back Fees	370.50	
Education Fees	28.00	
Overpayments	197.00	
Miscellaneous	492.96	30,416.46

Total Available

Cash Disbursements

Salaries	20,957.00	
Out-of-State Travel	1,076.62	
In-State Travel	3,886.67	
Office Rent	1,500.00	
Other Rent	618.00	
Telephone	1,145.92	
Postage	386.10	
Printing	1,857.49	
Supplies	950.07	
Industrial Insurance	140.58	
Refunds	240.00	
Dues and Fees	50.00	
Equipment	422.31	
Miscellaneous	53.01	
Legal	28.20	
Repairs	12.75	
Accounting	210.00	
Bond	10.00	
Post Office Box	9.00	33,553.72

Cash In Bank June 30, 1966 24,366.80

Statement of Budgeted Revenues and Expenditures  
Compared to Actual for Year  
July 1, 1965 to June 30, 1966

	<u>Budgeted</u>	<u>Actual</u>
Salaries	22,748.00	20,957.00
Travel	3,600.00	4,963.29
Operating	7,500.00	7,211.12
Equipment	<u>500.00</u>	<u>422.31</u>
	<u>34,348.00</u>	<u>33,553.72</u>

Bank Reconciliation  
June 30, 1966

Balance as per statement		27,309.60
Less outstanding checks:		
	3832	341.00
	3836	249.50
	3837	10.00
	3838	396.90
	3839	125.00
	3840	275.80
	3843	210.00
	3844	152.20
	3845	31.05
	3847	88.15
	3848	258.30
	3853	75.00
	3854	3.25
	3858	36.30
	3859	<u>690.35</u>
		<u>2,942.80</u>
Balance as per books		<u><u>24,366.80</u></u>

STATE OF NEVADA DAIRY COMMISSION

JUNE 30, 1966

CARLOS B. BROWN  
Certified Public Accountant  
Post Office Box 1708 - Reno, Nevada 89505



CARLOS B. BROWN

Certified Public Accountant

290 S. Arlington Avenue  
Post Office Box 1708  
Reno, Nevada 89505  
323-8681

October 4, 1966

State of Nevada Dairy Commission  
2500 North Valley Road  
Reno, Nevada 89502

Gentlemen:

We have examined the Statement of Cash Receipts and Disbursements together with the Comparative Statement of Budgeted and Actual Disbursements of the State of Nevada Dairy Commission for the year ended June 30, 1966. 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 we considered necessary in the circumstances.

In our opinion the accompanying Statement of Cash Receipts and Disbursements and Comparative Statement of Budgeted and Actual Disbursements present fairly the cash transactions of the State of Nevada Dairy Commission for the year ended June 30, 1966 on a basis consistent with that of the preceding year.

Yours very truly,

/s/ Carlos B. Brown

Certified Public Accountant

-460-

TRUE COPY



STATE OF NEVADA DAIRY COMMISSION  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 1966

Cash on deposit with the  
Nevada State Treasurer, July 1, 1965 \$ 57,442.12

Receipts (Note 1)

Assessments for:

Fluid milk	\$64,578.54
Ice cream	40,644.09
Cottage cheese	7,442.98
Butter	16,742.66
Other	<u>719.01</u>

Total assessments

\$130,127.28

Licenses

435.00

Penalties for late payments

91.69

Fines for violations

5,500.00

Miscellaneous reimbursements

224.69

Refund from the State Treasurer

for unused personnel assessment

for the year ended June 30, 1965

127.00

Total receipts

136,505.66

193,947.78

Disbursements (Exhibit B) (Note 2)

Salaries and payroll costs

90,472.64

Out of state travel

1,418.35

In state travel

8,648.31

Operating

24,034.74

Equipment

172.47

Total disbursements

124,746.51

Cash on deposit with the  
Nevada State Treasurer June 30, 1966

\$ 69,201.27

STATE OF NEVADA DAIRY COMMISSION  
FOOTNOTES TO THE  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 1966

NOTE 1

On August 15, 1966, the Dairy Commission was notified by the State Department of Administration, Personnel Division, that \$79.08 representing a refund on personnel assessment charges for 1965-1966 fiscal year had been transferred to their account for the fiscal year ended June 30, 1966.

NOTE 2

The State of Nevada does not operate its funds on a strict cash basis. The fund remains open for a period of time after the close of the fiscal year at June 30th in order to allow State agencies to record vouchers against the applicable fiscal year. The closing date for 1966 was August 12, 1966. Vouchers paid from July 1, 1966 through August 12, 1966 and reflected in the attached statements amounted to \$8,344.49 and consisted of the following:

Salaries and payroll costs	\$4,235.75
Out of State travel	35.80
In State travel	1,311.54
Operating costs	2,709.47
Equipment purchases	<u>51.93</u>
Total	<u>\$8,344.49</u>

STATE OF NEVADA DAIRY COMMISSION  
COMPARATIVE STATEMENT OF BUDGETED AND ACTUAL DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 1966

	BUDGETED DISBURSEMENTS	ACTUAL DISBURSEMENTS	ACTUAL DISBURSEMENTS (OVER) OR SHORT OF AMOUNTS BUDGETED
<u>SALARIES AND PAYROLL COSTS</u>			
Personnel salaries	\$100,294.00	\$83,625.86	\$16,668.14
Commission member salaries	2,000.00	1,000.00	1,000.00
Industrial insurance	573.00	467.53	105.47
Retirement	5,673.00	4,618.33	1,054.67
Personnel assessment	600.00	520.92	79.08
Group insurance	432.00	240.00	192.00
Total salaries and payroll disbursements	<u>\$109,572.00</u>	<u>\$90,472.64</u>	<u>\$19,099.36</u>
<u>OUT OF STATE TRAVEL DISBURSEMENTS</u>	<u>\$ 5,000.00</u>	<u>\$ 1,418.35</u>	<u>\$ 3,581.65</u>
<u>IN STATE TRAVEL DISBURSEMENTS</u>	<u>\$ 9,000.00</u>	<u>\$ 8,648.31</u>	<u>\$ 351.69</u>
<u>OPERATING</u>			
Office supplies	\$ 2,000.00	\$ 1,774.69	\$ 225.31
Postage and freight	800.00	482.85	317.15
Telephone rental	1,120.00	1,277.79	( 157.79)
Telephone tolls and telegraph	2,000.00	1,528.50	471.50
Printing operational	900.00	110.06	789.94
Subscriptions and reference manuals	75.00	181.00	( 106.00)
Dues and registrations	150.00	145.00	5.00
Bond and insurance premiums	350.00	406.13	( 56.13)
Contract services	1,800.00	1,673.72	126.28
Advertising	200.00	79.05	120.95
Attorney general services	9,000.00	9,000.00	
Office equipment repair	450.00	1,025.17	( 575.17)
Equipment rental	100.00	154.80	( 54.80)
Building space rental	6,000.00	3,901.98	2,098.02
Hearing expense	200.00	188.37	11.63
Heat	400.00	225.84	174.16
Power	150.00	368.76	( 218.76)
Water	130.00	159.60	( 29.60)
Other utilities	25.00	176.00	( 151.00)
Building maintenance	480.00	630.00	( 150.00)
Grounds maintenance		161.86	( 161.86)
Miscellaneous	100.00		100.00
Improvements and betterments		380.07	( 380.07)
Special services or projects		3.50	( 3.50)
	<u>\$ 26,430.00</u>	<u>\$24,034.74</u>	<u>\$ 2,395.26</u>

STATE OF NEVADA DAIRY COMMISSION  
COMPARATIVE STATEMENT OF BUDGETED AND ACTUAL DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 1966

	<u>BUDGETED</u> <u>DISBURSEMENTS</u>	<u>ACTUAL</u> <u>DISBURSEMENTS</u>	<u>ACTUAL</u> <u>DISBURSEMENTS</u> <u>(OVER) OR SHORT OF</u> <u>AMOUNTS BUDGETED</u>
<u>EQUIPMENT PURCHASES</u>			
Office equipment			
Printing calculator	\$ 1,100.00		\$ 1,100.00
Miscellaneous	<u>100.00</u>	<u>\$ 172.47</u>	<u>( 72.47)</u>
	<u>\$ 1,200.00</u>	<u>\$ 172.47</u>	<u>\$ 1,027.53</u>

NEVADA STATE BOARD OF DISPENSING OPTICIANS

JUNE 30, 1966

HEPPNER & ERNST  
Certified Public Accountants



HEPPNER & ERNST

CERTIFIED PUBLIC ACCOUNTANTS

SECURITY NATIONAL BANK BUILDING

180 WEST FIRST STREET

RENO, NEVADA

VERNON C. HEPPNER, C.P.A.  
WILLIAM R. ERNST, C.P.A.

TELEPHONE  
329-3428

December 2, 1966

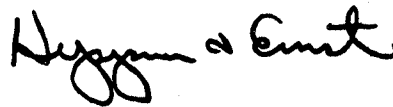
Nevada State Board of  
Dispensing Opticians  
134 South Fourth Street  
Las Vegas, Nevada

Gentlemen:

We have examined the balance sheet of Nevada State Board of Dispensing Opticians as of June 30, 1966, 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 as of June 30, 1966 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,





NEVADA STATE BOARD OF DISPENSING OPTICIANS  
BALANCE SHEET  
JUNE 30, 1966

ASSETS

CURRENT ASSETS

Cash

\$2,771.84

\$2,771.84

LIABILITIES

CURRENT LIABILITIES

Accounts payable

\$ 29.70

FUND EQUITY

Balance, July 1, 1965

\$2,359.89

Add excess of revenue over  
expenditures for the year

ended June 30, 1966 (Exhibit B)

382.25

Balance, June 30, 1966

2,742.14

\$2,771.84

NEVADA STATE BOARD OF DISPENSING OPTICIANS  
STATEMENT OF REVENUE AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1966

	FOR THE YEAR ENDED JUNE 30, 1966	
	<u>BUDGETED</u>	<u>ACTUAL</u>
<u>REVENUE</u>		
License renewals	\$345.00	\$390.00
Examination fees		345.00
Interest	100.00	107.29
Other income		2.00
	<u>445.00</u>	<u>844.29</u>
<u>EXPENDITURES</u>		
Salaries (Industrial insurance)		50.35
In-State travel	250.00	208.81
Operating	195.00	202.88
	<u>445.00</u>	<u>462.04</u>
Excess of revenue over expenditures	<u>\$ -0-</u>	<u>\$382.25</u>

# HEPPNER & ERNST

VERNON C. HEPPNER, C.P.A.  
WILLIAM R. ERNST, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS  
SECURITY NATIONAL BANK BUILDING  
180 WEST FIRST STREET  
RENO, NEVADA 89501

TELEPHONE  
329-3428

December 2, 1966

Nevada Legislative Commission  
Carson City, Nevada

Attention Mr. N. H. Terrell

Gentlemen:

Re: Nevada State Board of Dispensing Opticians  
Supplemental Letter  
Year Ended June 30, 1966

The following comments are submitted relative to the audit of the above State Board.

## Non-Compliance With Statute

Our examination disclosed the following procedure which appears to violate Chapter 488 of the Statutes of Nevada, 1965.

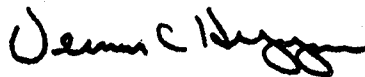
1. Expenditures have exceeded those budgeted without request for budget augmentation at the time of our audit. No request for augmentation was made as of December 2, 1966.

## Comments on Financial Position

The board operation resulted in an excess of revenue over expenditure for the year ended June 30, 1966. Although expenditures exceeded the amount budgeted by \$17.04, revenue exceeded the amount budgeted by \$399.29, resulting in an excess of \$382.25 for the year.

The balance sheet indicates an account payable at June 30, 1966 of \$29.70. This represents premiums due the Nevada Industrial Commission for the period from January 1, 1966 to June 30, 1966.

Yours very truly,



Vernon C. Heppner

VCH:jk



NEVADA STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS

JUNE 30, 1966

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
Certified Public Accountants  
100 California Avenue  
Reno, Nevada



RAY E. ARMSTRONG  
LOWELL C. BERNARD  
LEROY R. BERGSTROM  
DONALD E. MCGHIE

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
CERTIFIED PUBLIC ACCOUNTANTS  
100 CALIFORNIA AVENUE  
RENO, NEVADA

TELEPHONE  
[AREA CODE 702]  
322-9471

September 20, 1966

State Board of Registered Professional Engineers  
375 Forest Street  
Reno, Nevada

Gentlemen:

We have examined the Statement of Receipts and Disbursements and the Statement of Receipts and Disbursements as Compared to Legislative Intent of the State Board of Registered Professional Engineers for the fiscal year ended June 30, 1966. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and analyses of the records as we considered necessary in the circumstances. However, we did not confirm unpaid licensees' renewal fees directly with the licensees since this was not included in the scope of our engagement.

In our opinion the attached Statements of Receipts and Disbursements present fairly the cash transactions of the State Board of Registered Professional Engineers for the fiscal year ended June 30, 1966 on a basis consistent with that of the preceding year.

Respectfully submitted,





## AUDITOR'S COMMENTS

### FINANCIAL TRANSACTIONS

Receipts for the year under review of \$32,182.05 were \$10,619.10 greater than those of the preceding year. This increase was primarily attributable to renewal fees, which were \$8,900.00 more than in the prior year. Changes in the annual renewal fee for engineers in training contributed to this increase, as did the general growth of the profession in this State.

Although the year's disbursements of \$26,340.08 were \$4,405.53 greater than in 1965, the strong increase in receipts resulted in an excess of receipts over disbursements of \$5,841.97.

The cash balances of the Board at June 30, 1966 of \$24,077.27, as detailed in Exhibit A, were confirmed directly with the depositories noted and reconciled to the Board's records.

As disclosed in Exhibit B, the Board's transactions for the year were within the limits established by its budget.

### GENERAL COMMENTS

1. We noted substantial improvement in the administration of Board travel expenses over that noted in our report for the prior year.
2. Suitable employee bonding, as recommended in last year's report, was provided for during the year.
3. 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 the permanent registry of certification, member card files and yearly roster publication (N. R. S. 623.220). All funds received by the Board appear to have been properly recorded.



STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

RECEIPTS:

Professional Engineer Applications	\$ 7,400.00
Engineer in Training Applications	400.00
Professional Engineer Renewal Fees	23,660.00
Examination Fees	300.00
Interest on Savings Account	375.41
Miscellaneous	<u>46.64</u>

Total Receipts \$32,182.05

DISBURSEMENTS:

Salaries:

Board Secretary	\$5,550.00
Assistance to Board Secretary	<u>5,500.00</u>

Total Salaries \$11,050.00

Travel and Per Diem:

Board Members' Meetings and Travel	3,342.91
------------------------------------	----------

Office Expenses:

Office Supplies	\$ 713.87
Telephone	331.18
Insurance and Bond	68.60
Rent	2,160.00
Postage and Express	996.70
Printing	3,335.75
Preparation, Typing and Scoring of Exams	1,620.67
Office Equipment	52.08
Office Equipment Rental	16.50
Subscriptions	<u>6.00</u>

Total Office Expenses 9,301.35

Board Investigator:

Investigator	\$ 324.90
Clerical Assistance	<u>225.50</u>

Total Board Investigator 550.40

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Miscellaneous:

National Dues	\$ 380.00
Legal and Accounting	955.00
Refunds on Applications and Renewals Fees	45.00
Social Security Expense - Current Year	<u>401.03</u>

Total Miscellaneous Expense \$ 1,781.03

DISBURSEMENTS APPLICABLE TO PRIOR YEAR:

Social Security Expense - Prior Year	\$ 201.19
Withholding Tax - Prior Year	<u>113.20</u>

Total Disbursements Applicable to  
Prior Year 314.39

Total Disbursements \$26,340.08

Excess of Receipts over Disbursements \$ 5,841.97

Cash Balance, Beginning of Fiscal Year 18,235.30

Cash Balance, Ending of Fiscal Year \$24,077.27

REPRESENTED BY:

First National Bank of Nevada,  
Keystone Avenue Branch,  
Checking Account \$17,471.11

First National Bank of Nevada,  
Keystone Avenue Branch,  
Savings Account 6,606.16

Total Cash in Banks \$24,077.27

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS AS  
COMPARED TO LEGISLATIVE INTENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	<u>LEGISLATIVE INTENT</u>	<u>ACTUAL</u>	<u>OVER OR (UNDER) INTENT</u>
CASH BALANCE, July 1, 1965		<u>\$18,235.30</u>	
<u>RECEIPTS:</u>			
Professional Engineer Applications		\$ 7,400.00	
Engineer in Training Applications		400.00	
Professional Engineer Renewal Fees		23,660.00	
Examination Fees		300.00	
Interest on Savings Account		375.41	
Miscellaneous		<u>46.64</u>	
Total Receipts	<u>\$29,600.00</u>	<u>\$32,182.05</u>	<u>\$ 2,582.05</u>
Total Funds Available		<u>\$50,417.35</u>	
<u>DISBURSEMENTS:</u>			
Salaries	\$14,000.00	\$11,050.00	\$(2,950.00)
Travel	3,500.00	3,342.91	(157.09)
Operating Expenses	11,600.00	11,895.09	295.09
Equipment	<u>500.00</u>	<u>52.08</u>	<u>(447.92)</u>
Total Disbursements	<u>\$29,600.00</u>	<u>\$26,340.08</u>	<u>\$(3,259.92)</u>
CASH BALANCE, June 30, 1966		<u>\$24,077.27</u>	



NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

JUNE 30, 1966

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
Certified Public Accountants  
100 California Avenue  
Reno, Nevada



RAY E. ARMSTRONG  
LOWELL C. BERNARD  
LEROY R. BERGSTROM  
DONALD E. MCGHIE

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
CERTIFIED PUBLIC ACCOUNTANTS  
100 CALIFORNIA AVENUE  
RENO, NEVADA

TELEPHONE  
[AREA CODE 702]  
322-9471

September 20, 1966

Nevada State Board of  
Funeral Directors and Embalmers  
P. O. Box 2407  
Reno, Nevada 89505

Gentlemen:

We have examined the statement of receipts and disbursements of the Nevada State Board of Funeral Directors and Embalmers for the year ended June 30, 1966, and the related statement of receipts and disbursements as compared with the legislative intent for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Attached hereto and made a part of this report are the following exhibits which reflect the results of the operations of the Board for the fiscal year ended June 30, 1966 and its cash position at that date:

Exhibit A - Statement of Receipts and Disbursements  
and Reconciliation of Cash.

Exhibit B - Statement of Receipts and Disbursements  
as Compared to Legislative Intent.

Our comments on these exhibits follow.

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
AND RECONCILIATION OF CASH

Exhibit A presents a statement of receipts and disbursements and reconciliation of cash for the year under review. Disbursements of \$2,700.97 exceeded receipts of \$2,485.66 by \$215.31. The cash balance of the Board was thereby decreased from \$4,221.06 at July 1, 1965 to

\$4,005.75 at June 30, 1966. The disbursements for the year under review of \$2,700.97 represent an increase of \$1,520.79 over those of the preceding year. The significant reasons for this increase are the increased expenditures for travel, including investigation expenses and legal fees. The receipts of \$2,485.66 for the year under review exceeded the receipts for the preceding year by \$939.92.

STATEMENT OF RECEIPTS AND DISBURSEMENTS  
AS COMPARED TO LEGISLATIVE INTENT

The disbursements of \$2,700.97 exceeded the amount as authorized by legislative intent by \$100.97. The primary reason for this overdisbursement was a legal fee paid, applicable for the years 1963 to 1966.

GENERAL COMMENTS

1. Our examination disclosed that the Board's financial operations were conducted in conformity with the provisions of applicable Nevada law.
2. The Board does not keep a permanent register of the names, residence addresses and business addresses of all licensees as required by Section 642.040, Nevada Revised Statutes. An alphabetical loose leaf register of all licensees is maintained. The secretary of the Board was advised to prepare annually the required permanent register and furnish all members with a copy thereof.

ACCOUNTANT'S CERTIFICATE

Although the accounts are maintained on a cash basis, the differences between such basis and the accrual basis are relatively immaterial.

In our opinion, the accompanying Statement of Receipts and Disbursements and Reconciliation of Cash and Statement of Receipts and Disbursements as Compared to Legislative Intent present fairly the cash

position of the Nevada State Board of Funeral Directors and Embalmers at June 30, 1966, 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.

Respectfully submitted,

*Kafoury, Armstrong, Bernard and Bergstrom*



NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND RECONCILIATION OF CASH  
FOR FISCAL YEAR ENDED JUNE 30, 1966

RECEIPTS:

Funeral Directors' Licenses	\$	300.00
Embalmers' License Fees		1,111.25
Apprentice License Fees		140.00
Examination Fees		825.00
Rebate - Nevada Industrial Commission		9.74
Interest Earned		<u>99.67</u>
 Total Receipts		 \$2,485.66

DISBURSEMENTS:

Salary	\$	875.00
Travel and Room Allowance		369.86
<u>Operating Expenses:</u>		
Investigation Expense	\$549.40	
Meeting Expense	218.26	
Examination Grading	28.35	
Treasurer's Bond Premium	10.00	
Industrial Insurance	75.94	
Office Supplies	82.29	
Printing	52.46	
Telephone	39.41	
Legal Expense	<u>400.00</u>	<u>1,456.11</u>
 Total Disbursements		 <u>2,700.97</u>
 Excess of Disbursements over Receipts		 \$ (215.31)
 Cash Balance, July 1, 1965		 <u>4,221.06</u>
 Cash Balance, June 30, 1966		 <u>\$4,005.75</u>

REPRESENTED BY:

First National Bank of Nevada, Main Office, Reno, Nevada - Checking Account	\$1,881.53	
Union Federal Savings and Loan Association, Reno, Nevada - Savings Account No. 27007		<u>2,124.22</u>
 Total		 <u>\$4,005.75</u>

NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS AS  
COMPARED TO LEGISLATIVE INTENT  
FOR FISCAL YEAR ENDED JUNE 30, 1966

	<u>LEGISLATIVE INTENT</u>	<u>ACTUAL</u>	<u>OVER OR (UNDER) INTENT</u>
CASH BALANCE, July 1, 1965		<u>\$4,221.06</u>	
<u>Receipts:</u>			
Funeral Directors' License Fees		\$ 300.00	
Embalmers' License Fees		1,111.25	
Apprentice License Fees		140.00	
Examination Fees		825.00	
Rebate - Nevada Industrial Commission		9.74	
Interest Earned		<u>99.67</u>	
Total Receipts	<u>\$2,600.00</u>	<u>\$2,485.66</u>	<u>\$ (114.34)</u>
Total Funds Available		<u>\$6,706.72</u>	
<u>Disbursements:</u>			
Salaries	\$ 870.00	\$ 875.00	\$ 5.00
Travel	1,000.00	369.86	(630.14)
Operating Expenses	<u>730.00</u>	<u>1,456.11</u>	<u>726.11</u>
Total Disbursements	<u>\$2,600.00</u>	<u>\$2,700.97</u>	<u>\$ 100.97</u>
CASH BALANCE, June 30, 1966		<u>\$4,005.75</u>	

NEVADA STATE BOARD OF MEDICAL EXAMINERS

JUNE 30, 1966

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
Certified Public Accountants  
100 California Avenue  
Reno, Nevada



RAY E. ARMSTRONG  
LOWELL C. BERNARD  
LEROY R. BERGSTROM  
DONALD E. MCGHIE

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM  
CERTIFIED PUBLIC ACCOUNTANTS  
100 CALIFORNIA AVENUE  
RENO, NEVADA

TELEPHONE  
[AREA CODE 702]  
322-9471

August 30, 1966

Nevada State Board of Medical Examiners  
3660 Baker Lane  
Reno, Nevada

Gentlemen:

We have examined the statement of financial condition of the Nevada State Board of Medical Examiners for the year ended June 30, 1966, and the related statement of revenues and expenditures and budget comparison for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Attached hereto and forming a part of this report are the following exhibits which reflect the results of the operations of the Board for the fiscal year ended June 30, 1966, and its financial condition at that date:

Exhibit A - Statement of Revenues and Expenditures and  
Budget Comparison.

Exhibit B - Statement of Financial Condition.

Our comments on these exhibits follow:

STATEMENT OF REVENUES AND EXPENDITURES AND  
BUDGET COMPARISON

Exhibit A presents a statement of revenues and expenditures with a budget comparison on a cash basis for the year under review. Expenditures of \$19,695.29 exceeded revenues of \$19,651.56 by \$43.73. The cash balance of

the Board was thereby decreased from \$34,242.46 at July 1, 1965, to \$34,198.73 at June 30, 1966. The expenditures for the year under review of \$19,695.29 represent an increase of \$6,211.60 over those of the preceding year. The significant reasons for this increase are the accumulated payments of annuity and retirement charges during the year under review, and increased expenditures for Board salaries, clerical salaries, travel and investigation expenses. The actual revenue of \$19,651.56 exceeded the budgeted revenue of \$17,840.00 by \$1,811.56 and the actual expenditures of \$19,659.29 were \$580.29 more than the budget estimate of \$19,115.00.

#### STATEMENT OF FINANCIAL CONDITION

Deposits with commercial banks and savings and loan associations of \$34,260.41 were confirmed directly with the depositories concerned and are presented in detail in Exhibit B.

The fixed assets of the Board consist of various items of furniture, fixtures and office equipment, carried at a nominal value of one dollar. No acquisitions were made during the current year.

At June 30, 1966, the Board held in trust the sum of \$61.68 in withheld employees' income taxes. This sum was subsequently cleared during our examination.

The legal reserve of \$15,000.00 was appropriated by Board action in 1961. This reserve recognizes the Board's responsibility to maintain funds adequate to conclude any legal proceedings to which it may become a party.

Unappropriated surplus at June 30, 1966, was \$19,199.73 and is analyzed as follows:

Balance, July 1, 1965	\$19,243.46
Deduct: Excess of Expenditures Over Revenues	<u>43.73</u>
Balance, June 30, 1966	<u>\$19,199.73</u>

GENERAL COMMENTS

1. Our examination disclosed that the Board's financial operations were conducted in conformity with the provisions of applicable Nevada law, except that expenditures exceeded appropriations by \$580.29 as a result of the payment of substantial expenses of the 1964-65 fiscal year during the current period.

2. Officers and personnel of the Board responsible for cash are bonded in their capacity as agents of the Board as follows:

President	\$ 5,000.00
Secretary-Treasurer	5,000.00
Clerk	5,000.00
Assistant Clerk	<u>5,000.00</u>
Total	<u>\$20,000.00</u>

ACCOUNTANTS CERTIFICATE

Although the accounts are maintained on a cash basis, the differences between such basis and the accrual basis are relatively immaterial.

In our opinion, the accompanying statement of financial condition and statement of revenues and expenditures and budget comparison present fairly the financial position of the Nevada State Board of Medical Examiners at June 30, 1966, 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.

Respectfully submitted,

*Kafoury, Armstrong, Bernard and Bergstrom*



NEVADA STATE BOARD OF MEDICAL EXAMINERS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND BUDGET COMPARISON  
FOR THE YEAR ENDED JUNE 30, 1966

	BUDGETED	ACTUAL	OVER OR (UNDER) BUDGET
<b>REVENUES:</b>			
Annual Registration Fees	\$ 6,800.00	\$ 7,080.00	\$ 280.00
Permits and Endorsements	800.00	860.00	60.00
Reciprocity Fees	9,000.00	10,175.00	1,175.00
Examination Fees	300.00	200.00	(100.00)
Reinstatement Fees	40.00	-	(40.00)
Interest and Miscellaneous	900.00	1,336.56	436.56
Totals	<u>\$17,840.00</u>	<u>\$19,651.56</u>	<u>\$1,811.56</u>
<b>EXPENDITURES:</b>			
Board Salaries	\$ 1,600.00	\$ 1,787.50	\$ 187.50
Clerical Salaries	4,800.00	4,325.35	(474.65)
<b>Out of State Travel:</b>			
Transportation	1,400.00	900.26	(499.74)
Per Diem	675.00	411.43	(263.57)
<b>In State Travel:</b>			
Transportation	900.00	962.30	62.30
Per Diem	800.00	1,556.25	756.25
Industrial Insurance	150.00	60.70	(89.30)
Buildings and Equipment Rental	1,300.00	1,200.00	(100.00)
Freight and Postage	375.00	307.98	(67.02)
Printing - Annual Register	275.00	460.15	185.15
Printing - Miscellaneous	300.00	272.15	(27.85)
Printing - Other Forms	450.00	134.75	(315.25)
Office Supplies and Expenses	250.00	354.93	104.93
Telephone - Service Fees	270.00	253.21	(16.79)
Telephone - Tolls	250.00	191.07	(58.93)
Insurance and Bonding	350.00	293.26	(56.74)
Legal Service	1,400.00	1,300.00	(100.00)
Audit and Accounting	500.00	325.00	(175.00)
Meeting Expense	100.00	121.89	21.89
Convention Registration and Dues	300.00	400.00	100.00
Annuity and Retirement	1,370.00	3,066.75	1,696.75
Investigation Expense	500.00	970.05	470.05
Miscellaneous	200.00	40.31	(159.69)
Capital Outlay	600.00	-	(600.00)
Totals	<u>\$19,115.00</u>	<u>\$19,695.29</u>	<u>\$ 580.29</u>
Excess of Expenditures over Revenues		\$ (43.73)	
Cash Balance, July 1, 1965		<u>34,242.46</u>	
Cash Balance, June 30, 1966		<u>\$34,198.73</u>	

NEVADA STATE BOARD OF MEDICAL EXAMINERS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND BUDGET COMPARISON  
FOR THE YEAR ENDED JUNE 30, 1966

REPRESENTED BY:

Commercial Account:

Security National Bank of Nevada,  
Reno, Nevada

\$ 3,069.90

Savings Accounts:

First National Bank of Nevada,

Keystone Office, Reno, Nevada

\$6,683.63

Nevada Bank of Commerce,

Reno, Branch, Reno, Nevada

5,815.08

Union Federal Savings and Loan

Association, Reno, Nevada

7,831.89

American Savings and Loan Association,  
Reno, Nevada

5,821.47

Frontier Fidelity Savings and Loan

Association, Las Vegas, Nevada

5,038.44

31,190.51

\$34,260.41

Less: Funds Held in Trust,  
Employees' Withholding

61.68

\$34,198.73

NEVADA STATE BOARD OF MEDICAL EXAMINERS  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 1966

ASSETS

CURRENT ASSETS:

Cash in Banks:

Commercial Account, Security National Bank		\$ 3,069.90
Savings Account, First National Bank of Nevada	\$6,683.63	
Savings Account, Nevada Bank of Commerce	5,815.08	
Union Federal Savings and Loan Association	7,831.89	
American Savings and Loan Association	5,821.47	
Frontier Fidelity Savings and Loan Association	<u>5,038.44</u>	<u>31,190.51</u>

Total Current Assets \$34,260.41

FIXED ASSETS (Nominal Value Only)

1.00

Total Assets \$34,261.41

LIABILITIES AND SURPLUS

CURRENT LIABILITIES:

Employees' Withholding Taxes	\$ 61.68
------------------------------	----------

SURPLUS:

Legal Reserve	\$15,000.00
Unappropriated Surplus	<u>19,199.73</u>

Total Surplus 34,199.73

Total Liabilities and Surplus \$34,261.41



NEVADA STATE BOARD OF NURSING

JUNE 30, 1966

A. N. JACOBSON  
Public Accountant  
Post Office Box 435 - Virginia City, Nevada



A. N. JACOBSON  
Public Accountant  
Virginia City, Nevada

Sept. 30, 1966

State Board of Nursing,  
c/o Mrs. Dorothy Button,  
P. O. Box 1884,  
Reno, Nevada.

Ladies:

An audit of the books and accounts of the State Board of Nursing for the fiscal year ended June 30, 1966, has been completed.

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.

In our opinion, schedules presented herewith, which are self-explanatory, correctly reflect the financial transactions of the State Board of Nursing for the fiscal year ended June 30, 1966.

Respectfully submitted,

/s/ A. N. Jacobson,

A. N. Jacobson,  
Public Accountant.



STATE BOARD OF NURSING  
Summary of Cash Balances  
June 30, 1966

<u>Commercial Account, First</u>	
<u>National Bank of Nevada</u>	
Balance Beginning of Year	\$ 1,507.06
Receipts during year, including	
transfer of funds	<u>39,998.17</u>
	\$41,505.23
Disbursements during year, including	
transfer of funds	<u>40,837.31</u>
Balance, end of year	<u>\$ 667.92</u>
(See next page for bank reconciliation)	
<u>Interest credited to our accounts</u>	
<u>during year</u>	
American Savings & Loan	\$ 317.93
Pioneer Citizens Savings Acct.	133.66
1st National Bank of Nevada, Savings Acct.	183.50
(Interest from Union Federal Savings	
& Loan paid in cash quarterly)	
<u>Available Funds June 30, 1966</u>	
1st National Bank of Nevada, savings account	\$10,136.16*
1st National Bank of Nevada, comm'l account	667.92
Union Federal Savings & Loan	10,000.00
American Savings & Loan	6,717.00
Pioneer Citizens Bank, Savings account	<u>10,133.66*</u>
	<u>\$37,654.74</u>

\*These balances reduced to below  
\$10,000.00 in July, 1966.

STATE BOARD OF NURSING

Bank Reconciliation  
1st National Bank of Nevada

June 30, 1966

Balance per Books, June 30, 1966 \$ 667.92

ADD: Outstanding Checks:

<u>Number</u>	<u>Amount</u>
608	\$ 25.70
651	93.00
652	28.50
657	62.70
658	62.70
659	25.70
660	16.50
661	28.00
662	25.70
663	51.40
664	445.60
665	63.90
666	13.14
667	40.55
668	<u>70.00</u>

Total 1,053.09

Balance per Bank, June 30, 1966 \$1,721.01

STATE BOARD OF NURSING

Reconciliation of Available Funds  
June 30, 1965 & June 30, 1966

Total Available Funds Beginning of Fiscal Year		\$24,639.53
Receipts, 1965-1966:		
Professional Nurse Licenses	\$26,322.65	
Practical Nurse Licenses	<u>7,842.50</u>	
	\$34,165.15	
Interest:		
Cash	\$485.00	
Pass book credits	635.09	
Adjustment	<u>.20</u>	1,120.29
Miscellaneous Refunds, etc.	<u>348.02</u>	<u>35,633.46</u>
		\$60,272.99
Disbursements	\$40,837.31	
Less Transfer of Funds	<u>18,219.06</u>	<u>22,618.25</u>
Total Available Funds End of Fiscal Year		<u>\$37,654.74</u>

STATE BOARD OF NURSING

Disbursements

Fiscal Year Ended June 30, 1966

Salaries	\$14,179.84
Income Tax Withheld	(675.96)
Employer's Retirement Contributions	489.60
Income Tax Withheld Remitted	385.30
University of Colorado Nurses Seminar	509.65
Telephone & Telegraph	334.81
Industrial Insurance	115.27
Refunds	117.50
Miscellaneous	134.72
Traveling Expense	1,642.21
Rent	825.00
Postage	578.05
Examination Expense	649.41
Convention Speaker	72.00
Copy Machine Maintenance	35.00
Printing	1,883.43
Office Supplies	341.32
Reporter's Fees	25.00
Audit & Legal Expense, 2 yrs.	200.00
Office Equipment	761.10
Transfer of Funds:	
to 1st National Bank Savings Account	8,219.06
Pioneer Citizens Savings Account	10,000.00
Fidelity Bond	<u>15.00</u>
Total	<u>\$40,837.31</u>

STATE BOARD OF NURSING

Disbursements by Categories

Fiscal Year 1965-1966

Salaries		\$14,179.84
Executive Secretaries	\$9,800.00	
Relief and extra work; proctoring	<u>4,379.84</u>	
Operating Expense		6,035.10
Traveling Expense		1,642.21
Office Equipment		761.10
Transfer of Funds		<u>18,219.06</u>
Total		<u>\$40,837.31</u>



## ANNUAL REPORT

### NEVADA STATE BOARD OF NURSING

JULY 1, 1965 - JUNE 30, 1966

#### MEETINGS

During the year the Board of Nursing held three regular meetings and one special meeting.

At the OCTOBER meeting the Board authorized the purchase of two four-drawer, letter-size, fire-proof files in which to store original applications of all active and inactive professional and practical nurses who have been licensed in Nevada. The purchase of these was urged by ANA because a fire had occurred in a Board of Nursing office. Most nurses' records were saved because they were stored in specially insulated files.

The Board held a public hearing November 19, 1965 in the Conference Room of Washoe Medical Center in Reno. The hearing was necessary in order to comply with requirements of Nevada's Administrative Procedures Act. It was called because the Board wished to require all new applicants for Nevada licensure by examination and endorsement to submit finger prints as a part of the application and to request finger prints from all applicants for 1966-67 license renewal. As no objection was expressed by attendants at the hearing, the regulation was adopted in the special meeting of the Board held subsequent to it. The finger print requirement was desired as an added protection of the public from unqualified practitioners.

A four day meeting was held in FEBRUARY. Registered nurse members spent two and one-half days reviewing drafts of Series 168 of the State Board Test Pool Licensing Examinations for registered nurse candidates.

The Board approved a revision of its statement entitled "Recommendations Governing the Range and Scope of Nursing Functions for Practical Nurses and Nurse Aides". Because the confusion that exists regarding appropriate functions to be assigned to the various levels of nursing personnel is not limited to practical nurses and nurse aides, the revised "Guide for Assigning Responsibilities to Nursing Personnel" contains a statement for registered nurses. The "Guide" incorporates under the title Licensed Practical Nurse the "Initial Guide to Be Used in the Delegation of Functions to the Practical Nurse" which was prepared in August 1965 by Nevada's Practical Nurse Educators.

The statements in the "Guide" are intended to assist directors of nursing service, supervisors and head nurses to develop sound and consistent written policies for assignment of functions to each category of employee in the nursing department.

At this meeting the Board decided that it was time to employ a full time clerk typist to assist the executive secretary with office work. Mrs. Beverly Craig began work in this position February 23 and terminated May 23.

The Board met two days in JUNE. George H. Hawes, Deputy Attorney General attended a portion of the meeting. (During the year Mr. Hawes replaced Mr. Gabriel Hoffenberg as Legal Counsel to the Board.) A variety of topics were discussed including some changes needed to further strengthen the nurse practice act. There was consensus that the Board will not ask the State Nurses' Association and the State Federation of Licensed Practical Nurses to propose changes in the law at the 1967 legislative session. Members were urged to be alert during the legislative session to pending legislation which may affect nurses and to be prepared to support or to oppose it through their membership in their respective associations.

OFFICERS elected for 1966-67 are: President: Sylvia Michal; Vice-President: Grace Flint; and Secretary: Edith Hughes.

The Board accepted the resignation (because of failing health) of A.N. Jacobson as auditor. Mr. Jacobson has been the Board Auditor for the past four years. The Board employed an accounting firm, Kafoury and Armstrong, as auditors for the coming year.

The Board accepted the resignation of Gertrude C. Baker as Executive Secretary. Mrs. Baker had been Executive Secretary for fourteen months. The Board appointed one of its members Dorothy Button as Acting Executive Secretary. Mrs. Button has been on the Board for six years and its' President for the past three years.

#### REGISTERED AND PRACTICAL NURSE LICENSES ISSUED AND RENEWED

	Interim Permits	Temporary Licenses	Permanent by Endorsement	Permanent by Examination	Denied	Suspended	Revoked
RN	23	277	192	15	1	0	1
PN	72	64	29	62	3	0	0

Information on license renewals of professional and practical nurses is contained in attached Appendix A, B and C. Appendix A shows Activity Status of Registered and Practical Nurses who renewed licenses for the 1966-67 biennium by county of residence in-state and by residence out-of-state. Appendix B shows registered nurses by field of employment. Appendix C shows practical nurses by field of employment. (Appendix D, page 1 and 2 is a summary of Board of Nursing receipts and disbursements for the year.)

Seventy nine per cent (79%) of registered nurses and eighty two per cent (82%) of practical nurses who renewed licenses submitted finger prints with the 1966-67 renewal application. Those who did not now have finger prints filed with their original application for licensure in the Board of Nursing Office.

### SCHOOLS

At the October meeting the Executive Secretary reported a survey of clinical facilities to be used by the Associate Degree Program at Nevada Southern University in Las Vegas. The Board approved the use of facilities as planned.

Re-survey visits to Elko, Lahontan and Lyon Schools of Practical Nursing were reported at the June meeting. The Board agreed to continue full accreditation for Lahontan and Lyon and to grant full accreditation to Elko.

The Nevada State School of Practical Nursing closed following graduation of its' third class on June 2, 1966.

### IN-STATE MEETINGS

The Executive Secretary and most Board members participated in the Annual Vocational Conference for Health Occupations held on the University of Nevada Reno Campus, August 23 - 27, 1965. Participants at the conference worked on a philosophy of practical nurse education and the preparation of a guide outlining the expected role of the practical nurse on the health team.

The Executive Secretary and Mr. Hoffenberg were guest speakers at a District III Nurses' Association Meeting in Las Vegas in September. The Executive Secretary attended conventions of the Nevada State Nurses' Association in November and of the Nevada Federation of Licensed Practical Nurses in May. She attended meetings of the State Nurses' Association Board of Directors throughout the year.

### OUT-OF-STATE MEETINGS

Dorothy Button attended a two week Seminar on Legal Aspects of Nursing on the Boulder Campus of the University of Colorado in August 1965.

Mrs. Baker spent two days in the office of the Arizona Board of Nursing in November. She attended the ANA\* Committee of State Boards Meeting and Educational Conference and the ANA Convention in San Francisco in June.

\*American Nurses Association

APPENDIX A

NEVADA STATE BOARD OF NURSING

REGISTRATION - 1966

COUNTY	ACTIVELY EMPLOYED		NOT ACTIVELY EMPLOYED	
	PROFESSIONAL	PRACTICAL	PROFESSIONAL	PRACTICAL
Churchill	22	19	3	13
Clark	449	182	121	66
Douglas	6	1	1	1
Elko	29	31	9	3
Esmeralda	1			
Eureka			3	1
Humboldt	5	5	9	5
Lander	5		2	2
Lincoln	5	1	3	3
Lyon	11	12	4	7
Mineral	12	8	1	4
Nye	5	5	1	4
Ormsby	36	6	8	5
Pershing	8	6	3	3
Storey	1		1	1
Washoe	390	152	124	50
White Pine	24	5	6	3
Out of State	141	85	80	49
Total	1,150	518	379	220

APPENDIX B

NEVADA STATE BOARD OF NURSING

REGISTRATION - 1966

PROFESSIONAL NURSES - FIELD OF EMPLOYMENT

COUNTY	HOSPITAL	NURSING SCHOOL	PRIVATE DUTY	PUBLIC HEALTH	SCHOOL NURSE	INDUSTRIAL NURSE	OFFICE NURSE	OTHER
Churchill	15	1		2	1		3	
Clark	266	4	28	30	29	17	73	2
Douglas	2		1		1		2	
Elko	19	1	3	1	2		3	
Esmeralda				1				
Eureka								
Humboldt	5							
Lander	2		1	2				
Lincoln	5							
Lyon	7	1		1	1		1	
Mineral	7			1	1		3	
Nye	1		1	1		1	1	
Ormsby	20		3	5	2		6	
Pershing	7			1				
Storey	1							
Washoe	243	17	34	14	19	3	59	1
White Pine	15	2		2	3	1	1	
Out of State	104	2	13	3	4	4	10	1
Total	719	28	84	64	63	26	162	4

APPENDIX C

NEVADA STATE BOARD OF NURSING

REGISTRATION - 1966

PRACTICAL NURSES - FIELD OF EMPLOYMENT

COUNTY	HOSPITAL	NURSING HOME	PRIVATE NURSING	PUBLIC HEALTH	INDUSTRY	OFFICE NURSE	OTHER
Churchill	17		1			1	
Clark	151	10	4			11	6
Douglas	1						
Elko	28		1			1	
Esmeralda							
Eureka							
Humboldt	5						
Lander							
Lincoln							1
Lyon	10	1				1	
Mineral	8						
Nye	5						
Ormsby	3	2					1
Pershing	6						
Storey							
Washoe	107	12	21	2		7	3
White Pine	4					1	
Out of State	51	7	14		2	6	5
Total	396	33	41	2	2	28	16

APPENDIX D, PAGE 1

STATE BOARD OF NURSING

Summary of Cash Balances

June 30, 1966

<u>Commercial Account, First</u>	
<u>National Bank of Nevada</u>	
Balance Beginning of Year	\$ 1,507.07
Receipts during year, including	
transfer of funds	<u>39,998.17</u>
	\$41,505.23
 Disbursements during year, including	
transfer of funds	<u>40,837.31</u>
 Balance, end of year	\$ <u>667.92</u>
(See next page for bank reconciliation)	
 <u>Interest credited to our accounts</u>	
<u>during year</u>	
American Savings & Loan	\$ 317.93
Pioneer Citizens Savings Acct.	133.66
1st National Bank of Nevada, Savings Acct.	183.50
(Interest from Union Federal Savings	
& Loan paid in cash quarterly)	
 <u>Available Funds June 30, 1966</u>	
1st National Bank of Nevada, savings account	\$10,136.16*
1st National Bank of Nevada, comm'l account	667.92
Union Federal Savings & Loan	10,000.00
American Savings & Loan	6,717.00
Pioneer Citizens Bank, Savings account	<u>10,133.66*</u>
	\$37,654.74

\*These balances reduced to below  
\$10,000.00 in July, 1966.

APPENDIX D, PAGE 2

STATE BOARD OF NURSING

Disbursements

Fiscal Year Ended June 30, 1966

Salaries	\$14,179.84
Income Tax Withheld	(675.96)
Employer's Retirement Contributions	489.60
Income Tax Withheld Remitted	385.30
University of Colorado Nurses Seminar	509.65
Telephone & Telegraph	334.81
Industrial Insurance	115.27
Refunds	117.50
Miscellaneous	134.72
Traveling Expense	1,642.21
Rent	825.00
Postage	578.05
Examination Expense	649.41
Convention Speaker	72.00
Copy Machine Maintenance	35.00
Printing	1,883.43
Office Supplies	341.32
Reporter's Fees	25.00
Audit & Legal Expense, 2 yrs.	200.00
Office Equipment	761.10
Transfer of Funds:	
To 1st National Bank Savings Account	8,219.06
Pioneer Citizens Savings Account	10,000.00
Fidelity Bond	<u>15.00</u>
Total	\$40,837.31

NEVADA STATE BOARD OF PHARMACY

JUNE 30, 1966

GEORGE L. PETTYCREW  
Public Accountant  
139 North Virginia Street - Reno, Nevada



GEORGE L. PETTYCREW  
139 North Virginia Street  
Telephone FA. 2-2439  
Reno, Nevada

Public Accountant

Licensed Real Estate Broker

October 6, 1966

Mr. W. L. Merithew, Secretary  
Nevada State Board of Pharmacy  
P. O. Box 1087  
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, 1966.

Although all accounts were not verified in detail, the examination was made in accordance with generally accepted auditing standards, including 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

George L. Pettycrew

GLP:jp



NEVADA STATE BOARD OF PHARMACY

Reno, Nevada

\* \* \* \* \*

Audit Report

June 30, 1966

General Comment:

The financial records of the Nevada State Board of Pharmacy are kept on the cash basis. The accuracy of all of the records is assured by adequate internal control. The book of original entry is the regular combined cash journal, from which entries are posted to a standard general ledger. All of the records are properly maintained.

Records of the individual pharmacists, pharmacies, dealers and other holders of Nevada permits were test checked. The required fees and charges are properly recorded.

Expenditures are properly authorized and are supported by required invoices or other documents. Disbursements are made by check.

The bank statements have been carefully examined and reconciled to the related records.

Amounts of cash which were recorded as being on hand at the beginning and end of the period have been traced to the bank statements and have been found to be properly recorded.

The minutes recording the business transacted by the Board are complete and properly kept.

All of the records show systematic, complete, and accurate information concerning the financial and business transactions of the Board.



NEVADA STATE BOARD OF PHARMACY  
Reno, Nevada  
\* \* \* \* \*  
Statement of Receipts and Disbursements  
For the Fiscal Year Ending June 30, 1966

CASH ON HAND, July 1, 1965 \$ 63,036.13

RECEIPTS:

Reciprocals, Renewals & Certificates	\$25,540.00
Examinations	5,925.00
Pharmacy Permits	3,605.00
General Dealer Permits	128.00
Wholesaler & Manufacturers Permits	1,600.00
Miscellaneous: Grades, Temporaries and Sundry Items	<u>2,578.68</u>

TOTAL RECEIPTS

39,376.68

TOTAL CASH TO ACCOUNT FOR

\$102,412.81

DISBURSEMENTS:

Salaries	\$ 9,989.30
1966 Salary Deductions not paid	( 462.07)
1965 Salary Deductions paid this period	338.82
Employer's salary tax expenses paid	360.71
Industrial Insurance	127.70
Insurance, Other	143.00
Mileage	1,700.54
Subsistence	895.23
Printing & Stationery	1,461.05
Postage	308.78
Telephone	490.26
Rent	570.00
Inspection	644.41
Examination	855.49
Legal	1,200.00
Per Diem Expense	2,872.40
Supplies	747.72
Conventions	2,947.82
Bad Debts	40.00
Miscellaneous	<u>552.68</u>

TOTAL DISBURSEMENTS

\$ 25,783.84

CASH ON HAND, June 30, 1966

76,628.97

TOTAL CASH ACCOUNTED FOR

\$102,412.81

NEVADA STATE BOARD OF PHARMACY

Reno, Nevada

\* \* \* \* \*

BALANCE SHEET

June 30, 1966

ASSETS

CASH ITEMS:

First National Bank, Commercial Account	\$ 473.80	
Nevada Bank of Commerce, Commercial Account	28,543.37	
Nevada Bank of Commerce, Savings Account	12,007.75	
Security National Bank, Savings Account	11,069.82	
Union Federal Savings & Loan Association	10,451.98	
Valley Bank of Nevada	10,389.25	
Petty Cash	20.00	
Cash Items for Deposit in Bank	<u>3,673.00</u>	
Total Cash on Hand		\$76,628.97

OFFICE EQUIPMENT

742.20

TOTAL ASSETS

\$77,371.17

LIABILITIES AND FUND BALANCE

LIABILITIES:

OASI Deductions not yet paid	\$ 108.67	
Income Taxes withheld from Employees	<u>353.40</u>	
Total Liabilities		\$ 462.07

FUND BALANCE:

Balance, June 30, 1965	\$ 63,439.51	
Receipts	<u>39,376.68</u>	
Total	102,816.19	
Disbursements	\$25,783.84	
Plus Salary Deductions Increase:		
June 30, 1966	\$462.07	
June 30, 1965	<u>338.82</u>	
	123.25	
	<u>25,907.09</u>	
Fund Balance, June 30, 1966		<u>76,909.10</u>

TOTAL LIABILITIES AND FUND BALANCE

\$77,371.17

NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS

JUNE 30, 1966

JOSEPH A. SALOMONE  
Certified Public Accountant  
320 Flint Street  
Reno, Nevada 89501



JOSEPH A. SALOMONE  
Certified Public Accountant  
320 Flint Street  
Reno, Nevada 89501

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, 1966, 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, 1966, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

/s/ Joseph A. Salomone

Reno, Nevada  
November 5, 1966



NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS  
STATEMENT OF FINANCIAL CONDITION  
GENERAL FUND  
JUNE 30, 1966

ASSETS

Cash in Bank	<u>\$ 4,314.31</u>
<u>Total Assets</u>	<u><u>\$ 4,314.31</u></u>

FUND EQUITY

Vouchers Payable	\$ 375.65
Unappropriated surplus - Exhibit B	<u>3,938.66</u>
<u>Total Fund Equity</u>	<u><u>\$ 4,314.31</u></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, 1966

	<u>Estimated</u>	<u>Actual</u>	<u>Excess or (Deficiency) of Actual Compared With Estimate</u>
Unappropriated Fund Equity July 1, 1965	\$ <u>3,681.30</u>	\$ <u>3,681.30</u>	\$ _____
<u>Add: Revenue:</u>			
Examination Fees	\$ 1,000.00	\$ 1,000.00	\$ _____
Licenses Renewal Fees	<u>1,300.00</u>	<u>1,475.00</u>	<u>175.00</u>
Total Revenue	\$ <u>2,300.00</u>	\$ <u>2,475.00</u>	\$ <u>175.00</u>
	<u>\$ 5,981.30</u>	<u>\$ 6,156.30</u>	<u>\$ 175.00</u>
<u>Deduct: Expenditures:</u>			
Audit	\$ 67.50	\$ 67.50	\$ _____
Dues	25.00	25.00	
Insurance N.I.C. - Net	79.00	67.02	( 11.98)
Steno-secretarial Services	180.00	180.00	
Postage	40.00	73.00	33.00
Supplies - Office	165.00	212.02	47.02
Supplies - Examinations	175.00	241.00	66.00
Telephone	100.00	89.80	( 10.20)
Travel - Meetings, Board Examinations, etc.	<u>1,520.50</u>	<u>1,262.30</u>	( <u>258.20</u> )
Total Expenditures	\$ <u>2,352.00</u>	\$ <u>2,217.64</u>	(\$ <u>134.36</u> )
Unappropriated Fund Equity - June 30, 1966	<u>\$ 3,629.30</u>	<u>\$ 3,938.66</u>	<u>\$ 309.36</u>

A REPORT ON STATE SPENDING

FOR PERIOD

JULY 1, 1963 THROUGH JUNE 30, 1969

-513-

Prepared by

NORMAN H. TERRELL, FISCAL ANALYST

APRIL 1967



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SUMMARY OF GENERAL FUND APPROPRIATIONS  
FOR THE FISCAL YEARS 1967-68 AND 1968-69  
 (FOR DETAILS SEE SCHEDULE 1)

	<u>Fiscal</u> <u>1967-68</u>	<u>% of</u> <u>Total</u>	<u>Fiscal</u> <u>1968-69</u>	<u>% of</u> <u>Total</u>
<u>General Government</u>	\$ 3,577,783	5.4	\$ 3,652,494	5.1
<u>University</u>	11,732,318	17.6	12,312,280	17.3
<u>Education</u>	33,108,072	49.7	31,559,787	44.4
<u>Library, Museum, etc.</u>	416,813	0.6	394,619	0.6
<u>Health Department</u>	3,956,602	5.9	4,442,734	6.3
<u>Welfare Department</u>	5,443,387	8.2	5,823,233	8.2
<u>Public Safety</u>	2,313,890	3.5	2,426,075	3.4
<u>Regulatory</u>	699,505	1.1	705,408	1.0
<u>Conservation</u>	1,067,358	1.6	1,042,572	1.5
<u>Agriculture</u>	627,617	0.9	621,895	0.9
<u>Miscellaneous</u>	<u>3,667,377</u>	<u>5.5</u>	<u>8,016,798</u>	<u>11.3</u>
 Total Appropriations	 <u>\$66,610,722</u>	 <u>100.0</u>	 <u>\$70,997,895</u>	 <u>100.0</u>

TOTAL GENERAL FUND APPROPRIATIONS  
MADE BY NEVADA LEGISLATURE  
FIFTY-FOURTH SESSION

	<u>Prior to</u> <u>July 1, 1967</u>	<u>Fiscal Year</u> <u>1967-68</u>	<u>Fiscal Year</u> <u>1968-69</u>
<u>General Appropriations Act</u>			
See Schedule 1, Columns 3 and 6	\$ --	\$63,174,518.00	\$67,724,570.00
<u>Miscellaneous</u>			
Classified Pay Increases	--	600,000.00	600,000.00
Capital Improvements	1,434,800.00	1,675,000.00	1,747,600.00
Blind Revolving Fund	--	5,000.00	--
Pahrump Valley	--	26,000.00	26,500.00
Football Team - Nevada So.	--	15,000.00	--
State Employees Merit Awards	--	4,000.00	--
Vocational Education	--	250,000.00	--
Spring Mt. Youth Camp	--	54,000.00	60,000.00
District Judges	--	42,000.00	42,000.00
University Library Books	--	765,204.00	797,225.00
Marlette Lake Repairs	35,000.00	--	--
Ormsby School Relief	140,000.00	--	--
Cost of Legislature	600,000.00	--	--
State Warrants	302.50	--	--
General Services Revolving	12,250.00	--	--
Travel Revolving	20,000.00	--	--
Motor Pool	35,500.00	--	--
State Hospital-Bus	14,000.00	--	--
Adj. Gen. Las Vegas St. Assess.	9,330.00	--	--
Board of Examiners	15,168.00	--	--
Statutory Contingency Fund	7,566.50	--	--
Sawyer Portrait	5,000.00	--	--
Supreme Court-Remodeling	20,000.00	--	--
Land Purchase-Gov. Mansion	20,750.00	--	--
Bond Commission	20,000.00	--	--
Lake Tahoe-Sand Harbor	28,785.00	--	--
Insurance Study	25,000.00	--	--
Highway Safety Act	10,000.00	--	--

	<u>Prior to July 1, 1967</u>	<u>Fiscal Year 1967-68</u>	<u>Fiscal Year 1968-69</u>
<u>Supplementals</u>			
Governor's Office	\$ 11,205.80	--	--
Legislative Counsel Bureau	149,799.00	--	--
District Judges Travel	1,200.00	--	--
District Judges Salary & Retirement	17,241.00	--	--
Attorney General - Special Fund	5,000.00	--	--
Conservation-Colorado River Commission	16,121.00	--	--
Equal Rights Commission	1,662.00	--	--
Welfare-Old Age Benefit	101,000.00	--	--
Supreme Court	3,904.00	--	--
State Prison	17,873.00	--	--
T.B. Care	60,000.00	--	--
Aid to Dependent Children	28,000.00	--	--
<u>Total Appropriations</u>	<u>\$2,066,457.80</u>	<u>\$66,610,722.00</u>	<u>\$70,997,895.00</u>

SUMMARY OF LEGISLATIVE AUTHORIZATIONS  
TO SPEND OTHER THAN STATE GENERAL FUND MONEY  
FOR THE FISCAL YEARS 1967-68 AND 1968-69  
(FOR DETAILS SEE SCHEDULE 2)

	<u>Fiscal</u> <u>1967-68</u>	<u>% of</u> <u>Total</u>	<u>Fiscal</u> <u>1968-69</u>	<u>% of</u> <u>Total</u>
<u>General Government</u>	\$ 2,859,486	3.2	\$ 2,911,126	2.9
<u>University</u>	3,313,350	3.7	3,457,918	3.4
<u>Education</u>	4,574,427	5.0	5,349,026	5.3
<u>Library - Historical Society</u>	555,797	0.6	573,007	0.6
<u>Health Department</u>	2,510,194	2.8	2,519,628	2.5
<u>Welfare Department</u>	11,623,765	12.8	11,848,806	11.7
<u>Public Safety</u>	194,198	0.2	180,551	0.2
<u>Regulatory</u>	1,539,771	1.7	1,555,605	1.5
<u>Conservation</u>	2,324,636	2.6	2,339,547	2.3
<u>Agriculture</u>	496,965	0.6	496,582	0.5
<u>Employment Security Department</u>	3,153,635	3.5	3,437,245	3.4
<u>Highway Department</u>	53,633,000	59.2	62,393,000	61.6
<u>Motor Vehicle Department</u>	3,308,589	3.6	3,635,378	3.6
<u>Public Employees Retirement Board</u>	121,821	0.1	131,718	0.1
<u>Professional Boards</u>	394,914	0.4	401,406	0.4
<u>Total Authorizations</u>	<u>\$90,659,548</u>	<u>100.0</u>	<u>\$101,280,543</u>	<u>100.0</u>

EXHIBIT C

SUMMARY OF APPROPRIATIONS  
FROM STATE GENERAL FUND  
FOR THE FISCAL YEARS 1963-1969  
(FOR DETAILS SEE SCHEDULE 3)

(Includes Supplementals)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government</u>	<u>\$ 3,056,290</u>	<u>\$ 3,080,768</u>	<u>\$ 3,326,947</u>	<u>\$ 3,573,987</u>	<u>\$ 3,577,783</u>	<u>\$ 3,652,494</u>
% Increase	--	0.8	8.0	7.4	0.1	2.1
<u>University</u>	<u>\$ 6,118,980</u>	<u>\$ 6,344,561</u>	<u>\$ 7,339,824</u>	<u>\$ 8,124,087</u>	<u>\$11,732,318</u>	<u>\$12,312,280</u>
% Increase	--	3.7	15.7	10.7	44.4	4.9
<u>Education</u>	<u>\$25,304,256</u>	<u>\$30,108,885</u>	<u>\$31,433,505</u>	<u>\$35,860,830</u>	<u>\$33,108,072</u>	<u>\$31,559,787</u>
% Increase	--	19.0	4.4	14.1	(7.7)	(4.7)
<u>Library, Museums, etc.</u>	<u>\$ 298,802</u>	<u>\$ 309,512</u>	<u>\$ 319,422</u>	<u>\$ 331,645</u>	<u>\$ 416,813</u>	<u>\$ 394,619</u>
% Increase	--	3.6	3.2	3.8	25.7	(5.3)
<u>Health Department</u>	<u>\$ 3,320,952</u>	<u>\$ 3,405,244</u>	<u>\$ 3,419,251</u>	<u>\$ 3,541,225</u>	<u>\$ 3,956,602</u>	<u>\$ 4,442,734</u>
% Increase	--	2.5	0.4	3.6	11.7	12.3
<u>Welfare Department</u>	<u>\$ 3,957,372</u>	<u>\$ 4,136,894</u>	<u>\$ 4,718,835</u>	<u>\$ 5,157,912</u>	<u>\$ 5,443,387</u>	<u>\$ 5,823,233</u>
% Increase	--	4.5	14.1	9.3	5.5	7.0
<u>Public Safety</u>	<u>\$ 1,124,167</u>	<u>\$ 1,251,435</u>	<u>\$ 1,661,538</u>	<u>\$ 1,861,718</u>	<u>\$ 2,313,890</u>	<u>\$ 2,426,075</u>
% Increase	--	11.3	32.8	12.0	24.3	4.8
<u>Regulatory</u>	<u>\$ 367,612</u>	<u>\$ 384,932</u>	<u>\$ 613,214</u>	<u>\$ 622,794</u>	<u>\$ 699,505</u>	<u>\$ 705,408</u>
% Increase	--	4.7	59.3	1.6	12.3	0.8
<u>Conservation</u>	<u>\$ 962,050</u>	<u>\$ 834,716</u>	<u>\$ 904,996</u>	<u>\$ 921,532</u>	<u>\$ 1,067,358</u>	<u>\$ 1,042,572</u>
% Increase	--	(13.2)	8.4	1.8	15.8	(2.3)
<u>Agriculture</u>	<u>\$ 503,748</u>	<u>\$ 507,781</u>	<u>\$ 524,038</u>	<u>\$ 523,724</u>	<u>\$ 627,617</u>	<u>\$ 621,895</u>
% Increase	--	0.8	3.2	--	19.8	(0.9)
<u>Miscellaneous</u>	<u>\$ 3,146,469</u>	<u>\$ 2,621,864</u>	<u>\$ 3,404,633</u>	<u>\$ 4,213,149</u>	<u>\$ 3,667,377</u>	<u>\$ 8,016,798</u>
% Increase	--	(16.7)	29.9	23.7	(13.0)	218.6
<u>Total All Appropriations</u>	<u>\$48,160,698</u>	<u>\$52,986,592</u>	<u>\$57,666,203</u>	<u>\$64,732,603</u>	<u>\$66,610,722</u>	<u>\$70,997,895</u>
% Increase	--	10.0	8.8	12.2	2.9	6.6

SUMMARY OF LEGISLATIVE AUTHORIZATIONS  
TO SPEND FUNDS FROM SOURCES OTHER THAN STATE GENERAL FUND  
FOR THE FISCAL YEARS 1963-1969  
(FOR DETAILS SEE SCHEDULE 4)

(These are authorizations not necessarily actual expenditures)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government</u>	<u>\$ 1,310,219</u>	<u>\$ 1,333,822</u>	<u>\$ 1,595,566</u>	<u>\$ 1,680,547</u>	<u>\$ 2,859,486</u>	<u>\$ 2,911,126</u>
% Increase	--	1.8	19.6	5.3	70.1	1.8
<u>University</u>	<u>\$ 1,944,525</u>	<u>\$ 1,926,925</u>	<u>\$ 3,129,491</u>	<u>\$ 3,036,902</u>	<u>\$ 3,313,350</u>	<u>\$ 3,457,918</u>
% Increase	--	(0.9)	62.4	(3.0)	9.1	4.3
<u>Education</u>	<u>\$ 1,480,790</u>	<u>\$ 1,992,166</u>	<u>\$ 2,976,374</u>	<u>\$ 2,813,314</u>	<u>\$ 4,574,427</u>	<u>\$ 5,349,026</u>
% Increase	--	34.5	49.4	(5.5)	62.6	16.9
<u>Library-Historical Soc.</u>	<u>\$ 52,935</u>	<u>\$ 52,935</u>	<u>\$ 272,137</u>	<u>\$ 350,058</u>	<u>\$ 555,797</u>	<u>\$ 573,007</u>
% Increase	--	--	514.1	28.6	58.8	3.1
<u>Public Safety</u>	<u>\$ 85,237</u>	<u>\$ 85,237</u>	<u>\$ 126,466</u>	<u>\$ 127,291</u>	<u>\$ 194,198</u>	<u>\$ 180,551</u>
% Increase	--	--	48.4	0.7	52.6	(7.0)
<u>Health Department</u>	<u>\$ 908,353</u>	<u>\$ 948,759</u>	<u>\$ 1,510,437</u>	<u>\$ 1,661,077</u>	<u>\$ 2,510,194</u>	<u>\$ 2,519,628</u>
% Increase	--	4.4	59.2	10.0	51.1	0.4
<u>Welfare Department</u>	<u>\$ 3,614,151</u>	<u>\$ 3,654,499</u>	<u>\$ 6,140,932</u>	<u>\$ 7,669,272</u>	<u>\$11,623,765</u>	<u>\$ 11,848,806</u>
% Increase	--	1.1	68.0	24.9	51.6	1.9
<u>Regulatory</u>	<u>\$ 1,205,803</u>	<u>\$ 1,223,275</u>	<u>\$ 1,310,270</u>	<u>\$ 1,328,157</u>	<u>\$ 1,539,771</u>	<u>\$ 1,555,605</u>
% Increase	--	1.4	7.1	1.4	15.9	1.0
<u>Conservation</u>	<u>\$ 1,598,039</u>	<u>\$ 1,748,958</u>	<u>\$ 2,001,719</u>	<u>\$ 1,953,896</u>	<u>\$ 2,324,636</u>	<u>\$ 2,389,547</u>
% Increase	--	9.4	14.4	(2.4)	19.0	2.8
<u>Agriculture</u>	<u>\$ 420,814</u>	<u>\$ 425,466</u>	<u>\$ 491,102</u>	<u>\$ 486,910</u>	<u>\$ 496,965</u>	<u>\$ 496,582</u>
% Increase	--	1.1	15.4	(0.8)	2.1	--

## EXHIBIT D (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Employment Security</u>	<u>\$ 2,275,453</u>	<u>\$ 2,565,550</u>	<u>\$ 3,235,053</u>	<u>\$ 3,653,105</u>	<u>\$ 3,153,635</u>	<u>\$ 3,437,245</u>
% Increase	--	12.7	26.1	12.9	(13.7)	9.0
<u>Highway Department</u>	<u>\$37,000,000</u>	<u>\$41,000,000</u>	<u>\$57,857,500</u>	<u>\$63,232,724</u>	<u>\$53,688,000</u>	<u>\$ 62,393,000</u>
% Increase	--	10.8	41.1	9.3	(15.1)	16.2
<u>Department Motor Vehicles</u>	<u>\$ 2,445,256</u>	<u>\$ 2,200,126</u>	<u>\$ 2,739,251</u>	<u>\$ 2,741,167</u>	<u>\$ 3,308,589</u>	<u>\$ 3,635,378</u>
% Increase	--	(10.0)	24.5	--	20.7	9.9
<u>Public Employees Retirement</u>	<u>\$ 89,926</u>	<u>\$ 92,296</u>	<u>\$ 91,468</u>	<u>\$ 90,026</u>	<u>\$ 121,821</u>	<u>\$ 131,718</u>
% Increase	--	2.6	(0.1)	(1.6)	35.3	8.1
<u>Professional Boards</u>	<u>\$ 267,063</u>	<u>\$ 274,094</u>	<u>\$ 363,625</u>	<u>\$ 378,397</u>	<u>\$ 394,914</u>	<u>\$ 401,406</u>
% Increase	--	2.6	32.6	4.0	4.3	1.6
<u>Total Authorizations</u>	<u>\$54,698,564</u>	<u>\$59,524,108</u>	<u>\$83,841,391</u>	<u>\$91,202,843</u>	<u>\$90,659,548</u>	<u>\$101,280,543</u>
% Increase	--	8.8	40.8	8.8	(0.6)	11.7

SUMMARY OF TOTAL SPENDING POWER  
LEGISLATIVE AUTHORIZATIONS PLUS GENERAL FUND APPROPRIATIONS  
FOR THE FISCAL YEARS 1963-1969

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government</u>	<u>\$ 4,366,509</u>	<u>\$ 4,414,590</u>	<u>\$ 4,922,513</u>	<u>\$ 5,254,534</u>	<u>\$ 6,437,269</u>	<u>\$ 6,563,620</u>
% Increase	--	1.1	11.5	6.7	22.5	1.9
<u>University</u>	<u>\$ 8,063,505</u>	<u>\$ 8,271,486</u>	<u>\$ 10,469,315</u>	<u>\$ 11,160,909</u>	<u>\$ 15,045,668</u>	<u>\$ 15,770,198</u>
% Increase	--	2.6	26.6	6.6	34.8	4.8
<u>Education</u>	<u>\$ 26,785,046</u>	<u>\$ 32,101,051</u>	<u>\$ 34,409,879</u>	<u>\$ 38,674,144</u>	<u>\$ 37,682,499</u>	<u>\$ 36,908,813</u>
% Increase	--	19.8	7.2	12.4	(2.6)	(2.0)
<u>Library, Museums, etc.</u>	<u>\$ 351,737</u>	<u>\$ 362,447</u>	<u>\$ 591,559</u>	<u>\$ 681,703</u>	<u>\$ 972,610</u>	<u>\$ 967,626</u>
% Increase	--	3.0	63.2	15.2	42.7	(0.5)
<u>Public Safety</u>	<u>\$ 1,209,404</u>	<u>\$ 1,336,672</u>	<u>\$ 1,788,004</u>	<u>\$ 1,989,009</u>	<u>\$ 2,508,088</u>	<u>\$ 2,606,626</u>
% Increase	--	10.5	33.8	11.2	26.1	3.9
<u>Health Department</u>	<u>\$ 4,231,805</u>	<u>\$ 4,356,503</u>	<u>\$ 4,929,688</u>	<u>\$ 5,202,302</u>	<u>\$ 6,466,796</u>	<u>\$ 6,962,362</u>
% Increase	--	2.9	13.1	5.5	24.3	7.7
<u>Welfare Department</u>	<u>\$ 7,569,023</u>	<u>\$ 7,788,893</u>	<u>\$ 10,859,767</u>	<u>\$ 12,827,134</u>	<u>\$ 17,067,152</u>	<u>\$ 17,672,039</u>
% Increase	--	2.9	39.4	18.1	33.0	3.5
<u>Regulatory</u>	<u>\$ 1,573,415</u>	<u>\$ 1,608,207</u>	<u>\$ 1,923,484</u>	<u>\$ 1,950,951</u>	<u>\$ 2,239,276</u>	<u>\$ 2,261,013</u>
% Increase	--	2.2	19.6	1.4	14.8	1.0
<u>Conservation</u>	<u>\$ 2,560,089</u>	<u>\$ 2,583,674</u>	<u>\$ 2,906,715</u>	<u>\$ 2,875,428</u>	<u>\$ 3,391,994</u>	<u>\$ 3,432,119</u>
% Increase	--	0.9	12.5	(1.1)	18.0	1.2
<u>Agriculture</u>	<u>\$ 924,562</u>	<u>\$ 933,247</u>	<u>\$ 1,015,140</u>	<u>\$ 1,010,634</u>	<u>\$ 1,124,582</u>	<u>\$ 1,118,477</u>
% Increase	--	0.9	8.8	--	11.3	--
<u>Employment Security</u>	<u>\$ 2,275,453</u>	<u>\$ 2,565,550</u>	<u>\$ 3,235,053</u>	<u>\$ 3,653,105</u>	<u>\$ 3,153,635</u>	<u>\$ 3,437,245</u>
% Increase	--	12.7	26.1	12.9	(13.7)	9.0
<u>Highway Department</u>	<u>\$ 37,000,000</u>	<u>\$ 41,000,000</u>	<u>\$ 57,857,500</u>	<u>\$ 63,232,724</u>	<u>\$ 53,688,000</u>	<u>\$ 62,393,000</u>
% Increase	--	10.8	41.1	9.3	(15.1)	16.2
<u>Dept. Motor Vehicles</u>	<u>\$ 2,445,256</u>	<u>\$ 2,200,126</u>	<u>\$ 2,739,251</u>	<u>\$ 2,741,167</u>	<u>\$ 3,308,589</u>	<u>\$ 3,635,378</u>
% Increase	--	(10.0)	24.5	--	20.7	9.9
<u>All Others</u>	<u>\$ 3,503,458</u>	<u>\$ 2,988,254</u>	<u>\$ 3,859,726</u>	<u>\$ 4,681,572</u>	<u>\$ 4,184,112</u>	<u>\$ 8,549,922</u>
% Increase	--	(14.7)	29.2	21.3	(10.6)	204.3
<u>Total Spending Power</u>	<u>\$102,859,262</u>	<u>\$112,510,700</u>	<u>\$141,507,594</u>	<u>\$155,935,446</u>	<u>\$157,270,270</u>	<u>\$172,278,438</u>
% Increase	--	9.4	25.8	10.2	0.9	9.5

**DETAILS OF GENERAL FUND APPROPRIATIONS  
COMPIRED TO AGENCY REQUESTS AND GOVERNOR'S RECOMMENDATIONS  
FOR THE FISCAL YEARS 1967-68 AND 1968-69**

	Fiscal Year 1967-68			Fiscal Year 1968-69		
	Agency Request	Governor's Recommend.	Legislative Approp.	Agency Request	Governor's Recommend.	Legislative Approp.
<b>General Government</b>						
Office of Governor	\$ 166,837	\$ 166,837	\$ 168,569	\$ 173,979	\$ 173,979	\$ 170,913
Governor's Mansion	17,429	17,429	20,071	17,708	17,708	20,320
Office of Lt. Governor	8,624	8,553	9,129	8,624	8,553	9,129
Secretary of State	157,479	202,371	187,534	153,786	201,927	183,956
Archives	26,806	18,245	19,016	17,229	18,766	19,535
Attorney General	251,355	186,064	174,329	257,519	189,582	175,071
Attorney General-Special	20,000	10,000	10,000	20,000	10,000	10,000
State Controller	143,933	142,910	148,899	146,539	146,100	151,475
State Treasurer	67,778	64,803	68,927	68,137	65,500	68,778
Budget Division	164,918	136,586	134,938	167,471	141,213	137,333
Travel Adjustment	-0-	-0-	25,000	-0-	-0-	25,000
Record Services	30,000	30,000	30,090	25,000	25,000	25,089
Buildings and Grounds	577,003	-0-	-0-	571,253	-0-	-0-
Central Mail	20,133	20,350	20,497	20,450	20,669	20,822
Planning Board	176,563	161,813	171,822	179,431	164,888	173,226
Tax Commission	915,193	821,672	813,375	958,673	850,769	836,004
Comm. Veterans Affairs	61,516	54,569	63,370	62,389	56,049	63,452
Economic Development	292,197	111,479	108,667	292,021	113,050	109,048
Comm. Equal Rights	42,906	24,659	40,186	42,974	25,499	39,124
Indian Affairs	21,052	20,188	18,108	21,225	20,944	18,359
Officers Bond Prem.	3,750	3,750	3,750	3,750	3,750	3,750
Board of Finance	862	862	862	862	862	862
Supreme Court	271,486	291,178	276,300	253,675	273,427	277,612
Law Library	50,566	No Rec.	-0-	50,279	No Rec.	-0-
Bd. of Pardons Comm.	4,023	4,023	4,023	3,017	3,017	3,017
District Judges' Travel	27,763	25,900	24,900	27,763	25,900	24,900
Judges' Sal. & Pensions	385,498	385,498	434,136	385,498	385,498	434,136
Legislative Counsel Bureau and Commission	535,581	557,363	601,285	585,351	607,152	651,583
<b>Total General Government</b>	<b>\$ 4,441,251</b>	<b>\$ 3,467,102</b>	<b>\$ 3,577,783</b>	<b>\$ 4,514,603</b>	<b>\$ 3,549,802</b>	<b>\$ 3,652,494</b>

SCHEDULE 1 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency</u> <u>Request</u>	<u>Governor's</u> <u>Recommend.</u>	<u>Legislative</u> <u>Approp.</u>	<u>Agency</u> <u>Request</u>	<u>Governor's</u> <u>Recommend.</u>	<u>Legislative</u> <u>Approp.</u>
<u>University</u>						
Reno Campus-Instruct.	\$ 8,100,120	\$ 5,420,833	\$ 6,020,833	\$ 8,756,550	\$ 5,703,588	\$ 6,303,588
Technical Institute and Stead Operations	353,879	346,028	346,028	386,322	377,476	377,476
Technical Institute-L.V.	279,153	272,115	272,115	276,039	268,234	268,234
L.V. Campus-Instruct.	2,830,969	1,543,967	1,943,967	3,084,980	1,707,051	2,107,051
General Administration	890,762	583,023	516,716	924,544	593,488	524,890
Statewide Services & DRI	2,190,490	1,601,389	1,697,753	2,499,667	1,659,105	1,762,565
Salary Adjustment	235,000	169,702	169,702	549,000	171,251	171,251
Books - Reno	430,000	156,216	406,216	516,000	167,430	417,430
Books - Las Vegas	300,000	103,988	358,988	400,000	129,795	379,795
<u>Total University</u>	<u>\$15,610,373</u>	<u>\$10,202,261</u>	<u>\$11,732,318</u>	<u>\$17,393,102</u>	<u>\$10,777,418</u>	<u>\$12,312,280</u>
<u>Education</u>						
WICHE	\$ 48,927	\$ 33,327	\$ 33,327	\$ 126,111	\$ 126,111	\$ 126,111
Administration	483,244	369,408	388,385	491,834	377,846	394,987
Care of Deaf & Blind	126,125	125,225	125,225	134,075	133,175	133,175
Teachers' Retirement	2,466,850	2,467,103	2,573,707	2,692,896	2,693,095	2,809,493
School Const. Relief	259,128	259,128	259,128	-0-	-0-	-0-
Dist. School Fund	39,300,756	32,299,924	29,202,233	41,125,404	33,684,104	27,567,241
Nat'l. Defense Educ. X	15,000	9,000	9,000	30,000	15,000	9,000
Vocational Educ.	1,038,844	380,666	384,405	1,092,203	383,506	387,166
Adult Basic Educ.	88,053	5,000	5,000	109,275	5,000	5,000
Manpower Dev. & Train.	35,385	28,836	27,662	35,427	28,795	27,614
Driver Training	138,500	100,000	100,000	191,722	100,000	100,000
<u>Total Education</u>	<u>\$44,000,812</u>	<u>\$36,077,617</u>	<u>\$33,108,072</u>	<u>\$46,028,947</u>	<u>\$37,546,632</u>	<u>\$31,559,787</u>
<u>Library, Museums, etc.</u>						
State Library	\$ 254,695	\$ 246,697	\$ 254,963	\$ 254,904	\$ 244,456	\$ 252,652
Inter-Library Coop.	33,401	-0-	-0-	44,535	-0-	-0-
Special Serv. 4A	15,000	-0-	-0-	15,000	-0-	-0-
State Museum	81,271	73,683	74,772	79,994	75,239	75,173
Historical Society	49,343	46,018	46,111	58,309	50,826	50,147
Hist. Soc. - New Bldg.	24,420	24,420	24,420	-0-	-0-	-0-
Lost City Museum	16,386	15,852	16,546	16,486	16,170	16,646
Nev. Heritage Assoc.	1	1	1	1	1	1
<u>Total Library, Museums, etc.</u>	<u>\$ 474,517</u>	<u>\$ 406,671</u>	<u>\$ 416,813</u>	<u>\$ 469,229</u>	<u>\$ 386,692</u>	<u>\$ 394,619</u>

SCHEDULE 1 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Approp.</u>	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Approp.</u>
<u>Health Department</u>						
Office of Director	\$ 91,959	\$ 66,410	\$ 63,190	\$ 88,398	\$ 67,746	\$ 63,478
Economic Opportunity	11,550	10,537	13,618	11,550	10,639	13,245
Community Action	8,000	-0-	-0-	8,050	-0-	-0-
Preventive Medical	202,174	163,337	169,099	210,574	174,851	180,994
Environmental Health	379,521	319,296	318,899	374,112	322,043	321,647
CCS & MCH	227,535	220,832	221,646	253,713	245,360	246,183
Dental Health	90,083	86,736	88,409	92,222	89,075	90,749
Vital Statistics	51,838	46,301	117,819	50,979	50,894	127,109
Health Facilities	54,096	37,919	28,748	61,314	45,905	34,390
Spec. Child. Clinics	157,078	35,548	36,727	154,802	35,835	37,025
T.B. Mobile Unit	36,536	28,664	28,834	38,049	29,915	30,086
T.B. Care	566,814	461,203	463,326	611,848	476,487	478,613
Home Health Service	93,142	-0-	-0-	134,250	-0-	-0-
Mental Hygiene	466,811	334,898	338,635	479,485	347,103	350,897
Mental Retardation	4,400	4,399	4,623	32,972	32,008	32,235
Mental Retard. Cottages	-0-	-0-	-0-	307,519	69,106	139,850
Vocational Rehab.	384,180	105,964	105,964	440,430	117,943	117,943
State Hospital	3,151,351	2,170,307	1,926,724	3,173,979	2,404,309	2,147,636
Alcoholism	128,000	30,051	30,341	142,000	30,838	30,654
<u>Total Health</u>	<u>\$ 6,105,118</u>	<u>\$ 4,122,902</u>	<u>\$ 3,956,602</u>	<u>\$ 6,666,246</u>	<u>\$ 4,550,057</u>	<u>\$ 4,442,734</u>
<u>Welfare Department</u>						
Services to Blind	\$ 133,995	\$ 61,377	\$ 61,084	\$ 134,164	\$ 63,906	\$ 63,453
Old Age Assist.	2,985,811	1,916,073	753,375	3,384,444	2,124,856	753,375
Title XIX	-0-	-0-	877,799	-0-	-0-	1,053,961
Aid to Blind	123,240	113,760	91,008	128,928	113,760	91,008
Aid to Dep. Children	3,507,908	795,608	752,400	4,223,439	837,078	792,300
Child Welfare	862,261	551,668	401,056	959,777	577,884	417,684
Title V - Coord.	-0-	No Rec.	-0-	7,579	No Rec.	-0-
Title V - Clark County	-0-	No Rec.	-0-	408,172	No Rec.	-0-
Title V-- McDermitt	-0-	No Rec.	-0-	47,636	No Rec.	-0-
Title V - Washoe County	-0-	No Rec.	-0-	139,873	No Rec.	-0-
Welfare Admin.	1,675,311	743,422	878,084	1,669,978	765,278	904,197
Children Home - C.C.	278,076	232,753	233,230	292,713	240,895	240,831
Children Home - L.V.	-0-	-0-	-0-	102,770	82,567	83,213
Youth Training Center	1,051,819	808,526	836,898	1,056,447	819,379	846,789
Girls' Training Center	813,046	553,047	558,453	995,080	571,491	576,422
<u>Total Welfare</u>	<u>\$11,431,467</u>	<u>\$ 5,776,234</u>	<u>\$ 5,443,387</u>	<u>\$13,551,000</u>	<u>\$ 6,197,094</u>	<u>\$ 5,823,233</u>

SCHEDULE 1 (CONT.)

	Fiscal Year 1967-68			Fiscal Year 1968-69		
	Agency Request	Governor's Recommend.	Legislative Approp.	Agency Request	Governor's Recommend.	Legislative Approp.
<u>Public Safety</u>						
State Prison	\$ 2,744,669	\$ 1,850,727	\$ 1,890,030	\$ 2,839,714	\$ 1,987,506	\$ 1,968,554
Parole & Probation	312,660	252,091	284,179	360,863	284,364	313,589
Civil Defense	75,511	22,487	23,809	91,826	23,029	23,847
Nat'l. Guard-Adj. Gen.	174,395	112,074	115,872	169,132	117,530	120,085
Criminal I.D.	-0-	45,184	-0-	-0-	58,634	-0-
<u>Total Public Safety</u>	<u>\$ 3,307,235</u>	<u>\$ 2,282,563</u>	<u>\$ 2,313,890</u>	<u>\$ 3,461,535</u>	<u>\$ 2,471,063</u>	<u>\$ 2,426,075</u>
<u>Regulatory</u>						
Inspector-Mines	\$ 59,438	\$ 59,135	\$ 60,921	\$ 60,179	\$ 59,935	\$ 61,686
Public Service Comm.	47,319	-0-	-0-	47,319	-0-	-0-
Labor Comm.	102,111	64,233	64,562	103,171	65,440	64,254
Commerce-Director	25,939	39,036	39,074	27,474	40,464	38,882
Insurance Division	221,328	153,856	159,742	233,342	163,887	163,106
Fire Marshal	60,800	23,610	42,010	54,538	24,180	39,617
Banking Division	142,922	120,179	134,736	148,525	123,788	138,399
Savings & Loan	95,297	79,937	83,975	109,926	82,647	84,107
Real Estate Div.	129,112	109,776	114,485	133,916	112,912	115,357
<u>Total Regulatory</u>	<u>\$ 834,316</u>	<u>\$ 654,317</u>	<u>\$ 699,505</u>	<u>\$ 923,390</u>	<u>\$ 673,253</u>	<u>\$ 705,408</u>
<u>Conservation</u>						
Office of Director	\$ 271,597	\$ 238,066	\$ 250,440	\$ 277,765	\$ 241,311	\$ 251,060
Water Resources	378,426	244,383	251,069	357,179	245,474	251,137
Federal Land Laws	47,260	10,400	10,269	47,260	10,400	10,269
Div. of Forestry	165,053	81,000	80,793	181,248	81,000	80,103
Forest Pest Control	10,000	5,000	5,000	10,000	5,000	5,000
Forest Fire Supp.	50,000	30,000	30,000	50,000	30,000	30,000
Humboldt River	7,153	7,194	7,244	7,153	7,194	7,244
Soil Conservation	22,973	750	750	21,860	750	750
Oil & Gas Cons.	12,486	-0-	-0-	13,099	-0-	-0-
State Parks-Admin.	609,106	200,107	201,513	526,552	204,346	205,209
State Parks-Improv.	6,284,076	75,000	134,475	1,323,974	75,000	106,000
Mining Advisory Bd.	800	800	800	800	800	800
Mining Coop. Fund	100,000	60,000	75,000	100,000	60,000	75,000
Resource Planning	153,153	-0-	-0-	172,687	-0-	-0-
Div. Land, Oil & Gas	74,719	-0-	-0-	75,165	-0-	-0-
Calif.-Nev. Compact	30,787	20,000	20,000	30,787	20,000	20,000
Fire Rehab.	5,000	-0-	-0-	5,000	-0-	-0-
<u>Total Conservation</u>	<u>\$ 8,222,589</u>	<u>\$ 972,700</u>	<u>\$ 1,067,358</u>	<u>\$ 3,200,529</u>	<u>\$ 981,275</u>	<u>\$ 1,042,572</u>

SCHEDULE 1 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Approp.</u>	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Approp.</u>
<u>Agriculture</u>						
Plant Industry	\$ 367,803	\$ 299,336	\$ 319,235	\$ 349,911	\$ 297,257	\$ 308,972
Weed & Insect Pest	62,230	53,759	54,873	59,095	56,400	57,513
Animal Dis. Lab	53,062	40,783	47,972	53,349	40,989	48,176
Livestock Disease	64,774	80,655	67,160	64,434	80,760	67,267
Pred. Animal & Rodent	159,808	127,492	128,877	161,405	129,089	130,467
Jr. Livestock Board	2,000	2,000	2,000	2,000	2,000	2,000
Ft. Mohave Devel.	10,000	7,500	7,500	10,000	7,500	7,500
<u>Total Agriculture</u>	<u>\$ 719,677</u>	<u>\$ 611,530</u>	<u>\$ 627,617</u>	<u>\$ 700,194</u>	<u>\$ 613,995</u>	<u>\$ 621,395</u>
<u>Miscellaneous</u>						
Cons. Bond-Int. Redempt.	\$ 1,038,377	\$ 1,038,377	\$ 1,038,377	\$ 1,447,698	\$ 1,447,698	\$ 5,582,698
Class. Salary Adj.	600,000	600,000	600,000	600,000	600,000	600,000
Capital Improvements	-0-	-0-	1,675,000	-0-	-0-	1,747,600
Blind Revolving	-0-	-0-	5,000	-0-	-0-	-0-
Pahrump Valley	-0-	-0-	26,000	-0-	-0-	26,500
Football- So. Nev. U.	-0-	-0-	15,000	-0-	-0-	-0-
Merit Awards	4,000	4,000	4,000	-0-	-0-	-0-
Vocational Educ.	-0-	-0-	250,000	-0-	-0-	-0-
Spring Mt. Youth	-0-	-0-	54,000	-0-	-0-	60,000
<u>Total Miscellaneous</u>	<u>\$ 1,642,377</u>	<u>\$ 1,642,377</u>	<u>\$ 3,667,377</u>	<u>\$ 2,047,698</u>	<u>\$ 2,047,698</u>	<u>\$ 8,016,798</u>
<u>Total All Appropriations</u>	<u>\$96,815,312</u>	<u>\$66,216,774</u>	<u>\$66,610,722</u>	<u>\$98,956,473</u>	<u>\$69,794,979</u>	<u>\$70,997,895</u>

DETAILS OF LEGISLATIVE AUTHORIZATIONS  
TO SPEND OTHER THAN GENERAL FUND MONEY  
COMPARED TO AGENCY REQUESTS AND GOVERNOR'S RECOMMENDATIONS  
FOR THE FISCAL YEARS 1967-68 AND 1968-69

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>
<u>General Government</u>						
Attorney General	\$ 90,513	\$ 90,513	\$ 117,839	\$ 92,330	\$ 92,330	\$ 117,955
Budget Division	-0-	9,600	9,600	-0-	10,100	10,100
Record Services	2,792	2,792	2,792	8,296	8,296	8,296
Ins. Revolving Fund	144,852	144,852	172,314	150,583	150,583	177,864
Data Processing	136,833	136,821	137,473	174,539	175,179	175,172
Personnel Division	234,656	221,317	223,091	260,775	229,585	231,414
Purchasing Division	217,211	213,889	217,940	223,388	209,498	212,926
Surplus Property	64,852	65,454	65,866	67,193	66,321	66,744
Buildings & Grounds	49,200	548,889	532,992	50,050	534,325	535,468
Central Mail	48,000	48,000	48,000	48,000	48,000	48,000
Central Telephone	283,096	283,360	283,710	283,731	284,009	284,360
Marlette Lake	27,424	27,776	27,776	27,424	27,424	27,424
Motor Pool	165,987	166,072	166,260	184,884	184,969	185,171
Planning Board	-0-	11,400	11,400	-0-	11,690	11,690
Tax Commission	59,600	59,500	59,500	59,600	59,500	59,500
District Judges' Travel	400	400	400	400	400	400
Printing Office	768,817	752,671	782,533	735,653	754,038	758,642
<u>Total General Government</u>	<u>\$ 2,294,233</u>	<u>\$ 2,783,306</u>	<u>\$ 2,859,486</u>	<u>\$ 2,371,846</u>	<u>\$ 2,846,247</u>	<u>\$ 2,911,126</u>
<u>University</u>						
Reno Campus-Instruction	\$ 1,455,000	\$ 1,593,308	\$ 1,593,308	\$ 1,631,000	\$ 1,663,450	\$ 1,663,450
Technical Institute and						
Stead Operations	191,159	191,159	191,159	199,159	199,159	199,159
Technical Institute-L.V.	-0-	-0-	-0-	15,000	15,000	15,000
L.V. Campus-Instruction	607,000	575,842	575,842	728,000	623,650	623,650
Statewide Services & DRI	90,597	72,382	72,382	92,861	76,000	76,000
Agri. Experiment Station	495,562	495,562	495,562	495,562	495,562	495,562
Agri. Extension Service	385,097	385,097	385,097	385,097	385,097	385,097
<u>Total University</u>	<u>\$ 3,224,415</u>	<u>\$ 3,313,350</u>	<u>\$ 3,313,350</u>	<u>\$ 3,546,679</u>	<u>\$ 3,457,918</u>	<u>\$ 3,457,918</u>

SCHEDULE 2 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency</u> <u>Request</u>	<u>Governor's</u> <u>Recommend.</u>	<u>Legislative</u> <u>Author.</u>	<u>Agency</u> <u>Request</u>	<u>Governor's</u> <u>Recommend.</u>	<u>Legislative</u> <u>Author.</u>
<u>Education</u>						
Administration	\$ 96,390	\$ 96,390	\$ 96,390	\$ 96,640	\$ 96,640	\$ 96,640
Teachers-Hand. Child.	51,000	51,000	51,000	51,000	51,000	51,000
Dist. School Fund	700,000	800,000	1,370,000	725,000	825,000	1,575,000
National Defense Educ.	111,249	111,249	111,249	111,249	111,249	111,249
National Defense Educ. X	28,000	26,000	26,000	43,000	28,000	28,000
Western Small Schools	35,490	35,490	35,490	11,071	11,071	11,071
Fleischmann Scholarships	194,109	194,109	194,109	165,590	165,590	165,590
Indian Education	84,615	84,615	84,615	84,673	84,673	84,673
Indian Scholarships	10,000	10,000	10,000	10,000	10,000	10,000
Vocational Educ.	552,372	552,372	552,372	552,372	552,372	552,372
Adult Basic Educ.	50,000	50,000	50,000	50,000	50,000	50,000
Manpower Dev. & Train.	333,562	333,562	333,562	333,938	333,938	333,938
Civil Defense Adult	113,286	99,652	99,652	128,133	114,710	114,710
8 State Rocky Mt.	31,208	31,208	31,208	31,208	31,208	31,208
Elem. & Sec. - Title I	1,072,600	1,072,600	1,072,600	1,572,000	1,572,000	1,572,000
Elem. & Sec. - Title II	277,845	277,845	277,845	383,240	383,240	383,240
Elem. & Sec. - Title V	182,900	178,335	178,335	182,900	178,335	178,335
<u>Total Education</u>	<u>\$ 3,924,626</u>	<u>\$ 4,004,427</u>	<u>\$ 4,574,427</u>	<u>\$ 4,532,014</u>	<u>\$ 4,599,026</u>	<u>\$ 5,349,026</u>
<u>Library-Historical Society</u>						
State Library	\$ 203,544	\$ 203,744	\$ 203,744	\$ 245,443	\$ 245,643	\$ 245,643
Library Const.	196,535	196,535	196,535	136,148	136,148	136,148
Library Gift Fund	5,000	5,000	5,000	-0-	-0-	-0-
Inter-Library Coop.	100,203	66,802	66,802	133,605	89,070	89,070
Spec. Services 4A	45,000	-0-	7,000	45,000	-0-	7,000
Spec. Services 4B	73,716	73,716	73,716	92,146	92,146	92,146
Historical Society	-0-	-0-	3,000	-0-	-0-	3,000
<u>Total Library-Historical Soc.</u>	<u>\$ 623,998</u>	<u>\$ 545,797</u>	<u>\$ 555,797</u>	<u>\$ 652,342</u>	<u>\$ 563,007</u>	<u>\$ 573,007</u>

SCHEDULE 2 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>
<u>Health Department</u>						
Economic Opportunity	\$ 46,197	\$ 112,336	\$ 53,221	\$ 46,197	\$ 112,745	\$ 53,880
Community Action	116,251	-0-	-0-	116,471	-0-	-0-
Preventive Medical	235,000	225,000	225,000	235,000	225,000	225,000
Environmental Health	60,000	60,000	63,852	60,000	60,000	64,031
CCS & MCH	310,000	310,000	310,000	310,000	310,000	310,000
Dental Health	53,500	53,500	53,500	53,500	53,500	53,500
Health Facilities	78,592	63,865	35,690	91,996	65,939	42,690
Spec. Child. Clinics	115,000	75,000	75,000	115,000	75,000	75,000
Venereal Disease	22,730	22,730	22,730	22,986	22,986	22,986
T.B. Follow-up	128,947	127,497	127,497	140,317	134,867	134,867
Armed Forces Reject.	16,076	16,117	16,117	16,159	16,200	16,200
Chronic Illness	85,295	85,344	85,344	85,678	85,727	85,727
Mental Hygiene	65,000	65,000	65,000	65,000	65,000	65,000
Mental Retardation	30,833	30,833	30,833	-0-	-0-	-0-
Vocational Rehab.	561,421	657,777	622,777	599,861	660,021	625,021
OASI Determine.	143,543	142,882	142,882	151,387	150,726	150,726
State Hospital	-0-	145,000	431,000	-0-	145,000	445,000
In-Service Train.	24,741	24,751	24,751	25,000	25,000	25,000
In-Service Educ.	25,000	25,000	25,000	25,000	25,000	25,000
Intens. Treatment	100,000	100,000	100,000	100,000	100,000	100,000
<u>Total Health</u>	<u>\$ 2,218,126</u>	<u>\$ 2,342,632</u>	<u>\$ 2,510,194</u>	<u>\$ 2,259,552</u>	<u>\$ 2,332,711</u>	<u>\$ 2,519,628</u>

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SCHEDULE 2 (CONT.)

	Fiscal Year 1967-68			Fiscal Year 1968-69		
	Agency Request	Governor's Recommend.	Legislative Author.	Agency Request	Governor's Recommend.	Legislative Author.
<u>Welfare Department</u>						
Services to Blind	\$ 76,800	\$ 96,110	\$ 96,110	\$ 76,800	\$ 96,110	\$ 96,110
Old Age Assist.	2,929,672	2,543,301	1,429,575	3,243,687	2,748,340	1,429,575
Title XIX	-0-	-0-	4,169,578	-0-	-0-	4,609,021
Aid to Blind	94,800	94,800	94,800	94,800	94,800	94,800
Aid to Dep. Children	1,591,216	1,591,216	1,702,800	1,674,156	1,674,156	1,793,100
Child Welfare	186,135	139,112	139,112	202,145	142,416	142,416
Foster Homes-Indians	257,860	257,860	257,860	279,280	279,280	279,280
Title V-Coord.	37,411	No Rec.	37,411	30,314	No Rec.	30,314
Title V-Clark Co.	1,844,913	No Rec.	1,844,913	1,632,688	No Rec.	1,632,688
Title V-McDermitt	253,757	No Rec.	253,757	190,543	No Rec.	190,543
Title V-Washoe Co.	644,801	No Rec.	644,801	559,491	No Rec.	559,491
Welfare Admin.	1,497,150	908,514	936,048	1,493,642	945,954	974,468
Children's Home - C.C.	-0-	1,000	1,000	-0-	1,000	1,000
Youth Training Center	-0-	12,000	12,000	-0-	12,000	12,000
Girls' Training Center	4,000	4,000	4,000	4,000	4,000	4,000
<u>Total Welfare</u>	<u>\$ 9,418,515</u>	<u>\$ 5,647,913</u>	<u>\$11,623,765</u>	<u>\$ 9,481,546</u>	<u>\$ 5,998,056</u>	<u>\$ 11,848,806</u>
<u>Public Safety</u>						
State Prison	\$ 27,400	\$ 27,900	\$ 27,900	\$ 28,200	\$ 29,900	\$ 29,900
Civil Defense	75,511	22,486	23,809	91,826	23,029	23,848
Civil Defense-RADEF	28,733	29,017	29,347	29,792	30,076	30,413
Civil Defense-Comm. Plan.	24,450	25,810	26,070	10,982	11,649	11,782
National Guard-Adj. Gen.	95,000	87,072	87,072	95,000	84,608	84,608
<u>Total Public Safety</u>	<u>\$ 251,094</u>	<u>\$ 192,285</u>	<u>\$ 194,198</u>	<u>\$ 255,800</u>	<u>\$ 179,262</u>	<u>\$ 180,551</u>
<u>Regulatory</u>						
Public Service Comm.	\$ 312,362	\$ 317,880	\$ 333,402	\$ 324,202	\$ 345,452	\$ 346,201
Gaming Comm. & Bd.	1,321,109	898,512	979,933	1,338,555	918,346	980,230
Dairy Comm.	173,241	140,856	141,430	176,511	143,518	144,097
Hoisting Engineers	762	762	762	807	807	807
Athletic Comm.	27,000	22,843	22,726	27,000	23,162	22,726
Racing Comm.	56,550	56,550	56,550	56,550	56,550	56,550
Private Detective	4,968	4,968	4,968	4,994	4,994	4,994
<u>Total Regulatory</u>	<u>\$ 1,895,992</u>	<u>\$ 1,442,371</u>	<u>\$ 1,539,771</u>	<u>\$ 1,928,619</u>	<u>\$ 1,492,829</u>	<u>\$ 1,555,605</u>

SCHEDULE 2 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>
<u>Conservation</u>						
Office of Director	\$ -0-	\$ 12,000	\$ 12,000	\$ -0-	\$ 12,000	\$ 12,000
Div. of Forestry	388,800	346,592	346,592	321,000	310,968	310,968
Forest Pest Control	5,000	5,000	5,000	5,000	5,000	5,000
Humboldt River	2,500	2,500	2,500	2,500	2,500	2,500
Oil and Gas Cons.	1,900	700	700	1,900	700	700
State Parks-Admin.	-0-	5,604	5,604	-0-	5,884	5,884
State Parks-Improve.	1,469,000	55,000	55,000	1,574,500	225,000	225,000
Parks-Marina Dev.	30,000	30,000	30,000	30,000	30,000	30,000
Fish & Game Comm.	1,887,937	1,855,080	1,867,240	1,816,982	1,785,907	1,797,495
Resource Planning	58,000	-0-	-0-	63,000	-0-	-0-
Fire Rehab.	5,000	-0-	-0-	5,000	-0-	-0-
<u>Total Conservation</u>	<u>\$ 3,848,137</u>	<u>\$ 2,312,476</u>	<u>\$ 2,324,636</u>	<u>\$ 3,819,882</u>	<u>\$ 2,377,959</u>	<u>\$ 2,389,547</u>
<u>Agriculture</u>						
Plant Industry	\$ 16,700	\$ 25,000	\$ 25,000	\$ 16,800	\$ 26,000	\$ 26,000
Weed & Insect Pest	2,800	2,741	2,741	2,800	3,090	3,090
Apiary Inspect.	7,975	7,775	7,799	7,735	7,535	7,559
Agri. Regist. & Enforce.	29,934	28,607	28,729	26,564	24,832	24,954
Animal Disease	100	100	100	100	100	100
Livestock Inspect.	166,528	155,555	165,049	160,986	154,123	158,616
Pred. Animal & Rodent	20,000	40,000	40,000	20,000	40,000	40,000
Woolgrowers Pred. Animal	48,137	48,137	48,676	44,034	44,034	44,580
Sheep Commission	15,600	15,600	15,600	15,600	15,600	15,600
Colorado River Comm.	165,576	162,306	163,271	179,176	175,035	176,083
<u>Total Agriculture</u>	<u>\$ 473,350</u>	<u>\$ 485,821</u>	<u>\$ 496,965</u>	<u>\$ 473,795</u>	<u>\$ 490,349</u>	<u>\$ 496,582</u>
<u>Employment Security</u>	<u>\$ 3,153,635</u>	<u>\$ 3,153,635</u>	<u>\$ 3,153,635</u>	<u>\$ 3,437,245</u>	<u>\$ 3,437,245</u>	<u>\$ 3,437,245</u>
<u>Highway Fund</u>						
Highway Department	\$53,688,000	\$53,688,000	\$53,688,000	\$ 62,393,000	\$62,393,000	\$ 62,393,000
Motor Vehicle Dept.	\$ 4,269,906	\$ 3,274,820	\$ 3,308,589	\$ 4,880,835	\$ 3,594,467	\$ 3,635,378
<u>Public Emp. Retire. Bd.</u>	<u>\$ 122,420</u>	<u>\$ 119,533</u>	<u>\$ 121,821</u>	<u>\$ 142,067</u>	<u>\$ 129,935</u>	<u>\$ 131,718</u>

SCHEDULE 2 (CONT.)

	<u>Fiscal Year 1967-68</u>			<u>Fiscal Year 1968-69</u>		
	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>	<u>Agency Request</u>	<u>Governor's Recommend.</u>	<u>Legislative Author.</u>
<u>Professional Boards</u>						
Accountancy	\$ 10,320	\$ 10,320	\$ 10,320	\$ 10,620	\$ 10,620	\$ 10,620
Architecture	13,300	13,300	13,300	13,300	13,300	13,300
Barbers Exam.	11,500	11,500	11,500	11,500	11,500	11,500
Basic Sciences	5,500	5,500	5,500	5,500	5,500	5,500
Chiropody	232	232	232	232	232	232
Chiropractic	8,650	8,650	8,650	8,650	8,650	8,650
Contractors	157,000	157,000	157,000	160,000	160,000	160,000
Cosmetology	29,000	29,000	29,000	29,000	29,000	29,000
Dental Exam.	12,756	12,756	12,756	12,816	12,816	12,816
Dispensing Opticians	500	500	500	500	500	500
Reg. & Prof. Engineers	27,100	27,100	27,100	27,800	27,800	27,800
Funeral Directors	4,540	4,540	4,540	4,650	4,650	4,650
Liq. Petro. Gas	15,200	15,200	15,200	15,200	15,200	15,200
Medical Exam.	25,095	25,095	25,095	26,335	26,335	26,335
Optometry	2,200	2,200	2,200	2,355	2,355	2,355
Osteopathy	500	500	500	500	500	500
Nurses	30,423	30,423	30,423	31,350	31,350	31,350
Pharmacy	37,500	37,500	37,500	37,500	37,500	37,500
Physical Therapy	500	500	500	500	500	500
Psychological Exam.	500	500	500	500	500	500
Veterinary	2,598	2,598	2,598	2,598	2,598	2,598
<u>Total Professional Boards</u>	<u>\$ 394,914</u>	<u>\$ 394,914</u>	<u>\$ 394,914</u>	<u>\$ 401,406</u>	<u>\$ 401,406</u>	<u>\$ 401,406</u>
<u>Total All Authorizations</u>	<u>\$89,801,361</u>	<u>\$83,701,280</u>	<u>\$90,659,548</u>	<u>\$100,576,628</u>	<u>\$94,293,417</u>	<u>\$101,280,543</u>

SCHEDULE 3

DETAILS BY AGENCY OF APPROPRIATIONS  
FROM STATE GENERAL FUND  
FOR THE FISCAL YEARS 1963-1969

(Includes Supplementals)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government</u>						
Governor's Office	\$ 120,890	\$ 121,668	\$ 135,795	\$ 154,352	\$ 168,569	\$ 170,913
Governor's Mansion	13,844	14,034	14,846	15,346	20,071	20,320
Lt. Governor's Office	6,225	6,225	7,669	8,147	9,129	9,129
Secretary of State	132,921	119,685	181,016	133,631	187,534	183,956
Secretary of State-Archives	-0-	-0-	-0-	-0-	19,016	19,535
Attorney General	125,069	127,131	172,435	175,462	174,329	175,071
Attorney General-Special Fund	10,000	10,000	10,000	15,000	10,000	10,000
State Controller	95,430	94,594	100,364	102,600	148,899	151,475
State Treasurer	53,935	53,120	56,266	63,188	68,927	68,778
Budget Division	88,944	90,970	106,698	111,412	134,938	137,333
Travel Adjustment	-0-	-0-	-0-	-0-	25,000	25,000
Record Services	-0-	-0-	-0-	-0-	30,090	25,089
Buildings and Grounds	391,218	441,750	462,459	457,300	Authorization	
Central Mail	16,138	16,611	16,626	17,154	20,497	20,822
Central Data Processing	-0-	-0-	17,652	25,252	-0-	-0-
Planning Board	122,091	124,341	136,348	136,335	171,822	173,226
Planning Board-Pre-Plan.	12,500	12,500	20,000	-0-	-0-	-0-
Tax Commission	603,482	610,740	694,739	720,575	813,375	836,004
Comm.-Vets. Affairs	37,523	37,694	47,704	47,607	63,370	63,452
Economic Development	96,996	96,996	111,328	112,160	108,667	109,048
Equal Rights Comm.	2,500	2,500	18,565	20,048	40,186	39,124
Indian Affairs Comm.	-0-	-0-	10,000	10,000	18,108	18,359
Officers Bond Prem.	3,750	3,750	3,750	3,750	3,750	3,750
Board of Finance	55,824	56,712	39,312	41,812	862	862
Supreme Court	138,115	135,659	144,225	147,587	276,300	277,612
Bd. of Pardons Comm.	4,000	3,041	2,012	3,018	4,023	3,017
Dist. Judges' Travel	21,000	21,000	24,550	23,650	24,900	24,900
Judges' Sal. & Pensions	298,437	298,437	328,497	361,942	434,136	434,136
Colorado River Interv.	40,000	40,000	-0-	-0-	-0-	-0-
Leg. Counsel Bureau	565,458	541,610	464,091	666,659	601,285	651,583
<u>Total General Government</u>	<u>\$ 3,056,290</u>	<u>\$ 3,080,768</u>	<u>\$ 3,326,947</u>	<u>\$ 3,573,987</u>	<u>\$ 3,577,783</u>	<u>\$ 3,652,494</u>
% Increase	--	0.8	8.0	7.4	0.1	2.1

SCHEDULE 3 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>University</u>						
General Operation	\$ 5,868,980	\$ 6,344,561	\$ 6,988,920	\$ 8,049,928	\$ -0-	\$ -0-
Laboratory School	-0-	-0-	25,000	25,000	-0-	-0-
Books	250,000	-0-	100,000	-0-	-0-	-0-
Dorm Furniture	-0-	-0-	151,735	-0-	-0-	-0-
Reno Campus-Instruct.	-0-	-0-	-0-	-0-	6,020,833	6,303,588
Technical Institute and Stead Operations	-0-	-0-	74,169	49,159	346,028	377,476
Technical Institute-L.V.	-0-	-0-	-0-	-0-	272,115	268,234
L.V. Campus-Instruct.	-0-	-0-	-0-	-0-	1,943,967	2,107,051
General Admin.	-0-	-0-	-0-	-0-	516,716	524,890
Statewide Services & DRI	-0-	-0-	-0-	-0-	1,697,753	1,762,565
Salary Adjust.	-0-	-0-	-0-	-0-	169,702	171,251
Books - Reno	-0-	-0-	-0-	-0-	406,216	417,430
Books - Las Vegas	-0-	-0-	-0-	-0-	358,988	379,795
<u>Total University</u>	<u>\$ 6,118,980</u>	<u>\$ 6,344,561</u>	<u>\$ 7,339,824</u>	<u>\$ 8,124,087</u>	<u>\$11,732,318</u>	<u>\$12,312,280</u>
% Increase	--	3.7	15.7	10.7	44.4	4.9
<u>Education</u>						
WICHE	\$ 37,511	\$ 64,376	\$ 68,752	\$ 91,138	\$ 33,327	\$ 126,111
Administration	281,665	288,540	316,358	321,638	388,385	394,987
Care of Deaf & Blind	78,750	80,750	95,075	137,635	125,225	133,175
Teachers' Retirement	1,667,351	1,867,967	2,113,212	2,232,331	2,573,707	2,809,493
School Const. Relief	-0-	-0-	122,020	-0-	259,128	-0-
Dist. School Fund	23,007,380	26,045,420	28,291,948	31,127,754	29,202,233	27,567,241
Emerg. Aid to Schools	15,000	1,545,000	-0-	1,500,000	-0-	-0-
Nat'l. Defense Educ X	-0-	-0-	-0-	-0-	9,000	9,000
Vocational Educ.	216,599	216,832	336,140	345,334	384,405	387,166
Adult Basic Educ.	-0-	-0-	5,000	5,000	5,000	5,000
Manpower Dev. & Train.	-0-	-0-	-0-	-0-	27,662	27,614
Driver Training	-0-	-0-	85,000	100,000	100,000	100,000
<u>Total Education</u>	<u>\$25,304,256</u>	<u>\$30,108,885</u>	<u>\$31,433,505</u>	<u>\$35,860,830</u>	<u>\$33,108,072</u>	<u>\$31,559,787</u>
% Increase	--	19.0	4.4	14.1	(7.7)	(4.7)

SCHEDULE 3 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Library, Museums, etc.</u>						
State Library	\$ 177,970	\$ 185,524	\$ 197,985	\$ 198,493	\$ 254,963	\$ 252,652
State Museum	59,313	59,547	66,242	67,162	74,772	75,173
Historical Society	44,750	50,853	41,300	51,496	70,531	50,147
Lost City Museum	16,769	13,583	13,894	14,493	16,546	16,646
Nevada Heritage Assoc.	-0-	-0-	1	1	1	1
<u>Total Library, Museums, etc.</u>	<u>\$ 298,802</u>	<u>\$ 309,512</u>	<u>\$ 319,422</u>	<u>\$ 331,645</u>	<u>\$ 416,813</u>	<u>\$ 394,619</u>
% Increase	--	3.6	3.2	3.8	25.7	(5.3)
<u>Health Department</u>						
Office of Director	\$ 26,169	\$ 24,239	\$ 29,403	\$ 28,637	\$ 63,190	\$ 63,478
Economic Opportunity	-0-	-0-	-0-	-0-	13,618	13,245
Preventive Medical	124,682	118,058	149,033	155,646	169,099	180,994
Environmental Health	213,330	210,891	266,319	259,345	318,899	321,647
CCS & MCH	98,347	103,849	150,054	159,889	221,646	246,183
Dental Health	55,229	56,495	66,932	66,182	38,409	90,749
Vital Statistics	29,729	30,537	36,545	36,649	117,819	127,109
Health Facilities	28,014	28,220	28,680	28,712	28,748	34,390
Spec. Child. Clinics	23,309	23,344	26,473	27,634	36,727	37,025
T.B. Mobile Unit	-0-	-0-	28,241	28,964	28,834	30,086
T.B. Care	612,652	664,301	324,305	385,760	463,326	478,613
Mental Hygiene	299,916	300,932	320,699	328,577	338,635	350,897
Mental Retardation	-0-	-0-	-0-	-0-	4,623	32,235
Mental Retard. Cottages	-0-	-0-	-0-	-0-	-0-	139,850
Vocational Rehab.	62,301	66,056	94,382	100,274	105,964	117,943
State Hospital	1,721,776	1,752,156	1,869,146	1,905,967	1,926,724	2,147,636
Alcoholism	25,498	26,116	29,039	28,989	30,341	30,654
<u>Total Health Department</u>	<u>\$ 3,320,952</u>	<u>\$ 3,405,244</u>	<u>\$ 3,419,251</u>	<u>\$ 3,541,225</u>	<u>\$ 3,956,602</u>	<u>\$ 4,442,734</u>
% Increase	--	2.5	0.4	3.6	11.7	12.3

SCHEDULE 3 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Welfare Department</u>						
Services to Blind	\$ 81,029	\$ 97,103	\$ 96,677	\$ 96,677	\$ 61,084	\$ 63,453
Old Age Assist.	1,078,800	1,090,100	1,085,502	1,239,410	753,375	753,375
Title XIX	-0-	-0-	-0-	-0-	877,799	1,053,961
Aid to Blind	152,280	148,050	143,820	143,820	91,008	91,008
Aid to Dep. Child.	676,200	690,000	795,000	870,700	752,400	792,300
Child Welfare	331,129	374,793	433,028	523,175	401,056	417,684
Welfare Admin.	424,670	427,468	595,698	628,742	878,084	904,197
Child. Home - C.C.	166,740	172,829	186,716	217,559	233,230	240,831
Child. Home - L.V.	-0-	-0-	-0-	-0-	-0-	83,213
Youth Training Center	551,883	610,663	785,587	823,678	836,898	846,789
Girls' Training Center	494,641	525,833	596,807	614,151	558,453	576,422
<u>Total Welfare Department</u>	<u>\$ 3,957,372</u>	<u>\$ 4,136,894</u>	<u>\$ 4,718,835</u>	<u>\$ 5,157,912</u>	<u>\$ 5,443,387</u>	<u>\$ 5,823,233</u>
% Increase	--	4.5	14.1	9.3	5.5	7.0
<u>Public Safety</u>						
State Prison	\$ 930,245	\$ 1,042,557	\$ 1,345,682	\$ 1,547,633	\$ 1,890,030	\$ 1,968,554
Parole & Probation	75,680	90,333	173,043	179,329	284,179	313,589
Civil Defense	20,237	20,237	23,038	23,641	23,809	23,847
Nat'l. Guard-Adj. Gen.	98,005	98,308	119,775	111,115	115,872	120,085
<u>Total Public Safety</u>	<u>\$ 1,124,167</u>	<u>\$ 1,251,435</u>	<u>\$ 1,661,538</u>	<u>\$ 1,861,718</u>	<u>\$ 2,313,890</u>	<u>\$ 2,426,075</u>
% Increase	--	11.3	32.8	12.0	24.3	4.8
<u>Regulatory</u>						
Inspector of Mines	\$ 51,385	\$ 52,695	\$ 51,183	\$ 54,673	\$ 60,921	\$ 61,686
Public Service Comm.	67,580	67,779	41,000	41,000	-0-	-0-
Labor Comm.	37,841	46,079	51,922	55,484	64,562	64,254
Commerce-Director	24,292	22,887	21,857	21,997	39,074	38,882
Insurance Division	106,926	107,692	140,452	141,025	159,742	163,106
Fire Marshal	-0-	-0-	20,200	20,010	42,010	39,617
Banking Division	79,588	87,800	106,934	107,976	134,736	138,399
Savings & Loan Division		Authorization	75,245	75,543	83,975	84,107
Real Estate Division		Authorization	104,421	105,086	114,485	115,357
<u>Total Regulatory</u>	<u>\$ 367,612</u>	<u>\$ 384,932</u>	<u>\$ 613,214</u>	<u>\$ 622,794</u>	<u>\$ 699,505</u>	<u>\$ 705,408</u>
% Increase	--	4.7	59.3	1.6	12.3	0.8

SCHEDULE 3 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Conservation</u>						
Office of Director	\$ 178,912	\$ 184,119	\$ 192,731	\$ 197,637	\$ 250,440	\$ 251,060
Water Resources	183,920	183,926	201,892	213,750	251,069	251,137
Federal Land Laws	-0-	-0-	6,030	6,030	10,269	10,269
Div. of Forestry	80,000	80,000	81,429	81,021	80,793	80,103
Forest Pest Control	5,000	5,000	5,000	5,000	5,000	5,000
Forest Fire Supp.	30,000	30,000	30,000	30,000	30,000	30,000
Humboldt River	40,000	30,000	6,853	6,853	7,244	7,244
Soil Conservation	750	750	750	750	750	750
State Parks-Admin.	129,133	117,769	173,724	167,783	201,518	205,209
State Parks-Improv.	121,858	83,650	85,000	85,000	134,475	106,000
Mining Advisory Bd.	800	800	800	800	800	800
Mining Coop. Fund	60,000	60,000	60,000	60,000	75,000	75,000
Calif.-Nev. Compact	51,677	28,702	30,787	30,787	20,000	20,000
Weather Modification	30,000	30,000	30,000	20,000	-0-	-0-
Colorado River Research	50,000	-0-	-0-	16,121	-0-	-0-
<u>Total Conservation</u>	<u>\$ 962,050</u>	<u>\$ 834,716</u>	<u>\$ 904,996</u>	<u>\$ 921,532</u>	<u>\$ 1,067,358</u>	<u>\$ 1,042,572</u>
% Increase	--	(13.2)	8.4	1.8	15.8	(2.3)
<u>Agriculture</u>						
Plant Industry	\$ 226,061	\$ 230,163	\$ 247,449	\$ 247,994	\$ 319,235	\$ 308,972
Weed & Insect Pest	51,957	53,025	53,472	53,018	54,873	57,513
Animal Disease Lab.	42,193	41,061	38,697	36,834	47,972	48,176
Livestock Disease	61,343	61,338	57,113	57,265	67,160	67,267
Pred. Animal & Rodent	112,694	112,694	117,807	119,113	128,877	130,467
Jr. Livestock Bd.	2,000	2,000	2,000	2,000	2,000	2,000
Ft. Mohave Devel.	7,500	7,500	7,500	7,500	7,500	7,500
<u>Total Agriculture</u>	<u>\$ 503,748</u>	<u>\$ 507,781</u>	<u>\$ 524,038</u>	<u>\$ 523,724</u>	<u>\$ 627,617</u>	<u>\$ 621,895</u>
% Increase	--	0.8	3.2	--	19.8	(0.9)

SCHEDULE 3 (CONT)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Miscellaneous</u>						
Cons. Bond Int.-Redempt.	\$ 553,707	\$ 770,730	\$ 1,061,335	\$ 1,223,496	\$ 1,038,377	\$ 5,582,698
Class. Salary Adj.	600,000	-0-	536,200	536,200	600,000	600,000
Capital Improvements	-0-	1,079,097	1,317,900	1,475,550	1,675,000	1,747,600
Bd. of Examiners	4,556	-0-	142,535	15,168	-0-	-0-
Statutory Conting.	10,000	-0-	780	7,567	-0-	-0-
Motor Vehicles	32,106	15,457	-0-	-0-	-0-	-0-
Spring Mt. Youth Camp	50,000	36,325	-0-	-0-	54,000	60,000
Bond Commissions	45,000	40,000	-0-	20,000	-0-	-0-
Hospital Revolving Fund	5,000	-0-	-0-	-0-	-0-	-0-
Marlette Lake Study	20,000	-0-	-0-	-0-	-0-	-0-
Marlette Lake Fund	25,000	-0-	-0-	35,000	-0-	-0-
Group Insurance	63,600	-0-	-0-	-0-	-0-	-0-
Mail Revolving	7,500	-0-	-0-	-0-	-0-	-0-
Lake Tahoe Park	1,600,000	-0-	60,000	28,785	-0-	-0-
Legislature Costs	130,000	430,000	250,000	600,000	-0-	-0-
State Warrants	-0-	55	-0-	303	-0-	-0-
Hospital Const. Relief	-0-	235,000	-0-	-0-	-0-	-0-
4th Ward School	-0-	15,000	-0-	-0-	-0-	-0-
USS America	-0-	200	-0-	-0-	-0-	-0-
Ins. Exam. Fund & Study	-0-	-0-	25,000	25,000	-0-	-0-
Carson Sewer Bill	-0-	-0-	10,883	-0-	-0-	-0-
Blind Revolving Fund	-0-	-0-	-0-	-0-	5,000	-0-
Pahrump Valley	-0-	-0-	-0-	-0-	26,000	26,500
Football Team-Nevada So.	-0-	-0-	-0-	-0-	15,000	-0-
State Employees-Merit Awards	-0-	-0-	-0-	-0-	4,000	-0-
Vocational Education	-0-	-0-	-0-	-0-	250,000	-0-
Ormsby Co. School Relief	-0-	-0-	-0-	140,000	-0-	-0-
General Services Revolving	-0-	-0-	-0-	12,250	-0-	-0-
Travel Revolving	-0-	-0-	-0-	20,000	-0-	-0-
Motor Pool	-0-	-0-	-0-	35,500	-0-	-0-
State Hospital Bus.	-0-	-0-	-0-	14,000	-0-	-0-
Las Vegas St. Assess.	-0-	-0-	-0-	9,330	-0-	-0-
Sawyer Portrait	-0-	-0-	-0-	5,000	-0-	-0-
Highway Safety Act	-0-	-0-	-0-	10,000	-0-	-0-
<u>Total Miscellaneous</u>	<u>\$ 3,146,469</u>	<u>\$ 2,621,864</u>	<u>\$ 3,404,633</u>	<u>\$ 4,213,149</u>	<u>\$ 3,667,377</u>	<u>\$ 8,016,798</u>
% Increase	--	(16.7)	29.9	23.7	(13.0)	218.6
 <u>Total All Appropriations</u>	 <u>\$48,160,698</u>	 <u>\$52,986,592</u>	 <u>\$57,666,203</u>	 <u>\$64,732,603</u>	 <u>\$66,610,722</u>	 <u>\$70,997,895</u>
% Increase	--	10.0	8.8	12.2	2.9	6.6

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DETAILS BY AGENCY OF AUTHORIZATIONS  
TO SPEND FUNDS FROM SOURCES OTHER THAN STATE GENERAL FUND  
FOR THE FISCAL YEARS 1963-1969

(These are authorizations not necessarily actual expenditures)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government</u>						
Attorney General	\$ 53,897	\$ 61,958	\$ 78,634	\$ 78,634	\$ 117,839	\$ 117,955
Attorney General-Special	7,500	7,500	-0-	-0-	-0-	-0-
Budget Division	-0-	-0-	-0-	-0-	9,600	10,100
Record Services	-0-	-0-	-0-	-0-	2,792	8,296
Insurance Revolving Fund	-0-	-0-	-0-	-0-	172,314	177,864
Data Processing	-0-	-0-	-0-	-0-	137,473	175,172
Personnel Division	131,152	143,359	202,299	214,629	223,091	231,414
Purchasing Division	122,530	123,089	143,427	161,373	217,940	212,926
Surplus Property	58,336	56,500	49,472	52,474	65,866	66,744
Buildings & Grounds	2,000	2,000	12,600	12,600	532,992	535,468
Central Mail	43,685	48,189	48,000	48,000	48,000	48,000
Central Telephone	200,720	208,720	271,819	272,244	283,710	284,360
Marlette Lake	26,206	26,894	44,600	46,800	27,776	27,424
Motor Pool	146,600	161,315	174,777	175,837	166,260	185,171
Planning Board	40,000	-0-	-0-	-0-	11,400	11,690
Tax Commission	47,000	47,000	54,000	54,000	59,500	59,500
District Judges' Travel	-0-	-0-	150	150	400	400
Printing Office	430,593	447,298	515,788	563,806	782,533	758,642
<u>Total General Government</u>	<u>\$1,310,219</u>	<u>\$1,333,822</u>	<u>\$1,595,566</u>	<u>\$1,680,547</u>	<u>\$2,859,486</u>	<u>\$2,911,126</u>
% Increase	--	1.8	19.6	5.3	70.1	1.8

SCHEDULE 4 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>University</u>						
General Operation	\$1,437,600	\$1,420,000	\$2,297,311	\$2,199,900	\$ -0-	\$ -0-
Reno Campus Instruction	-0-	-0-	-0-	-0-	1,593,308	1,663,450
Technical Institute and						
Stead Operations	-0-	-0-	-0-	-0-	191,159	199,159
Technical Institute-Las Vegas	-0-	-0-	-0-	-0-	-0-	15,000
Las Vegas Campus Instruction	-0-	-0-	-0-	-0-	575,842	623,650
Statewide Services & DRI	-0-	-0-	-0-	-0-	72,382	76,000
Agri. Experiment Station	271,346	271,346	525,859	533,126	495,562	495,562
Agri. Extension Service	235,579	235,579	306,321	303,876	385,097	385,097
<u>Total University</u>	<u>\$1,944,525</u>	<u>\$1,926,925</u>	<u>\$3,129,491</u>	<u>\$3,036,902</u>	<u>\$3,313,350</u>	<u>\$3,457,918</u>
% Increase	--	(0.9)	62.4	(3.0)	9.1	4.3
<u>Education</u>						
Administration	\$ 21,760	\$ 21,797	\$ 62,000	\$ 62,525	\$ 96,390	\$ 96,640
Teachers-Hand. Child.	13,000	13,000	25,000	35,000	51,000	51,000
Dist. School Fund	375,000	375,000	310,000	300,000	1,370,000	1,575,000
National Defense Education	101,195	101,195	125,437	125,437	111,249	111,249
National Defense Education X	-0-	-0-	-0-	-0-	26,000	28,000
Western Small Schools	51,722	46,550	48,158	47,162	35,490	11,071
Fleischmann Scholarships	67,277	77,606	109,409	116,145	194,109	165,590
Indian Education	56,000	56,000	59,942	59,936	84,615	84,673
Indian Scholarships	4,000	4,000	4,000	4,000	10,000	10,000
Vocational Education	254,246	254,246	474,277	526,753	552,372	552,372
Area Redevelopment	25,000	25,000	40,000	40,000	-0-	-0-
Adult Basic Education	-0-	50,000	50,000	50,000	50,000	50,000
Manpower Dev. & Training	511,590	947,772	433,120	325,179	333,562	333,938
Civil Defense Adult	-0-	20,000	47,777	95,997	99,652	114,710
8 State Rocky Mt.	-0-	-0-	12,675	22,732	31,208	31,208
Elem. & Sec.-Title I	-0-	-0-	872,223	865,338	1,072,600	1,572,000
Elem. & Sec.-Title II	-0-	-0-	211,763	53,733	277,845	383,240
Elem. & Sec.-Title V	-0-	-0-	90,593	83,377	178,335	178,335
<u>Total Education</u>	<u>\$1,480,790</u>	<u>\$1,992,166</u>	<u>\$2,976,374</u>	<u>\$2,813,314</u>	<u>\$4,574,427</u>	<u>\$5,349,026</u>
% Increase	--	34.5	49.4	(5.5)	62.6	16.9

SCHEDULE 4 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Library-Historical Society</u>						
State Library	\$ 52,935	\$ 53,935	\$ 140,454	\$ 139,254	\$ 203,744	\$ 245,643
Library Const.	-0-	-0-	120,455	120,455	196,535	136,148
Library Gift Fund	-0-	-0-	11,228	18,170	5,000	-0-
Inter-Library Coop.	-0-	-0-	-0-	44,535	66,802	89,070
Special Services 4A	-0-	-0-	-0-	-0-	7,000	7,000
Special Services 4B	-0-	-0-	-0-	27,644	73,716	92,146
Historical Society	-0-	-0-	-0-	-0-	3,000	3,000
<u>Total Library &amp; Historical Soc.</u>	<u>\$ 52,935</u>	<u>\$ 52,935</u>	<u>\$ 272,137</u>	<u>\$ 350,058</u>	<u>\$ 555,797</u>	<u>\$ 573,007</u>
% Increase	--	--	514.1	28.6	58.8	3.1
<u>Public Safety</u>						
State Prison	\$ 17,000	\$ 17,000	\$ 10,000	\$ 10,000	\$ 27,900	\$ 29,900
Civil Defense	20,237	20,237	23,038	23,641	23,809	23,848
Civil Defense-RADEF	-0-	-0-	30,028	15,941	29,347	30,413
Civil Defense-Comm. Plan.	-0-	-0-	-0-	14,309	26,070	11,782
Adj. Gen-National Guard	48,000	48,000	63,400	63,400	87,072	84,608
<u>Total Public Safety</u>	<u>\$ 85,237</u>	<u>\$ 85,237</u>	<u>\$ 126,466</u>	<u>\$ 127,291</u>	<u>\$ 194,198</u>	<u>\$ 180,551</u>
% Increase	--	--	48.4	0.7	52.6	(7.0)
<u>Health Department</u>						
Economic Opportunity	\$ -0-	\$ -0-	\$ 51,628	\$ 51,628	\$ 53,221	\$ 53,880
Preventive Medical	175,080	177,562	186,500	186,500	225,000	225,000
Environmental Health	66,000	66,000	56,000	56,000	63,852	64,031
CCS & MCH	144,447	144,473	234,800	234,800	310,000	310,000
Dental Health	31,822	31,841	37,400	37,400	53,500	53,500
Health Facilities	700	700	36,861	37,690	35,690	42,690
Special Child. Clinics	68,187	68,137	72,000	72,000	75,000	75,000
Venereal Disease	13,778	13,734	22,075	22,308	22,730	22,986
T.B. Follow-up	-0-	-0-	50,977	92,639	127,497	134,867
Armed Forces Reject.	-0-	497	10,467	15,848	16,117	16,200
Chronic Illness	52,512	53,276	60,817	61,728	85,344	85,727
Mental Hygiene	56,409	56,785	62,500	62,500	65,000	65,000
Mental Retardation	-0-	-0-	20,000	46,633	30,833	-0-
Vocational Rehabilitation	109,926	107,568	412,152	453,237	622,777	625,021
OASI Determination	55,231	59,550	64,525	76,448	142,882	150,726
Juvenile Delinq.	52,049	53,383	-0-	-0-	-0-	-0-
Nevada State Hospital	30,000	30,000	25,000	25,000	431,000	445,000
Convalescent Care	52,212	60,200	-0-	-0-	-0-	-0-
In-Service Training	-0-	-0-	9,846	19,224	24,751	25,000
In-Service Education	-0-	25,000	25,000	30,000	25,000	25,000
Intensive Treatment	-0-	-0-	71,889	79,444	100,000	100,000
<u>Total Health</u>	<u>\$ 908,353</u>	<u>\$ 948,759</u>	<u>\$1,510,437</u>	<u>\$1,661,077</u>	<u>\$2,510,194</u>	<u>\$2,519,628</u>
% Increase	--	4.4	59.2	10.0	51.1	0.4

SCHEDULE 4 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Welfare Department</u>						
Services to Blind	\$ 46,739	\$ 55,178	\$ 51,334	\$ 52,772	\$ 96,110	\$ 96,110
Old Age Assistance	1,621,920	1,608,840	2,818,023	3,376,130	1,429,575	1,429,575
Title XIX	-0-	-0-	-0-	-0-	4,169,578	4,609,021
Aid to Blind	101,520	98,700	95,880	95,880	94,800	94,800
Aid to Dep. Children	1,205,400	1,230,000	1,303,800	1,382,028	1,702,800	1,793,100
Child Welfare	84,189	98,947	130,800	146,860	139,112	142,416
Foster Homes-Indians	67,500	69,300	70,560	84,000	257,860	279,280
Title V-Coord.	-0-	-0-	24,600	25,894	37,411	30,314
Title V-Clark	-0-	-0-	574,592	1,030,912	1,844,913	1,632,688
Title V-McDermitt	-0-	-0-	107,781	182,676	253,757	190,543
Title V-Washoe	-0-	-0-	240,347	530,374	644,801	559,491
Welfare Adm.	484,383	491,034	699,215	737,746	936,048	974,468
Child. Home-Carson City	-0-	-0-	-0-	-0-	1,000	1,000
Youth Training Center	-0-	-0-	12,000	12,000	12,000	12,000
Girls' Training Center	-0-	-0-	12,000	12,000	4,000	4,000
Alcoholism	2,500	2,500	-0-	-0-	-0-	-0-
<u>Total Welfare</u>	<u>\$3,614,151</u>	<u>\$3,654,499</u>	<u>\$6,140,932</u>	<u>\$7,669,272</u>	<u>\$11,623,765</u>	<u>\$11,848,806</u>
% Increase	--	1.1	68.0	24.9	51.6	1.9
<u>Regulatory</u>						
Public Service Comm.	\$ 145,113	\$ 157,492	\$ 251,089	\$ 259,329	\$ 333,402	\$ 346,201
Gaming Comm. & Board	768,685	774,705	845,407	852,368	979,933	980,230
Dairy Commission	108,428	110,238	141,642	144,763	141,430	144,097
Hoisting Engineers	765	765	2,200	2,200	762	807
Athletic Commission	16,700	18,700	18,399	17,964	22,726	22,726
Racing Commission	3,000	3,000	46,520	46,520	56,550	56,550
Private Detective	6,444	4,444	5,013	5,013	4,968	4,994
Labor Comm.	7,990	1,000	-0-	-0-	-0-	-0-
Savings and Loan	47,201	45,665	Appropriation		Appropriation	
Real Estate	101,477	107,266	Appropriation		Appropriation	
<u>Total Regulatory</u>	<u>\$1,205,803</u>	<u>\$1,223,275</u>	<u>\$1,310,270</u>	<u>\$1,328,157</u>	<u>\$ 1,539,771</u>	<u>\$ 1,555,605</u>
% Increase	--	1.4	7.1	1.4	15.9	1.0

SCHEDULE 4 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Conservation</u>						
Office of Director	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 12,000	\$ 12,000
Division of Forestry	175,167	169,161	219,509	227,143	346,592	310,968
Forest Pest Control	-0-	-0-	5,000	5,000	5,000	5,000
Humboldt River	3,000	3,000	2,500	2,500	2,500	2,500
Oil and Gas Cons.	500	500	500	500	700	700
State Parks-Admin.	-0-	-0-	-0-	-0-	5,604	5,884
State Parks-Improvement	4,000	8,000	40,000	40,000	55,000	225,000
Park Planning	-0-	-0-	42,750	42,750	-0-	-0-
Parks-Marinas	-0-	-0-	-0-	-0-	30,000	30,000
Fish & Game Comm.	1,415,372	1,568,297	1,691,460	1,636,003	1,867,240	1,797,495
<u>Total Conservation</u>	<u>\$ 1,598,039</u>	<u>\$ 1,748,958</u>	<u>\$ 2,001,719</u>	<u>\$ 1,953,896</u>	<u>\$ 2,324,636</u>	<u>\$ 2,389,547</u>
% Increase	--	9.4	14.4	(2.4)	19.0	2.8
<u>Agriculture</u>						
Plant Industry	\$ 20,967	\$ 17,900	\$ 32,615	\$ 32,720	\$ 25,000	\$ 26,000
Weed & Insect Pest	4,037	2,870	3,000	3,000	2,741	3,090
Apiary Inspect.	7,286	6,976	7,679	7,323	7,799	7,559
Agri. Regist. & Enforce.	27,753	26,128	33,924	26,503	28,729	24,954
Animal Disease	-0-	-0-	100	100	100	100
Livestock Inspect.	112,638	123,973	131,873	131,693	165,049	158,616
Pred. Animal & Rodent	40,000	40,000	40,000	40,000	40,000	40,000
Woolgrowers Pred. Animal	61,465	62,130	64,343	64,391	48,676	44,580
Sheep Commission	16,000	16,000	16,000	16,000	15,600	15,600
Colorado River Comm.	130,668	129,489	161,568	165,175	163,271	176,083
<u>Total Agriculture</u>	<u>\$ 420,814</u>	<u>\$ 425,466</u>	<u>\$ 491,102</u>	<u>\$ 486,910</u>	<u>\$ 496,965</u>	<u>\$ 496,582</u>
% Increase	--	1.1	15.4	(0.8)	2.1	--
<u>Employment Security</u>						
Department - Total	\$ 2,275,453	\$ 2,565,550	\$ 3,235,053	\$ 3,653,105	\$ 3,153,635	\$ 3,437,425
% Increase	--	12.7	26.1	12.9	(13.7)	9.0
<u>Highway Department</u>						
Total	\$37,000,000	\$41,000,000	\$57,857,500	\$63,232,724	\$53,688,000	\$62,393,000
% Increase	--	10.8	41.1	9.3	(15.1)	16.2
<u>Department of Motor Vehicles</u>						
Total	\$ 2,445,256	\$ 2,200,126	\$ 2,739,251	\$ 2,741,167	\$ 3,308,589	\$ 3,635,378
% Increase	--	(10.0)	24.5	--	20.7	9.9

SCHEDULE 4 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Public Employees Retirement Board</u>						
Total	\$ 89,926	\$ 92,296	\$ 91,468	\$ 90,026	\$ 121,821	\$ 131,713
% Increase	--	2.6	(0.1)	(1.6)	35.3	8.1
<u>Professional Boards</u>						
Accountancy	\$ 5,340	\$ 5,540	\$ 8,225	\$ 8,200	\$ 10,320	\$ 10,620
Architecture	9,380	9,905	14,115	13,340	13,300	13,300
Barbers Exam.	-0-	-0-	11,450	11,550	11,500	11,500
Basic Sciences	3,550	3,585	5,200	5,500	5,500	5,500
Chiropody	246	246	232	232	232	232
Chiropractic	7,453	7,453	7,680	7,680	8,650	8,650
Contractors	113,250	116,970	151,000	156,000	157,000	160,000
Cosmetology	19,305	19,405	27,530	29,000	29,000	29,000
Dental Exam.	9,655	8,655	13,780	13,325	12,756	12,816
Dispensing Opticians	325	325	445	455	500	500
Reg. & Prof. Engineers	21,500	24,300	27,600	34,300	27,100	27,800
Funeral Directors	1,835	1,935	2,600	2,870	4,540	4,650
Liq. Petro. Gas	15,200	15,200	15,200	15,200	15,200	15,200
Medical Exam.	13,230	13,230	20,885	20,885	25,095	26,335
Optometry	1,468	1,468	1,781	2,058	2,200	2,355
Osteopathy	-0-	-0-	500	500	500	500
Nurses	12,000	12,000	17,800	19,000	30,423	31,350
Pharmacy	30,445	30,965	34,200	34,450	37,500	37,500
Physical Therapy	946	977	500	500	500	500
Psychological Exam.	-0-	-0-	500	500	500	500
Veterinary	1,935	1,935	2,352	2,352	2,598	2,598
Total Professional Boards	\$ 267,063	\$ 274,094	\$ 363,625	\$ 378,397	\$ 394,914	\$ 401,406
% Increase	--	2.6	32.6	4.0	4.3	1.6
<u>Total All Authorizations</u>						
	<u>\$54,698,564</u>	<u>\$59,524,108</u>	<u>\$83,341,391</u>	<u>\$91,202,843</u>	<u>\$90,659,548</u>	<u>\$101,280,543</u>
% Increase	--	8.8	40.8	8.8	(0.6)	11.7

DETAILS BY AGENCY OF TOTAL SPENDING POWER  
LEGISLATIVE AUTHORIZATIONS PLUS GENERAL FUND APPROPRIATIONS  
FOR THE FISCAL YEARS 1963-1969

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government</u>						
Governor's Office	\$ 120,390	\$ 121,663	\$ 135,795	\$ 154,352	\$ 168,569	\$ 170,913
Governor's Mansion	13,844	14,034	14,846	15,346	20,071	20,320
Lt. Governor's Office	6,225	6,225	7,669	8,147	9,129	9,129
Secretary of State	132,921	119,635	131,016	133,631	187,534	183,956
Secy. of State-Archives	-0-	-0-	-0-	-0-	19,016	19,535
Attorney General	178,966	189,039	251,069	254,096	292,168	293,026
Attorney General-Special	17,500	17,500	10,000	15,000	10,000	10,000
State Controller	95,430	94,594	100,364	102,600	148,899	151,475
State Treasurer	53,935	53,120	56,266	63,183	63,927	68,778
Budget Office	88,944	90,970	106,698	111,412	144,538	147,433
Travel Adjustment	-0-	-0-	-0-	-0-	25,000	25,000
Record Services	-0-	-0-	-0-	-0-	32,882	33,385
Buildings and Grounds	393,218	443,750	475,059	469,900	532,992	535,468
Ins. Revolving Fund	-0-	-0-	-0-	-0-	172,314	177,864
Data Processing	-0-	-0-	17,652	25,252	137,473	175,172
Central Mail	59,823	64,800	64,626	65,154	68,497	68,822
Central Telephone	200,720	208,720	271,819	272,244	283,710	284,360
Personnel Division	131,152	143,359	202,299	214,629	223,091	231,414
Purchasing Division	122,530	123,089	143,427	161,373	217,940	212,926
Surplus Property	58,336	56,500	49,472	52,474	65,866	66,744
Marlette Lake	26,206	26,894	44,600	46,800	27,776	27,424
Motor Pool	146,600	161,315	174,777	175,837	166,260	135,171
Planning Board	162,091	124,341	136,348	136,335	183,222	184,916
Planning Board Pre-Plan.	12,500	12,500	20,000	-0-	-0-	-0-
Tax Commission	650,482	657,740	748,739	774,575	872,875	895,504
Comm. Vets. Affairs	37,523	37,694	47,704	47,607	63,370	63,452
Economic Development	96,996	96,996	111,328	112,160	108,667	109,048
Equal Rights Comm.	2,500	2,500	18,565	20,048	40,186	39,124
Indian Affairs Comm.	-0-	-0-	10,000	10,000	18,108	18,359
Officers Bond Prem.	3,750	3,750	3,750	3,750	3,750	3,750
Board of Finance	55,824	56,712	39,312	41,812	862	862
Supreme Court	138,115	135,659	144,225	147,587	276,300	277,612
Bd. of Pardons Comm.	4,000	3,041	2,012	3,018	4,023	3,017
Dist. Judges' Travel	21,000	21,000	24,700	23,800	25,300	25,300
Judges' Sal. & Pensions	298,437	298,437	328,497	361,942	434,136	434,136

SCHEDULE 5 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>General Government (Cont.)</u>						
Printing Office	\$ 430,593	\$ 447,293	\$ 515,788	\$ 563,806	\$ 782,533	\$ 758,642
Colorado River Interv.	40,000	40,000	-0-	-0-	-0-	-0-
Legislative Counsel Bureau	565,458	541,610	464,091	666,659	601,285	651,583
<u>Total General Government</u>	<u>\$ 4,366,509</u>	<u>\$ 4,414,590</u>	<u>\$ 4,922,513</u>	<u>\$ 5,254,534</u>	<u>\$ 6,437,269</u>	<u>\$ 6,563,620</u>
% Increase	--	1.1	11.5	6.7	22.5	1.9
<u>University</u>						
General Operation	\$ 7,306,580	\$ 7,764,561	\$ 9,286,231	\$ 10,249,828	\$ -0-	\$ -0-
Laboratory School	-0-	-0-	25,000	25,000	-0-	-0-
Books	250,000	-0-	100,000	-0-	-0-	-0-
Dorm Furniture	-0-	-0-	151,735	-0-	-0-	-0-
Reno Campus-Instruct.	-0-	-0-	-0-	-0-	7,614,141	7,967,038
Technical Institute and						
Stead Operation	-0-	-0-	74,169	49,159	537,187	576,635
Technical Institute-L.V.	-0-	-0-	-0-	-0-	272,115	283,234
L.V. Campus-Instruct.	-0-	-0-	-0-	-0-	2,519,809	2,730,701
General Admin.	-0-	-0-	-0-	-0-	516,716	524,890
Statewide Services & DRI	-0-	-0-	-0-	-0-	1,770,135	1,838,565
Salary Adjust.	-0-	-0-	-0-	-0-	169,702	171,251
Books - Reno	-0-	-0-	-0-	-0-	406,216	417,430
Books - Las Vegas	-0-	-0-	-0-	-0-	358,988	379,795
Agri. Experiment Sta.	271,346	271,346	525,859	533,126	495,562	495,562
Agri. Extension Service	235,579	235,579	306,321	303,876	385,097	385,097
<u>Total University</u>	<u>\$ 8,063,505</u>	<u>\$ 8,271,486</u>	<u>\$ 10,469,315</u>	<u>\$ 11,160,989</u>	<u>\$ 15,045,668</u>	<u>\$ 15,770,198</u>
% Increase	--	2.6	26.6	6.6	34.8	4.8

SCHEDULE 5 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Education</u>						
WICHE	\$ 37,511	\$ 64,376	\$ 68,752	\$ 91,138	\$ 33,327	\$ 126,111
Administration	303,425	310,337	378,358	384,163	484,775	491,627
Care of Deaf & Blind	73,750	80,750	95,075	137,635	125,225	133,175
Teachers-Hand. Child.	13,000	13,000	25,000	35,000	51,000	51,000
Teachers' Retire.	1,667,351	1,867,967	2,113,212	2,232,331	2,573,707	2,809,493
Dist. School Fund	23,382,380	26,420,420	28,601,948	31,427,754	30,572,233	29,142,241
Emerg. Aid to Schools	15,000	1,545,000	-0-	1,500,000	-0-	-0-
School Const. Relief	-0-	-0-	122,020	-0-	259,128	-0-
Nat'l. Defense Educ.	101,195	101,195	125,437	125,437	111,249	111,249
Nat'l. Defense Educ. X	-0-	-0-	-0-	-0-	35,000	37,000
Western Sm. Schools	51,722	46,550	48,158	47,162	35,490	11,071
Fleischmann Scholar.	67,277	77,606	109,409	116,145	194,109	165,590
Indian Educ.	56,000	56,000	59,942	59,936	84,615	84,673
Indian Scholar.	4,000	4,000	4,000	4,000	10,000	10,000
Vocational Educ.	470,845	471,078	810,417	372,087	936,777	939,538
Area Redevelop.	25,000	25,000	40,000	40,000	-0-	-0-
Adult Basic Educ.	-0-	50,000	55,000	55,000	55,000	55,000
Manpower Dev. & Train.	511,590	947,772	433,120	325,179	361,224	361,552
Civil Defense Adult	-0-	20,000	47,777	95,997	99,652	114,710
8 State Rocky Mt.	-0-	-0-	12,675	22,732	31,208	31,208
Drivers Training	-0-	-0-	85,000	100,000	100,000	100,000
Elem. & Sec. Title I	-0-	-0-	872,223	865,338	1,072,600	1,572,000
Elem. & Sec. Title II	-0-	-0-	211,763	53,733	277,845	383,240
Elem. & Sec. Title V	-0-	-0-	90,593	83,377	178,335	178,335
<u>Total Education</u>	<u>\$ 26,785,046</u>	<u>\$ 32,101,051</u>	<u>\$ 34,409,879</u>	<u>\$ 38,674,144</u>	<u>\$ 37,682,499</u>	<u>\$ 36,908,813</u>
% Increase	--	19.8	7.2	12.4	(2.6)	(2.0)
<u>Library, Museums, etc.</u>						
State Library	\$ 230,905	\$ 238,459	\$ 338,439	\$ 337,747	\$ 458,707	\$ 498,295
Library Const.	-0-	-0-	120,455	120,455	196,535	136,148
Library Gift Fund	-0-	-0-	11,228	18,170	5,000	-0-
Inter-Library Coop.	-0-	-0-	-0-	44,535	66,802	89,070
Spec. Services 4A	-0-	-0-	-0-	-0-	7,000	7,000
Spec. Services 4B	-0-	-0-	-0-	27,644	73,716	92,146
State Museum	59,313	59,547	66,242	67,162	74,772	75,173
Historical Society	44,750	50,853	41,300	51,496	73,531	53,147
Lost City Museum	16,769	13,588	13,894	14,493	16,546	16,646
Nevada Heritage Assn.	-0-	-0-	1	1	1	1
<u>Total Library, Museums, etc.</u>	<u>\$ 351,737</u>	<u>\$ 362,447</u>	<u>\$ 591,559</u>	<u>\$ 681,703</u>	<u>\$ 972,610</u>	<u>\$ 967,626</u>
% Increase	--	3.0	63.2	15.2	42.7	(0.5)

SCHEDULE 5 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Public Safety</u>						
State Prison	\$ 947,245	\$ 1,059,557	\$ 1,355,682	\$ 1,557,633	\$ 1,917,930	\$ 1,998,454
Parole & Probation	75,680	90,333	173,043	179,329	234,179	313,589
Civil Defense	40,474	40,474	46,076	47,282	47,618	47,695
Civil Defense-RADEF	-0-	-0-	30,028	15,941	29,347	30,413
Civil Defense-Comm.Plan.	-0-	-0-	-0-	14,309	26,070	11,782
Adj. Gen. Nat'l. Guard	146,005	146,308	183,175	174,515	202,944	204,693
<u>Total Public Safety</u>	<u>\$ 1,209,404</u>	<u>\$ 1,336,672</u>	<u>\$ 1,788,004</u>	<u>\$ 1,989,009</u>	<u>\$ 2,508,088</u>	<u>\$ 2,606,626</u>
% Increase	--	10.5	33.8	11.2	26.1	3.9
<u>Health Department</u>						
Office of Director	\$ 26,169	\$ 24,289	\$ 29,403	\$ 28,637	\$ 63,190	\$ 63,478
Economic Opportunity	-0-	-0-	51,628	51,628	66,839	67,125
Preventive Medical	299,762	295,620	335,533	342,146	394,099	405,994
Environmental Health	279,330	276,891	322,319	315,345	382,751	385,678
CCS & MCH	242,794	248,325	384,854	394,689	531,646	556,183
Dental Health	87,051	88,336	104,332	103,582	141,909	144,249
Vital Statistics	29,729	30,537	36,545	36,649	117,819	127,109
Health Facilities	28,714	28,920	65,541	66,402	64,438	77,080
Spec. Child. Clinics	91,496	91,531	98,473	99,634	111,727	112,025
T.B. Mobile Unit	-0-	-0-	28,241	28,964	28,834	30,086
T.B. Care	612,652	664,301	324,305	385,760	463,326	478,613
Venereal Disease	13,778	13,734	22,075	22,308	22,730	22,986
T.B. Follow-up	-0-	-0-	50,977	92,639	127,497	134,867
Armed Forces Reject.	-0-	497	10,467	15,848	16,117	16,200
Chronic Illness	52,512	53,276	60,817	61,723	85,344	85,727
Mental Hygiene	356,325	357,717	383,199	391,077	403,635	415,897
Mental Retardation	-0-	-0-	20,000	46,633	35,456	32,235
Mental Retard. Cottages	-0-	-0-	-0-	-0-	-0-	139,850
Vocational Rehab.	172,227	173,624	506,534	553,511	728,741	742,964
OASI Determinations	55,231	59,550	64,525	76,448	142,882	150,726
Juvenile Delinq.	52,049	53,383	-0-	-0-	-0-	-0-
State Hospital	1,751,776	1,782,156	1,894,146	1,930,967	2,357,724	2,592,636
Convalescent Care	52,212	60,200	-0-	-0-	-0-	-0-
In-Service Train.	-0-	-0-	9,846	19,224	24,751	25,000
In-Service Educ.	-0-	25,000	25,000	30,000	25,000	25,000
Intensive Treat.	-0-	-0-	71,889	79,444	100,000	100,000
Alcoholism	27,998	28,616	29,039	28,989	30,341	30,654
<u>Total Health</u>	<u>\$ 4,231,805</u>	<u>\$ 4,356,503</u>	<u>\$ 4,929,688</u>	<u>\$ 5,202,302</u>	<u>\$ 6,466,798</u>	<u>\$ 6,962,362</u>
% Increase	--	2.9	13.1	5.5	24.3	7.7

**SCHEDULE 5 (CONT.)**

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<b>Welfare Department</b>						
Services to Blind	\$ 127,768	\$ 152,286	\$ 148,011	\$ 149,449	\$ 157,194	\$ 159,563
Old Age Assist.	2,700,720	2,698,940	3,903,525	4,615,540	2,182,950	2,182,950
Title XIX	-0-	-0-	-0-	-0-	5,047,377	5,662,982
Aid to Blind	253,800	246,750	239,700	239,700	185,808	185,808
Aid to Dep. Children	1,881,600	1,920,000	2,098,800	2,252,728	2,455,200	2,585,400
Child Welfare	415,318	473,740	563,828	670,035	540,168	560,100
Foster Homes-Indians	67,500	69,300	70,560	84,000	257,860	279,280
Title V Coord.	-0-	-0-	24,600	25,894	37,411	30,314
Title V Clark Co.	-0-	-0-	574,592	1,030,912	1,844,913	1,632,688
Title V McDermitt	-0-	-0-	107,781	132,676	253,757	190,543
Title V Washoe Co.	-0-	-0-	240,347	530,374	644,801	559,491
Welfare Admin.	909,053	918,502	1,294,913	1,366,488	1,814,132	1,878,665
Child. Home - C.C.	166,740	172,829	186,716	217,559	234,230	241,831
Child. Home - L.V.	-0-	-0-	-0-	-0-	-0-	83,213
Youth Train. Center	551,883	610,663	797,587	835,678	848,898	858,789
Girls' Train. Center	494,641	525,883	608,807	626,151	562,453	580,422
<b>Total Welfare Department</b>	<b>\$ 7,569,023</b>	<b>\$ 7,788,393</b>	<b>\$ 10,859,767</b>	<b>\$ 12,827,184</b>	<b>\$ 17,067,152</b>	<b>\$ 17,672,039</b>
% Increase	--	2.9	39.4	18.1	33.0	3.5
<b>Regulatory</b>						
Inspector of Mines	\$ 51,385	\$ 52,695	\$ 51,183	\$ 54,673	\$ 60,921	\$ 61,686
Public Service Comm.	212,693	225,271	292,089	300,329	333,402	346,201
Labor Comm.	45,831	47,079	51,922	55,484	64,562	64,254
Commerce-Director	24,292	22,887	21,857	21,997	39,074	38,882
Insurance Division	106,926	107,692	140,452	141,025	159,742	163,106
Fire Marshal	-0-	-0-	20,200	20,010	42,010	39,617
Banking Division	79,588	87,800	106,934	107,976	134,736	138,399
Savings & Loan Division	47,201	45,665	75,245	75,543	33,975	84,107
Real Estate Division	101,477	107,266	104,421	105,086	114,485	115,357
Dairy Comm.	108,428	110,238	141,642	144,763	141,430	144,097
Hoisting Engineers	765	765	2,200	2,200	762	807
Athletic Comm.	16,700	18,700	18,399	17,964	22,726	22,726
Racing Comm.	3,000	3,000	46,520	46,520	56,550	56,550
Private Detective	6,444	4,444	5,013	5,013	4,968	4,994
Gaming Comm.	768,685	774,705	845,407	852,368	979,933	980,230
<b>Total Regulatory</b>	<b>\$ 1,573,415</b>	<b>\$ 1,608,207</b>	<b>\$ 1,923,484</b>	<b>\$ 1,950,951</b>	<b>\$ 2,239,276</b>	<b>\$ 2,261,013</b>
% Increase	--	2.2	19.6	1.4	14.8	1.0

SCHEDULE 5 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Conservation</u>						
Office of Director	\$ 178,912	\$ 184,119	\$ 192,731	\$ 197,637	\$ 262,440	\$ 263,060
Water Resources	183,920	183,926	201,892	213,750	251,069	251,137
Federal Land Laws	-0-	-0-	6,030	6,030	10,269	10,269
Div. of Forestry	255,167	249,161	300,938	308,164	427,385	391,071
Forest Pest Control	5,000	5,000	10,000	10,000	10,000	10,000
Forest Fire Supp.	30,000	30,000	30,000	30,000	30,000	30,000
Humboldt River	43,000	33,000	9,353	9,353	9,744	9,744
Soil Conservation	750	750	750	750	750	750
Oil & Gas Conserv.	500	500	500	500	700	700
State Parks-Admin.	129,133	117,769	173,724	167,783	207,122	211,093
State Parks-Improv.	125,858	91,650	125,000	125,000	189,475	331,000
Park Planning	-0-	-0-	42,750	42,750	-0-	-0-
Parks-Marinas	-0-	-0-	-0-	-0-	30,000	30,000
Mining Advisory Bd.	800	800	800	300	800	800
Mining Coop. Fund	60,000	60,000	60,000	60,000	75,000	75,000
Calif.-Nev. Compact	51,677	28,702	30,787	30,787	20,000	20,000
Weather Modification	30,000	30,000	30,000	20,000	-0-	-0-
Colorado River Research	50,000	-0-	-0-	16,121	-0-	-0-
Fish and Game Comm.	1,415,372	1,568,297	1,691,460	1,636,003	1,867,240	1,797,495
<u>Total Conservation</u>	<u>\$ 2,560,039</u>	<u>\$ 2,583,674</u>	<u>\$ 2,906,715</u>	<u>\$ 2,875,428</u>	<u>\$ 3,391,994</u>	<u>\$ 3,432,119</u>
% Increase	--	0.9	12.5	(1.1)	18.0	1.2
<u>Agriculture</u>						
Plant Industry	\$ 247,028	\$ 248,063	\$ 280,064	\$ 280,714	\$ 344,235	\$ 334,972
Weed & Insect Pest	55,994	55,895	56,472	56,018	57,614	60,603
Apiary Inspect.	7,286	6,976	7,679	7,328	7,799	7,559
Agri. Regist. & Enforce.	27,753	26,128	33,924	26,503	28,729	24,954
Animal Disease Lab.	42,193	41,061	38,697	36,834	47,972	48,176
Livestock Disease	61,343	61,338	57,213	57,365	67,260	67,367
Livestock Inspection	112,638	123,973	131,873	131,693	165,049	158,616
Pred. Animal & Rodent	152,694	152,694	157,807	159,113	168,877	170,467
Jr. Livestock Bd.	2,000	2,000	2,000	2,000	2,000	2,000
Woolgrowers Pred. Animal	61,465	62,130	64,343	64,391	48,676	44,580
Sheep Commission	16,000	16,000	16,000	16,000	15,600	15,600
Ft. Mohave Develop.	7,500	7,500	7,500	7,500	7,500	7,500
Colorado River Comm.	130,668	129,489	161,568	165,175	163,271	176,083
<u>Total Agriculture</u>	<u>\$ 924,562</u>	<u>\$ 933,247</u>	<u>\$ 1,015,140</u>	<u>\$ 1,010,634</u>	<u>\$ 1,124,582</u>	<u>\$ 1,118,477</u>
% Increase	--	0.9	8.8	--	11.3	--

SCHEDULE 5 (CONT.)

	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
<u>Employment Security</u>	\$ 2,275,453	\$ 2,565,550	\$ 3,235,053	\$ 3,653,105	\$ 3,153,635	\$ 3,437,245
% Increase	--	12.7	26.1	12.9	(13.7)	9.0
<u>Highway Department</u>	\$ 37,000,000	\$ 41,000,000	\$ 57,857,500	\$ 63,232,724	\$ 53,688,000	\$ 62,393,000
% Increase	--	10.8	41.1	9.3	(15.1)	16.2
<u>Dept. Motor Vehicles</u>	\$ 2,445,256	\$ 2,200,126	\$ 2,739,251	\$ 2,741,167	\$ 3,308,589	\$ 3,635,378
% Increase	--	(10.0)	24.5	--	20.7	9.9
<u>All Others</u>						
Public Emp. Retire.	\$ 89,926	\$ 92,296	\$ 91,468	\$ 90,026	\$ 121,821	\$ 131,718
Professional Boards						
(See Schedule 4)	267,063	274,094	363,625	378,397	394,914	401,406
Miscellaneous Appropriations						
(See Schedule 3)	3,146,469	2,621,864	3,404,633	4,213,149	3,667,377	8,016,798
<u>Total All Others</u>	\$ 3,503,458	\$ 2,988,254	\$ 3,859,726	\$ 4,681,572	\$ 4,184,112	\$ 8,549,922
% Increase	--	(14.7)	29.2	21.3	(10.6)	204.3
<u>Total Spending Power</u>	\$102,859,262	\$112,510,700	\$141,507,594	\$155,935,446	\$157,270,270	\$172,278,438
% Increase	--	9.4	25.8	10.2	0.9	9.5